

# National Peroxide Limited



**ANNUAL REPORT  
2014-2015**

## AWARDS RECEIVED DURING 2014-2015

BRONZE MEDAL IN “NATIONAL AWARDS FOR MANUFACTURING COMPETITIVENESS 2013-2014”



Mr. Rakesh Goyal, Vice-President – Operations (in centre) receiving the Bronze Medal in “National Awards for Manufacturing Competitiveness 2013-14” presented by Padma Bhushan Dr. A. Sivathanu Pillai, (on right) Father of Brahmos Missile, on 6th June, 2014 in Chennai, at a ceremony organized by the International Research Institute for Manufacturing.

### MAHARASHTRA SAFETY AWARD - 2013



ICC AWARD FOR EXCELLENCE IN MANAGEMENT OF HEALTH / SAFETY / ENVIRONMENT - 2013



Mr. Rakesh Goyal, Vice-President – Operations & Mr. V. K. Valmiki, Sr. Manager – HSE, (third & fourth from left) receiving the ICC Award for Excellence in Management of Health / Safety / Environment for the year 2013, presented by Mr. Ananth Kumar, (second from left) Hon'ble Minister of Chemicals & Fertilizers, Government of India and Padma Vibhushan Dr. Anil Kakodkar, (on right) Former Chairman – Atomic Energy Commission of India on 30th September, 2014 in Mumbai.

*Please also see inside back cover*



(Registered — 16th March, 1954)

### **DIRECTORS** (As on 6<sup>th</sup> July, 2015)

NESS N. WADIA (Chairman)  
 K. N. SUNTOOK (upto 25<sup>th</sup> April, 2014)  
 R. BATRA  
 N. P. GHANEKAR  
 S. RAGOTHAMAN  
 S. R. LOHOKARE (Managing Director)

### **COMPANY SECRETARY**

H. B. CHINYO (upto 20<sup>th</sup> April, 2015)  
 SEEMA JAGNANI (w.e.f. 21<sup>st</sup> April, 2015)

### **BANKERS**

STATE BANK OF INDIA  
 CANARA BANK  
 THE HONGKONG & SHANGHAI BANKING CORPORATION LIMITED

### **SOLICITORS AND ADVOCATES**

CRAWFORD BAYLEY & Co.

### **AUDITORS**

S. B. BILLIMORIA & Co.  
 Chartered Accountants

### **REGISTERED OFFICE**

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

### **HEAD OFFICE:**

C-1, WADIA INTERNATIONAL CENTRE (BOMBAY DYEING),  
 PANDURANG BUDHKAR MARG,  
 WORLI, MUMBAI-400 025

### **FACTORY**

N.R.C. ROAD, P.O. ATALI,  
 VIA MOHONE, KALYAN - 421 102,  
 DIST. THANE, MAHARASHTRA.

### **REGISTRAR & SHARE TRANSFER AGENTS**

#### **SHAREX DYNAMIC (INDIA) PVT. LTD.**

UNIT : NATIONAL PEROXIDE LTD.  
 UNIT No. 1,  
 LUTHRA INDUSTRIAL PREMISES,  
 ANDHERI-KURLA ROAD, SAFED POOL,  
 ANDHERI (E), MUMBAI - 400 072.  
 Tel: 2851 5644/2851 5606

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# National Peroxide Limited

## NOTICE

### Registered Office:

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

### Head Office:

C-1, Wadia International Centre (Bombay Dyeing),  
Pandurang Budhkar Marg, Worli, Mumbai-400 025  
(CIN : L24299MH1954PLC009254)

Email : secretarial@naperol.com

Website: www.naperol.com

Phone : 022-66620000

Fax : 022-66193421

NOTICE is hereby given that the Sixty First Annual General Meeting of the Members of NATIONAL PEROXIDE LIMITED will be held at Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai 400 018 on Tuesday, 11<sup>th</sup> August, 2015 at 4.00 p.m. to transact the following business::

### Ordinary Business:

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, the reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, together with the Report of the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Mr. Ness N. Wadia (DIN: 00036049), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. 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. S. B. Billimoria & Co., Chartered Accountants, Mumbai (ICAI Registration No. 101496W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of Audit.”

### Special Business:

5. 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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. N. I. Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of organic and inorganic chemicals and industrial gases of the Company for the financial year ending 31<sup>st</sup> March, 2016, be paid remuneration of ₹ 3,00,000/- (Rupees Three Lakhs Only) plus service tax as applicable and reimbursement of travelling and out-of-pocket expenses incurred by them in connection with the aforesaid Audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT, the Board of Directors and / or the Company Secretary, of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provision of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s), thereof, for the time being in force), the Company hereby accords its approval to keep, maintain and preserve Register of Members together with the Index of Members, the Register of Debenture Holders together with the Index of Debenture Holders, other registers, the copies of all Annual Returns to be filed under Section 92 of the Companies Act, 2013 along with those filed under the provisions of the Companies

Act, 1956 together with the copies of certificates and documents required to be annexed thereto or any one or more of them, and/or any of the documents as required to be kept at the Registered Office of the Company be kept at the Company's Head Office situated at C-1, Wadia International Centre (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai 400 025, instead of being kept at the Registered Office of the Company.

RESOLVED FURTHER THAT, any one Director and / or the Company Secretary of the Company, be and is/are hereby jointly and/or severally, authorised to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI  
Company Secretary

Mumbai, 6<sup>th</sup> July, 2015

**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 a proxy on behalf of members not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- (b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.

- (c) **The Members are hereby informed that Mrs. Hema Hattangady (DIN: 00175563) was appointed as Additional/Independent Director on the Board of the Company w.e.f. 31<sup>st</sup> March, 2015. The Nomination and Remuneration Committee at its meeting held on 26<sup>th</sup> May, 2015 had recommended to the Board the appointment of Mrs. Hattangady as Independent Director of the Company for a period of 5 years. The Board at its meeting held later on the same day had approved the appointment of Mrs. Hattangady as Independent Director pursuant to Sections 149, 152 read with Schedule IV and all other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amendment(s) or modification(s) thereof for the time being in force and Clause 49 of the Listing Agreement, as amended for a period of 5 years from the conclusion of the ensuing Annual General Meeting to be held on 11<sup>th</sup> August, 2015 upto 10<sup>th</sup> August, 2020, subject to the approval of the members.**

**Mrs. Hattangady tendered her resignation for personal and unavoidable circumstances from the Board of the Company w.e.f. 2<sup>nd</sup> July, 2015. Consequent to which the Board vide Circular Resolution dated 6<sup>th</sup> July, 2015 noted the resignation of Mrs. Hattangady and approved revised Notice convening the 61<sup>st</sup> Annual General Meeting by deleting the item for appointment of Mrs. Hattangady as Independent Director.**

**The members are also informed that serial no. 31 in the Directors' Report mentions about the appointment of Mrs. Hattangady as an Independent Director, since the Directors' Report has to be dated the date on which the Annual Accounts are adopted by the Board of Directors viz. 26<sup>th</sup> May, 2015.**

- (d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (e) A brief resume of the Director proposed to be re-appointed, nature of expertise in functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is annexed hereto as 'Annexure II'.
- (f) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday,



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29<sup>th</sup> July, 2015 to Tuesday, 11<sup>th</sup> August, 2015 (both days inclusive) for the purpose of determining eligibility of members entitled to dividend.

(g) The dividend as recommended by the Board of Directors, if approved by the members at this Annual General Meeting, shall be paid on or after Wednesday 12<sup>th</sup> August, 2015 to those members whose names appear

(i) as Beneficial Owners as at the close of the business hours on Tuesday, 28<sup>th</sup> July, 2015 as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited in respect of shares held in electronic form; and

(ii) as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Tuesday, 28<sup>th</sup> July, 2015. Transfer Documents received after Tuesday, 28<sup>th</sup> July, 2015 will not be considered for the aforesaid purposes.

(h) Members are requested to notify immediately any change of address:

- i. to their Depository Participants (DPs) in respect of their electronic share accounts, and
- ii. to the Company's Registrar & Share Transfer Agents, Sharex Dynamic (India) Pvt. Ltd. (RTA), at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072, (Tel: 022-28515644 / 022-28515606) in respect of their physical share folios, if any, quoting their folio numbers.

(i) In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

(j) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, (corresponding to Section 205A and 205C of the Companies Act, 1956) dividends for the financial year ended 31<sup>st</sup> March, 2008 and thereafter,

which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education & Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend
2007-08	23.07.2008	22.07.2015
2008-09	21.07.2009	20.07.2016
2009-10	30.07.2010	29.07.2017
2010-11	08.08.2011	07.08.2018
2011-12	09.08.2012	08.08.2019
2012-13	14.08.2013	13.08.2020
2013-14	11.08.2014	10.08.2021

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to Sharex Dynamic (India) Pvt. Ltd. (RTA), at the address given above, quoting their folio numbers/ DP ID & Client ID.

(k) Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's RTA mentioned above.

(l) Members are requested to refer to the Note on **“Green Initiative”** appended to this Notice.

(m) Members intending to require information about the Financial Accounts, to be explained at the Meeting are requested to inform the Company at least 10 days prior to the date of meeting so that the requisite information can be readily made available at the meeting.

(n) Members/proxies should bring the attendance slip duly filled in and signed for attending the Meeting and hand over the same at the entrance of the Hall.

(o) Members are requested to bring their copy of the Annual Report to the meeting.

(p) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

(q) Members may also note that the Notice of the 61<sup>st</sup> Annual General Meeting will also be available on the Company's website: [www.naperol.com](http://www.naperol.com) and website of CDSL: [www.cdslindia.com](http://www.cdslindia.com). The copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on all working days except Saturdays, Sundays and Public Holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.

**(r) Voting through Electronic Means:**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company has provided 'remote e-voting' [e-voting from a place other than venue of the Annual General Meeting (AGM)] facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of the 61<sup>st</sup> AGM of the Company, dated 6<sup>th</sup> July, 2015.
- II. The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- III. The remote e-voting period commences on 8<sup>th</sup> August, 2015 (9.00 a.m.) and ends on 10<sup>th</sup> August, 2015 (5.00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5<sup>th</sup> August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 10<sup>th</sup> August, 2015.

IV. The process and manner for remote e-voting are as under:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily



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enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant <Company Name> i.e. National Peroxide Limited on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the Log-in password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non-Individual Shareholders and Custodians:
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (s) Mr. Nilesh Shah of Nilesh Shah & Associates, Practicing Company Secretary, (Membership No. 2631) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (t) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (u) The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.naperol.com](http://www.naperol.com) and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
- (v) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI  
Company Secretary

Mumbai, 6<sup>th</sup> July, 2015



## GREEN INITIATIVE

### Regarding Service of Documents to Shareholders by E-mail

The Ministry of Corporate Affairs ('MCA') has expressly permitted Companies to effect service of documents on shareholders through the electronic mode by giving each shareholder an opportunity to register with the Company his/her e-mail address.

We, therefore, plan to send documents such as the Annual Report, notices of general meetings, circulars and postal ballot notices by e-mail to those shareholders whose e-mail IDs are available with us.

MCA has clarified that service of documents on shareholders through e-mail will constitute sufficient compliance with Section 20 of the Companies Act, 2013.

In view of the above, should you desire to receive documents from the Company through the electronic mode, please intimate/update your e-mail IDs to:

- (1) Your Depository Participant(s) (DP(s)) in respect of shares held in demat form; and
- (2) The Company's Registrar & Transfer Agents, in respect of shares held in physical form, either by sending e-mail at [naperol@sharexindia.com](mailto:naperol@sharexindia.com) or sending a letter duly signed by first/sole holder, quoting the full name and folio to the following address:

Sharex Dynamic (India) Pvt. Ltd.  
(Unit-NATIONAL PEROXIDE LIMITED)  
Unit No. 1, Luthra Industrial Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (E), Mumbai – 400 072.  
Tel: 2851 5644/2851 5606

You may, however, change your instructions at any time and request us to send you the documents in the physical form only.

The documents that we propose e-mailing you will also be available for ready access on our website [www.naperol.com](http://www.naperol.com).

We trust, as a responsible citizen, you will join us in our initiative to conserve our environment through the curtailment of consumption of paper.

## ANNEXURE I TO THE NOTICE

### Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013.

#### Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. N. I. Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023) as Cost Auditors to conduct the audit of the cost records of organic and inorganic chemicals and industrial gases of the Company at a remuneration of ₹ 3,00,000/- (Rupees Three Lac Only) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the financial year ending 31<sup>st</sup> March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. to 1.00 p.m. upto and including the date of the Annual General Meeting.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors commends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the shareholders.

#### Item No. 6

As per the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Register of Members together with Index of Members, Register of Debenture Holders together with Index of Debenture Holders, other registers, the copies of Annual Returns, the copies of certificates and documents required to be annexed thereto, which are normally required to be kept at the Registered Office of the Company can be kept at any other place in India, in which more than one-tenth of total Members reside, other than the Registered Office of the Company, provided such other place has been approved by the members by way of a special resolution.



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It is proposed to keep, maintain and preserve Register of Members together with Index of Members, Register of Debenture Holders together with Index of Debenture Holders, the copies of Annual Returns, the copies of certificates and documents required to be annexed thereto, at the Head Office of the Company situated at C-1, Wadia International Centre (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai 400 025.

Accordingly, the Board of Directors commends the Special Resolution as set out at Item No. 6 of the Notice for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI  
Company Secretary

Mumbai, 6<sup>th</sup> July, 2015

## ANNEXURE II TO THE NOTICE

### Brief Resume of Director proposed to be re-appointed

#### Mr. Ness N. Wadia

Mr. Ness N. Wadia, 44, is currently the Chairman of the Company and was inducted as a Non-Executive Director in March 1997. He currently serves as the Managing Director of The Bombay Burmah Trading Corporation Limited and is a Director in The Bombay Dyeing & Manufacturing Company Limited, and is also actively involved in the running of the award-winning Wadia Hospitals and the Group's educational establishments, where he is instrumental in improving their effectiveness and visibility.

Mr. Wadia has been actively associated for over 20 years with the Wadia Group, an Indian conglomerate with interests in a plethora of sectors like Food and Dairy, Textiles, Real Estate Development, Chemicals, Plantations and Aviation. His time at Bombay Dyeing began in 1993 as a management trainee. During the early stages of his career, he was closely involved in marketing and retail distribution of the textile division of the Company, and was the driving force behind the creation of Bombay Dyeing's real estate division.

In 1998, he began a Master's degree in Science (M.Sc.) of Engineering Management from the University of Warwick with a thesis titled "Leading to Success in India". After receiving his degree in 2001, he returned as Deputy Managing Director of Bombay Dyeing and was later promoted to Joint Managing Director. Mr. Wadia was appointed to this position in August 2001 and continued till March 2011.

Mr. Wadia was active in major industry organisations such as the Cotton Textiles Export Promotion Council, a council he once chaired, Mill Owners' Association (MOA). Mr. Wadia was once the Chairman of the FICCI -Maharashtra State Council and has been associated with FICCI as an executive committee member, Chairman of the FICCI Lifestyle Forum, Young Leaders Forum and Co-Chairman of the Real Estate Forum.

Mr. Wadia also leads the Wadia Group's philanthropic activities. As a trustee on boards of the Sir Ness Wadia Foundation and other trusts, he drives efforts in reaching out to the less fortunate.

Mr. Wadia is a co-owner of Kings XI Punjab, a prominent cricket team in the Indian Premier League. Since the team's inception, he has been the driving force behind the cricketing aspects of the team, and his personal objective is to harness young unknown talent and mentor budding cricketers to help achieve their dreams.

**Outside Directorship:** The Bombay Dyeing & Mfg. Co. Ltd., The Bombay Burmah Trading Corporation Ltd. (Managing Director); Britannia Industries Ltd., Go Airlines (India) Ltd., Wadia Techno Engineering Services Ltd., Wadia Investments Ltd., Virtual Education Network Pvt. Ltd., K.P.H. Dream Cricket Pvt. Ltd., Go Investments & Trading Pvt. Ltd., Naira Holdings Ltd. and Leila Lands SB, Malaysia.

**Committee Membership:** Finance Committee and Corporate Social Responsibility (CSR) Committee (Chairman) of The Bombay Dyeing & Mfg. Co. Ltd.; Audit Committee, CSR Committee, Finance Committee, Strategy and Innovation Steering Committee and Executive Committee of Britannia Industries Ltd.; Stakeholders' Relationship Committee of The Bombay Burmah Trading Corporation Ltd.; and Nomination and Remuneration Committee, CSR Committee and Executive Committee of National Peroxide Ltd.

Mr. Wadia is not related to any of the other Directors. He does not hold any shares of the Company.

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI  
Company Secretary

Regd. Office:

Neville House, J. N. Heredia Marg,  
Ballard Estate, Mumbai 400 001  
Phone: 022-66620000  
Fax: 022-66193421  
CIN: L24299MH1954PLC009254  
Website: [www.naperol.com](http://www.naperol.com)

Mumbai, 6<sup>th</sup> July, 2015

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors take pleasure in presenting their 61<sup>st</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2015.

**1. FINANCIAL RESULTS**

(₹ in lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Revenue from Operations (Net of Excise) and Other Income	20,266.12	24,062.71	20,311.98	24,197.41
Exceptional Items	—	119.56	—	119.56
Profit before Interest, Depreciation & Tax (EBITDA)	2,830.41	6,832.95	2,875.25	6,966.92
Finance Charges	468.40	21.65	468.40	21.65
Depreciation	721.31	973.44	721.31	973.44
Provision for Tax (including for earlier years)				
(Less) Current Tax	—	1,928.00	0.03	1,929.49
(Less) Deferred Tax	984.72	48.03	984.72	48.03
(Less) Short Provision of Taxes relating to prior years	32.49	—	33.26	—
Net Profit After Tax	623.49	3,861.83	667.53	3,994.31
Profit brought forward from previous year	16,799.21	14,332.94	16,936.50	14,377.95
Depreciation on transition to Schedule II of the Companies Act, 2013	41.67	—	41.67	—
<b>Surplus Available For Appropriations</b>	<b>17,381.03</b>	<b>18,194.77</b>	<b>17,562.36</b>	<b>18,372.26</b>
<b>Appropriations to:</b>				
Proposed Dividend	287.35	862.05	287.35	862.05
Dividend Distribution Tax	58.50	146.51	58.50	146.51
Transferred to General Reserve	—	387.00	4.48	400.40
Transferred to Special Reserve u/s. 45IC of the RBI Act, 1934	—	—	8.96	26.80
Profit carried to Balance Sheet	17,035.18	16,799.21	17,203.07	16,936.50

**2. DIVIDEND**

Your Directors have recommended a dividend of ₹ 5/- per equity share for FY 2014-15, to be paid, if declared by the members at the Annual General Meeting to be held on 11<sup>th</sup> August, 2015.

**3. TRANSFER TO RESERVES**

During the current financial year, there were no transfers made to reserves.

**4. STATE OF COMPANY'S AFFAIRS**

The gross sales and other income for the year under review were ₹ 20,266 lac as against ₹ 24,063 lac for the previous year, registering a decrease of 16.6%. The profit before tax was ₹ 1,578 lac (after interest and depreciation charges of ₹ 1,190 lac) and the profit after tax was ₹ 561 lac for the year under review as against ₹ 5,838 lac and ₹ 3,862 lac respectively, for the previous year, registering decrease of 73% and 85% respectively.

The Company produced 72,089 MT of Hydrogen Peroxide, during the year under review, as compared to 83,931 MT during the previous year.

The Company sold 75,773 MT of Hydrogen Peroxide during the year under review, as against 78,295 MT during the previous year, due to restricted sales from inventory during the expansion shutdown. In addition, the Company imported and sold Nil MT of Hydrogen Peroxide during the year, as compared to 1,680 MT for the previous year. The Company continues to maintain its prime position in the market and held 38% market share (period excluding quarter during which plant was shutdown) during the year.

2.90 Million Cubic Meters (MCM) of Hydrogen Gas were also sold during the year as against 4.07 MCM during the previous year. The sale of Hydrogen Gas was lower due to the shutdown for expansion.



# National Peroxide Limited

The crude oil prices dropped significantly leading to sharp decline in liquid fuels such as naphtha and furnace oil during the year. The Company has a long term gas contract with GAIL India Ltd. The said contract is based on 60 months average of crude oil prices with a cap and floor price. As a result the long term contract prices of natural gas were higher than the spot prices. The company's cost therefore has not come down inspite of lower crude oil prices.

During the year under review, your Company completed its plant expansion activities to increase the capacity of the Hydrogen Peroxide Plant from 84,000 MTPA to 95,000 MTPA. The Kalyan plant was shut down from 28<sup>th</sup> April, 2014 to 29<sup>th</sup> June, 2014 at which point the trial runs commenced. The plant started commercial production from 29<sup>th</sup> September, 2014.

The decline in sales volume during the year was partially due to the shutdown and sluggish market conditions. The decline in profit was due to lower sales realization arising from higher imports at lower prices and intense domestic competition.

The Company views its future prospects with cautious optimism. Due to surplus in the neighbouring countries such as Pakistan, Bangladesh and in Thailand and domestic competition there is intense pressure on the domestic prices. One of the major consumers of Hydrogen Peroxide, namely, the paper industry has been facing problems of large scale imports of newsprint from Russia and writing and printing paper from China. As a result, the consumption of Hydrogen Peroxide has also been affected. The cost of natural gas is a major part of the Company's operating cost. The said cost is expected to come down at a slower pace during the coming year thereby not allowing the full benefit of lower oil prices to the Company.

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

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

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

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

## 7. AWARDS AND RECOGNITION

The Company received the following awards during the year 2014-15:

Sl. No.	Name of Award	Award Received from
1.	Bronze Medal in "National Awards for Manufacturing Competitiveness 2013-2014"	International Research Institute of Manufacturing
2.	Vishwakarma Rashtriya Puraskar & National Safety Awards (Lowest Average Frequency Rate) for Performance Year 2012	National Safety Awards Committee, Government of India, Ministry of Labour & Employment.
3.	Vishwakarma Rashtriya Puraskar & National Safety Awards (Accident Free Year) for Performance Year 2012	-do-
4.	Certificate of Merit for Achieving Zero Accident Frequency Rate in Maharashtra Safety Awards Competition 2013	National Safety Council, Maharashtra Chapter
5.	Excellence in Management of Health / Safety / Environment	Indian Chemical Council
6.	Certificate of Merit for Excellence in Energy Conservation and Management	Indian Chemical Council
7.	Certificate of Appreciation in recognition of appreciable achievement in Occupational Safety & Health during the assessment period of three years 2011 to 2013	National Safety Council of India

## 8. SAFETY & ENVIRONMENT

The Company continues to maintain a good safety and environmental record and has worked for 118 days without Lost Time Injury as on 31<sup>st</sup> March, 2015.

## 9. INSURANCE

All the properties of the Company, including buildings, plant and machinery, stocks and materials have been adequately insured. The Company also has a public liability insurance policy as per the Public Liability Insurance Act, 1991.

## 10. FIXED DEPOSITS

The Company does not accept fresh deposits at present and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## 11. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one subsidiary, Naperol Investments Limited. It does not have any joint ventures and associate companies.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of Naperol Investments Limited (in Form AOC-1) is forming part of the Consolidated Financial Statements.

Pursuant to Section 136 of the Companies Act, 2013, the Company is exempted from attaching to its Annual Report, the Annual Report of the Subsidiary Company viz. Naperol Investments Limited.

The financial statement of the subsidiary company is kept open for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary company to the shareholders upon their request. The statements are also available on the website of the Company at [www.naperol.com](http://www.naperol.com).

## 12. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANY, NAPEROL INVESTMENTS LIMITED

Naperol Investments Limited (Naperol) is a wholly owned subsidiary of National Peroxide Limited. Naperol, incorporated on 6<sup>th</sup> May, 1980, is a registered Non Banking Financial Company as provided by Section 45 – IA of the Reserve Bank of India Act, 1934. The Company is engaged in the business of long term investment.

During the year under review, the Company earned a profit after tax of ₹ 44.02 lacs as against ₹ 132.48 lacs in 2013-14.

## 13. CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 and as per Accounting Standard (AS) - 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements together with Auditors' Report are annexed.

The consolidated net profit of the Company and its subsidiary amounted to ₹ 604.94 lacs for the financial year ended on 31<sup>st</sup> March, 2015 as compared to ₹ 3,994.31 lacs on a standalone basis.

