

National Peroxide Limited



**ANNUAL REPORT
2015-2016**

AWARD RECEIVED DURING 2015-2016

ICC AWARD FOR EXCELLENCE IN ENERGY CONSERVATION AND MANAGEMENT – 2014



The Indian Chemical Council (ICC) Award for Excellence in Energy Conservation and Management for the year 2014 being presented to Mr. Rakesh Goyal, Vice-President – Operations (third from right) and other NPL team members by Mr. Richard Ridinger, CEO, Lonza Group (third from left) on 30th September, 2015 in Mumbai.



(Registered — 16th March, 1954)

DIRECTORS

NESS N. WADIA (Chairman)
R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
DR. (MRS.) MINNIE BODHANWALA
S. R. LOHOKARE (Managing Director)

COMPANY SECRETARY

SEEMA JAGNANI

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 Second 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 Thursday, 11th August, 2016 at 4.00 p.m. to transact the following business:

Ordinary Business:

- To receive, consider and adopt:
 - the Audited Financial Statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016, together with the Report of the Auditors thereon.
- To declare a Dividend on Equity Shares for the financial year ended 31st March, 2016.
- 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.
- 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:

- 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 31st March, 2017, 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.

“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.”

- 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 149 and 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067), who was appointed as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and who is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI
Company Secretary

Mumbai, 26th May, 2016

Annual Report 2015-2016

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 as 'Annexure I'.
- (c) 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.
- (d) A brief resume of the Director(s) proposed to be appointed/re-appointed, nature of expertise in functional areas, names of companies in which he/she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto as 'Annexure II'.
- (e) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 29th July, 2016 to Thursday, 11th August, 2016 (both days inclusive) for the purpose of determining eligibility of members entitled to dividend.
- (f) 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 Friday, 12th August, 2016, to those members whose names appear:
- as Beneficial Owners as at the close of the business hours on Thursday, 28th July, 2016 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
 - 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 Thursday, 28th July, 2016. Transfer Documents received after Thursday, 28th July, 2016 will not be considered for the aforesaid purpose.

- (g) Members are requested to notify immediately any change of address:
- to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - to the Company's Registrar & Share Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., 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.
- (h) The National Automated Clearing House (NACH) facility should mandatorily be used by companies for the distribution of dividend to its members. In order to avail the facility of NACH, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents (RTA).
- 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 RTA 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.
- (i) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividends for the financial year ended 31st March, 2009 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
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
2014-15	11.08.2015	10.08.2022



National Peroxide Limited

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.

(j) 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.

(k) As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc., to the e-mail address provided by the members.

We, therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP ID/Client ID to the dedicated email address at naperol@sharexindia.com or login at the RTA's website www.sharexindia.com and register their request.

(l) 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.

(m) Members/Proxies should bring the attendance slip duly filled in and signed for attending the Meeting and handover the same at the entrance of the Hall.

(n) Members are requested to bring their copy of the Annual Report to the Meeting.

(o) 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.

(p) Members may also note that the Notice of the 62nd Annual General Meeting will also be available on the website of the Company www.naperol.com and website of Central Depository Services Limited (CDSL) 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.

(q) 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has provided 'remote e-voting' [e-voting from a place other than venue of the 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 62nd AGM of the Company, dated 26th May, 2016.
- 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 8th August, 2016 (9.00 a.m.) and ends on 10th August, 2016 (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 4th August, 2016, 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 10th August, 2016.
- IV. The process and manner for remote e-voting are as under:
 - i. Log on to the e-voting website 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 sequence number in the PAN field. • In case the sequence 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 sequence number 1 then enter RA00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>[If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).]</p>

- 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 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 login 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. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non-Individual Shareholders and Custodians;
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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.
 - 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 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.
- xix. 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, under help section or write an email to helpdesk.evoting@cDSLindia.com.
- (r) Mr. Nilesh Shah of Nilesh Shah & Associates, Practicing Company Secretary, (Membership No: FCS 4554) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



National Peroxide Limited

- (s) 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.
- (t) The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website 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.
- (u) 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, 26th May, 2016

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, 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 Lakh Only) plus applicable service tax and reimbursement of travelling and out-of-pocket expenses incurred by them for the financial year ending 31st March, 2017. 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 the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

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 31st March, 2017.

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 Members.

Item No. 6

Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067) was appointed as an Additional Director on the Board of the Company w.e.f. 1st October, 2015.