## 14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with BSE Ltd. is appended as **Annexure I**.

## 15. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance in terms of Clause 49 of the Listing Agreement with BSE Ltd. have been complied with.

A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a Certificate from a Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance, which is appended as **Annexure II**.

## 16. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 and rules framed thereunder.

The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure III**.



# National Peroxide Limited

## 17. DETAILS OF BOARD MEETINGS

During the year, five Board Meetings were held, details of which are provided in Corporate Governance Report.

## 18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Control Systems. The Internal Control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The details about the adequacy of Internal Financial Controls are provided in the Management Discussion and Analysis Report.

## 19. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹ 574.70 Lacs. During the year under review, there is no change in the Share Capital of the Company.

## 20. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT-9 is appended as **Annexure IV**.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

## 22. STATUTORY AUDITORS

M/s. S. B. Billimoria & Co., Chartered Accountants, (ICAI Registration No. 101496W), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment from the conclusion of the ensuing AGM upto the conclusion of the following AGM. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed thereunder for re-appointment as Auditors of the Company.

## 23. AUDITORS' QUALIFICATIONS

There are no qualifications, reservations or adverse remarks made in the Statutory Auditors' Report.

## 24. COST AUDIT

As per the Cost Audit Orders, Cost Audit is applicable to the Company's organic & inorganic chemicals and industrial gases products/business of the Company for the FY 2015-16.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. N. I. Mehta & Co., Cost Accountants, (ICWA Registration No. 000023) have been appointed as Cost Auditors to conduct the audit of cost records of the Company for the financial year 2015-16. The remuneration of Rs. 3,00,000/- plus service tax, as applicable, and re-imbursalment of travelling and out-of-pocket expenses incurred by them, which is proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditors is being sought at the ensuing AGM.

The Company has submitted its Cost Audit Report for 2013-14 with the Ministry of Corporate Affairs within the stipulated time period.

## **25. SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Parikh & Associates, Practising Company Secretaries, have been appointed as Secretarial Auditors of the Company to carry out Secretarial Audit. The report of the Secretarial Auditors is appended as **Annexure V**.

## **26. EXPLANATIONS OR COMMENTS ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK MADE BY THE COMPANY SECRETARY IN PRACTICE IN THE SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made in the Report of the Secretarial Auditor.

## **27. LISTING OF SHARES**

The equity shares of the Company are listed on BSE Limited, situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The Company has paid necessary listing fees to BSE Limited as prescribed in the listing agreement.

## **28. RELATED PARTY TRANSACTIONS**

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company (weblink: [http://www.naperol.com/pdf/boardpolicies/RPT\\_Policy.pdf](http://www.naperol.com/pdf/boardpolicies/RPT_Policy.pdf)). All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

During the year, the Company had not entered into any contract/arrangement/transactions with related parties which could be considered as material. The related party transactions are disclosed under Note No. 30 of the Notes to Financial Statements for the year 2014-15.

## **29. AUDIT COMMITTEE**

The Audit Committee of the Company comprises of 3 Independent Directors. The details are provided in the Corporate Governance Report.

Pursuant to the requirements of the Companies Act, 2013, the Company has established vigil mechanism through the Audit Committee for directors and employees to report genuine concerns about unethical behaviour, actual or suspended fraud or violation of the Company's Code of Conduct or ethics policy.

The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

The details of establishment of such mechanism is also disclosed on the Company's website at [www.naperol.com](http://www.naperol.com).

## **30. RISK MANAGEMENT POLICY**

The Company has formulated a Risk Assessment & Management Policy. The details of the Risk Management are covered in the Corporate Governance Report.

## **31. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year, Mr. K. N. Suntook resigned as a Director of the Company with effect from 25<sup>th</sup> April, 2014. The Board places on record its appreciation of the valuable contribution and guidance provided by him.



# National Peroxide Limited

The Members of the Company at the 60<sup>th</sup> Annual General Meeting (AGM) held on 11<sup>th</sup> August, 2014 approved the appointment of Mr. Rajesh Batra, Mr. Nityanath Ghanekar and Mr. S. Ragothaman as Independent Directors of the Company to hold office for five consecutive years with effect from the date of the AGM held on 11<sup>th</sup> August, 2014 upto 10<sup>th</sup> August, 2019 with an option to retire from the office at any time during the term of appointment. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013.

The Board of Directors appointed Mrs. Hema Hattangady as an Additional Director, designated as Independent Director of the Company. The Directors commend her appointment as an Independent Director for a term of five years with effect from 11<sup>th</sup> August, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ness N. Wadia, Director, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Necessary resolutions for the re-appointment / appointment of Mr. Ness N. Wadia and Mrs. Hema Hattangady, have been included in the Notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. Your Directors commend their re-appointment/appointment.

All the Independent Directors have given a declaration under sub-section (7) of section 149 of the Companies Act, 2013 ("Act") that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

## **KEY MANAGERIAL PERSONNEL**

Mr. Hanoz Chinoy resigned as Company Secretary with effect from 20<sup>th</sup> April, 2015 and Mr. Arun Naik is retiring as Chief Financial Officer with effect from 30<sup>th</sup> June, 2015.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee appointed Mr. Sunil Londhe as Chief Financial Officer with effect from 1<sup>st</sup> July, 2015 and Ms. Seema Jagnani as Company Secretary with effect from 21<sup>st</sup> April, 2015.

## **32. NOMINATION AND REMUNERATION POLICY**

The Board has adopted, on the recommendation of the Nomination & Remuneration Committee, a policy for selection and appointment of Directors, Senior Management and their remuneration. A brief detail of the policy is given in the Corporate Governance Report and also posted on the website of the Company. (weblink: [http://www.naperol.com/pdf/boardpolicies/Nomination\\_Remuneration\\_Policy.pdf](http://www.naperol.com/pdf/boardpolicies/Nomination_Remuneration_Policy.pdf)).

## **33. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **34. PARTICULARS OF EMPLOYEES**

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

However, as per the provisions of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## **35. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 18 of the Notes to the Financial Statements.



**36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

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

**37. 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 annexed herewith as **Annexure VII**.

**38. CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS**

The details on climate change and greenhouse gas emissions are annexed as **Annexure VIII**.

**39. ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation to the Customers, Vendors, Bankers, Shareholders, Central and State Governments and Regulatory Authorities for their continued co-operation and support.

Your Directors also take this opportunity to acknowledge the dedicated efforts made by employees for their contribution to the success achieved by the Company.

On behalf of the Board of Directors

NESS N. WADIA  
Chairman

Mumbai, 26<sup>th</sup> May, 2015



## Annexure I to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

There are currently four companies which manufacture Hydrogen Peroxide in India. National Peroxide Limited continues to be the largest producer of Hydrogen Peroxide in the country. In addition to being well-known in the industry as a pioneer, its product commands a strong brand image. It has been in the forefront in the development of technology for manufacture of Hydrogen Peroxide. Due to the efforts made by the Company in new applications development, the domestic market has significantly developed over the years.

The total production capacity in the country as on 31<sup>st</sup> March, 2015 is 2,19,500 MTPA on an annualized basis. The domestic demand is expected to grow by 6% during 2015-16. However, due to surplus in the neighbouring countries there have been significant imports at low prices.

#### OPPORTUNITIES AND THREATS

##### ***A Key Raw Material - Natural Gas - an Input for Production of Hydrogen Peroxide***

One of the key inputs in production of Hydrogen Peroxide is Hydrogen Gas. This is produced by steam reforming of natural gas.

India imported 46.8 mmscmd of LNG in 2013-14.

The supply of natural gas from Reliance Industries KG Basin has been seriously affected. The current level of production is 11.3 mmscmd. The average production during 2014-15 was 12 mmscmd.

Currently, India imports LNG through Petronet (Dahej), Shell (Hazira) and Ratnagiri Gas and Power Pvt. Ltd. (Dabhol). There is a spare capacity of 1.5 – 2 million tonnes. If this capacity is used, the total gas sector volume can increase by 20 – 25 mmscmd. The imports of LNG have been low due to weak demand. This is on account of its reduced competitiveness compared with liquid fuels such as naphtha due to sharp price decline.

The Kochi terminal is currently operating at close to 5% capacity. This is due to the problem of laying the gas pipeline to connect Bengaluru to Tamil Nadu being affected due to problems of land acquisition. GAIL has entered into a twenty year gas sales and purchase agreement with Sabine Pass Liquefaction LLC, a unit of Chemiere Energy Partners in the US for 3.5 MTPA of LNG. It also has a terminal service agreement for 2.3 MTPA LNG liquefaction capacity with Dominion Cave Point LNG in the USA. In addition, it has a 20 year LNG supply contract for 2.5 MTPA with Gazprom Marketing and Trading Ltd.

There is a significant change in the natural gas market due to significant drop in crude oil prices leading to sharp decline in liquid fuels such as naphtha. Since long term gas prices are based

on 60 months average of crude oil prices with a cap and floor price. As a result, the current spot prices of natural gas are much lower than the long term contract prices.

The low crude oil prices are dependent on the shale oil exploration in the US. Most analysts estimate that cost per barrel for US companies ranges from mid 50s to low 90s USD. This cost has obviously fallen in the last six months as producers modified contracts with sub-contractors and jointly reduced costs anywhere they could.

The oil prices have now settled to around USD 60 and the expected price of barrel of oil probably would go not lower than USD 60 this year, but also not higher than USD 80.

The Government of India had notified New Domestic Natural Gas Pricing Guidelines, 2014. As per the said guidelines, the gas price will be based on weighted average basis of the volumes of natural gas consumed in the US (Henry Hub, US), National Balancing Point (NBP) UK, annual average of monthly prices at the Alberta Hub, Canada and Russia (as published by Federal Tariff of the Russian Government or equivalent source). The price is then calculated as a trailing one year average with lag of one quarter.

In line with this the price of natural gas was initially notified at USD 5.61 on NCV based mmbtu with effect from 1<sup>st</sup> November, 2014. The price has been reduced to USD 5.18 per mmbtu, with effect from 1<sup>st</sup> April, 2015. However, this price is not applicable to the LNG imports.

##### ***Pulp and Paper Industry - A Key Customer for Hydrogen Peroxide***

The paper industry has been affected by a weaker than expected demand supply environment and higher input costs. There has also been addition of new paper production capacity, as well as pressures due to import. The paper industry is affected by large scale imports of newsprint from Russia and also writing and printing paper from China.

Recovery fiber consumption is going up globally in India. About 0.85 to 1.00 million tonnes of waste paper is being recovered annually. The recovery rate works out to about 20% which is much lower in comparison with 65% recovery achieved by many global players. Low recovery is on account of alternate use of paper in wrapping, packing etc. Paper mills are heavily dependent on import based waste paper which has exorbitant prices due to inadequate availability. Some companies are making efforts to increase the recovery of waste paper.

Raw material availability is expected to increase due to import of wood as well as increased farm forestry efforts and lower incremental demand.

## **Emerging Customer for Hydrogen Peroxide – Environmental Applications**

The Indian refineries have been using Hydrogen Peroxide for their effluent treatment and this has been adding to the growth in demand for Hydrogen Peroxide. In the near future, no new refineries are expected to become operational.

## **OUTLOOK**

The outlook for industry in the near term can only be viewed with cautious optimism. During the year under review, significant imports took place from Thailand, Bangladesh and Pakistan. These imports have been at significantly lower price as these countries have a limited demand. Imports from these countries are expected to continue during the coming year. The price of natural gas in the neighbouring countries such as Pakistan and Bangladesh has created serious distortions in the cost structure of the industry. This coupled with lower logistics costs, due to their proximity, to the customers in the North and East from Pakistan and Bangladesh respectively, has an impact on demand and price levels of domestic users.

The implementation of Goods and Services Tax (GST) is now being taken up. The capital and operating cost of the Company continue to be affected by Local Body Tax (LBT).

## **RISKS & CONCERNS**

In India, the consumer price index replaced the wholesale price index in 2013, as the main measure of inflation. During the last six months the inflation rate has been in the range of 5-6%. The Current Account Deficit (CAD) is under control due to lower prices of crude oil.

The customs duty on Hydrogen Peroxide from Thailand and Bangladesh has been reduced to zero. Therefore, there is no protection available to the domestic industry. The problem of inverted duty structure continues as some of the raw materials are imported by the Company at a higher rate of customs duty.

## **INTERNAL CONTROLS**

The Company has a system of Internal Controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by a programme of Internal Audits to ensure that the assets are properly accounted for and the business operations are conducted to adhere to laid down policies and procedures. The Internal Audit plan is approved by the Audit Committee.

The Audit Committee of the Board of Directors meets regularly to review, *inter alia*, risk management policies, adequacies of internal controls and the audit findings on the various segments of the business.

The Company carries out periodic review of the Risk Management framework during the year, as per the requirements of Clause 49 of the Listing Agreement with BSE Ltd.

## **FINANCIAL PERFORMANCE**

Discussion on financial performance with reference to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis Report.

## **HUMAN RESOURCES**

Peace and harmony between employer and employees prevailed during the year. Relations with the Union continued to be cordial. The long term settlement with the recognized Union, Maharashtra Girmi Kamgar Union (MGKU) is valid upto 30th September, 2016.

The Company continues to emphasize its in-house technical training of the employees to upgrade their technical skills. Some of the employees were also sent to technical programmes conducted by ICC.

The Company has obtained certification for RC-14001 2013, from M/s. DNV Certification (India) Pvt. Ltd., for Responsible Care. This is expected to foster improvement in the team work within the Company.

The employee strength on the permanent rolls of the Company was 116, as on 31<sup>st</sup> March, 2015.

The expansion of the Company's plant from 84,000 MTPA to 95,000 MTPA has provided for many of the employees to enhance their project management and technical skills as this expansion has been carried out internally.

## **RESOURCES AND LIQUIDITY**

The Company finances working capital requirements by sourcing credit lines placed at its disposal by a consortium of banks led by State Bank of India.

## **CAUTIONARY STATEMENT:**

*Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.*

Mumbai, 26<sup>th</sup> May, 2015



## Annexure II to the Directors' Report

### REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 to the Listing Agreement, a report on Corporate Governance, for the year ended 31<sup>st</sup> March, 2015, is given below:

#### 1. Company's Philosophy on Code of Governance:

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

#### 2. Board of Directors:

##### (a) Composition of the Board

The Board is headed by Mr. Ness N. Wadia, Non-Executive Chairman and is composed of eminent persons with considerable professional experience in varied fields and comprises a majority of Non-Executive Directors. The composition of the Board of Directors meets the requirement of Clause 49-II(A) of the Listing Agreement, as detailed in the table at item 2(c) below.

The size and composition of the Board conforms to the requirements of Corporate Governance norms as stipulated under the provisions of the Listing Agreement entered into with the Stock Exchange.

##### (b) Board Meetings and Annual General Meeting:

During the year under review, 5 Board Meetings were held. The dates on which the meetings were held are: 29<sup>th</sup> May, 2014; 11<sup>th</sup> August, 2014; 11<sup>th</sup> November, 2014, 6<sup>th</sup> February, 2015 and 23<sup>rd</sup> March, 2015. The AGM was held on 11<sup>th</sup> August, 2014.

##### (c) Membership, Attendance and Other Directorships:

Name of Director	Director Identification Number	Category@	Designation	Number of Board Meetings attended	Whether attended last AGM	No. of other Directorships held#		No. of Chairmanship / Membership in other Board Committees*	
						Chairman	Member	Chairman	Member
Mr. Ness N. Wadia	00036049	NED	Chairman	5	Yes	—	6	—	2
Mr. K. N. Suntook (a)	00025818	I & NED	Director	—	NA	—	—	—	—
Mr. Rajesh Batra	00020764	I & NED	Director	5	Yes	3	—	—	3
Mr. N. P. Ghanekar	00009725	I & NED	Director	5	Yes	2	—	2	2
Mr. S. Ragothaman	00042395	I & NED	Director	3	Yes	—	8	1	6
Mrs. Hema Hattangady (b)	00175563	I & NED	Director	—	NA	3	—	—	1
Mr. S. R. Lohokare	00254816	MD	Managing Director	5	Yes	1	—	—	1

@ I & NED: Independent & Non-Executive Director  
MD: Managing Director  
NED: Non-Executive Director

# Excludes directorship in foreign companies, private companies and companies governed by Section 8 of the Companies Act, 2013.

\* In Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies.

Notes:

(a) Mr. K. N. Suntook resigned from the Board of Directors with effect from 25<sup>th</sup> April, 2014.

(b) Mrs. Hema Hattangady appointed as Additional Director with effect from 31<sup>st</sup> March, 2015.

**3. Board Committees:**

The Board has constituted the following Committees of Directors:

**(a) Audit Committee:**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with revised Clause 49 of the Listing Agreement. The Committee comprises of members who possess financial and accounting expertise/exposure.

The Managing Director, the Chief Financial Officer, the Statutory Auditors, the Internal Auditors and the Cost Auditors attend the Audit Committee Meetings as invitees.

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

The Company adopted a revised Audit Committee Charter, containing the terms of reference effective from 1<sup>st</sup> October, 2014 in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The role of the Audit Committee flows directly from the Board of Directors' overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes acting as a catalyst, in helping the organization achieve its objectives. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal controls systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct. The Audit Committee also reviews management letters and the responses thereto by the management.

**Composition and Attendance during the financial year ended 31<sup>st</sup> March, 2015:**

During the year under review, the Committee met 5 times, i.e. on 29<sup>th</sup> May, 2014; 11<sup>th</sup> August, 2014; 11<sup>th</sup> November, 2014; 6<sup>th</sup> February, 2015 and 23<sup>rd</sup> March, 2015.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. N. P. Ghanekar	Chairman	I & NED	5
2.	Mr. K. N. Suntook#	Member	I & NED	—
3.	Mr. Rajesh Batra	Member	I & NED	5
4.	Mr. S. Ragothaman ^	Member	I & NED	3

\* I & NED: Independent & Non-Executive Director

# Mr. K. N. Suntook resigned with effect from 25<sup>th</sup> April, 2014.

^ Mr. S. Ragothaman was appointed with effect from 11<sup>th</sup> April, 2014.

**Internal Audit and Control:**

M/s. Haribhakti & Co. LLP were the Internal Auditors of the Company for the financial year 2014-15. Their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee.

M/s. Mahajan and Aibara, Chartered Accountants, Mumbai, were appointed as Internal Auditors for the financial years 2015-16 & 2016-17.

**(b) Nomination and Remuneration Committee:**

In view of the mandatory requirement of the Companies Act, 2013, to constitute a Nomination & Remuneration Committee of Directors, the existing Remuneration Committee of the Company has been renamed as 'Nomination and Remuneration Committee'.

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Terms of Reference:**

The terms of reference of the 'Nomination & Remuneration Committee' inter-alia includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in the senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance along with the Board.



# National Peroxide Limited

- ii. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- iii. Formulation of criteria for evaluation of Independent Directors and the Board.
- iv. Devising a policy on Board Diversity.
- v. Evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

## Composition and Attendance during the year ended 31<sup>st</sup> March, 2015:

The Committee comprises of the following Non-Executive Directors, majority of whom are Independent Directors. During the year under review, the Committee met 3 times, i.e., on 29<sup>th</sup> May, 2014, 6<sup>th</sup> February, 2015 and 23<sup>rd</sup> March, 2015.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. K. N. Suntook ^	Chairman	I & NED	—
2.	Mr. Rajesh Batra#	Chairman	I & NED	3
3.	Mr. N. P. Ghanekar	Member	I & NED	3
4.	Mr. Ness N. Wadia	Member	I & NED	3

\* I & NED: Independent & Non-Executive Director

^ Mr. K. N. Suntook resigned with effect from 25<sup>th</sup> April, 2014.

# Mr. Rajesh Batra was appointed as Chairman of the Committee with effect from November 11, 2014.

The remuneration policy of the Company is performance-driven and structured to motivate the employees, recognise their merits and achievements and promote excellence in their performance. The broad terms of reference of the Nomination and Remuneration Committee includes:

- Setup and composition of the Board, its committees and the leadership team of the Company comprising of Key Managerial Personnel (KMP) and Executive Team.
- Evaluation of performance of the Board, its Committees and individual Directors.
- Remuneration for Directors, KMPs, executive team and other employees.
- Oversight of the familiarisation programme of Directors.
- Oversight of the HR Philosophy, HR and People strategy and Key HR practices.

## Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the agreement executed between him and the Company. The Board and the shareholders have approved the agreement for re-appointment of the Managing Director for a period of 5 years w.e.f. 1<sup>st</sup> May, 2013. The criteria adopted by the Committee to determine the remuneration of the Managing Director is the performance of the Company and the industry benchmarks. The remuneration structure comprises salary, incentive allowance, commission linked to profits, perquisites and allowance, contribution to provident fund and superannuation fund.

The Non-Executive Directors do not draw any remuneration from the Company. The Non-Executive Directors are paid sitting fees for their commitment towards attending the meetings of the Board/Committees and commission on the basis of their performance as may be determined by the Board from time to time. The commission payable to them is distributed broadly on the basis of their attendance and contributions at Board/Committee Meetings and Chairmanship of Committees of the Board.

## A. Details of remuneration paid to the Managing Director during the year 2014-15 and his shareholding in the Company is given below:

(Amount in ₹)

Name	Salary	Benefits*	Commission / Incentive #	Total	Total no. of shares held
Mr. S. R. Lohokare	77,16,000	1,22,77,198	60,00,000	2,59,93,198	Nil

\* Also includes Company's contribution to Provident and Superannuation Funds, amounting to ₹ 31,37,479/-.

# Commission of ₹ 60,00,000/- shown on the basis of year of payment paid for 2013-14.

**B. Details of payments made to Non-Executive Directors during the year 2014-15 and their shareholding in the Company, as on 31<sup>st</sup> March, 2015 are given below:**

Name	Commission@	Sitting Fees	Total	Total no. of shares held
Mr. Ness N. Wadia	19,67,000	2,40,000	22,07,000	Nil
Mr. K. N. Suntook ^	5,29,000	0	5,29,000	Nil
Mr. Rajesh Batra	7,56,000	4,00,000	11,56,000	Nil
Mr. N. P. Ghanekar	8,32,000	3,80,000	12,12,000	Nil
Mr. S. Ragothaman	0	1,80,000	1,80,000	Nil
Mr. D. N. Mehta#	8,32,000	0	8,32,000	Nil
Ms. Hema Hattangady*	0	0	0	Nil

@ Shown on the basis of year of payment.

# Mr. D. N. Mehta resigned from the Board w.e.f. 10<sup>th</sup> March, 2014.

^ Mr. K. N. Suntook resigned from the Board w.e.f. 25<sup>th</sup> April, 2014.

\* Mrs. Hema Hattangady was appointed as an Additional Director w.e.f. 31<sup>st</sup> March, 2015.

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

None of the Directors are related to each other in any manner.

During 2014-15, a provision of ₹ 6.25 lacs is made in the books of accounts, for payment of commission to Non-Executive Directors, under Sections 197 and 198 of the Companies Act, 2013. The individual amounts will be shown in the year of payment.

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

**Details of fixed component and performance linked incentives paid for the financial year ended 31<sup>st</sup> March, 2015:**

(Amount in ₹)

Director	Salary	
	Fixed	Performance Linked Incentives
Mr. S. R. Lohokare	1,99,93,198	60,00,000

**Details of Service Contracts, Notice Period, etc, of the Directors for the financial year ended 31<sup>st</sup> March, 2015:**

Directors	Contract Period (Tenure)	Service Contract	Notice Period & Severance fees, if any
Mr. S. R. Lohokare Managing Director	5 years from 1 <sup>st</sup> May, 2013 – 30 <sup>th</sup> April, 2018	Yes	6 months Notice or 6 months salary, in lieu thereof
Non-Executive – Non-Independent Director	None. The Non-Executive Directors liable to retire by rotation, get re-appointed as per the provisions of Articles of Association of the Company and the Companies Act, 2013.	No	None
Non-Executive Independent Director	None. The Non-Executive Independent Directors are appointed for a fixed term of 5 years.	No	None

The Nomination & Remuneration Committee of the Board will discuss and agree all measurable objectives for achieving diversity, if any required, on the Board and recommend the same to the Board for its approval. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Nomination & Remuneration Committee of the Board will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The Nomination & Remuneration Committee will discuss any revision that may be required and recommend the same to the Board for its approval.



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## (c) Stakeholders' Relationship Committee:

The Board at its meeting held on 29<sup>th</sup> May, 2014 renamed its existing Committee, viz. Shareholders'/Investors' Grievance Committee as "Stakeholders' Relationship Committee".

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Terms of Reference:

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

- i. To look into the redressal of grievances such as transfer/ transmission of security, non-receipt of annual reports, dividends, interest etc. of various stakeholders of the Company viz. shareholders, debenture holders, fixed deposit holders and other security holders.
- ii. To monitor transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities issued by the Company and issue of duplicate security certificates. As per Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014, a duplicate share certificate is to be issued in lieu of a lost or destroyed certificate, only with the prior consent of the Board or Committee thereof. Accordingly, duplicate share certificates are now issued with the prior approval of the Committee.
- iii. To carry out the functions as envisaged under the Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information adopted by the Company in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Composition and Attendance during the year ended 31<sup>st</sup> March, 2015:

The Committee met once during the year i.e. 23<sup>rd</sup> March, 2015.

Sr. No.	Name of Director	Designation	Category*	No. of meetings attended
1.	Mr. D. N. Mehta ^	Chairman	I & NED	—
2.	Mr. N. P. Ghanekar #	Chairman	I & NED	1
3.	Mr. S. R. Lohokare	Member	MD	1
4.	Mr. Rajesh Batra	Member	I & NED	1

\* I & NED: Independent & Non-Executive Director  
MD: Managing Director

^ Mr. D. N. Mehta resigned with effect from 10<sup>th</sup> March, 2014.

# Mr. N. P. Ghanekar appointed as Member & Chairman with effect from 29<sup>th</sup> May, 2014.

### Name and designation of Compliance Officer:

Mr. Hanoz Chinoy, Company Secretary, was designated as Compliance Officer under the provisions of the Listing Agreement. Mr. Chinoy resigned as the Company Secretary of the Company with effect from 20<sup>th</sup> April, 2015.

Accordingly, Ms. Seema Jagnani was appointed as the Company Secretary of the Company with effect from 21<sup>st</sup> April, 2015 and also designated as Compliance Officer under the provisions of the Listing Agreement.

No. of shareholders' complaints received during the year	:	5
No. of complaints not solved to the satisfaction of shareholders	:	Nil
No. of pending complaints	:	Nil

## (d) Finance Committee:

### Terms of Reference:

The terms of reference of the Finance Committee include:

- (a) Liability Management — to meet the funding requirements of the Company;
- (b) Foreign Exchange Management;
- (c) Investment Management — to deploy short-term/long-term surpluses of the Company.

The Committee is also authorized to lend/place ICDs with other Companies.



**Composition and Attendance during the year ended 31<sup>st</sup> March, 2015:**

The Committee met twice during the year i.e. 29<sup>th</sup> May, 2014 and 11<sup>th</sup> November, 2014.

Sr. No.	Name of Director	Designation	Category*	No. of meetings attended
1.	Mr. N. P. Ghanekar	Chairman	I & NED	2
2.	Mr. K. N. Suntook #	Member	I & NED	—
3.	Mr. Rajesh Batra ^	Member	I & NED	2
4.	Mr. S. Ragothaman ~	Member	I & NED	0

\* I & NED: Independent & Non-Executive Director

# Mr. K. N. Suntook resigned with effect from 25<sup>th</sup> April, 2014.

^ Mr. Rajesh Batra appointed as Member with effect from 11<sup>th</sup> April, 2014.

~ Mr. S. Ragothaman appointed as Member with effect from 11<sup>th</sup> April, 2014.

Communication was also undertaken by way of e-mails and discussions were held, as and when required, among the Committee members and decisions taken in matters coming within the Committee's purview.

**(e) Executive Committee:**

The Committee was constituted on 11<sup>th</sup> April, 2014.

**Terms of Reference:**

The broad terms of reference of the Committee include:

- Review with the Managing Director and the Business/Operational Heads of the operating divisions, from time to time, business plans and strategies.
- Address issues related to capital expenditure.
- Review of performance of the business of the Company.

**Composition and Attendance during the year ended 31<sup>st</sup> March, 2015:**

The Committee met twice during the year i.e. 16<sup>th</sup> April, 2014 and 1<sup>st</sup> September, 2014.

Sr. No.	Name of Director	Designation	Category*	No. of meetings attended
1.	Mr. Ness N. Wadia	Chairman	NED	1
2.	Mr. Rajesh Batra	Member	I & NED	1
3.	Mr. S. Ragothaman	Member	I & NED	2

\* I & NED: Independent & Non-Executive Director

NED: Non-Executive Director

**(f) Corporate Social Responsibility (CSR) Committee:**

The Committee's constitution and terms of reference are in compliance with the provisions of Section 135 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Terms of Reference:**

The broad terms of reference of the Committee include:

- review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- recommend the project/programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and
- monitor for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by the Company towards CSR activities.

**Composition and Attendance during the year ended 31<sup>st</sup> March, 2015:**

The Committee met 3 times during the year i.e. 11<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 23<sup>rd</sup> March, 2015.

Sr. No.	Name of Director	Designation	Category*	No. of meetings attended
1.	Mr. Ness N. Wadia	Chairman	NED	3
2.	Mr. Rajesh Batra	Member	I & NED	3
3.	Mr. N. P. Ghanekar ^	Member	I & NED	3

\* I & NED: Independent & Non-Executive Director

NED: Non-Executive Director

^ Mr. N. P. Ghanekar appointed with effect from 29<sup>th</sup> May, 2014.



#### 4. Independent Directors' Meeting:

During the year under review, the Independent Directors met on 23<sup>rd</sup> March, 2015, inter alia, to discuss:

- Evaluation of the performance of the Board as a whole;
- Evaluation of performance of the Non-Independent, Non-Executive Directors and the Board Chairman.
- To assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

#### Familiarisation programme for Independent Directors:

The Board members are provided with necessary documents/brochures and reports to enable them to familiarise themselves with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved.

Updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors.

The details of familiarisation programmes have been posted on the Company's website at [www.naperol.com](http://www.naperol.com) and can be accessed at web-link [http://www.naperol.com/pdf/boardpolicies/Familiarization\\_Programme.pdf](http://www.naperol.com/pdf/boardpolicies/Familiarization_Programme.pdf).

#### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ("Act") and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreement ("Clause 49") (as may be applicable), the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its committees and individual directors.

The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors. The performance of the committees was evaluated by the Board seeking inputs from the committee members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors. A separate meeting of Independent Directors was also held to review the performance of non-independent directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors. This was followed by a Board Meeting that discussed the performance of the Board, its committees and individual directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, effectiveness of committee meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairman was also evaluated on the key aspects of his role.

#### 5. General Body Meetings:

(a) Location and time, where last 3 years' General Meetings were held:

Location	Date	Time	No. of Special Resolutions set out at the AGM	Business Transacted
Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400 018.	11 <sup>th</sup> August, 2014	3.30 p.m.	1	Payment of Commission to Non-Executive Directors.
Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400 018.	14 <sup>th</sup> August, 2013	4.00 p.m.	NIL	Not Applicable
Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400 018.	9 <sup>th</sup> August, 2012	4.00 p.m.	NIL	Not Applicable

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

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

(d) Whether any Special Resolution is proposed to be passed through postal ballot this year (2015-16):

During the current year, if Special Resolutions are proposed to be passed through postal ballot, those will be taken up at the appropriate time.

(e) Procedure for Postal Ballot:

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

## 6. Other Disclosures:

### (a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

As required under Clause 49(VIII) of the Listing Agreement with the Stock Exchange, the Company has formulated a policy on Related Party Transactions which has been posted on the website of the Company:

[http://www.naperol.com/pdf/boardpolicies//RPT\\_Policy.pdf](http://www.naperol.com/pdf/boardpolicies//RPT_Policy.pdf).

### (b) Disclosure of Accounting Treatment

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

### (c) Risk Management

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

The Company has formulated a Risk Assessment & Management Policy, duly reviewed by the Audit Committee, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting to the Board periodically. The Policy would be applicable to all the functions and departments of the Company. The Risk Assessment & Management Policy would be implemented through the establishment of the Risk Management Committee accountable to the Board of Directors. The Committee shall include the Managing Director (MD), Chief Financial Officer, Internal Auditor of the Company and such other members as included by the Board/MD. The MD will be the Chairman of the Committee.

### (d) Code of Conduct

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

### (e) Vigil Mechanism/Whistle Blower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Counsellor or the Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The vigil mechanism also provides adequate safeguards against victimisation of persons who use such mechanisms and also to ensure direct access to the Ethics Counsellor or the Chairman of the Audit Committee in appropriate or exceptional cases. The Policy is applicable to all the employees, directors, officers, customers, vendors and/or third party intermediaries such as agents and consultants whether appointed on permanent, temporary, full time, part-time, contractual, probation or on retainer basis who are engaged to conduct business on behalf of the Company and its Subsidiary Company.

The Company has posted "Whistle Blower Policy" on the website of the Company at:

<http://www.naperol.com/pdf/boardpolicies/Whistle-Blower-Policy.pdf>.

### (f) Prevention of Insider Trading Code:

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

All the Directors, employees at senior management level and other employees who could have access to unpublished price sensitive information of the Company are governed by this code.



# National Peroxide Limited

(g) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

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

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

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013.

## 7. CEO/CFO Certification

Mr. S. R. Lohokare, Managing Director and Mr. A. V. Naik, Chief Financial Officer, have certified to the Board in accordance with Clause 49 of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2015.

## 8. Means of Communication:

(a) Quarterly Results:

The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within 60 days from the end of the last quarter, as stipulated under the Listing Agreement with BSE Limited.

(b) Newspapers wherein results normally published:

Business Standard (English) and Mumbai Lakshadeep (Marathi, the regional language).

(c) Any Website, where displayed:

www.naperol.com and www.bseindia.com

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

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

(f) Management Discussion & Analysis Report :

The Management Discussion & Analysis Report forms part of the Annual Report.

## 9. General Shareholder Information:

(a) **Annual General Meeting** : Tuesday, 11<sup>th</sup> August, 2015 at 4.00 p.m. at Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400018

(b) **Financial Year:** The financial year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

Tentative Schedule:

Results for quarter ending 30<sup>th</sup> June, 2015 : By August 2015

Results for quarter ending 30<sup>th</sup> September, 2015 : By November 2015

Results for quarter ending 31<sup>st</sup> December, 2015 : By February 2016

Results for year ending 31<sup>st</sup> March, 2016 : By May 2016

AGM for year ending 31<sup>st</sup> March, 2016 : By August 2016

(c) **Date of Book Closure** : 29<sup>th</sup> July, 2015 to 11<sup>th</sup> August, 2015 (both days inclusive)

(d) **Dividend Payment Date** : On or after 12<sup>th</sup> August, 2015

(e) **Listing on Stock Exchange** : The Company's shares are listed on BSE Limited. The Company had paid applicable listing fees to BSE Limited for Financial Year 2015-16.

(f) **Stock Code:**

Demat Code : 500298

Demat ISIN Number for NSDL & CDSL : INE585A01020

Scrip ID\* : NATPEROX

\*(on the BSE website – www.bseindia.com)

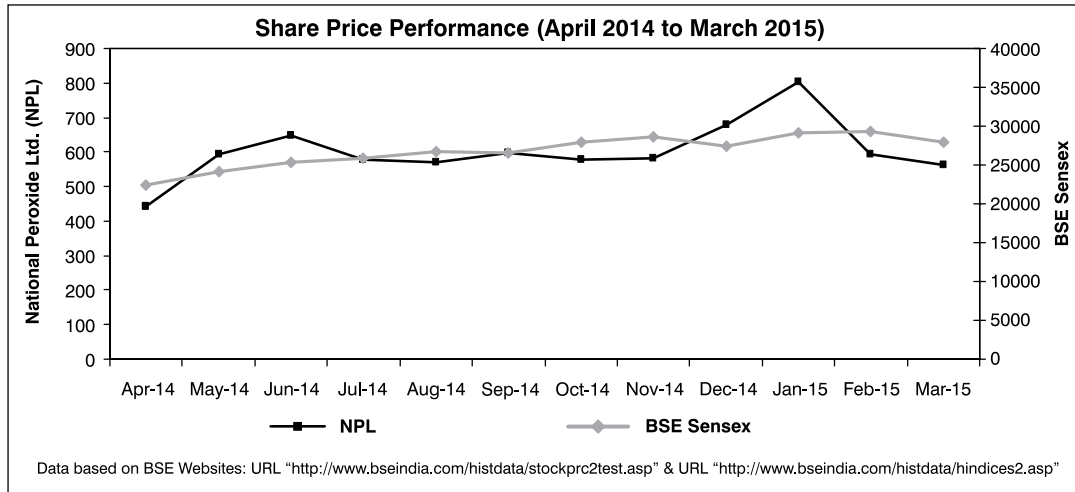
Corporate Identification Number : L24299MH1954PLC009254

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

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades	Net Turnover (₹)
April 2014	467.00	415.00	46,499	3,133	2,04,12,469
May 2014	625.95	428.10	1,83,228	9,717	9,70,52,849
June 2014	679.00	577.00	1,33,960	8,467	8,46,95,245
July 2014	662.00	567.00	62,136	4,707	3,78,90,316
August 2014	615.00	535.00	49,475	3,490	2,82,91,971
September 2014	658.95	568.50	1,14,346	6,666	7,08,40,245
October 2014	617.00	551.00	28,774	2,050	1,65,73,482
November 2014	624.00	560.05	65,152	3,869	3,86,93,558
December 2014	798.00	580.00	2,18,603	12,215	14,86,44,984
January 2015	863.15	672.20	2,31,819	19,002	18,52,48,483
February 2015	818.00	560.00	74,392	7,080	5,03,77,806
March 2015	641.75	550.00	75,801	4,826	4,46,00,066

Data based on BSE website : URL "<http://www.bseindia.com/histdata/stockprc2.asp>"

**(h) Stock Performance:**



Data based on BSE websites: URL "<http://www.bseindia.com/histdata/stockprc2test.asp>" & URL "<http://www.bseindia.com/histdata/hindices2.asp>"

**(i) Registrar and Transfer Agents:**

**Sharex Dynamic (India) Pvt. Ltd.,**  
 Unit No. 1, Luthra Industrial Premises,  
 Andheri Kurla Road, Safed Pool,  
 Andheri (E), Mumbai - 400 072.  
 Tel: 022-2851 5644 / 2851 5606  
 E-mail Id: sharexindia@vsnl.com

**(j) Share Transfer System:**

Share transfers in physical form are processed within the prescribed period of 15 days from the date of receipt, in case documents are complete in all respects.



# National Peroxide Limited

**(k) (i) Distribution of Shareholding as on 31st March, 2015:**

Group of shares			No. of shareholders	No. of shares held	% to total shares
1	to	50	3,379	87,936	1.53
51	to	100	1,155	1,01,697	1.77
101	to	250	2,779	4,17,411	7.26
251	to	500	466	1,86,202	3.24
501	to	1000	214	1,60,371	2.79
1001	to	5000	186	3,66,771	6.38
5001	to	10000	21	1,46,624	2.55
10001	and	above	15	42,79,988	74.48
Total:			8,215	57,47,000	100.00

**(ii) Category of Shareholders as on 31st March, 2015:**

Category	No. of shares held	% to total shares
Indian Promoters	25,53,368	44.43
Foreign Promoters	14,99,250	26.09
Banks	825	0.01
Mutual Funds	NIL	NIL
Private Corporate Bodies	2,53,878	4.42
Indian Public	14,04,589	24.44
NRI/OCB	25,824	0.45
Clearing Members	9,266	0.16
Total:	57,47,000	100.00

**(l) Dematerialisation of Shares and Liquidity:**

97.54% of the outstanding Equity Shares have been dematerialised upto 31<sup>st</sup> March, 2015. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28<sup>th</sup> May, 2001, as per notification issued by the Securities and Exchange Board of India (SEBI). The trading / liquidity details are given at item 9(g) above.

**(m) Share Capital Audit:**

As stipulated by SEBI, a qualified practising Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and shares held in physical form as per the register of members vis-à-vis the total issued and listed capital. This audit is carried out every quarter and the report is submitted to BSE Ltd. and is also placed before the Board of Directors.

**(n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity:**

None

**(o)** In terms of Section 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules 2001, the Company has credited during the year ended 31<sup>st</sup> March, 2015, a sum of ₹ 2,63,046/- to the Investor Education and Protection Fund (IEPF).

**(p) Plant Location** : N.R.C. Road, P. O. Atali, Via Mohone,  
Kalyan - 421 102, District Thane, Maharashtra.

**(q) Address for Correspondence:**

For Shares held in Physical Form : Sharex Dynamic (India) Pvt. Ltd. at the address given at item 9(i) above.  
For Shares held in Demat Form : To the Depository Participant.  
For any query on Annual Report/  
Dividend/Investors' Assistance : The Company Secretary,  
National Peroxide Ltd.,  
C-1, Wadia International Centre (Bombay Dyeing),  
Pandurang Budhkar Marg, Worli, Mumbai-400 025  
Ph: 022-66620000; Fax: 022-66193421.  
E-mail: secretarial@naperol.com

- (r) As required in terms of Clause 47(f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is [secretarial@naperol.com](mailto:secretarial@naperol.com).

**10. Non-Mandatory Requirements:**

**(a) Office of the Chairman of the Board:**

The Company partly defrays the expenses of the Chairman's Office.

**(b) Shareholder Rights:**

The Company's half-yearly results are furnished to the Stock Exchange and also published in the newspapers and therefore not sent to the shareholders.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Mumbai, 26<sup>th</sup> May, 2015

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**DECLARATION**

As provided under Clause 49 of the Listing Agreement with BSE Limited, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

For NATIONAL PEROXIDE LIMITED

S. R. LOHOKARE  
Managing Director

Mumbai, 26<sup>th</sup> May, 2015

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**CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
NATIONAL PEROXIDE LIMITED**

We have examined the compliance of conditions of Corporate Governance by NATIONAL PEROXIDE LIMITED, for the year ended on 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Ltd.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For NILESH SHAH & ASSOCIATES  
Company Secretaries

Nilesh Shah  
Partner (FCS - 4554)  
C.P. No.: 2631

Mumbai, 26<sup>th</sup> May, 2015



## Annexure III to the Directors' Report

### CORPORATE SOCIAL RESPONSIBILITY POLICY

(Effective from 11th August, 2014)

#### I. BACKGROUND

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of The Wadia Group in the communities and environment in which Group Companies operate. It represents the continuing commitment and actions of the Group to contribute towards economic and social development and growth.

#### II. OBJECTIVE

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Companies Act, 2013 (Annexure - A).

#### III. CONSTITUTION OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee of Directors comprising of three directors with atleast one being an Independent Director.

#### IV. ROLE OF CSR COMMITTEE

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendation of the project/programme to be undertaken within the long term vision and strategy of Wadia Group in respect of CSR activities, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders etc.
- Formulation of a monitoring mechanism for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by it towards CSR activities.

The contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

#### V. ROLE OF BOARD OF DIRECTORS

The role of the Board with respect to CSR is as under:

- Review the recommendations in respect of annual budget for CSR;
- Disclose contents of the Policy in the Company's report/website; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

#### VI. DISBURSEMENT OF CSR AMOUNT

The Company may undertake CSR activities either by pooling the resources into Sir Ness Wadia Foundation or other not-for-profit organisations (NGOs) or a combination of both.

The CSR Committee will decide on the budget allocation of CSR Projects and Programms and the tranches of disbursement of amount.

#### VII. PARTNERING ORGANISATIONS

While undertaking any project or program along with other NGO (partnering organization), the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the Group CSR Policy.



## **VIII. PROCESS FOR UNDERTAKING CSR ACTIVITIES/PROJECTS THROUGH PARTNERING NGOS**

The following procedure will be adhered to while undertaking/ funding CSR activities/ projects through NGOs:

- Presentation of Project/Program details
- Execution of Memorandum of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Wadia Group/Company.
- Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
- The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.

## **IX. MONITORING**

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken by the Company or through NGOs.

## **X. VOLUNTEERING**

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).

The Company will recognize the efforts put in by employees in CSR activities through annual appraisal system. The Head HR will play a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

## **XI. SELF ASSESSMENT**

The Company will introduce mechanism for self-assessment of CSR activities pursued by it and strive to improve existing policy and systems. It will also undertake impact assessment of the development projects on the target group.

## **XII. DISSEMINATION OF INFORMATION**

The CSR Committee will report to the Board of the Company from time to time the status of the CSR projects/activities undertaken by it along with the report on the impact created by such projects/ activities.

The Company would upload this Policy on its website [www.naperol.com](http://www.naperol.com). Further, a detailed status report on the CSR activities carried out by the Company will be disclosed every year as part of the Directors' Report in the Annual Report. The said information will also be uploaded on the website of the Company.

The CSR activities of the Company would be visible through newsletters, websites, press releases and Directors' Annual Report (as an integral part of business) articulated on major occasions and employee/shareholder/dealer meetings.



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1.	<b>A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</b>	The Company has contributed towards the project for restoration of a children's hospital. Kindly refer the CSR policy at Annexure III to the Directors' Report and on the Company's website.  Weblink: <a href="http://www.naperol.com/pdf/boardpolicies/NPL_CSR_Policy.pdf">http://www.naperol.com/pdf/boardpolicies/NPL_CSR_Policy.pdf</a>
2.	<b>The Composition of the CSR Committee.</b>	Mr. Ness N. Wadia (Chairman, Non-Executive Director) Mr. Rajesh Batra (Independent Director) Mr. N. P. Ghanekar (Independent Director)
3.	<b>Average net profit of the Company for last three financial years:</b>	₹ 54.58 Crore
4.	<b>Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):</b>	The Company is required to spend ₹ 1.09 Crore approximately towards CSR.
5.	<b>Details of CSR spent during the financial year</b>	
	<b>(a) Total amount spent for the financial year:</b>	₹ 1,09,20,000 (One Crore Nine Lacs Twenty Thousand only)
	<b>(b) Amount unspent, if any:</b>	NIL

**(c) Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes [1] Local area or other [2] Specify the state and district where projects or programmes were undertaken.	Amount outlay (Budget) projects or programmes wise (₹)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (₹)	Amount spent: directly or through implementing agency* (₹)
					Direct expenditure on programme or projects (₹)	Overheads (₹)		
1.	Preservation of heritage building of Bai Jerbai Wadia Hospital for Children (BJWHC)	Promoting preventative health care	State: Maharashtra District: Mumbai	1,09,15,058/-	1,09,20,000/-	Nil	1,09,20,000/-	1,09,20,000/- spent directly

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For **National Peroxide Limited**

**Ness N. Wadia**  
Chairman of the Board

Mumbai, 26<sup>th</sup> May, 2015

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

**Ness N. Wadia**  
Chairman  
Corporate Social Responsibility Committee

**Annexure IV to the Directors' Report****EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT – 9****A. REGISTRATION AND OTHER DETAILS:**

CIN	L24299MH1954PLC009254
Registration Date	16 <sup>th</sup> March, 1954
Name of the Company	National Peroxide Limited
Category of the Company	Company Limited By Shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001 Tel.: 022-66620000 • Fax: 022-66193421
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai-400 072

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
a.	Hydrogen Peroxide	20297	94.73
b.	Hydrogen Gas	20111	4.03
c.	Per Acetic Acid	20299	1.24
			100.00

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a.	Naperol Investments Limited Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.	U65990MH1980PLC022589	Subsidiary	100%

**D. SHARE HOLDING PATTERN:***i. Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
(a) Individual / HUF	6,325	0	6,325	0.11	6,325	0	6,325	0.11	0
(b) Central / State Govt.	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	25,22,440	0	25,22,440	43.89	25,47,043	0	25,47,043	44.32	0.43
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):</b>	<b>25,28,765</b>	<b>0</b>	<b>25,28,765</b>	<b>44.00</b>	<b>25,53,368</b>	<b>0</b>	<b>25,53,368</b>	<b>44.43</b>	<b>0.43</b>



# National Peroxide Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
(a) NRIs – Individuals	5,250	0	5,250	0.09	5,250	0	5,250	0.09	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate*	14,94,000	0	14,94,000	26.00	14,94,000	0	14,94,000	26.00	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):</b>	14,99,250	0	14,99,250	26.09	14,99,250	0	14,99,250	26.09	0
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	40,28,015	0	40,28,015	70.09	40,52,618	0	40,52,618	70.52	0.43
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks / FI	450	375	825	0.01	450	250	700	0.01	0
(c) Central Govt	0	0	0	0	125	0	125	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):</b>	450	375	825	0.01	575	250	825	0.01	0
<b>2) Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i. Indian	2,57,767	905	2,58,672	4.50	2,52,973	905	2,53,878	4.42	(0.08)
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,82,588	1,48,712	13,31,300	23.17	11,74,381	1,39,992	13,14,373	22.87	(0.29)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	97,471	0	97,471	1.70	90,216	0	90,216	1.57	(0.13)
c) Others (Specify)									
i. Clearing Members	6,264	0	6,264	0.11	9,266	0	9,266	0.16	0.05
ii. NRI	24,203	250	24,453	0.43	25,699	125	25,824	0.45	0.02
<b>Sub-total (B)(2):</b>	15,68,293	1,49,867	17,18,160	29.90	15,52,535	1,41,022	16,93,557	29.47	(0.43)
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	15,68,743	1,50,242	17,18,985	29.91	15,52,985	1,41,397	16,94,382	29.48	(0.43)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	55,96,758	1,50,242	57,47,000	100.00	56,05,603	1,41,397	57,47,000	100.00	0

\* One of the Foreign Promoters, viz., Solvay S.A. (Body Corporate), holding 14,42,500 shares (25.10%) is not acting in concert with other Indian/ Foreign Promoters.