The Nomination and Remuneration Committee of the Board has recommended the appointment of Dr. Bodhanwala as

Non-Executive, Non-Independent Director of the Company liable to retire by rotation under the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof).

The Board has also approved the appointment of Dr. Bodhanwala as a Director of the Company liable to retire by rotation.

Dr. Bodhanwala is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Bodhanwala for the office of Director of the Company.

Brief resume of Dr. Bodhanwala, nature of her expertise in functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Annexure II of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Bodhanwala is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to her appointment as Director.

The relatives of Dr. Bodhanwala may be deemed to be interested in the resolution set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI
Company Secretary

Mumbai, 26th May, 2016

ANNEXURE II TO THE NOTICE

Brief Resume of Director(s) proposed to be appointed/re-appointed.

Mr. Ness N. Wadia

Mr. Ness N. Wadia, 45, 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 21 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.; Leila Lands SB, Malaysia and Island Landscape & Nursery Pte. Ltd.

Committee Membership: Finance Committee and Corporate Social Responsibility (CSR) Committee (Chairman)

of The Bombay Dyeing & Mfg. Co. Ltd.; Audit Committee, CSR Committee (Chairman), Finance Committee, Strategy and Innovation Steering Committee, Executive Committee and Investment Committee of Britannia Industries Ltd.; Stakeholders' Relationship Committee of The Bombay Burmah Trading Corporation Ltd.; Audit Committee and CSR Committee of Go Airlines (India) Ltd. and Nomination & Remuneration Committee, CSR Committee (Chairman) 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.

Dr. (Mrs). Minnie Bodhanwala

Dr. (Mrs). Minnie Bodhanwala, 53, is presently working as Chief Executive Officer at Nowrosjee Wadia Maternity Hospital and Bai Jerbai Wadia Hospital for Children, Parel, Mumbai.

Under her mantle, the Wadia Hospitals have won 21 prestigious awards in a span of one year. Dr. Bodhanwala was honoured with more than 40 awards, which include various prestigious awards like the "International Award in Healthcare" by the Thai Chamber of Commerce, Bangkok; "Global Award for Sustainable Healthcare Models with Revenue Turnover", Dubai; "Leading Business Women of the Year" by iiGlobal, Mumbai; Life Time Achievement Award in Healthcare by National Excellence Awards 2015.

She is highly-motivated, pro-active passionate individual holding a rich enormous experience of 30 years with exceptional liaison, teamwork, leadership, & organizational abilities to thrive in a fast-paced, results-oriented business environment. With an entrepreneurial spirit to foresee potential growth with a strong background of crisis management in Healthcare for Brownfield and Greenfield projects and also a Six Sigma Green Belt Expert.

She holds the following qualifications:

BDS, MBA, MHA, TQM, FCR, PGQMAHO; FISQUA Green Belt – Six Sigma; Principal Assessor, NABH ISO Auditor 9001, 14001

Dr. Bodhanwala's vast experience in management and administration would be of immense benefit to the Company.

Outside Directorship: Axel Polymers Limited.

Committee Membership: Stakeholders' Relationship Committee and Nomination & Remuneration Committee of Axel Polymers Limited.