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Archway Investment Company Ltd.	2,85,000	4.96	0	2,85,000	4.96	0	0
2.	Solvay S.A.	14,42,500	25.10	0	14,42,500	25.10	0	0
3.	N W Exports Limited	1,07,300	1.87	0	1,07,300	1.87	0	0
4.	Nowrosjee Wadia and Sons Limited	2,20,825	3.84	0	2,20,825	3.84	0	0
5.	Macrofil Investments Limited	18,84,065	32.78	8.91	19,08,668	33.21	1.91	0.43
6.	Varnilam Investments & Trading Co. Ltd.	16,750	0.29	0	16,750	0.29	0	0
7.	Sunflower Investments and Textiles Pvt. Ltd.	8,500	0.15	0	8,500	0.15	0	0
8.	Dina Neville Wadia	5,250	0.09	0	5,250	0.09	0	0
9.	Nusli Neville Wadia	6,325	0.11	0	6,325	0.11	0	0
10.	Ben Nevis Investments Ltd.	51,500	0.90	0	51,500	0.90	0	0
	<b>Total</b>	<b>40,28,015</b>	<b>70.09</b>	<b>8.91</b>	<b>40,52,618</b>	<b>70.52</b>	<b>1.91</b>	<b>0.43</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Promoter / Promoter Group	Shareholding at the beginning of the year 01/04/2014		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the Company
	Macrofil Investments Limited	1884065	32.78	01/01/2014				
				25/04/2014	608	Transfer	1884673	32.79
				05/02/2014	3068	Transfer	1887741	32.85
				05/09/2014	11820	Transfer	1899561	33.05
				16/05/2014	9107	Transfer	1908668	33.21
	Closing Balance			31/03/2015			1908668	33.21

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year 01/04/2014		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Gagandeep Credit Capital Pvt. Ltd.	8125	0.14	01/04/2014				
	Closing Balance			31/03/2015	0		8125	0.14
2	Dani Shares and Stocks Pvt. Ltd.	50	0	01/04/2014				
				02/05/2014	2	Transfer	52	0.00
				23/05/2014	2785	Transfer	2837	0.05
				30/05/2014	-2785	Transfer	52	0.00
				06/06/2014	100	Transfer	152	0.00
				13/06/2014	3898	Transfer	4050	0.07
				18/07/2014	424	Transfer	4474	0.08
				25/07/2014	-424	Transfer	4050	0.07
				15/08/2014	1500	Transfer	5550	0.10
				22/08/2014	-1500	Transfer	4050	0.07



# National Peroxide Limited

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year 01/04/2014		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
				29/08/2014	17	Transfer	4067	0.07
				19/09/2014	68	Transfer	4135	0.07
				30/09/2014	10	Transfer	4145	0.07
				03/10/2014	-68	Transfer	4077	0.07
				28/11/2014	1000	Transfer	5077	0.09
				05/12/2014	-1000	Transfer	4077	0.07
				16/01/2015	-1000	Transfer	3077	0.05
				30/01/2015	250	Transfer	3327	0.06
				20/02/2015	500	Transfer	3827	0.07
				27/02/2015	250	Transfer	4077	0.07
				27/03/2015	5045	Transfer	9122	0.16
	Closing Balance			31/03/2015	-833	Transfer	8289	0.14
3	Marwadi Shares and Finance Ltd.	11839	0.21	01/04/2014				
				11/04/2014	10	Transfer	11849	0.21
				02/05/2014	40	Transfer	11889	0.21
				09/05/2014	-45	Transfer	11844	0.21
				16/05/2014	10	Transfer	11854	0.21
				23/05/2014	-40	Transfer	11814	0.21
				30/05/2014	-64	Transfer	11750	0.20
				06/06/2014	-22	Transfer	11728	0.20
				13/06/2014	440	Transfer	12168	0.21
				20/06/2014	-225	Transfer	11943	0.21
				30/06/2014	1270	Transfer	13213	0.23
				04/07/2014	-1384	Transfer	11829	0.21
				11/07/2014	50	Transfer	11879	0.21
				18/07/2014	-29	Transfer	11850	0.21
				01/08/2014	-23	Transfer	11827	0.21
				08/08/2014	-340	Transfer	11487	0.20
				15/08/2014	-5	Transfer	11482	0.20
				05/09/2014	255	Transfer	11737	0.20
				12/09/2014	1657	Transfer	13394	0.23
				19/09/2014	-1541	Transfer	11853	0.21
				30/09/2014	-195	Transfer	11658	0.20
				10/10/2014	-20	Transfer	11638	0.20
				17/10/2014	-50	Transfer	11588	0.20
				31/10/2014	-55	Transfer	11533	0.20
				07/11/2014	-20	Transfer	11513	0.20
				14/11/2014	-1	Transfer	11512	0.20
				28/11/2014	110	Transfer	11622	0.20

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(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Contd.*

SI. No.		Shareholding at the beginning of the year 01/04/2014		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
				05/12/2014	-2872	Transfer	8750	0.15
				12/12/2014	-190	Transfer	8560	0.15
				19/12/2014	95	Transfer	8655	0.15
				31/12/2014	35	Transfer	8690	0.15
				02/01/2015	-110	Transfer	8580	0.15
				09/01/2015	534	Transfer	9114	0.16
				16/01/2015	1279	Transfer	10393	0.18
				23/01/2015	-860	Transfer	9533	0.17
				30/01/2015	-445	Transfer	9088	0.16
				06/02/2015	120	Transfer	9208	0.16
				13/02/2015	-130	Transfer	9078	0.16
				20/02/2015	-38	Transfer	9040	0.16
				27/02/2015	161	Transfer	9201	0.16
				06/03/2015	400	Transfer	9601	0.17
				20/03/2015	31	Transfer	9632	0.17
				27/03/2015	-103	Transfer	9529	0.17
	Closing Balance			31/03/2015	600	Transfer	10129	0.18
4	Millennium Developers Pvt Ltd	15850	0.28	01/04/2014				
				23/05/2014	-2114	Transfer	13736	0.24
				30/05/2014	-1354	Transfer	12382	0.22
				13/06/2014	-632	Transfer	11750	0.20
				12/09/2014	-2983	Transfer	8767	0.15
				19/09/2014	-417	Transfer	8350	0.15
	Closing Balance			31/03/2015			8350	0.15
5	Sudarshan Securities Private Limite	100000	1.74	01/04/2014				
	Closing Balance			31/03/2015	0		100000	1.74
6	Cyrus Jamshed Guzder	13650	0.24	01/04/2014				
	Closing Balance			31/03/2015	0		13650	0.24
7	Afour Papers Private Limited	47100	0.82	14/11/2014				
	Closing Balance			31/03/2015	0		47100	0.82
8	Neeta Manoj Ruparel	40589	0.71	01/04/2014				
				25/04/2014	633	Transfer	41222	0.72
				23/05/2014	200	Transfer	41422	0.72
				06/06/2014	-500	Transfer	40922	0.71
				20/06/2014	170	Transfer	41092	0.72
				04/07/2014	1250	Transfer	42342	0.74
				11/07/2014	950	Transfer	43292	0.75
				18/07/2014	-464	Transfer	42828	0.75
				25/07/2014	264	Transfer	43092	0.75



# National Peroxide Limited

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Contd.

Sl. No.		Shareholding at the beginning of the year 01/04/2014		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
				05/09/2014	-30	Transfer	43062	0.75
				30/09/2014	839	Transfer	43901	0.76
				24/10/2014	-241	Transfer	43660	0.76
				31/10/2014	-700	Transfer	42960	0.75
				21/11/2014	-650	Transfer	42310	0.74
				28/11/2014	15	Transfer	42325	0.74
				05/12/2014	-50	Transfer	42275	0.74
				31/12/2014	-3	Transfer	42272	0.74
				09/01/2015	-500	Transfer	41772	0.73
				23/01/2015	-100	Transfer	41672	0.73
				13/02/2015	-200	Transfer	41472	0.72
				20/02/2015	-1331	Transfer	40141	0.70
				27/02/2015	-284	Transfer	39857	0.69
				06/03/2015	-525	Transfer	39332	0.68
				13/03/2015	-1055	Transfer	38277	0.67
				20/03/2015	-77	Transfer	38200	0.67
				27/03/2015	-450	Transfer	37750	0.66
	Closing Balance			31/03/2015	-1000	Transfer	36750	0.64
9	Darshana Jignesh Kothari	32932	0.57	01/04/2014				
				23/05/2014	3	Transfer	32935	0.57
				06/06/2014	-500	Transfer	32435	0.56
				04/07/2014	1265	Transfer	33700	0.59
				11/07/2014	600	Transfer	34300	0.60
				25/07/2014	610	Transfer	34910	0.61
				31/10/2014	213	Transfer	35123	0.61
				21/11/2014	360	Transfer	35483	0.62
				05/12/2014	-50	Transfer	35433	0.62
				19/12/2014	-116	Transfer	35317	0.62
				31/12/2014	-100	Transfer	35217	0.61
				09/01/2015	-500	Transfer	34717	0.60
				23/01/2015	-100	Transfer	34617	0.60
				13/02/2015	-400	Transfer	34217	0.60
				20/02/2015	-1494	Transfer	32723	0.57
				06/03/2015	-423	Transfer	32300	0.56
				13/03/2015	-1074	Transfer	31226	0.54
				20/03/2015	-226	Transfer	31000	0.54
				27/03/2015	-333	Transfer	30667	0.53
	Closing Balance			31/03/2015	-1151	Transfer	29516	0.51
10	Ami Shripalbai Morakhia	10300	0.18	01/04/2014				
	Closing Balance			31/03/2015	0		10300	0.18



## v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	—	—	—	—
	At the end of the year	—	—	—	—

## E. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	403.79	—	9.70	413.49
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>403.79</b>	<b>—</b>	<b>9.70</b>	<b>413.49</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	6,799.28	500.00	1.85	7,301.13
• Reduction	403.63	—	—	403.63
<b>Net Change</b>	<b>6,395.65</b>	<b>500.00</b>	<b>1.85</b>	<b>6,897.50</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,799.44	500.00	11.55	7,310.99
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	2.27	—	—	2.27
<b>Total (i+ii+iii)</b>	<b>6,801.71</b>	<b>500.00</b>	<b>11.55</b>	<b>7,313.26</b>

## F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## i. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD
		<b>Mr. S. R. Lohokare</b>
1.	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,67,61,439
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	32,31,759
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	60,00,000
	• As % of profit	3.66%
	• Others, please specify	—
5.	Others, please specify	—
	<b>Total (A)</b>	<b>2,59,93,198</b>
	Ceiling as per the Companies Act, 2013 (@ 5% of the net profits calculated u/s 198 of the Act)	93,70,631



# National Peroxide Limited

## ii. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration							Total Amount (₹)
	Independent Directors	Mr. K. N. Suntook (upto 25.04.2014)	Mr. Rajesh Batra	Mr. D. N. Mehta (upto 10.03.2014)	Mr. N. P. Ghanekar	Mr. S. Ragothaman	Ms. Hema Hattanagady	
1	(a) Fee for attending board / committee meetings	—	4,00,000	—	3,80,000	1,80,000	—	9,60,000
	(b) Commission	5,29,000	7,56,000	8,32,000	8,32,000	—	—	29,49,000
	(c) Others, please specify	—	—	—	—	—	—	—
	<b>Total (1)</b>	5,29,000	11,56,000	8,32,000	12,12,000	1,80,000	—	39,09,000
2	Other Non-Executive Directors	<b>Mr. Ness. N. Wadia</b>						
	(a) Fee for attending board / committee meetings	2,40,000						2,40,000
	(b) Commission	19,67,000						19,67,000
	(c) Others, please specify	—						—
	<b>Total (2)</b>	22,07,000						22,07,000
	<b>Total (B)=(1+2)</b>	27,36,000	11,56,000	8,32,000	12,12,000	1,80,000	—	61,16,000
	Total Managerial Remuneration							*3,21,09,198
	Overall Ceiling as per the Act	Rs. 18.74 Lakhs (being 1% of the net profits of the Company calculated under section 198 of the Companies Act, 2013)						

\* Total Remuneration to Managing Director, Whole-time Directors and the other Directors (being the total of A and B).

## iii. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. H. B. Chinoy (Company Secretary)	Mr. A. V. Naik (Chief Financial Officer)	Total
1.	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	12,75,261	37,92,996	50,68,257
	b. Value of perquisites u/s 17(2) Income-Tax Act, 1961	—	39,600	39,600
	c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	• As % of profit	—	—	—
	• Others, please specify	—	—	—
5.	Others, please specify	—	—	—
	<b>Total</b>	12,75,261	38,32,596	51,07,857

## G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**Annexure V to the Directors' Report**

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,  
The Members,  
National Peroxide Limited

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

Based on our verification of National Peroxide Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by National Peroxide Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The other regulations of the Securities and Exchange Board of India as may be applicable to the Company.
- (vi) Other laws applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

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



# National Peroxide Limited

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **Parikh & Associates**  
Company Secretaries

**Mitesh Dhaliwala**  
Partner

ACS: 24539 CP: 9511

Place: Mumbai

Date: 26<sup>th</sup> May, 2015

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

## 'Annexure A'

To,  
The Members  
National Peroxide Limited

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

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

For **Parikh & Associates**  
Company Secretaries

**Mitesh Dhaliwala**  
Partner

ACS: 24539 CP: 9511

Place: Mumbai

Date: 26<sup>th</sup> May, 2015

**Annexure VI to the Directors' Report****DETAILS OF THE REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES**

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for the F.Y. 2014-15 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2014-15	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	Mr. S. R. Lohokare, Managing Director	259.93	13.18	30.73:1
2.	Mr. A. V. Naik, Chief Financial Officer	37.93	11.83	4.48:1
3.	Mr. H. B. Chinoy, Company Secretary	12.75	20.64	1.51:1

- ii. The median remuneration of employees of the Company during the financial year was ₹ 8.46 lakhs. In the FY 2014-15, there was an increase of 47.4% in the median remuneration of employees;
- iii. There were 116 number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2015;
- iv. The explanation on the relationship between increase in remuneration and company performance: The increase in remuneration is linked to the performance of the Company as a whole, the performance of the employees and other factors like industry trends and economic environment.
- v. (a) Variations in the market capitalization of the Company:  
The market capitalization as on 31<sup>st</sup> March, 2015 was ₹ 32,269.41 lakhs (₹ 24,743.71 lakhs as on 31<sup>st</sup> March, 2014).
- (b) Price Earnings ratio of the Company was 51.75 as at 31<sup>st</sup> March, 2015 and was 6.41 as at 31<sup>st</sup> March, 2014.
- (c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:  
The Company's shares were listed in 1985. Since the listing of the shares, the Company has not made any public offer. The market capitalization as on 31<sup>st</sup> March, 2015 was ₹ 32,269.41 lakhs and the closing price of the same at BSE Ltd. on 31<sup>st</sup> March, 2015 was ₹ 561.50 per equity share of the face value of ₹ 10/- each.
- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15, and comparison with the increase in the managerial remuneration for the same financial year.

(Amount in ₹)

Remuneration paid to employees excluding managerial personnel for the FY 2013-14	Remuneration paid to employees excluding managerial personnel for the FY 2014-15	% change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2013-14	Remuneration paid to managerial personnel for the FY 2014-15	(%) change in remuneration paid to managerial personnel
28,955,932	39,429,355	36.17	48,746,516	62,768,622	28.77

There were no exceptional circumstances for increase in Managerial Remuneration as Managerial & Non Managerial levels were provided with similar increases.



## National Peroxide Limited

- vii. Comparison of Remuneration of each Key Managerial Personnel(s) and All Key Managerial Personnel(s) together against the performance of the Company:

	<b>Mr. S. R. Lohokare, Managing Director</b>	<b>Mr. A. V. Naik, Chief Financial Officer</b>	<b>Mr. H. B. Chinoy, Company Secretary</b>	<b>Total</b>
Aggregate Remuneration of Key Managerial Personnel (₹ in lacs)	259.93	37.93	12.75	310.61
Revenue (₹ in lacs)	20266.14			
Remuneration of KMPs (as a % of revenue)	1.28%	0.19%	0.06%	1.53%
Profit Before Tax (PBT) (₹ in lacs)	1640.70			
Remuneration of KMP (as a % of PBT)	15.84%	2.31%	0.78%	18.93%

- viii. The key parameters for any variable component of remuneration availed by the Directors: Performance Commission.
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
- There are no such cases wherein any employee received remuneration in excess of the highest paid Director.
- x. Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

**Annexure VII to the Directors' Report****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**A. CONSERVATION OF ENERGY****(a) Steps taken or impact on conservation of energy :**

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

- Replaced old H2 plant Cooling water feed Pumps with new Energy Efficient Pumps.
- Replaced old Instrument Air Compressor Cooling water feed Pumps with new Energy Efficient Pumps.
- Installed new Energy efficient Instrument Air compressor with VFD units and operating compressor in close loop with VFD as per set Instrument air header pressure for optimizing power Consumption.
- Replaced 2" Old GI line with 3" SS line for Instrument Air Header to reduce Instrument air leakages.
- Replaced old window Air Conditioner units with 3/5 Star Rating Machines.
- Replaced old 2X40W TL fitting with 16 watts LED type light fittings for office area.
- Replaced 23 watts CFL Lamps with 9 watts LED lamps.
- Incorporated new 56/4 as solution heat exchanger & reduced steam consumption.

These measures, along with the measures taken during the last year, have resulted in significant reduction in energy consumption. In addition, leakages of solvents were significantly reduced by close monitoring.

In spite of various measures taken during the year the power consumption has increased due to change of plant equipments for catering higher heads and flow required for plant enhanced capacity.

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

	2014-15	2013-14
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. <b>Electricity</b>		
a. Purchased:		
Units (KWH).....	2,73,52,000	3,02,61,900
Total Amount (₹ lacs).....	2,041.48	2,071.10
Rate/Unit (₹/KWH) .....	7.46	6.84
b. Own Generation:		
(i) Through diesel generator Units (KWH).....	13,635	2,915
Units/litre of diesel oil (KWH) .....	2.96	2.24
Cost of diesel/Unit (₹/KWH).....	16.50	21.34
(ii) Through steam turbine/generator .....	Not Applicable	
2. <b>Coal</b> .....	Not Applicable	
3a. <b>Furnace Oil</b>		
Quantity (MT) .....	0.00	0.00
Total amount (₹ lacs).....	0.00	0.00
Average rate (₹/MT).....	0.00	0.00
3b. <b>Natural Gas</b>		
Quantity (MMBTU) .....	89,523.00	1,29,329.00
Total amount (₹ lacs).....	972.94	1,305.47
Average rate (₹/MMBTU).....	1,086.80	1,009.42
4. <b>Other/Internal Generation</b> .....	Not Applicable	
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1. Electricity (KWH/MT).....	360.67	345.39
2a. Furnace Oil (KG/MT).....	0.00	0.00
2b. Natural Gas (MMBTU/MT) .....	1.23	1.50

\* The Boiler was operated for full year on Natural Gas. The consumption for each fuel is calculated on annual production. The equivalent fuel oil specific consumption on gross calorific value basis for 2013-14 & 2014-15 works out to 36.98 KG of Fuel Oil/MT & 30.24 KG of Fuel Oil/MT, respectively.



# National Peroxide Limited

**(b) Steps taken by the Company for utilising alternate sources of energy:**

Efforts were made to evaluate a coal-based power plant as an alternate source of energy. At this juncture, it is not viable.

**(c) Capital investment on energy conservation equipments:**

Capital investment of ₹ 203.73 lacs was incurred during the year on various energy conservation equipments.

**B. TECHNOLOGY ABSORPTION:**

**(a) Efforts made towards technology absorption:**

- Engineering & Process Design of equipments for expansion of Hydrogen & Hydrogen Peroxide plant;
- Improvement in Effluent Treatment plant;
- Upgradation of APC system for the plant;
- Stabilisation of Exa OPC system for plant;
- Stabilisation of Cooling Tower operations using 3D Trasar system;
- Operating the Boiler with Economiser for optimum usage of fuel;
- Upgrading Infor ERP LN F2 to F9 system.

**(b) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Enhanced plant capacity with in-house designing of project & training of man power for technology & projects.
- Reduction in effluent load to obtain the locational clearance.
- Fine tuning of plant operating parameters resulting in smooth operation of plant with lower specific consumption.
- Ensuring system compliance and data collection for future analysis.
- Optimum efficiency of heat exchanger.
- Better economy, reduction in emission & clean operation.
- Addressing obsolescence & ensuring system compliance.

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

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

**(d) Expenditure incurred on Research and Development:**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

Particulars	₹ Lacs	
	2015	2014
Foreign exchange earned	Nil	Nil
Foreign exchange used	2,715.67	781.12



**Annexure VIII to the Directors' Report****CLIMATE CHANGE AND GREEN HOUSE GAS EMISSION**

The United Nations' 20<sup>th</sup> Climate Change Conference held at Lima, Peru, from 1st to 14th December, 2014, was attended by 11,000 delegates. The next conference will be held at Paris in late 2015. During the Conference, significant progress was made with a clear vision, to cut down and curb emissions over the next 12 months. Developed and developing countries took a pledge to capitalize new Green Climate Fund with an initial target of USD 10 billion. A work programme was also established under the Committee including enhancing and understanding how loss and damage, due to climate change, affects vulnerable countries.

Norway, Australia, Belgium and Peru offered finances to bring up Green Climate Fund to USD 10.20 billion. China made an announcement of USD 10 million for South-East Asian co-operation.

A Multilateral Assessment was launched in implementing of measurement, reporting and verification of emission reduction. Protocol was made to foresee financial assistance from parties with more resource to those less endowed and more vulnerable.

Established by COP 16, the Climate Technology Centre and Network (CTCN) facilitates transfer of technology for curbing Green House Gas (GHG) Emission by following ways:

1. Providing technical assistance at the request of developing countries to accelerate transfer of Climate Change Technologies;
2. Creating access to information and knowledge on Climate Technologies;
3. Fostering Collaboration among Climate Technology Stakeholders.

CTCN reported having received 30 requests for assistance in curbing emissions.

Sorabji Godrej Green Business Centre has been promoting concept of Green Business in India. They give Green rating to Industries. SME Rating Agency of India Limited (SMERA), a joint initiative by leading Banks in India also gives Green rating. It is rating agency which focuses on Small and Medium Enterprises. Their ratings facilitate easier and adequate credit from Banking Sectors.

Green Business Rating enables to understand sustainability risk associated in existing manufacturing process as well as changes in Regularity and also gain better acceptability in Domestic and International market.

The National Plan on Climate Change released by the Hon'ble Prime Minister, outlines Eight Missions including National Mission on Enhanced Energy Efficiency (NMEEE). A key provision of India's policy to GHG Mitigation involves Promotion of Energy Efficiency, Fuel switching e.g. Natural Gas, Emphasis on Nuclear & Hydro-Power/ Solar Power Generation & Focused R&D on several clean Energy Technologies. Perform Trade and Achieve mechanism is presently applicable to 478 Designated Consumers (DC) from 9 sectors under the Energy Conservation Act, 2001. Efforts are being made to extend this scheme to additional sectors.