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

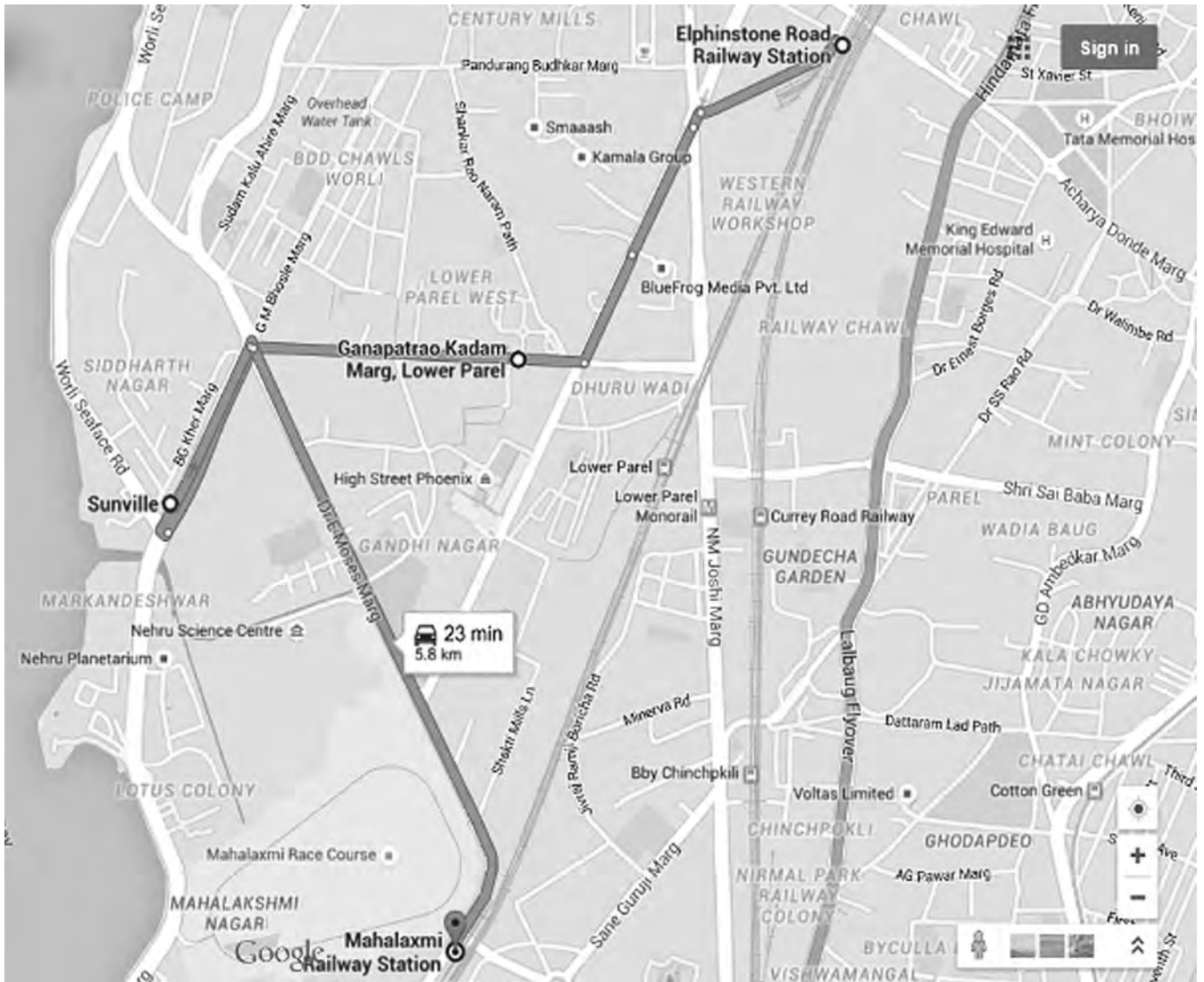
Mumbai, 26th May, 2016



National Peroxide Limited

ROUTE MAP FOR THE SIXTY SECOND 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 THURSDAY, 11TH AUGUST, 2016 AT 4.00 PM.

Route Map to reach the Meeting Hall from Elphinstone and Mahalaxmi Railway Stations



DIRECTORS' REPORT TO THE MEMBERS

The Directors take pleasure in presenting their 62nd Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Revenue from Operations (Net of Excise) and Other Income	24,161.23	20,266.14	24,211.11	20,311.98
Exceptional Items	(91.53)	—	(91.53)	—
Profit before Interest, Depreciation & Tax (EBITDA)	4,304.15	2,830.41	4,353.28	2,875.25
Finance Charges	538.50	468.40	538.50	468.40
Depreciation	895.60	721.31	895.60	721.31
Provision for Tax (including for earlier years)				
(Less) Current Tax	851.00	—	852.32	0.03
(Less) Deferred Tax	196.03	984.72	196.03	984.72
(Less) Short Provision of Taxes relating to prior years	25.94	32.49	25.94	33.26
Net Profit After Tax	1,797.08	623.49	1,844.89	667.53
Profit brought forward from previous year	17,035.18	16,799.21	17,203.07	16,936.50
Depreciation on transition to Schedule II of the Companies Act, 2013	—	41.67	—	41.67
Surplus Available For Appropriations	18,832.26	17,381.03	19,047.96	17,562.36
Appropriations to:				
Proposed Dividend	574.70	287.35	574.70	287.35
Dividend Distribution Tax	117.00	58.50	117.00	58.50
Transferred to General Reserve	—	—	4.91	4.48
Transferred to Special Reserve u/s. 45IC of the RBI Act, 1934	—	—	9.82	8.96
Profit carried to Balance Sheet	18,140.56	17,035.18	18,341.53	17,203.07

2. DIVIDEND

Your Directors have recommended a dividend of ₹ 10/- per equity share for the Financial Year 2015-16, to be paid, if declared by the members at the Annual General Meeting to be held on 11th August, 2016.

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 ₹ 24,161 lacs as against ₹ 20,266 lacs for the previous year, registering increase of 19.2%. The profit before tax was ₹ 2,870 lacs (after interest and depreciation charges of ₹ 1,434 lacs) and the profit after tax was ₹ 1,797 lacs for the year under review as against ₹ 1,641 lacs and ₹ 623 lacs respectively, for the previous year, registering increase of 75% and 188% respectively.

The Company produced 97,637 MT of Hydrogen Peroxide, during the year under review, as compared to 72,089 MT during the previous year.

The Company sold 96,846 MT of Hydrogen Peroxide during the year under review, as against 75,560 MT during the previous year. The Company continues to maintain its prime position in the market and held 42% market share during the year.

2.76 Million Cubic Meters (MCM) of Hydrogen Gas were also sold during the year as against 2.90 MCM during the previous year.

The cost of natural gas is a major part of the Company's operating cost. The said cost is expected to come down during the year due to linkage of crude oil prices with natural gas thereby allowing full benefit of lower oil prices to the Company.



National Peroxide Limited

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

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 2015-16:

Name of Award	Award Received from
“ICC Award for Excellence in Energy Conservation & Management” for the year 2014	Indian Chemical Council, Mumbai

8. SAFETY & ENVIRONMENT

The Company continues to maintain a good safety and environmental record and has worked for 61 days without Lost Time Injury as on 31st March, 2016.

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 wholly owned 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) forms 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 its Subsidiary Company, 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, a 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.

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

Naperol Investments Limited (Naperol) was incorporated on 6th May, 1980 and is registered as a 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 ₹ 47.81 Lacs as against ₹ 44.04 Lacs in 2014-15.

13. CONSOLIDATED FINANCIAL STATEMENT

The Company has prepared Consolidated Financial Statements (CFS) in accordance with the applicable Accounting Standards as prescribed under the Companies (Accounts) Rules, 2014, of the Companies Act, 2013. The Consolidated Financial Results reflects the results of the Company and its subsidiary. As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited CFS together with the Independent Auditors' Report thereon are annexed and form part of this Report. The summarized Consolidated Financial Results are provided above at point no. 1 of this Report.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.

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

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 31st March, 2016 was ₹ 574.70 Lacs. During the year under review, there has been 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, an 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.



National Peroxide Limited

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 2015-16.

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. STATUTORY 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 financial year 2016-17.

In view of the same and in terms of the provisions of Section 148 and 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 2016-17. The remuneration of ₹ 3,00,000/- plus service tax, as applicable, and reimbursement of travelling and out-of-pocket expenses incurred by them, which is proposed to be paid to them requires ratification of the Members at the ensuing AGM.

The Company has submitted its Cost Audit Report for the financial year 2014-15 with the Ministry of Corporate Affairs within the stipulated time period.

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

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, Practicing Company Secretaries, have been appointed as Secretarial Auditors of the Company to carry out Secretarial Audit. The Report of the Secretarial Auditors is appended as **Annexure V**.

26. SECRETARIAL AUDITORS' QUALIFICATION

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

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 by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28. RELATED PARTY TRANSACTIONS

The Company's policy on dealing with Related Party Transactions is disclosed on the Company's website (weblink: http://www.naperol.com/pdf/boardpolicies/RPT_Policy.pdf). All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2015-16.

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 uses 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 (weblink: http://www.naperol.com/pdf/boardpolicies/Whistle_Blower_Policy.pdf).

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

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.

During the year, Mrs. Hema Hattangady resigned as a Director of the Company with effect from 2nd July, 2015. The Board places on record its appreciation of the contribution and guidance provided by her.

The Board of Directors appointed Dr. (Mrs.) Minnie Bodhanwala as an Additional Director of the Company w.e.f. 1st October, 2015. The Directors commend her appointment as a Non-Executive, Non-Independent Director of the Company liable to retire by rotation.