In line with above National Level Activities, NPL has made exhaustive efforts to reduce its Carbon Footprint during the year. NPL's Climate Change Policy is based on:

- Continual improvement of Energy Efficiency in all the operations.
- Improving the operations, wherever practicable by implementing best practice Technologies to reduce GHG Emissions & Conducting Audits to identify areas of improvement to further reduce Energy Consumption In-house, and also by engaging Auditing agencies like PCRA, CII.

The Company continues to carry out the accounting of its GHG for assessment of GHG emissions with the Kalyan plant as the project boundary. The GHG emissions of the Company are given below:

SCOPE	FY 2013-14 (TON CO <sub>2</sub> /YEAR)			FY 2014-15 (TON CO <sub>2</sub> /YEAR)		
	H <sub>2</sub> Plant	AO Plant	Total	H <sub>2</sub> Plant	AO Plant	Total
1	29,712	6,962	36,674	23,879	4,808	28,687
2	2,300	22,004	24,304	1,358	19,863	21,221
3	220	6,804	7,024	100	6,123	6,223
Total	32,232	35,770	68,002	25,337	30,794	56,131

For Hydrogen Filling	4,024	—	4,024	2,853	—	2,853
For AO Plant	28,208	35,770	63,978	22,484	30,794	53,278

PRODUCTION	FY 2013-14	FY 2014-15
H <sub>2</sub> O <sub>2</sub> (50% H <sub>2</sub> O <sub>2</sub> )	84,233	72,143
H <sub>2</sub>	33.19 Million m <sup>3</sup>	28.55 Million m <sup>3</sup>
GHG Intensity of H <sub>2</sub> O <sub>2</sub> (50% H <sub>2</sub> O <sub>2</sub> )	759.5 kg/MT	738.5 kg/MT



# National Peroxide Limited

Out of GHG of 739 kg/MT of Hydrogen Peroxide in 2014-15, 42% of GHG Emission is incurred for Hydrogen Production alone. Benchmarking of GHG intensity for Hydrogen Peroxide is not possible due to non-availability of data of other production. In case of some Hydrogen Peroxide plants, Hydrogen Gas is available as a by-product from Caustic-Chlorine plants. Hence, the Company has separated its GHG Emissions for Hydrogen and Hydrogen Peroxide production.

## Emission Reductions and Abatement Measures

The various Energy Conservation Measures have resulted in reduction of CO<sub>2</sub> Emission as detailed below:-

Scheme Implemented		CO <sub>2</sub> Emission Reduction (MT)	CO <sub>2</sub> Emission Reduction (Kg/MT)
<b>A.</b>	<b>Electricity</b>		
	1. Replacement of H <sub>2</sub> plant Cooling Water Feed Pumps with Energy Efficient Pumps	53.76	0.75
	2. Replacement of old Instrument Air Compressor Cooling Water Feed Pumps with Energy Efficient Pumps	20.16	0.28
	3. Installation of Energy Efficient Instrument Air Compressor	33.60	0.47
	4. Replacement of Instrument Air Piping	26.88	0.37
	5. Replacement of old Window Air Conditioner units with 3 Star Rating units	14.08	0.20
	6. Replacement of old 2X40W TL Fitting with 6 Watt LED Type Light Fittings in Office Area	3.00	0.04
	7. Replacement of 23 Watts CFL Lamps with 9 Watt LED Lamps	2.45	0.03
	<b>Sub-total of A:</b>	153.93	2.14
<b>B.</b>	<b>Natural Gas</b>		
	1. Incorporation of Heat Recovery Exchanger	1,166.72	16.17
	<b>Sub-total of B:</b>	1,166.72	16.17
	<b>Grand Total (A+ B)</b>	<b>1,320.65</b>	<b>18.31</b>

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF NATIONAL PEROXIDE LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NATIONAL PEROXIDE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



# National Peroxide Limited

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements included in Note 20 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm's Registration No. 101496W)

Joe Pretto  
Partner  
Membership No. 077491

Mumbai, 26th May, 2015

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone financial statements of National Peroxide Limited for the year ended 31st March, 2015).

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situations in most cases of such assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable interval.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies between the physical stocks and book records were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

## Annual Report 2014-2015

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income-tax which has not been deposited as on 31st March, 2015 on account of dispute is given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount Involved (₹ in Lakhs)</b>
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2011-12	4.70

- (c) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank. The Company has not obtained any borrowing from financial institution and also has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank and financial institution.
- (xi) In our opinion and according to the information and explanations given to us, the term loan has been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm's Registration No. 101496W)

Joe Pretto  
Partner  
Membership No. 077491

Mumbai, 26th May, 2015



# National Peroxide Limited

## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	₹ in Lakhs	₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>(A) EQUITY AND LIABILITIES:</b>				
<b>SHAREHOLDERS' FUNDS</b>				
(a) Share Capital .....	2	574.70		574.70
(b) Reserves and Surplus .....	3	20,319.68		20,083.71
			20,894.38	20,658.41
<b>NON-CURRENT LIABILITIES</b>				
(a) Long Term Borrowings.....	4	3,000.00		—
(b) Deferred Tax Liabilities (Net).....	5	2,750.16		1,754.72
(c) Long-Term Provisions.....	6	154.58		127.44
			5,904.74	1,882.16
<b>CURRENT LIABILITIES</b>				
(a) Short-Term Borrowings .....	7	2,299.44		403.79
(b) Trade Payables.....	8	2,521.60		2,252.49
(c) Other Current Liabilities .....	9	2,356.82		574.20
(d) Short-Term Provisions .....	10	434.19		1,183.39
			7,612.05	4,413.87
<b>TOTAL</b>			<u>34,411.17</u>	<u>26,954.44</u>
<b>(B) ASSETS:</b>				
<b>NON-CURRENT ASSETS</b>				
<b>(a) Fixed Assets</b>				
(i) Tangible Assets.....	11	18,736.54		11,662.71
(ii) Capital Work-in-progress.....		397.94		4,091.80
(b) Non-current Investments .....	12	127.33		127.33
(c) Long-Term Loans and Advances .....	13	867.11		1,412.93
			20,128.92	17,294.77
<b>CURRENT ASSETS</b>				
(a) Current Investments .....	14	831.26		902.11
(b) Inventories .....	15	1,600.03		2,398.91
(c) Trade Receivables .....	16	3,716.33		3,250.51
(d) Cash and Bank Balances.....	17	77.46		134.27
(e) Short-Term Loans and Advances.....	18	8,039.17		2,956.38
(f) Other Current Assets .....	19	18.00		17.49
			14,282.25	9,659.67
<b>TOTAL</b>			<u>34,411.17</u>	<u>26,954.44</u>

See Significant Accounting Policies and accompanying Notes to the Standalone Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	₹ in Lakhs	₹ in Lakhs	2013-2014 ₹ in Lakhs
I. REVENUE FROM OPERATIONS .....	21		19,629.56	23,451.54
II. OTHER INCOME .....	22		636.58	611.17
III. TOTAL REVENUE .....			20,266.14	24,062.71
IV. EXPENSES:				
Cost of Raw Material Consumed .....	23		6,712.99	7,496.42
Purchase of Stock-in-Trade .....			—	240.12
Changes in inventories of finished goods .....	24		808.57	(1,208.93)
Employee benefits expenses .....	25		1,705.81	1,683.06
Finance cost .....	26		468.40	21.65
Depreciation and amortisation expenses .....	11		721.31	973.44
Other expenses .....	27		8,208.36	9,138.65
TOTAL EXPENSES .....			18,625.44	18,344.41
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)..			1,640.70	5,718.30
Exceptional Item .....	28		—	119.56
VI. PROFIT BEFORE TAX .....			1,640.70	5,837.86
VII. TAX EXPENSE:				
— Current Tax .....		335.00		1,928.00
— MAT Credit Entitlement .....		(335.00)		—
— Deferred tax [Net of ₹ 10.72 lakhs (Previous Year - ₹ Nil) Refer to Note No. 11] .....	5	984.72		48.03
— Short Provision for Tax relating to Prior Years .....		32.49		—
			1,017.21	1,976.03
VIII. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (VI - VII) .....			623.49	3,861.83
IX. Profit/(Loss) from discontinuing operations .....			—	—
X. PROFIT FOR THE YEAR (VIII-IX) .....			623.49	3,861.83
IX. Earnings per equity share – Basic and Diluted (₹) .....	31		10.85	67.20
(Face Value ₹ 10)				

See Significant Accounting Policies and accompanying Notes to the Standalone Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer  
SEEMA JAGNANI  
Company Secretary

R. BATRA  
N. P. GHANEKAR  
S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015



# National Peroxide Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	2013-2014 ₹ in Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax.....	1,640.70	5,837.86
<b>Adjustments for:</b>		
Depreciation .....	721.31	973.44
Interest expense.....	468.40	21.65
Interest income.....	(567.02)	(490.24)
Dividend income.....	(65.11)	(118.42)
Provision for Employee Benefits.....	168.99	(9.84)
Loss on sale of Fixed Assets.....	—	24.50
Profit on Sale of Investments.....	(0.17)	(0.34)
<b>Operating Profit before Working Capital Changes.....</b>	<b>2,367.10</b>	<b>6,238.61</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Trade Receivables.....	(465.82)	(83.73)
Long-term Loans and Advances.....	—	(51.98)
Short-term Loans and Advances.....	(482.79)	397.01
Term deposits pledged with banks.....	97.73	(8.80)
Dividend Account balance with banks.....	(5.49)	(5.12)
Inventories.....	798.88	(1,580.08)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade Payables.....	269.11	(295.84)
Other Current Liabilities.....	(13.16)	(5.08)
<b>Cash generated from operations.....</b>	<b>2,565.56</b>	<b>4,604.99</b>
Less: Taxes paid.....	(456.68)	(1,829.49)
<b>Net Cash flow from Operating Activities (A).....</b>	<b>2,108.88</b>	<b>2,775.50</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital work in progress).....	(3,600.27)	(5,644.26)
Sale of Fixed Assets.....	—	56.22
Interest received.....	566.51	486.36
Dividend received.....	65.11	118.42
Inter Corporate Deposits placed.....	(7,500.00)	(4,500.00)
Inter Corporate Deposits refunded.....	2,900.00	2,600.00
Purchase of Investments in Mutual Fund.....	(8,390.24)	(8,540.96)
Sale of Investments in Mutual Fund.....	8,461.26	13,372.73
<b>Net Cash flow used in Investing Activities (B).....</b>	<b>(7,497.63)</b>	<b>(2,051.49)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short term borrowings.....	1,395.65	301.14
Interest paid.....	(468.40)	(21.65)
Dividend and Tax on Dividend paid.....	(1,003.07)	(1,003.44)
Term Loan taken from Bank.....	5,000.00	—
Inter Corporate Deposits taken.....	500.00	—
<b>Net Cash flow from/(used in) Financing Activities (C).....</b>	<b>5424.18</b>	<b>(723.95)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C).....</b>	<b>35.43</b>	<b>0.06</b>
Cash and Cash Equivalents - Opening balance.....	2.74	2.68
Cash and Cash Equivalents - Closing balance.....	38.17	2.74
Cash and Bank Balances - Closing balance (Refer Note No. 17).....	77.46	134.27
Less: Deposits with Banks (Pledged as Margin Money).....	—	97.73
Less: Unclaimed Dividends.....	39.29	33.80
Cash and Cash Equivalents - Closing balance.....	38.17	2.74
See Significant Accounting Policies and accompanying Notes to the Standalone Financial Statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer

R. BATRA  
N. P. GHANEKAR  
S. RAGOTHAMAN } Directors

SEEMA JAGNANI  
Company Secretary

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Corporate Information

National Peroxide Limited (NPL) is a public limited Company established in 1954 and is listed on BSE Limited, Mumbai.

NPL a pioneer in India for peroxygen chemicals is the largest manufacturer of Hydrogen Peroxide in India, with an installed capacity of 95 KTPA on 50% w/w. basis.

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### (a) Basis of Accounting and Preparation of Standalone Financial Statements:

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The standalone financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year.

#### (b) Use of Estimates:

The preparation of the standalone financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

#### (c) Fixed assets and depreciation:

- Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### (d) Impairment of fixed assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

#### (e) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the standalone financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carried forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

#### (f) Investments:

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost of acquisitions, net of diminution in value, if any, which is other than temporary.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(g) **Inventories:**

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

In the case of raw materials, packing materials and stores and spare parts, cost is determined in accordance with the moving weighted average principle. Costs include the purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods is determined using the absorption costing principles. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

(h) **Revenue Recognition:**

Sales include products net off trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all risks and rewards connected with ownership have been transferred to the buyer. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Revenue from dividend on securities is recognised when the right to receive such dividend is established. Interest on securities is recognised evenly over the period of the instrument.

(i) **Financial Income and Borrowing Cost:**

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest income is accrued evenly over the period of the instrument.

Borrowing cost are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(j) **Foreign Currency Transactions:**

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealised translation differences are included in the Statement of Profit and Loss.

(k) **Employee Benefits:**

a. **Short-term Employee Benefits**

Short-term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b. **Long-term Employee Benefits**

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

(i) **Defined-contribution plans**

Annual contribution payable to the Provident Fund and Superannuation Fund (based on the percentage of salary) are charged as an expense as they fall due, that is, in the same period as the employment gives rise to the contribution. Company also contributes to an established Provident Fund for certain employees where it is obliged to meet the interest shortfall, if any.

(ii) **Defined-benefit plans**

For defined-benefit plans in the form of gratuity fund and pension, the cost of providing benefits are determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

c. **Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****(l) Provisions and Contingencies:**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement.

**(m) Operating Lease:**

Lease arrangements where risks and rewards incidental to ownership of an assets substantially vest with lessor are recognised as operating leases. Lease rentals under the operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

**(n) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit/(loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(o) Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(p) Operating Cycle:**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2. SHARE CAPITAL****AUTHORISED**

25,000,000 (Previous Year – 25,000,000) Equity Shares of ₹ 10 each..

	As at 31.03.2015	As at 31.03.2014
	₹ in Lakhs	₹ in Lakhs

2,500.00

2,500.00

**ISSUED, SUBSCRIBED AND PAID-UP**

5,747,000 (Previous Year – 5,747,000) Equity Shares of ₹ 10 each.....

574.70

574.70

**Rights, Preference and Restrictions attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

In last 5 years, no classes of shares has been issued either by payment being received in cash or brought back nor bonus issues made by the Company.



# National Peroxide Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Following are the names of the shareholders with numbers of Equity Shares holding more than 5 percent of the total Equity Shares:

### Name of the Equity Shareholders

	Number of shares	Number of shares
	31.03.2015	31.03.2014
Macrofil Investments Limited .....	1,908,668	1,884,065
Percentage .....	33.21	32.78
Solvay S A .....	1,442,500	1,442,500
Percentage .....	25.10	25.10
	As at	As at
	31.03.2015	31.03.2014
	₹ in Lakhs	₹ in Lakhs

### 3. RESERVES AND SURPLUS

#### GENERAL RESERVE

Balance as per last balance sheet .....	3,284.50	2,897.50
Add:- Transfer from Surplus in Statement of Profit and Loss .....	—	387.00
	<u>3,284.50</u>	<u>3,284.50</u>

#### SURPLUS IN STATEMENT OF PROFIT AND LOSS

Opening Balance .....	16,799.21	14,332.94
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer to Note No. 11) .....	(41.67)	—
Add: Profit for the year .....	623.49	3,861.83
Amount available for appropriation .....	17,381.03	18,194.77
Less: Proposed Dividend (See Note (i) below) .....	287.35	862.05
Less: Tax on Dividend .....	58.50	146.51
Less: Transfer to General Reserve .....	—	387.00
	<u>17,035.18</u>	<u>16,799.21</u>
	<u>20,319.68</u>	<u>20,083.71</u>

(i) The Board of Directors at its meeting held on 26th May, 2015 has recommended a dividend of ₹ 5 (Previous Year ₹ 15) per equity share.

### 4. LONG-TERM BORROWINGS

#### SECURED BORROWINGS

Term Loan from Bank .....	3,000.00	—
TERMS OF REPAYMENT: Repayable in 10 quarterly installments of ₹ 500 Lakhs.		
SECURITY: Secured by a first charge by way of hypothecation of plant & machinery and other movables.		
Total .....	<u>3,000.00</u>	<u>—</u>

### 5. DEFERRED TAXES

#### DEFERRED TAX LIABILITY:

Depreciation on fixed assets .....	2,834.24	1,823.98
Total .....	<u>2,834.24</u>	<u>1,823.98</u>
DEFERRED TAX ASSET:		
Provision for Compensated Absences .....	(58.98)	(48.32)
Other Provisions .....	(25.10)	(20.94)
Total .....	<u>(84.08)</u>	<u>(69.26)</u>
NET DEFERRED TAX LIABILITY	<u>2,750.16</u>	<u>1,754.72</u>

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 995.44 Lakhs (Previous Year – ₹ 48.03 Lakhs).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>6. LONG-TERM PROVISIONS</b>		
Provision for employee benefits .....	154.58	127.44
	<u>154.58</u>	<u>127.44</u>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>SECURED BORROWINGS</b>		
Loans Repayable on Demand:		
Working Capital Demand Loan from HSBC Bank* .....	1,500.00	—
Cash Credits* .....	0.16	403.79
Buyers Credit from Banks* .....	299.28	—
<b>UNSECURED BORROWINGS</b>		
Inter-corporate Deposits from other (Payable within 90 days) .....	500.00	—
	<u>2,299.44</u>	<u>403.79</u>
*(Secured by a first charge by way of hypothecation of stocks and book debts and second mortgage of all the Company's immovable properties.)		
<b>8. TRADE PAYABLES</b>		
Payable for goods purchased .....	1,438.31	963.10
Payable to Employees .....	167.82	321.68
Payable for other expenses [includes ₹ 0.06 Lakhs (Previous Year ₹ 0.06 Lakhs)] due to Micro and Small Enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006 .....	915.47	967.71
	<u>2,521.60</u>	<u>2,252.49</u>
<b>Footnote:</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Loan (Refer to Note No. 4) .....	2,000.00	—
Advances received from Customers .....	14.68	36.51
Deposits received from Customers .....	11.55	9.70
Statutory and Other dues .....	62.21	55.39
Payable in respect of Capital Goods (other than to Micro and Small Enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006) .....	55.76	395.30
Payable to Gratuity Fund (Refer to Note No. 29) .....	173.33	43.50
Unclaimed Dividends .....	39.29	33.80
	<u>2,356.82</u>	<u>574.20</u>
<b>10. SHORT-TERM PROVISIONS</b>		
Provision for employee benefits .....	88.34	76.32
Proposed Dividend:		
Proposed Dividend (Refer to Note No. 3 (i)) .....	287.35	862.05
Tax on Dividend .....	58.50	146.51
Provision for Income Tax [Net of Advance Tax of ₹ Nil Lakhs (Previous Year - ₹ 1,829.49 Lakhs)] .....	—	98.51
	<u>434.19</u>	<u>1,183.39</u>
<b>Footnote:</b>		
Amount remitted during the year in Foreign Currency on account of dividend	2014-15	2013-14
1. Number of Shareholders .....	2	2
2. Number of Shares held .....	1,494,000	1,494,000
3. Amount remitted (in ₹ Lakhs) .....	224.10	224.10
4. Year to which dividend relates .....	2013-14	2012-13



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 11. FIXED ASSETS

(₹ in lakhs)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening as at 1-04-2014	Additions during the year	Deductions during the year	Closing as at 31-03-2015	Up to 1-04-2014	For the year	Deductions during the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Up to 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>TANGIBLE ASSETS:</b> (See footnote below)											
Land : Freehold.....	5.89	—	—	5.89	—	—	—	—	—	5.89	5.89
Previous Year .....	(5.89)	—	—	(5.89)	—	—	—	—	—	(5.89)	—
Buildings .....	590.06	135.83	—	725.89	320.44	15.56	—	11.14	347.14	378.75	269.62
Previous Year .....	(590.06)	—	—	(590.06)	(301.97)	(18.47)	—	—	(320.44)	(269.62)	—
Plant & Machinery.....	23,591.03	7,687.51	—	31,278.54	12,233.95	697.29	—	11.44	12,942.68	18,335.86	11,357.08
Previous Year .....	(22,318.83)	(1,665.04)	(392.84)	(23,591.03)	(11,596.48)	(949.59)	(312.12)	—	(12,233.95)	(11,357.08)	—
Furniture & Fixtures.....	79.14	0.16	—	79.30	65.08	4.67	—	0.37	70.12	9.18	14.06
Previous Year .....	(74.38)	(4.76)	—	(79.14)	(63.72)	(1.36)	—	—	(65.08)	(14.06)	—
Office Equipment .....	64.83	2.59	—	67.42	48.77	3.79	—	8.00	60.56	6.86	16.06
Previous Year .....	(59.52)	(5.31)	—	(64.83)	(44.75)	(4.02)	—	—	(48.77)	(16.06)	—
<b>TOTAL .....</b>	<b>24,330.95</b>	<b>7,826.09</b>	<b>—</b>	<b>32,157.04</b>	<b>12,668.24</b>	<b>721.31</b>	<b>—</b>	<b>30.95</b>	<b>13,420.50</b>	<b>18,736.54</b>	<b>11,662.71</b>
Total Previous Year .....	(23,048.68)	(1,675.11)	(392.84)	(24,330.95)	(12,006.92)	(973.44)	(312.12)	—	(12,668.24)	(11,662.71)	—

#### FOOTNOTE :

Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. 1st April, 2014, depreciation for the year ended 31st March, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. Depreciation charge for the year ended 31st March, 2015 is lower by ₹ 361.54 Lakhs. An amount of ₹ 41.67 Lakhs (net of deferred tax) has been recognized in the opening balance of retained earnings for the assets where remaining useful life as per Schedule II was Nil.

### 12. NON CURRENT INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS (LONG TERM):

TRADE INVESTMENTS (QUOTED) AT COST:

1,489,700 (Previous Year: 1,489,700) Equity Shares of ₹ 2 each fully paid up in The Bombay Dyeing & Manufacturing Company Limited...

78.03

78.03

1,252,200 (Previous Year: 1,252,200) Equity Shares of ₹ 2 each fully paid up in The Bombay Burmah Trading Corporation Limited.....

23.73

23.73

101.76

101.76

TRADE INVESTMENTS IN THE SUBSIDIARY COMPANY (UNQUOTED) AT COST:

25,500 (Previous Year: 25,500) Equity Shares of ₹ 100 each fully paid up in Naperol Investments Limited .....

25.50

25.50

NON-TRADE INVESTMENTS (QUOTED) AT COST:

600 (Previous Year: 600) Equity Shares of ₹ 2 each fully paid up in Housing Development Finance Corporation Limited.....

0.02

0.02

2,500 (Previous Year: 2,500) Shares of ₹ 2 each fully paid up in HDFC Bank Limited.....

0.05

0.05

0.07

0.07

127.33

127.33

AGGREGATE AMOUNT OF QUOTED INVESTMENTS:

Cost .....

101.83

101.83

Market Value .....

6,495.51

2,064.34

AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS:

Cost .....

25.50

25.50

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances.....	31.53	903.03
Sundry Deposits .....	239.50	239.50
Advance Payment of Taxes (Net of provision ₹ 7,875.40 Lakhs [Previous Year - ₹ 7,482.00 Lakhs]) .....	261.08	270.40
MAT Credit Entitlement .....	335.00	—
	<u>867.11</u>	<u>1,412.93</u>
<b>14. CURRENT INVESTMENTS</b>		
INVESTMENT IN MUTUAL FUND:		
UNQUOTED (AT COST OR MARKET VALUE WHICHEVER IS LOWER):		
SBI Premier Liquid Fund – Regular Plan – Daily Dividend 20,082,737 (Previous Year: 29,985.822) Units of ₹ 1,000 each .....	201.48	300.83
JM Money Manager Fund – Super Plan – Daily Dividend (479) 2,499,560.791 (Previous Year: Nil) Units of ₹ 10 each.....	250.61	—
JM Money Manager Fund – Super Plus Plan – Daily Dividend (171) Nil (Previous Year: 3,002,921.512) Units of ₹ 10 each .....	—	300.81
Birla Sunlife Cash Plus – Daily Dividend – Reinvestment 378,432,857 (Previous Year: 299,882.218) Units of ₹ 100 each.....	379.17	300.47
	<u>831.26</u>	<u>902.11</u>
Aggregate Net Asset Value of units in Mutual Funds.....	831.26	902.11
<b>15. INVENTORIES</b>		
(At lower of Cost and Net Realisable Value)		
Raw Materials (including Goods-in-transit ₹ Nil Lakhs (Previous Year - ₹ 37.56 Lakhs) .....	494.68	503.78
Finished Goods .....	540.51	1,349.08
Stores, Spare Parts and Packing materials.....	564.84	546.05
	<u>1,600.03</u>	<u>2,398.91</u>



# National Peroxide Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>16. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment .....	212.63	—
Others .....	3,503.70	3,250.51
	<u>3,716.33</u>	<u>3,250.51</u>
<b>17. CASH AND BANK BALANCES</b>		
CASH AND CASH EQUIVALENTS:		
Cash on hand.....	1.41	1.67
Balances with Banks:		
In Current Account .....	36.76	1.07
	<u>38.17</u>	<u>2.74</u>
OTHER BANK BALANCES:		
In Deposit Account having maturity less than 3 months .....	—	16.12
(Pledged as Margin Money)		
In Deposit Account having maturity less than 12 months but more than 3 months .....	—	81.61
(Pledged as Margin Money)		
In Unpaid Dividend Account .....	39.29	33.80
	<u>39.29</u>	<u>131.53</u>
	<u>77.46</u>	<u>134.27</u>
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Intercompany Deposits* .....	6,500.00	1,900.00
Advance to Gratuity Fund .....	16.78	—
Advance to Employees .....	—	0.27
Sundry Deposits .....	25.08	15.03
Balances with Excise, Customs, Sales tax etc.....	1,439.09	1,003.05
Prepaid Expenses .....	15.52	12.86
Advance for Purchase of Materials.....	32.61	18.37
Advance for Expenses .....	10.09	6.80
	<u>8,039.17</u>	<u>2,956.38</u>
<p>* [The Company has given Intercompany Deposits (ICD) to Bombay Dyeing Real Estate Co. Ltd. (₹ 500 Lakhs), Archway Investments Ltd. (₹ 3,000 Lakhs) and Macrofil Investment Ltd. (₹ 3,000 Lakhs). The interest rate of the said ICD'S is 12.50%] p.a. and these are repayable on demand.]</p>		
<b>19. OTHER CURRENT ASSETS</b>		
Interest Accrued but not due on fixed deposits with banks .....	—	1.09
Interest Accrued but not due on sundry deposits.....	18.00	16.40
	<u>18.00</u>	<u>17.49</u>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>20. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Contingent Liability:		
In respect of matters which are contested by the Company		
Income Tax demand.....	28.48	28.48
The Company is not estimating any cash outflow relating to above matters .....		
Commitments:		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for .....	62.03	2,147.14
(b) Other Commitment		
The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. The agreement is valid till 30th April, 2028. As per the said agreement, the Company under 'Take or Pay obligation' clause has to make payment for a fixed quantity of gas on an annual basis, whether used or not. However the shortfall can also be adjusted against the future consumption during the recovery period which is a period of 12 months commencing after the end of basic term which will end on 30th April, 2028.		
GAIL has sent a demand for a sum of ₹ 206.53 Lakhs against the 'Take or Pay obligation'. The Company is confident that the shortfall will be adjusted against future consumption. Hence the company does not foresee any liability on this account.		
(c) Refer to Note No. 35 regarding lease commitment		
	₹ in Lakhs	2014-2015 ₹ in Lakhs
		2013-2014 ₹ in Lakhs
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of Products:		
Hydrogen Peroxide .....	20,984.60	24,380.76
Sodium Perborate .....	90.88	376.02
Hydrogen Gas.....	750.16	1,078.28
Gross Total	21,825.64	25,835.06
Less: Excise duty.....	2,258.56	2,648.64
Total	19,567.08	23,186.42
Sale of Stock-in-Trade (Hydrogen Peroxide)	—	240.12
Other Operating Revenue:		
Sale of Scrap.....	59.01	16.50
Discount received.....	3.47	8.50
	<u>19,629.56</u>	<u>23,451.54</u>



# National Peroxide Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2014-2015 ₹ in Lakhs	2013-2014 ₹ in Lakhs
<b>22. OTHER INCOME</b>			
Interest income from Banks on Fixed Deposits.....		4.52	31.84
Interest income from Intercorporate Deposits.....		543.52	442.00
Other Interest income .....		18.98	16.40
Dividends (Long Term)			
On Trade Investments .....	24.69		52.46
Dividends (Current)			
On Other Investments .....	40.42		65.96
		<u>65.11</u>	<u>118.42</u>
Profit on Sale of Investments .....		0.17	0.34
Foreign Exchange Fluctuation (Net).....		4.21	2.01
Insurance Claims .....		0.07	0.16
		<u>636.58</u>	<u>611.17</u>
<b>23. COST OF RAW MATERIAL CONSUMED</b>			
Opening Stock.....		503.78	209.22
Add: Purchases.....		6,871.33	7,790.98
		<u>7,375.11</u>	<u>8,000.20</u>
Less: Capitalisation of Cost of Material consumed during expansion ....		167.44	—
		<u>7,207.67</u>	<u>8,000.20</u>
Less: Closing Stock.....		494.68	503.78
Cost of Material consumed .....		<u>6,712.99</u>	<u>7,496.42</u>
Material consumed comprises of:			
Natural Gas.....		5,259.50	5,496.07
Solvents and Chemicals.....		823.63	867.57
Others .....		629.86	1,132.78
		<u>6,712.99</u>	<u>7,496.42</u>
<b>24. CHANGES IN INVENTORY OF FINISHED GOODS</b>			
Opening balance			
Hydrogen Peroxide .....	1,343.75		126.83
Sodium Perborate .....	5.33		13.32
		<u>1,349.08</u>	<u>140.15</u>
Closing balance			
Hydrogen Peroxide .....	540.51		1,343.75
Sodium Perborate .....	—		5.33
		<u>540.51</u>	<u>1,349.08</u>
Net Decrease/(Increase) in Finished Goods.....		<u>808.57</u>	<u>(1,208.93)</u>
<b>25. EMPLOYEE BENEFITS EXPENSES</b>			
Salaries, Wages and Other Benefits .....		1,432.48	1,310.95
Contributions to Provident and Other Funds (Refer to Note No. 29) .....		309.88	158.52
Workmen and Staff Welfare Expenses .....		245.64	213.59
		<u>1,988.00</u>	<u>1,683.06</u>
Less: Amount capitalised during the year.....		282.19	—
		<u>1,705.81</u>	<u>1,683.06</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

	₹ in Lakhs	2014-2015 ₹ in Lakhs	2013-2014 ₹ in Lakhs
<b>26. FINANCE COSTS</b>			
Interest on Borrowings.....		425.39	0.21
Other Interest.....		—	7.00
OTHER BORROWING COST:			
Loan Processing Fees .....		25.00	—
Discounting Charges.....		18.01	14.44
		<u>468.40</u>	<u>21.65</u>
<b>27. OTHER EXPENSES</b>			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Change in Closing Stock).....	(121.23)		163.68
Insurance.....	45.10		40.14
Rent .....	30.97		34.48
Rates and Taxes.....	21.14		36.51
Commission and Discount.....	20.77		29.49
Packing and Containers.....	1,731.48		1,704.91
Power, Fuel and Water.....	3,054.20		3,397.72
Stores and Spare Parts Consumed.....	509.09		355.61
Repairs and Maintenance - Buildings.....	1.73		2.81
Repairs and Maintenance - Machinery.....	528.33		500.15
Freight Outward .....	1,709.69		1,927.44
Sundry Expenses.....	648.47		718.14
		8,179.74	8,911.08
AUDITORS' REMUNERATION:			
(i) Audit Fees .....	7.00		7.00
(ii) Other Matters.....	3.75		3.75
(iii) Reimbursement of Expenses .....	0.13		—
		10.88	10.75
Expenditure on Corporate Social Responsibility .....		109.20	—
Donation .....		—	130.00
Loss on Sale of Fixed Assets .....		—	24.50
Commission to Non Executive Directors.....	6.25		61.45
Less: Reversal of previous year excess commission.....	(12.29)		(8.23)
		(6.04)	53.22
Directors' Sitting Fees .....		13.48	9.10
		8,307.26	9,138.65
Less: Amount capitalised during the year.....		98.90	—
		<u>8,208.36</u>	<u>9,138.65</u>
<b>28. EXCEPTIONAL ITEM</b>			
Refund received as per the order of the Consumer Grievance Redressal Forum, which was charged by Maharashtra State Electricity Distribution Co. Ltd. during the period April 2010 to March 2013 towards Voltage Surcharge. ....		—	119.56
		—	119.56



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2014-2015 (₹ in Lakhs)	2013-2014 (₹ in Lakhs)
<b>29. EMPLOYEE BENEFITS OBLIGATIONS</b>		
<b>(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes</b>		
(i) Provident Fund .....	72.60	69.88
(ii) Superannuation Fund .....	43.38	45.14
<b>(b) Details of the funded gratuity plan are as follows:</b>		
<b>The amounts recognised in the Balance Sheet are as follows:</b>		
(i) Present value of funded obligations .....	821.50	653.16
(ii) Fair value of plan assets .....	(648.17)	(609.66)
<b>Amounts in the Balance Sheet:</b>		
Liabilities (Refer to Note No. 9) .....	173.33	43.50
<b>The amounts recognised in the Statement of Profit and Loss are as follows:</b>		
(i) Current service cost .....	27.25	25.17
(ii) Interest on obligation .....	54.43	43.18
(iii) Expected return on plan assets.....	(44.43)	(38.44)
(iv) Net actuarial losses/(gains) recognised in year .....	136.08	13.59
(v) Past service cost.....	—	—
(vi) Expenses recognised in the Statement of Profit and Loss (Refer to Note No. 25) .....	173.33	43.50
<b>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
(i) Opening defined benefit obligation .....	653.16	592.46
(ii) Service cost .....	27.25	25.17
(iii) Interest cost .....	54.43	43.18
(iv) Actuarial losses/(gains) .....	158.18	25.27
(v) Past service cost.....	—	—
(vi) Benefits paid.....	(71.52)	(32.92)
(vii) Closing defined benefit obligation .....	821.50	653.16
<b>Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:</b>		
(i) Opening fair value of plan assets.....	609.66	504.38
(ii) Expected return .....	44.43	38.44
(iii) Actuarial losses/(gains) .....	22.09	8.98
(iv) Contribution by employer .....	43.51	90.78
(v) Benefits paid.....	(71.52)	(32.92)
(vi) Closing fair value of plan assets .....	648.17	609.66

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

	2014-2015	2013-2014
<b>The major categories of plan assets as a percentage of total plan assets are as follows:</b>		
(i) Government of India Securities.....	11%	12%
(ii) Corporate Bonds .....	63%	57%
(iii) Special Deposit Scheme.....	17%	18%
(iv) Others.....	9%	13%
<b>Principal actuarial assumptions at the balance sheet date are as follows:</b>		
(i) Discount rate at 31st March .....	8.00% p.a.	9.25% p.a.
(ii) Expected return on plan assets at 31st March.....	8.50% p.a.	8.50% p.a.
(iii) Rate of increase in compensation		
— Management.....	9.00% p.a.	9.00% p.a.
— Non-Management .....	6.00% p.a.	6.00% p.a.
(iv) Leaving of service		
21 to 44-age .....	2.00% p.a.	2.00% p.a.
45 to 59-age .....	1.00% p.a.	1.00% p.a.

**The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets for the five annual periods.**

	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
Defined Benefit Obligation .....	454.55	487.04	592.46	653.16	821.50
Plan Assets .....	352.29	455.73	504.38	609.66	648.17
Surplus/(Deficit) .....	(102.26)	(31.31)	(88.08)	(43.50)	(173.33)
Experience Adjustment on Plan Liabilities ...	72.97	24.92	58.30	67.69	110.46
Experience Adjustment on Plan Assets .....	2.02	7.61	10.40	11.69	22.09

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 173.33 Lakhs.

	2014-2015 (₹ in Lakhs)	2013-2014 (₹ in Lakhs)
<b>(c) Details of the unfunded Pension plan are as follows:</b>		
The Company has a scheme whereby pension is payable to certain categories of employees based on the number of years of service upto a specified period after retirement.		
The amounts recognised in the Balance Sheet are as follows:		
(i) Present value of funded obligations .....	72.50	61.62
(ii) Fair value of plan assets .....	—	—
Amounts in the Balance Sheet:		
Liabilities.....	72.50	61.62



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2014-2015 (₹ in Lakhs)	2013-2014 (₹ in Lakhs)
The amounts recognised in the Statement of Profit and Loss are as follows:		
(i) Current service cost .....	1.80	2.33
(ii) Interest on obligation .....	5.13	4.97
(iii) Expected return on plan assets .....	—	—
(iv) Net actuarial losses/(gains) recognised in year .....	9.41	(7.84)
(v) Past service cost .....	—	—
(vi) Expenses recognized in the Statement of Profit and Loss.....	16.34	(0.54)
Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
(i) Opening defined benefit obligation .....	61.62	65.38
(ii) Service cost .....	1.80	2.33
(iii) Interest cost .....	5.13	4.97
(iv) Actuarial losses/(gains) .....	9.41	(7.84)
(v) Past service cost .....	—	—
(vi) Benefits paid .....	(5.46)	(3.22)
(vii) Closing defined benefit obligation .....	72.50	61.62
Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
(i) Opening fair value of plan assets .....	—	—
(ii) Expected return .....	—	—
(iii) Actuarial losses/(gains) .....	—	—
(iv) Contribution by employer .....	5.46	3.22
(v) Benefits paid .....	(5.46)	(3.22)
(vi) Closing fair value of plan assets.....	—	—
Principal actuarial assumptions at the balance sheet date are as follows:		
	2014-2015	2013-2014
(i) Discount rate at 31st March.....	8.00% p.a.	9.25% p.a.
(ii) Rate of increase in compensation.....	6.00% p.a.	6.00% p.a.
The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets are as follows:		
	2014-2015 (₹ in Lakhs)	2013-2014 (₹ in Lakhs)
Defined Benefit Obligations.....	72.50	61.62
Plan Assets .....	—	—
Surplus/(Deficit).....	(72.50)	(61.62)
Experience Adjustment on Plan Liabilities .....	8.51	(4.26)
Experience Adjustment on Plan Assets .....	—	—

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

**30.** Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below:

	Nature of Relationship	Nature of Transactions	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
(a) Related Parties				
Naperol Investments Ltd.	Wholly owned Subsidiary	Other Income: Dividend Received	—	—
(b) Key Management Personnel				
Mr. S. R. Lohokare	Managing Director	Remuneration for the year	213.69	237.07
		Remuneration Payable	5.00	6.20

**31. EARNINGS PER SHARE**

	2014-15	2013-14
(a) Profit for the year (₹ in lakhs) .....	623.49	3,861.83
(b) Number of equity shares of face value of ₹ 10 each.....	5,747,000	5,747,000
(c) Basic and Diluted Earnings Per Share on the above (₹).....	10.85	67.20

**32. OTHER DISCLOSURES**

	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
(a) Imports on C.I.F Basis:		
Raw Materials.....	528.50	1,002.01
Stores and Spare parts .....	0.77	11.68
Capital Goods.....	22.14	1,467.24

(b) The value of consumption of directly imported and indigenously obtained raw materials, components, stores and spare parts and the percentage of each of them to the total consumption:

	2014-2015		2013-2014	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Raw Materials:				
Directly imported .....	607.48	9.05	639.20	9
Indigenously obtained.....	6,105.51	90.95	6,857.22	91
	<u>6,712.99</u>	<u>100.00</u>	<u>7,496.42</u>	<u>100</u>
Components, Stores and Spare Parts:				
Directly imported .....	1.69	0.33	2.90	1
Indigenously obtained.....	507.40	99.67	352.71	99
	<u>509.09</u>	<u>100.00</u>	<u>355.61</u>	<u>100</u>

Note : The consumption figures shown above are after adjusting excesses and shortages, ascertained on physical count, unserviceable items, etc.

	2014-2015 (₹ in Lakhs)	2013-2014 (₹ in Lakhs)
(c) Expenditure in Foreign Currency:		
Membership & Subscription .....	3.34	3.51
Foreign Travel .....	2.27	7.13



# National Peroxide Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 33. SEGMENT INFORMATION

The Company operates in a single business segment i.e., Manufacturing of Peroxygens. Also it operates significantly in a single geographic segment viz India. Therefore, information required by the Accounting Standard on “Segment Reporting” (AS) - 17 are not applicable.

### 34. DETAILS OF DERIVATIVE INSTRUMENTS

The Company has entered into forward exchange contracts which are not intended for trading or speculative purposes. Derivative instruments outstanding at year end are given below:

Type of contract	Purpose of contract	Foreign Currency (FC)	2014-15 (Fx in Lakhs)	2013-14 (Fx in Lakhs)
Forward contracts – sell	Hedging	USD	1.52	—
Forward contracts – sell	Hedging	EUR	2.82	—

Note : Fx = Foreign Currency; USD = US Dollar, EUR = Euros

### 35. UNHEDGED FOREIGN CURRENCY EXPOSURES

The year end foreign currency exposures that were not hedged by a derivative instrument, or otherwise are given below.

Particulars	2014-2015		2013-2014	
	(₹ in Lakhs)	(Fx in Lakhs)	(₹ in Lakhs)	(Fx in Lakhs)
Import of goods	61.62	USD 0.98	62.61	USD 1.04
	—	—	200.96	EUR 2.41

Note : Fx = Foreign Currency; USD = US Dollar, EUR = Euros

36. The Company has taken motor vehicles on operating lease for a period of four years. The particulars in respect of such leases are as follows:

	As at 31.03.2015 (₹ in Lakhs)	As at 31.03.2014 (₹ in Lakhs)
(a) Total of minimum lease payments for a period:		
— Not later than one year .....	17.34	14.04
— Later than one year but not later than five years.....	39.27	26.88
— Later than five years .....	—	—
(b) Lease payments recognised in the Statement of Profit and Loss for the year .....	15.85	12.79

37. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

A. V. NAIK  
Chief Financial Officer

R. BATRA

SEEMA JAGNANI  
Company Secretary

N. P. GHANEKAR  
S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF NATIONAL PEROXIDE LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NATIONAL PEROXIDE LIMITED** (hereinafter referred to as "the Holding Company") and its Subsidiary Company incorporated in India (the Holding Company and its Subsidiary Company constitutes "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 378.29 lakhs as at 31st March, 2015, total revenues of ₹ 45.84 lakhs and net cash flows amounting to ₹ 43.09 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and the Subsidiary Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



# National Peroxide Limited

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group included in Note 20 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and the Subsidiary Company.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm's Registration No. 101496W)

Joe Pretto  
Partner

Membership No. 077491

Mumbai, 26th May, 2015

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## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

Our reporting on the Order includes One Subsidiary Company incorporated in India, to which the Order is applicable, which has been audited by other auditor and our report in respect of the entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company:
  - (a) The Holding Company has maintained proper records showing full particulars including quantitative details and situations in most cases of such assets.
  - (b) The fixed assets were physically verified during the year by the Management of the Holding Company in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

Based on the Auditor's Report of the Subsidiary Company, the subsidiary does not have fixed assets.

- (ii) In respect of the inventories of the Holding Company:
  - (a) As explained to us, the inventories were physically verified during the year by the Management of the Holding Company at reasonable interval.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Holding Company were reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies between the physical stocks and book records were noticed on physical verification.

Based on the Auditor's Report of the Subsidiary Company, the subsidiary does not have Inventory.

- (iii) The Holding Company and the Subsidiary Company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system in the Holding Company and the Subsidiary Company, commensurate with

the size of the respective entities and the nature of their business for purchase of inventories and fixed assets and for the sale of goods and in case of subsidiary company for the purpose of the conducting investing activities and during the course of our and the other auditor's audit no continuing failure to correct major weaknesses in such internal control system has been observed.

- (v) According to the information and explanations given to us, the Holding Company and the Subsidiary Company, have not accepted any deposit during the year and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the Holding Company have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

The Subsidiary Company is not covered by Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013; hence the provisions of clause 3(vi) of this order are not applicable to the Subsidiary.

- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and the Subsidiary Company:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other material statutory dues applicable to the respective entities with the appropriate authorities. There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - (b) Details of dues of Income-tax which has not been deposited as on 31st March, 2015 on account of dispute by the Holding Company is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2011-12	4.70

Based on the Auditor's Report of the Subsidiary Company, there were no amounts which have not been deposited on account of any disputes.

- (c) The Holding Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
 

Based on the Auditor's Report of the Subsidiary Company, there were no amounts which were required to be transferred to Investor Education and Protection Fund.
- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to bank. The Holding Company has not obtained any borrowing from financial institution and also has not issued any debentures.

Based on the Auditors Report of the Subsidiary Company, the subsidiary has not obtained any borrowings from bank and financial institution and also has not issued any debentures; hence the provisions of clause 3(ix) of this order are not applicable to the Subsidiary.

- (x) According to the information and explanations given to us, the Holding Company and the Subsidiary Company have not given guarantees for loans taken by others from bank and financial institution.
- (xi) In our opinion and according to the information and explanations given to us, the term loan has been applied by the Holding Company during the year for the purposes for which they were obtained.

Based on the Auditor's Report of the Subsidiary Company, the subsidiary has not obtained any term loan; hence the provisions of clause 3(xi) of this order are not applicable to the Subsidiary.

- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditor, no fraud by the Holding Company and its Subsidiary Company and no material fraud on the Holding Company and its Subsidiary Company has been noticed or reported during the year.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm's Registration No. 101496W)

Joe Pretto  
Partner  
Membership No. 077491



# National Peroxide Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	₹ in Lakhs	₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<b>(A) EQUITY AND LIABILITIES:</b>				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital .....	2	574.70		574.70
(b) Reserves and Surplus .....	3	20,671.65		20,391.64
			21,246.35	20,966.34
2. NON-CURRENT LIABILITIES				
(a) Long-Term Borrowings .....	4	3,000.00		—
(b) Deferred Tax Liability .....	5	2,750.16		1,754.72
(c) Long-Term Provisions .....	6	154.58		127.44
			5,904.74	1,882.16
3. CURRENT LIABILITIES				
(a) Short-Term Borrowings .....	7	2,299.44		403.79
(b) Trade Payables .....	8	2,522.13		2,252.98
(c) Other Current Liabilities .....	9	2,356.82		574.20
(d) Short-Term Provisions .....	10	434.48		1,184.54
			7,612.87	4,415.51
	<b>TOTAL</b>		<u>34,763.96</u>	<u>27,264.01</u>
<b>(B) ASSETS:</b>				
1. NON-CURRENT ASSETS				
(a) Fixed Assets				
(i) Tangible Assets .....	11	18,736.54		11,662.71
(ii) Capital Work-in-Progress .....		397.94		4,091.80
(b) Non-current Investments .....	12	433.29		433.29
(c) Long-Term Loans and Advances .....	13	867.11		1,412.93
			20,434.88	17,600.73
2. CURRENT ASSETS				
(a) Current Investments .....	14	831.26		902.11
(b) Inventories .....	15	1,600.03		2,398.91
(c) Trade Receivables .....	16	3,716.33		3,250.51
(d) Cash and Bank Balances .....	17	124.16		137.88
(e) Short-Term Loans and Advances .....	18	8,039.20		2,956.38
(f) Other Current Assets .....	19	18.10		17.49
			14,329.08	9,663.28
	<b>TOTAL</b>		<u>34,763.96</u>	<u>27,264.01</u>

See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	₹ in Lakhs	2013-2014 ₹ in Lakhs
I. REVENUE FROM OPERATIONS.....	21	19,675.30	23,586.24
II. OTHER INCOME.....	22	636.68	611.17
III. TOTAL REVENUE.....		20,311.98	24,197.41
IV. EXPENSES:			
Cost of Raw Material Consumed.....	23	6,712.99	7,496.42
Purchase of Stock-in-Trade.....		—	240.12
Changes in Inventories.....	24	808.57	(1,208.93)
Employee benefits expense.....	25	1,705.81	1,683.06
Finance cost.....	26	468.40	21.65
Depreciation and amortisation expenses.....	11	721.31	973.44
Other expenses.....	27	8,209.34	9,139.38
TOTAL EXPENSES.....		18,626.42	18,345.14
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV).....		1,685.54	5,852.27
Exceptional Item.....	28	—	119.56
VI. PROFIT BEFORE TAX.....		1,685.54	5,971.83
VII. Tax expense:			
– Current tax.....		335.03	1,929.15
– MAT Credit Entitlement.....		(335.00)	—
– Deferred tax [Net of ₹ 10.72 Lakhs (Previous Year – ₹ Nil)..... Refer to Note No. 11]	5	984.72	48.03
– Short Provision for Tax relating to Prior Years.....		33.26	0.34
		1,018.01	1,977.52
VIII. PROFIT FOR THE YEAR (VI - VII).....		667.53	3,994.31
IX. Earnings per equity share – Basic and Diluted (₹)..... (Face Value ₹ 10)	32	11.62	69.50

See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015



# National Peroxide Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	2013-14 ₹ in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax.....	1,685.54	5,971.83
<b>Adjustments for:</b>		
Depreciation.....	721.31	973.44
Interest expense.....	468.40	21.65
Interest income.....	(567.12)	(490.24)
Dividend income.....	(65.11)	(118.42)
Provision for Employee Benefits.....	168.99	(9.84)
Loss on sale of Fixed Assets.....	—	24.50
Profit on Sale of Investments.....	(0.17)	(0.34)
<b>Operating Profit before Working Capital Changes.....</b>	<b>2,411.84</b>	<b>6,372.58</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Trade Receivables.....	(465.82)	(83.73)
Long-term Loans and Advances.....	—	(51.98)
Short-term Loans and Advances.....	(482.82)	397.01
Term deposits pledged with banks.....	97.73	(8.80)
Dividend Account balance with banks.....	(5.49)	(5.12)
Inventories.....	798.88	(1,580.08)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade Payables.....	269.15	(295.77)
Other Current Liabilities.....	(13.16)	(5.08)
<b>Cash generated from operations.....</b>	<b>2,610.31</b>	<b>4,739.03</b>
Less: Taxes paid.....	(458.34)	(1,830.52)
<b>Net Cash from Operating Activities (A).....</b>	<b>2,151.97</b>	<b>2,908.51</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital work in progress).....	(3,600.27)	(5,644.26)
Sale of Fixed Assets.....	—	56.22
Interest received.....	566.51	486.36
Dividend received.....	65.11	118.42
Inter Corporate Deposits placed.....	(7,500.00)	(4,500.00)
Inter Corporate Deposits refunded.....	2,900.00	2,600.00
Purchase of Investments in Mutual Fund.....	(8,390.24)	(8,733.95)
Sale of Investments in Mutual Fund.....	8,461.26	13,432.73
<b>Net Cash used in Investing Activities (B).....</b>	<b>(7,497.63)</b>	<b>(2,184.48)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short term borrowings.....	1,395.65	301.14
Interest paid.....	(468.40)	(21.65)
Dividend and Tax on Dividend paid.....	(1,003.07)	(1,003.44)
Term Loan taken from Bank.....	5,000.00	—
Inter Corporate Deposits taken.....	500.00	—
<b>Net Cash used in Financing Activities (C).....</b>	<b>5,424.18</b>	<b>(723.95)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C).....</b>	<b>78.52</b>	<b>0.08</b>
Cash and Cash Equivalents - Opening balance.....	6.35	6.27
Cash and Cash Equivalents - Closing balance.....	84.87	6.35
Cash and Bank Balances - Closing balance (Refer Note No. 17).....	124.16	137.88
Less: Deposits with Banks (Pledged as Margin Money).....	—	97.73
Less: Current Accounts held for Unclaimed Dividends.....	39.29	33.80
Cash and Cash Equivalents - Closing balance.....	84.87	6.35
See Significant Accounting Policies and accompanying Notes to the Consolidated Financial Statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

Joe Pretto  
Partner

A. V. NAIK  
Chief Financial Officer

R. BATRA

Directors

SEEMA JAGNANI  
Company Secretary

N. P. GHANEKAR  
S. RAGOTHAMAN

Mumbai, 26th May, 2015

Mumbai, 26th May, 2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Corporate Information

National Peroxide Limited (the 'Company') and its subsidiary company comprise the Group. National Peroxide Limited (NPL) is a public limited Company established in 1954 and is listed on BSE Limited, Mumbai.

NPL a pioneer in India for peroxxygen chemicals is the largest manufacturer of Hydrogen Peroxide in India, with an installed capacity of 95 KTPA on 50% w/w. basis.

### 1. Significant Accounting Policies:

#### (a) Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year. In case, each company in the Group does not follow a uniform accounting policy, the same as disclosed in the audited accounts of the said company, has been reproduced, if material.

#### (b) Principles of Consolidation:

- (i) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements relate to National Peroxide Limited (the 'Company') and its subsidiary company comprise the Group. The consolidated financial statements have been prepared on the following basis:
- (ii) The consolidated financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Following Subsidiary Company has been considered in the preparation of consolidated financial statements

Name of the Company	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at 31.03.2015 & 31.03.2014
Naperol Investments Limited	India	100%

#### (c) Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### (d) Fixed assets and depreciation:

##### Tangible fixed assets and depreciation:

Tangible fixed assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### (e) Impairment of fixed assets:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment loss is recognised immediately as income in the Consolidated Statement of Profit and Loss.

#### (f) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group carried forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(g) **Investments:**

Investments are either classified as current or long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost of acquisitions, net of diminution in value, if any, which is other than temporary.

(h) **Inventories:**

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

In the case of raw materials, packing materials and stores and spare parts, cost is determined in accordance with the moving weighted average principle. Costs include the purchase price, non-refundable taxes and delivery and handling costs.

Cost of finished goods is determined using the absorption costing principles. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

(i) **Revenue Recognition:**

Sales include products net off trade discounts and exclude sales tax, state value added tax and service tax.

With regard to sale of products, income is reported when practically all risks and rewards connected with ownership have been transferred to the buyer. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

Revenue from dividend on securities is recognised when the right to receive such dividend is established. Interest on securities is recognised evenly over the period of the instrument.

(j) **Financial Income and Borrowing Cost:**

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Interest income is accrued evenly over the period of the instrument.

Borrowing cost are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(k) **Foreign Currency Transactions:**

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Consolidated Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealised translation differences are included in the Consolidated Statement of Profit and Loss.

(l) **Employee Benefits:**

(a) **Short-term Employee Benefits**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(b) **Long-term Employee Benefits**

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

(i) **Defined-contribution plans**

Annual contribution payable to the Provident Fund and Superannuation Fund (based on the percentage of salary) are charged as an expense as they fall due, that is, in the same period as the employment gives rise to the contribution. Company also contributes to an established Provident Fund for certain employees where it is obliged to meet the interest shortfall, if any.

(ii) **Defined-benefit plans**

For defined-benefit plans in the form of gratuity fund and pension, the cost of providing benefits are determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains and losses are immediately recognised in the Consolidated Statement of Profit and Loss.

(c) **Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****(m) Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue / Expenses / Assets / Liabilities".

**(n) Provisions and Contingencies:**

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the consolidated financial statement.

**(o) Operating Lease:**

Lease arrangements where risks and rewards incidental to ownership of an assets substantially vest with lessor are recognised as operating leases. Lease rentals under the operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis.

**(p) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit/(loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(q) Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**(r) Operating Cycle:**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2. SHARE CAPITAL****AUTHORISED**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
25,000,000 (Previous Year – 25,000,000) Equity Shares of ₹ 10 each	2,500.00	2,500.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
5,747,000 (Previous Year – 5,747,000) Equity Shares of ₹ 10 each .....	574.70	574.70

**Rights, Preferences and Restrictions attached to Equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 Each holder of equity shares is entitled to one vote per share.

The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

In last 5 years, no classes of shares has been issued either by payment being received in cash or brought back nor bonus issues made by the Company.

Followings are the names of the shareholders with numbers of Equity Shares holding more than 5 percent of the total Equity Shares:

Name of the Shareholders	Number of shares	
	As at 31.03.2015	As at 31.03.2014
Macrofil Investments Limited.....	1,908,668	1,884,065
Percentage.....	33.21	32.78
Solvay S A .....	1,442,500	1,442,500
Percentage.....	25.10	25.10



# National Peroxide Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>3. RESERVES AND SURPLUS</b>			
<b>CAPITAL REDEMPTION RESERVE</b>			
Balance as per last Balance Sheet .....		0.02	0.02
<b>SPECIAL RESERVE UNDER SECTION 45 IC OF THE RESERVE BANK OF INDIA ACT, 1934</b>			
Balance as per last Balance Sheet .....	106.65		79.85
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss.....	8.96		26.80
		115.61	106.65
<b>GENERAL RESERVE</b>			
Balance as per last Balance Sheet .....	3,348.47		2,948.07
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss.....	4.48		400.40
		3,352.95	3,348.47
<b>SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>			
Opening Balance .....	16,936.50		14,377.95
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer to Note No. 11).....	(41.67)		—
Add: Profit for the year .....	667.53		3,994.31
Amount available for appropriation .....	17,562.36		18,372.26
Less: Proposed Dividend (See Note (i) below) .....	287.35		862.05
Less: Tax on Dividend.....	58.50		146.51
Less: Transfer to General Reserve .....	4.48		400.40
Less: Transfer to Special Reserve under Section 45 IC of the Reserve Bank of India Act, 1934.....	8.96		26.80
		17,203.07	16,936.50
		<u>20,671.65</u>	<u>20,391.64</u>
 (i) The Board of Directors at its meeting held on 26th May, 2015 has recommended a dividend of ₹ 5/- (Previous year ₹ 15) per equity share.			
<b>4. LONG-TERM BORROWINGS</b>		As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>SECURED BORROWINGS</b>			
Term Loan from Bank .....		3,000.00	—
<b>TERMS OF REPAYMENT:</b>			
Repayable in 10 quarterly installments of ₹ 500 Lakhs			
<b>SECURITY:</b>			
Secured by a first charge by way of hypothecation of plant & machinery and other movables.			
		<u>3,000.00</u>	<u>—</u>
<b>5. DEFERRED TAXES</b>			
<b>DEFERRED TAX LIABILITY:</b>			
Depreciation on fixed assets .....		2,834.24	1,823.98
TOTAL		<u>2,834.24</u>	<u>1,823.98</u>
<b>DEFERRED TAX ASSET:</b>			
Provision for Compensated Absences.....		(58.98)	(48.32)
Other Provisions.....		(25.10)	(20.94)
TOTAL		<u>(84.08)</u>	<u>(69.26)</u>
Net deferred tax liability .....		<u>2,750.16</u>	<u>1,754.72</u>

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 995.44 Lakhs (Previous year – ₹ 48.03 Lakhs).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>6. LONG-TERM PROVISIONS</b>		
Provision for employee benefits.....	154.58	127.44
	<u>154.58</u>	<u>127.44</u>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>SECURED BORROWINGS</b>		
<b>LOANS REPAYABLE ON DEMAND:</b>		
Working Capital Demand Loan from HSBC Bank*.....	1,500.00	—
Cash Credits*.....	0.16	403.79
Buyers Credit from Banks .....	299.28	—
<b>UNSECURED BORROWINGS</b>		
Inter-corporate Deposits from other (Payable within 90 days).....	500.00	—
	<u>2,299.44</u>	<u>403.79</u>
*(Secured by a first charge by way of hypothecation of stocks and book debts and second mortgage of all the Company's immovable properties.)		
<b>8. TRADE PAYABLES</b>		
Payable for goods purchased.....	1,438.84	963.10
Payable to Employees .....	167.82	321.68
Payable for other expenses (includes ₹ 0.06 Lakhs (Previous year ₹ 0.06 lakhs) due to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006.....	915.47	968.20
	<u>2,522.13</u>	<u>2,252.98</u>
<b>FOOTNOTE:</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Loan (Refer Note No. 4) .....	2,000.00	—
Advances received from Customers.....	14.68	36.51
Deposits received from Customers .....	11.55	9.70
Statutory and Other dues .....	62.21	55.39
Payable in respect of Capital Goods (other than to Micro and Small Enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006 .....	55.76	395.30
Payable to Gratuity Fund (Refer to Note No. 29).....	173.33	43.50
Unclaimed Dividends .....	39.29	33.80
	<u>2,356.82</u>	<u>574.20</u>
<b>10. SHORT-TERM PROVISIONS</b>		
Provision for employee benefits.....	88.34	76.32
Proposed Dividend:		
Proposed Dividend (Refer to Note No. 3 (i)) .....	287.35	862.05
Tax on Dividend .....	58.50	146.51
Provision for Income Tax (Net of Advance Tax of ₹ 1.66 Lakhs [Previous Year - ₹ 1,830.52 Lakhs] .....	0.29	99.66
	<u>434.48</u>	<u>1,184.54</u>
<b>FOOTNOTE:</b>		
Amount remitted during the year in Foreign Currency on account of dividend	2014-15	2013-14
1. Number of Shareholders.....	2	2
2. Number of Shares held .....	1,494,000	1,494,000
3. Amount remitted (in ₹ Lakhs) .....	224.10	224.10
4. Year to which dividend relates.....	2013-14	2012-13



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 11. FIXED ASSETS

(₹ in Lakhs)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening as at 1-04-2014	Additions during the year	Deductions during the year	Closing as at 31-03-2015	Up to 1-04-2014	For the year	Deductions during the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Up to 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>TANGIBLE ASSETS:</b> (See footnote below)											
Land : Freehold.....	5.89	—	—	5.89	—	—	—	—	—	5.89	5.89
Previous Year .....	(5.89)	—	—	(5.89)	—	—	—	—	—	(5.89)	—
Buildings .....	590.06	135.83	—	725.89	320.44	15.56	—	11.14	347.14	378.75	269.62
Previous Year .....	(590.06)	—	—	(590.06)	(301.97)	(18.47)	—	—	(320.44)	(269.62)	—
Plant & Machinery.....	23,591.03	7,687.51	—	31,278.54	12,233.95	697.29	—	11.44	12,942.68	18,335.86	11,357.08
Previous Year .....	(22,318.83)	(1,665.04)	(392.84)	(23,591.03)	(11,596.48)	(949.59)	(312.12)	—	(12,233.95)	(11,357.08)	—
Furniture & Fixtures.....	79.14	0.16	—	79.30	65.08	4.67	—	0.37	70.12	9.18	14.06
Previous Year .....	(74.38)	(4.76)	—	(79.14)	(63.72)	(1.36)	—	—	(65.08)	(14.06)	—
Office Equipments.....	64.83	2.59	—	67.42	48.77	3.79	—	8.00	60.56	6.86	16.06
Previous Year .....	(59.52)	(5.31)	—	(64.83)	(44.75)	(4.02)	—	—	(48.77)	(16.06)	—
<b>TOTAL.....</b>	<b>24,330.95</b>	<b>7,826.09</b>	<b>—</b>	<b>32,157.04</b>	<b>12,668.24</b>	<b>721.31</b>	<b>—</b>	<b>30.95</b>	<b>13,420.50</b>	<b>18,736.54</b>	<b>11,662.71</b>
<i>Total Previous Year .....</i>	<i>(23,048.68)</i>	<i>(1,675.11)</i>	<i>(392.84)</i>	<i>(24,330.95)</i>	<i>(12,006.92)</i>	<i>(973.44)</i>	<i>(312.12)</i>	<i>—</i>	<i>(12,668.24)</i>	<i>(11,662.71)</i>	<i>—</i>

**FOOTNOTE:**

Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. 1st April, 2014, depreciation for the year ended 31st March, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. Depreciation charge for the year ended 31st March, 2015 is lower by ₹ 361.54 Lakhs. An amount of ₹ 41.67 Lakhs (net of deferred tax) has been recognized in the opening balance of retained earnings for the assets where remaining useful life as per Schedule II was Nil.

### 12. NON CURRENT INVESTMENTS

**Investment in Equity Instruments (Long Term):**

**Trade Investments (Quoted) at Cost:**

1,895,900 (Previous year: 1,895,900) Equity Shares of ₹ 2 each fully paid up in The Bombay Dyeing & Manufacturing Company Limited ...	102.63		102.63
5,460,600 (Previous year: 5,460,600) Equity Shares of ₹ 2 each The Bombay Burmah Trading Corporation Limited .....	111.88		111.88
		214.51	214.51

**Non-Trade Investments (Quoted) at Cost:**

600 (Previous year: 600) Equity Shares of ₹ 2 each fully paid up in Housing Development Finance Corporation Limited.....	0.02		0.02
2,500 (Previous year: 2,500) Shares of ₹ 2 each fully paid up in HDFC Bank Limited.....	0.05		0.05
12 (Previous year: 12) Equity Shares of ₹ 2 each fully paid up in Larsen and Toubro Limited .....	*		*
3,000 (Previous year: 3,000) Equity Shares of ₹ 10 each fully paid up in Technojet Consultants Limited.....	0.31		0.31
60 (Previous year: 60) Equity Shares of ₹ 2 each fully paid up in ABB Limited.....	*		*
56 (Previous year: 56) Equity Shares of ₹ 10 each fully paid up in Tata Chemicals Limited .....	0.02		0.02
50 (Previous year: 50) Equity Shares of ₹ 2 each fully paid up in Finolex Cables Limited .....	*		*
300 (Previous year: 300) Equity Shares of ₹ 10 each fully paid up in ACC Limited .....	0.09		0.09

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
66 (Previous year: 66) Equity Shares of ₹ 1 each fully paid up in Colgate Palmolive India Limited.....	*	*
233 (Previous year: 233) Equity Shares of ₹ 1 each fully paid up in Jaykay Enterprises Limited.....	0.02	0.02
46 (Previous year: 46) Equity Shares of ₹ 10 each fully paid up in J. K. Cement Limited.....	*	*
7 (Previous year: 7) Equity Shares of ₹ 10 each fully paid up in ORG Infomatics Limited.....	*	*
4,665 (Previous year: 933) Equity Shares of ₹ 2 (Previous year: ₹ 10) each fully paid up in ICICI Bank Limited.....	0.51	0.51
12 (Previous year: 12) Equity Shares of ₹ 10 each fully paid up in ALSTOM Project India Limited.....	*	*
1 (Previous year: 1) Equity Shares of ₹ 10 each fully paid up in UltraTech Cement Limited.....	*	*
	1.02	1.02
<b>Non-Trade Investments (Unquoted) at Cost:</b>		
1,000 (Previous year: 1,000) Equity Shares of ₹ 100 each fully paid up in B. R. T. Limited.....	1.37	1.37
<b>Investment in Debenture Instruments (Unquoted):</b>		
393 (Previous year: 393) Zero% Unsecured Fully Convertible Debentures of ₹ 100 each in Sunflower Investments and Textiles Private Limited.....	0.39	0.39
<b>Investment in Mutual Fund (Unquoted):</b>		
Kotak Bond Scheme Plan A - Growth [71,668 (Previous year 71,668)] Units of ₹ 10 each.....	23.00	23.00
DWS Short Maturity Fund Regular Plan Growth [903,524 (Previous year 903,524)] Units of ₹ 10 each.....	193.00	193.00
	433.29	433.29
<b>Aggregate amount of Quoted Investments:</b>		
Cost.....	215.53	215.53
Market Value.....	25,533.81	6,624.74
* Investments less than ₹ 5,000		
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances.....	31.53	903.03
Sundry Deposits.....	239.50	239.50
Advance Payment of Taxes (Net of provision ₹ 7,875.40 Lakhs [Previous Year - ₹ 7,482.00 Lakhs]).....	261.08	270.40
MAT Credit entitlement.....	335.00	—
	867.11	1,412.93
<b>14. CURRENT INVESTMENTS</b>		
<b>Investment in Mutual Fund:</b>		
<b>Unquoted (at cost or market value whichever is lower):</b>		
SBI Premier Liquid Fund - Regular Plan - Daily Dividend 20,082.737 (Previous Year: 29,985.822) Units of ₹ 1,000 each.....	201.48	300.83
JM Money Manager Fund - Super Plan - Daily Dividend (479) 2,499,560.791 (Previous Year: Nil) Units of ₹ 10 each.....	250.61	—
JM Money Manager Fund - Super Plus Plan - Daily Dividend (171) Nil (Previous Year: 3,002,921.512) Units of ₹ 10 each.....	—	300.81
Birla Sunlife Cash Plus - Daily Dividend - Reinvestment 378,432.857 (Previous Year: 299,882.218) Units of ₹ 100 each.....	379.17	300.47
	831.26	902.11
Aggregate Net Asset Value of units in Mutual Funds.....	831.26	902.11



# National Peroxide Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>15. INVENTORIES</b>		
(At lower of Cost and Net Realisable Value)		
Raw Materials (including Goods-in-transit ₹ Nil Lakhs (Previous Year - ₹ 37.56 Lakhs)).....	494.68	503.78
Finished Goods.....	540.51	1,349.08
Stores, Spare Parts, and Packing materials .....	564.84	546.05
	1,600.03	2,398.91
<b>16. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment .....	212.63	—
Others.....	3,503.70	3,250.51
	3,716.33	3,250.51
<b>17. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents:</b>		
Cash on hand.....	1.49	1.79
Balances With Banks :		
In Current Account .....	41.38	4.56
In Deposit Account having maturity less than 3 months.....	42.00	—
	84.87	6.35
<b>Other Bank Balances:</b>		
In Deposit Account having maturity less than 3 months..... (Pledged as Margin Money)	—	16.12
In Deposit Account having maturity less than 12 months but more than 3 months..... (Pledged as Margin Money)	—	81.61
In Unpaid Dividend Account.....	39.29	33.80
	39.29	131.53
	124.16	137.88
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Intercompany Deposits* .....	6,500.00	1,900.00
Advance to Gratuity Fund.....	16.78	—
Advance to Employees.....	—	0.27
Sundry Deposits.....	25.08	15.03
Balances with Excise, Customs, Sales tax etc.....	1,439.09	1,003.05
Prepaid Expenses.....	15.55	12.86
Advance for Purchase of Materials .....	32.61	18.37
Advance for Expenses.....	10.09	6.80
	8,039.20	2,956.38
* [The Company has given Intercompany Deposits (ICD) to Bombay Dyeing Real Estate Co. Ltd. (₹ 500 Lakhs), Archway Investments Ltd. (₹ 3,000 Lakhs) and Macrofil Investment Ltd. (₹ 3,000 Lakhs). The interest rate of the said ICD'S is 12.50%] p.a. and these are repayable on demand.]		
<b>19. OTHER CURRENT ASSETS</b>		
Interest Accrued but not due on fixed deposits with banks.....	0.10	1.09
Interest Accrued but not due on sundry deposits .....	18.00	16.40
	18.10	17.49

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
<b>20. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
CONTINGENT LIABILITY:		
In respect of matter which is contested by the Company		
Income Tax demand .....	28.48	28.48
The Company is not estimating any cash outflow relating to above matters		
COMMITMENTS:		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for .....	62.03	2,147.14
(b) Other Commitment		
The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. The agreement is valid till 30th April, 2028. As per the said agreement, the Company under 'Take or Pay obligation' clause has to make payment for a fixed quantity of gas on an annual basis, whether used or not. However the shortfall can also be adjusted against the future consumption during the recovery period which is a period of 12 months commencing after the end of basic term which will end on 30th April, 2028.		
GAIL has set a demand for a sum of ₹ 206.53 Lakhs against the 'Take or Pay obligation'. The Company is confident that the shortfall will be adjusted against future consumption. Hence the company does not foresee any liability on this account.		
(c) Refer to Note No. 33 regarding lease commitment		
	₹ in Lakhs	2014-2015 ₹ in Lakhs
		2013-2014 ₹ in Lakhs
<b>21. REVENUE FROM OPERATIONS</b>		
SALE OF PRODUCTS:		
Hydrogen Peroxide .....	20,984.60	24,380.76
Sodium Perborate .....	90.88	376.02
Hydrogen Gas.....	750.16	1,078.28
GROSS TOTAL	21,825.64	25,835.06
Less: Excise duty.....	2,258.56	2,648.64
TOTAL	19,567.08	23,186.42
Sale of Stock-in-Trade (Hydrogen Peroxide).....	—	240.12
Dividend on Non Trade Investments (Long-term) from Investments activities .....	45.74	130.62
Profit on Sale of Long-term Investment from Investments activities.....	—	4.08
OTHER OPERATING REVENUE:		
Sale of Scrap.....	59.01	16.50
Discount received.....	3.47	8.50
	<u>19,675.30</u>	<u>23,586.24</u>
<b>22. OTHER INCOME</b>		
Interest income from Banks on Fixed Deposits.....	4.62	31.84
Interest income from Intercorporate Deposits.....	543.52	442.00
Other Interest income .....	18.98	16.40
Dividends		
On Trade Investments (Long Term) .....	24.69	52.46
On Other Investments (Current) .....	40.42	65.96
	65.11	118.42
Profit on Sale of Current Investments .....	0.17	0.34
Foreign Exchange Fluctuation (Net).....	4.21	2.01
Insurance Claims .....	0.07	0.16
	<u>636.68</u>	<u>611.17</u>



# National Peroxide Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2014-2015 ₹ in Lakhs	2013-2014 ₹ in Lakhs
<b>23. COST OF RAW MATERIAL CONSUMED</b>			
Opening Stock.....		503.78	209.22
Add: Purchases.....		6,871.33	7,790.98
		<u>7,375.11</u>	<u>8,000.20</u>
Less: Capitalisation of Cost of Material consumed during expansion ....		167.44	—
		<u>7,207.67</u>	<u>8,000.20</u>
Less: Closing Stock .....		494.68	503.78
Cost of material consumed .....		<u>6,712.99</u>	<u>7,496.42</u>
Material consumed comprises of:			
Natural Gas.....		5,259.50	5,496.07
Solvents and Chemicals .....		823.63	867.57
Others .....		629.86	1,132.78
		<u>6,712.99</u>	<u>7,496.42</u>
<b>24. CHANGES IN INVENTORY OF FINISHED GOODS</b>			
OPENING BALANCE:			
Hydrogen Peroxide .....	1,343.75		126.83
Sodium Perborate .....	<u>5.33</u>		<u>13.32</u>
		1,349.08	140.15
CLOSING BALANCE:			
Hydrogen Peroxide .....	540.51		1,343.75
Sodium Perborate .....	<u>—</u>		<u>5.33</u>
		540.51	1,349.08
Net (Decrease) / Increase in Inventories.....		<u>808.57</u>	<u>(1,208.93)</u>
<b>25. EMPLOYEE BENEFITS EXPENSES</b>			
Salaries, Wages and Other Benefits .....		1,432.48	1,310.95
Contributions to Provident and Other Funds (Refer to Note No. 29)		309.88	158.52
Workmen and Staff Welfare Expenses .....		245.64	213.59
		<u>1,988.00</u>	<u>1,683.06</u>
Less: Amount capitalised during the year .....		282.19	—
		<u>1,705.81</u>	<u>1,683.06</u>
<b>26. FINANCE COSTS</b>			
Interest on Borrowings .....		425.39	0.21
Other Interest .....		—	7.00
OTHER BORROWING COST:			
Loan Processing Fees .....		25.00	—
Discounting Charges .....		18.01	14.44
		<u>468.40</u>	<u>21.65</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	₹ in Lakhs	2014-2015 ₹ in Lakhs	2013-2014 ₹ in Lakhs
<b>27. OTHER EXPENSES</b>			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Relating to Closing Stock) .....	(121.23)		163.68
Insurance .....	45.10		40.14
Rent .....	30.97		34.48
Rates and Taxes .....	21.14		36.51
Commission and Discount .....	20.77		29.49
Packing and Containers.....	1,731.48		1,704.91
Power, Fuel and Water .....	3,054.20		3,397.72
Stores and Spare Parts Consumed .....	509.09		355.61
Repairs and Maintenance – Buildings.....	1.73		2.81
Repairs and Maintenance – Machinery.....	528.33		500.15
Freight Outward .....	1,709.69		1,927.44
Sundry Expenses .....	648.82		718.42
		8,180.11	8,911.36
AUDITORS' REMUNERATION:			
(i) Audit Fees.....	7.30		7.30
(ii) Taxation Matters .....	0.20		—
(iii) Other Matters.....	3.90		3.90
(iv) Reimbursement of Expenses .....	0.13		—
		11.53	11.20
Expenditure on Corporate Social Responsibility .....		109.20	—
Donation .....		—	130.00
Loss on Sale of Fixed Assets .....		—	24.50
Commission to Non Executive Directors.....	6.25		61.45
Less: Reversal of previous year excess commission.....	(12.29)		(8.23)
		(6.04)	53.22
Directors Sitting Fees .....		13.48	9.10
		8,308.26	9,139.38
Less: Amount capitalised during the year.....		98.90	—
		8,209.36	9,139.38
<b>28. EXCEPTIONAL ITEM</b>			
Refund received as per the order of the Consumer Grievance Redressal Forum, which was charged by Maharashtra State Electricity Distribution Co. Ltd. during the period April 2010 to March 2013 towards Voltage Surcharge.....		—	119.56
		—	119.56



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 2014-15 ₹ in Lakhs	As at 2013-14 ₹ in Lakhs
<b>29. Employee Benefits Obligations</b>		
<b>(a) The Company has recognised the following amounts in the Consolidated Statement of Profit and Loss as contribution under defined contribution schemes</b>		
(i) Provident Fund .....	72.60	69.88
(ii) Superannuation Fund .....	43.38	45.14
<b>(b) Details of funded gratuity plan are as follows:</b>		
<b>The amounts recognised in the Balance Sheet are as follows:</b>		
(i) Present value of funded obligations .....	821.50	653.16
(ii) Fair value of plan assets.....	(648.17)	(609.66)
<b>Amounts in the Balance Sheet</b>		
Liabilities (Refer to Note No. 9) .....	(173.33)	(43.50)
<b>The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:</b>		
(i) Current service cost.....	27.25	25.17
(ii) Interest on obligation.....	54.43	43.18
(iii) Expected return on plan assets .....	(44.43)	(38.44)
(iv) Net actuarial losses/(gains) recognised in year .....	136.08	13.59
(v) Past service cost .....	—	—
(vi) Expenses recognized in the Consolidated Statement of Profit and Loss (Refer to Note No. 25).....	173.33	43.50
<b>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
(i) Opening defined benefit obligation.....	653.16	592.46
(ii) Service cost.....	27.25	25.17
(iii) Interest cost .....	54.43	43.18
(iv) Actuarial losses/(gains) .....	158.18	25.27
(v) Past service cost .....	—	—
(vi) Benefits paid .....	(71.52)	(32.92)
(vii) Closing defined benefit obligation .....	821.50	653.16
<b>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:</b>		
(i) Opening fair value of plan assets.....	609.66	504.38
(ii) Expected return .....	44.43	38.44
(iii) Actuarial losses/(gains) .....	22.09	8.98
(iv) Contribution by employer .....	43.51	90.78
(v) Benefits paid .....	(71.52)	(32.92)
(vi) Closing fair value of plan assets.....	648.17	609.66
<b>The major categories of plan assets as a percentage of total plan assets are as follows:</b>		
Category of Assets	2014-15	2013-14
(i) Government of India Securities .....	11%	12%
(ii) Corporate Bonds.....	63%	57%
(iii) Special Deposit Scheme .....	17%	18%
(iv) Others .....	9%	13%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2014-15	2013-14
<b>Principal actuarial assumptions at the Balance Sheet date are as follows:</b>		
(i) Discount rate at 31st March.....	8.00% p.a.	9.25% p.a.
(ii) Expected return on plan assets at 31st March .....	8.50% p.a.	8.50% p.a.
(iii) Rate of increase in compensation		
– Management .....	9.00% p.a.	9.00% p.a.
– Non-Management.....	6.00% p.a.	6.00% p.a.
(iv) Leaving of service		
21 to 44-age.....	2.00% p.a.	2.00% p.a.
45 to 59-age.....	1.00% p.a.	1.00% p.a.

The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets for the five annual periods.

	2010-11 (₹ in Lakhs)	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
Defined Benefit Obligation .....	454.55	487.04	592.46	653.16	821.50
Plan Assets .....	352.29	455.73	504.38	609.66	648.17
Surplus/(Deficit).....	(102.26)	(31.31)	(88.08)	(43.50)	(173.33)
Experience Adjustment on Plan Liabilities .....	72.97	24.92	58.30	67.69	110.46
Experience Adjustment on Plan Assets .....	2.02	7.61	10.40	11.69	22.09

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 173.33 Lakhs.

**(c) Details of the unfunded Pension plan are as follows:**

The Company has a scheme whereby pension is payable to certain categories of employees based on the number of years of service upto a specified period after retirement.

The amounts recognised in the Balance Sheet are as follows:

	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
(i) Present value of funded obligations.....	72.50	61.62
(ii) Fair value of plan assets .....	—	—

**Amounts in the Balance Sheet**

Liabilities.....	72.50	61.62
------------------	-------	-------

**The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:**

(i) Current service cost.....	1.80	2.33
(ii) Interest on Defined benefit obligation .....	5.13	4.97
(iii) Expected return on plan assets .....	—	—
(iv) Net actuarial losses/(gains) recognised in year .....	9.41	(7.84)
(v) Past service cost .....	—	—
(vi) Expenses recognized in the Consolidated statement of Profit and Loss.....	16.34	(0.54)



# National Peroxide Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
<b>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
(i) Opening defined benefit obligation .....	61.62	65.38
(ii) Service cost .....	1.80	2.33
(iii) Interest cost .....	5.13	4.97
(iv) Actuarial losses/(gains) .....	9.41	(7.84)
(v) Past service cost .....	—	—
(vi) Benefits paid .....	(5.46)	(3.22)
(vii) Closing defined benefit obligation .....	72.50	61.62
<b>Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:</b>		
(i) Opening fair value of plan assets .....	—	—
(ii) Expected return .....	—	—
(iii) Actuarial losses/(gains) .....	—	—
(iv) Contribution by employer .....	5.46	3.22
(v) Benefits paid .....	(5.46)	(3.22)
(vi) Closing fair value of plan assets .....	—	—
<b>Principal actuarial assumptions at the Balance Sheet date are as follows:</b>		
(i) Discount rate at 31st March .....	2014-15 8.00% p.a.	2013-14 7.95% p.a.
(ii) Rate of increase in compensation .....	6.00% p.a.	8.50% p.a.
<b>The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan, experience adjustment, arising on plan liabilities and plan assets are as follows:</b>		
	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
Defined Benefit Obligation .....	72.50	61.62
Plan Assets .....	—	—
Surplus/(Deficit) .....	(72.50)	(61.62)
Experience Adjustment on Plan Liabilities .....	—	—
Experience Adjustment on Plan Assets .....	—	—

### 30. Related Party disclosures

Related party disclosures, as required by AS-18 "Related Party Disclosures" as notified under the Companies (Accounting Standard) Rules, 2006, are given below.

Key Management Personnel	Nature of Relationship	Nature of Transactions	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
Mr. S. R. Lohokare	Managing Director	Remuneration for the year	213.69	237.07
		Remuneration payable	5.00	6.20

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****31. Segment Information**

Segment Information based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17) as notified under the Companies (Accounting Standard) Rules, 2006.

<b>Information about Primary Business Segments</b>	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
<b>1. SEGMENT REVENUE</b>		
Peroxygen .....	19,629.56	23,451.54
Others .....	45.74	134.70
Unallocated .....	636.68	611.17
Total Revenue .....	<u>20,311.98</u>	<u>24,197.41</u>
<b>2. SEGMENT RESULTS</b>		
(Profit before Tax)		
Peroxygen .....	1,472.54	5,272.84
Others .....	44.74	133.97
Unallocated:		
Interest Paid.....	(468.40)	(21.65)
Other Income .....	636.68	611.17
Loss on sale of assets.....	—	(24.50)
	<u>168.28</u>	<u>565.02</u>
Profit before Taxes.....	1,685.56	5,971.83
Less: Provision for taxes .....	(1,018.01)	(1,977.52)
Profit after Taxes.....	<u>667.55</u>	<u>3,994.31</u>
<b>3. OTHER INFORMATION</b>		
(i) SEGMENT ASSETS:		
Peroxygen .....	26,338.50	23,639.38
Others .....	336.19	335.07
Unallocated.....	8,089.27	3,289.56
Total.....	<u>34,763.97</u>	<u>27,264.01</u>
(ii) SEGMENT LIABILITIES:		
Peroxygen .....	3,082.05	3,022.40
Others .....	0.82	1.64
Unallocated.....	10,434.74	3,273.63
Total .....	<u>13,517.61</u>	<u>6,297.67</u>
(iii) CAPITAL EXPENDITURE INCURRED:		
Peroxygen .....	3,600.27	5,972.85
Others .....	—	—
Unallocated.....	—	—
Total.....	<u>3,600.27</u>	<u>5,972.85</u>
(iv) DEPRECIATION:		
Peroxygen .....	721.31	973.44
Others .....	—	—
Unallocated.....	—	—
Total.....	<u>721.31</u>	<u>973.44</u>
(v) NON CASH EXPENDITURE OTHER THAN DEPRECIATION:		
Peroxygen .....	168.99	(9.84)
Others .....	—	—
Unallocated.....	(0.17)	24.16
Total.....	<u>168.82</u>	<u>14.32</u>

Notes:-

- (1) The Group has considered business segment as the primary segment for disclosure. The Group is currently organised into two operative divisions. These divisions on the basis of which the Group reports its primary segment information are as under:
  1. Manufacturing of Peroxygens and Hydrogen Gas.
  2. Others comprising of Investing activities.
- (2) The Group does not have secondary Segment as it operates significantly within India.



# National Peroxide Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 32. Earning Per Share:

	2014-2015	2013-2014
a. Profit for the year (₹ in lakhs) .....	667.55	3,994.31
b. Number of equity shares of face value of ₹ 10 each.....	5,747,000	5,747,000
c. Basic and Dilute Earnings Per Share on the above (In ₹) .....	11.62	69.50

### 33. The Company has taken motor vehicles on operating lease for a period of four years. The particulars in respect of such leases are as follows:

	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
(a) Total of minimum lease payments for a period:		
– Not later than one year .....	17.34	14.04
– Later than one year but not later than five years .....	39.27	26.88
– Later than five years .....	—	—
(b) Lease payments recognised in the Consolidated Statement of Profit and Loss for the year.....	15.85	12.79

### 34. Details of derivative instruments:

The Company has entered into forward exchange contracts which are not intended for trading or speculative purposes. Derivative instruments outstanding at year end are given below:

Type of contract	Purpose of contract	Foreign Currency	2014-15 (Fx in Lakhs)	2013-14 (Fx in Lakhs)
Forward contracts – sell .....	Hedging	USD	1.52	—
Forward contracts – sell .....	Hedging	EUR	2.82	—

Note : Fx = Foreign Currency; USD = US Dollar; EUR = Euros

### 35. Unhedged Foreign Currency Exposures:

The year end foreign currency exposures that were not hedged by a derivative instrument, or otherwise are given below:

Particulars	2014-15		2013-14	
	(₹ in Lakhs)	(Fx in Lakhs)	(₹ in Lakhs)	(Fx in Lakhs)
Import of goods.....	61.62	USD 0.98	62.61	USD 1.04
	—	—	200.96	EUR 2.41

Note : Fx = Foreign Currency; USD = US Dollar; EUR = Euros

### 36. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit	
	As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated profit	(₹ in Lakhs)
Parent .....	98.34%	20,894.37	93.40%	623.51
Indian Subsidiary .....	1.66%	351.97	6.60%	44.04
Total .....	100.00%	21,246.34	100.00%	667.53

### 37. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

S. R. LOHOKARE  
Managing Director

NESS N. WADIA

Chairman

A. V. NAIK  
Chief Financial Officer

R. BATRA

SEEMA JAGNANI  
Company Secretary

N. P. GHANEKAR  
S. RAGOTHAMAN

Directors

Mumbai, 26th May, 2015

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiary, Naperol Investments Limited, as on 31<sup>st</sup> March, 2015**

(Amount in ₹ Lacs)

1.	Name of the subsidiary	Naperol Investments Limited, wholly owned subsidiary
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of Naperol Investments Limited is same as that of its Holding Company, National Peroxide Limited, i.e., 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015
3.	Reporting Currency and exchange rate as on the last date of the relevant financial year, in case of foreign subsidiaries	N. A.
4.	Share capital	25.50
5.	Reserves & surplus	351.97
6.	Total assets	378.29
7.	Total Liabilities (Excluding Share Capital and Reserves and Surplus)	0.82
8.	Investments	331.46
9.	Turnover	45.84
10.	Profit before taxation	44.84
11.	Provision for taxation	0.80
12.	Profit after taxation	44.04
13.	Proposed Dividend	—
14.	% of shareholding	100%

**Notes:**

1. There is no subsidiary which is yet to commence operations.
2. There is no subsidiary which has been liquidated or sold during the year.

For and on behalf of the Board of Directors

S. R. LOHOKARE  
*Managing Director*

NESS N. WADIA

*Chairman*A. V. NAIK  
*Chief Financial Officer*

R. BATRA

N. P. GHANEKAR

S. RAGOTHAMAN

} *Directors*SEEMA JAGNANI  
*Company Secretary*

Mumbai, 26th May, 2015



## TEN YEAR STANDALONE FINANCIAL STATISTICS

(₹ in Lacs)

As at/Year ended 31st March	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Assets Employed :</b>										
Fixed Assets less Depreciation & CWIP	7147.52	9425.00	9206.44	8820.20	8416.42	10275.99	12040.29	11356.34	15754.51	<b>19134.48</b>
Investments	148.37	127.33	127.33	127.33	127.33	2177.42	2398.01	5860.87	1335.40	<b>958.59</b>
Net Current Assets	1036.70	513.79	932.89	944.60	761.57	2544.18	2332.92	1611.85	4667.67	<b>8138.38</b>
Miscellaneous Expenditure	44.05	35.69	27.20	18.49	9.17	2.07	0.00	0.00	0.00	<b>0.00</b>
Long-Term Loans & Advances (Net)							157.40	785.43	1367.27	<b>712.53</b>
<b>Financed by :</b>										
Share Capital	229.88	574.70	574.70	574.70	574.70	574.70	574.70	574.70	574.70	<b>574.70</b>
Reserves & Surplus	4810.85	4410.52	4950.51	6342.72	7290.45	12301.29	14252.14	17230.44	20391.64	<b>20319.68</b>
Loan Funds	2269.69	3885.68	3453.49	1649.41	144.84	885.17	526.43	102.65	403.79	<b>5299.44</b>
Deferred Tax Liability	1066.22	1230.91	1315.16	1343.79	1304.50	1238.50	1575.35	1706.69	1754.72	<b>2750.16</b>
<b>Profits &amp; Appropriations :</b>										
Sales & other Income	7196.74	6431.83	11032.49	13602.64	12250.66	18487.70	15616.72	21731.46	24062.71	<b>20266.14</b>
Manufacturing Expenses	5205.03	5025.58	8237.21	9366.14	8886.62	8976.64	10685.44	14552.51	17229.76	<b>17435.73</b>
Interest	4.24	161.14	339.04	300.22	127.40	75.84	40.75	34.72	21.65	<b>468.40</b>
Depreciation	460.98	593.39	784.60	820.73	830.83	840.96	1002.19	1100.23	973.44	<b>721.31</b>
Profit Before Tax	1526.49	651.72	1671.64	3115.55	2405.81	8594.26	3888.34	6044.00	5837.86	<b>1640.70</b>
Taxation	529.66	217.87	593.76	1050.97	785.71	2801.99	1140.22	2063.34	1976.03	<b>1017.21</b>
Profit After Tax	996.83	433.85	1077.88	2064.58	1620.10	5792.27	2748.12	3980.66	3861.83	<b>623.49</b>
<b>Dividend :</b>										
– Amount	344.82	402.29	459.76	574.70	574.70	689.64	689.64	862.05	862.05	<b>287.35</b>
– Percentage	60%	70%	80%	100%	100%	120%	120%	150%	150%	<b>50%</b>
Earning Per Share (EPS) (₹)	17.35	7.55	18.76	35.92	28.19	100.79	47.82	69.26	67.20	<b>10.85</b>

### Notes:

- Share Capital for 2006-07 onwards includes Sub-Division of Shares (1:10) & Issue of Bonus Shares (2:3) in June 2006.
- Reserves & Surplus includes revaluation reserve.
- Sales and other Income include excise duty, sale of Assets etc.
- Dividend amount does not include Corporate Dividend Tax.





# National Peroxide Limited

(CIN: L24299MH1954PLC009254)

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

Head Office: C-1, Wadia International Centre (Bombay Dyeing), Pandurang Budhkar Marg, Worli, Mumbai - 400 025

Email: [secretarial@naperol.com](mailto:secretarial@naperol.com) • Website: [www.naperol.com](http://www.naperol.com)

Phone: 022-66620000 • Fax: 022-66193421

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Registered Folio No. / DP ID & Client ID : \_\_\_\_\_

Name and Address of the Shareholder : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No. of shares held : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_

of \_\_\_\_\_

Email: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her,

2. Name: \_\_\_\_\_

of \_\_\_\_\_

Email: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her,

3. Name: \_\_\_\_\_

of \_\_\_\_\_

Email: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 61st Annual General Meeting of the Company to be held on Tuesday, 11th August, 2015 at 4.00 p.m. at Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated on the reverse of this page:

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of the Audited Financial Statements and Audited Consolidated Financial Statements for the financial year ended on 31st March, 2015, and the Reports of the Board of Directors and Auditors thereon		
2	Declaration of Dividend for the financial year ended 31st March, 2015		
3	Appointment of a Director in place of Mr. Ness N. Wadia, who retires by rotation and being eligible, offers himself for re-appointment		
4	Appointment of M/s. S. B. Billimoria & Co., Chartered Accountants, as Statutory Auditors of the Company		
<b>Special Business</b>			
5	Approval of the Remuneration of the Cost Auditors, M/s. N. I. Mehta & Co.		
6	Special Resolution for shifting of the Statutory Registers		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- \*(2) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

## AWARDS RECEIVED DURING 2014-2015

ICC CERTIFICATE OF MERIT FOR EXCELLENCE IN ENERGY CONSERVATION & MANAGEMENT - 2013

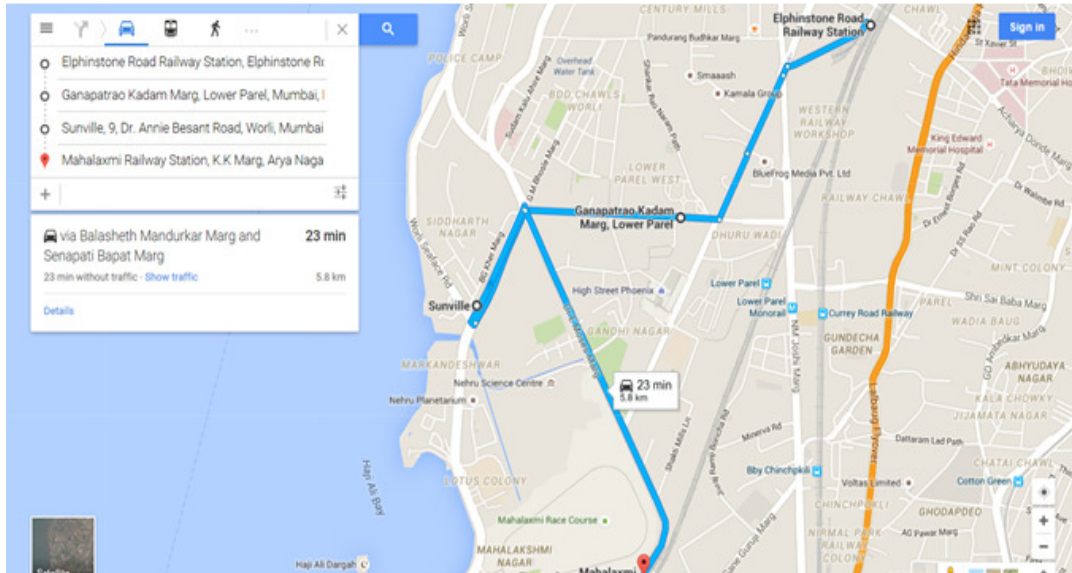


Employees of NPL receiving the ICC Certificate of Merit for Excellence in Energy Conservation & Management for the year 2013, presented by Mr. Ananth Kumar, (second from left) Hon'ble Minister of Chemicals & Fertilizers, Government of India on 30th September, 2014 in Mumbai.

MAHARASHTRA SAFETY AWARD - 2014



**ROUTE MAP FOR THE SIXTY FIRST ANNUAL GENERAL MEETING  
OF THE MEMBERS OF NATIONAL PEROXIDE LIMITED TO BE HELD AT  
SUNVILLE BANQUET & CONFERENCE ROOMS, 9, DR. ANNIE BESANT ROAD,  
NEAR WORLI FLYOVER, WORLI, MUMBAI 400 018  
ON 11<sup>TH</sup> AUGUST, 2015 AT 4.00 P.M.**



## **National Peroxide Limited**

Registered Office:

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