Necessary resolutions for the re-appointment/appointment of Mr. Ness N. Wadia and Dr. (Mrs.) Minnie Bodhanwala, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel

Mr. Arun Naik has retired as Chief Financial Officer with effect from 30th June, 2015 and Mr. Hanoz Chinoy resigned as Company Secretary w.e.f. 20th April, 2015.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee appointed Ms. Seema Jagnani as Company Secretary with effect from 21st April, 2015 and Mr. Sunil Londhe as Chief Financial Officer with effect from 4th November, 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 Company's website (weblink: http://www.naperol.com/pdf/boardpolicies/Nomination_Policy.pdf).

33. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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 Note No. 18 of the Notes to the Financial Statements.

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

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

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 appended as **Annexure VII**.

38. CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

The details on climate change and greenhouse gas emissions is appended 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, 26th May, 2016

Annexure I to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

National Peroxide Limited is 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 of the four producers manufacturing Hydrogen Peroxide in the country as on 31st March, 2016 is estimated at 2,19,500 MTPA on an annualized basis. The domestic demand is expected to grow by 5 – 6% during 2016-17.

The surplus in neighbouring countries has led to significant quantity of imports at low prices.

OPPORTUNITIES AND THREATS

Key Raw Material – Natural Gas – 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.

The country imported 11.46 MT of LNG (41.26 mmscmd) without considering imports made by Reliance Industries Ltd.

The supply of natural gas from Reliance Industries KG Basin is estimated at 11.5 mmscmd. By 2016-17, another 23 mmscmd is expected.

Currently, India imports LNG through Petronet (Dahej), Shell (Hazira) and Ratnagiri Gas and Power Pvt. Ltd. (Dabhol). Crude oil prices have significantly reduced in the recent past and are currently in the range of USD 40 – 45 per barrel. Oil production outside OPEC is expected to reduce in the coming months, due to lower prices. In particular, the US Shale oil boom is expected to falter. Exports from Iran are likely to gradually increase with financial barriers to sales persisting even after lifting of international sanctions.

The prospect of the oil markets rebalancing before year end is gaining traction among analysts.

With this, oil prices are expected to increase by end of the calendar year 2016.

As per the New Domestic Natural Gas Pricing Guidelines, 2014, the Government has notified the natural gas price at USD 3.06 per mmbtu (GCV) basis from 1st April to 30th September, 2016. These prices are not applicable to LNG imports.

Recently, the gas prices contract entered into by M/s. Petronet with RAS Gas, Qatar has been renegotiated.

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.

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 increased cost pressures. Post completion of the CAPEX cycle and a gradual absorption of excess capacity the situation of the paper industry is expected to improve in F.Y. 2017.

The paper industry which was affected by large scale imports of newsprint from Russia and also writing and printing paper from China is slightly better placed due to reduction in imports from Russia. However, imports continue to be a challenge. Overall imports have been stable.

Recovery fibre 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.

Emerging Customer for Hydrogen Peroxide – Environmental Applications

The demand for Hydrogen Peroxide from refineries for effluent treatment is based on the quality of crude processed. Since no new refineries are expected to become operational in the near future, the demand from this sector is not expected to increase.

OUTLOOK

The outlook for industry in the near term can only be viewed with cautious optimism. During the year under review, significant imports continued to take 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.

RISKS & CONCERNS

The customs duty on Hydrogen Peroxide imported from Thailand and Bangladesh is currently zero. Therefore, there is no protection available to the domestic industry.



National Peroxide Limited

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has a system of Internal Financial Controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Financial 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 financial 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 the earlier Clause 49 of the Listing Agreement and the new SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the Indian Chemical Council.

The Company has obtained certification for RC-14001, 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 110, as on 31st March, 2016.

RESOURCES AND LIQUIDITY

The Company finances its 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, 26th May, 2016

Annexure II to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

The Company's Report on Corporate Governance pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March, 2016, is given below:

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

(a) Composition of the Board:

The Board is headed by Mr. Ness N. Wadia, Non-Executive Chairman and is comprised of eminent persons with considerable professional experience in varied fields. The composition of the Board of Directors meets the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as detailed in the table at item 2(c) below.

(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: 26th May, 2015; 11th August, 2015; 4th November, 2015; 11th February, 2016 and 22nd March, 2016. The Annual General Meeting (AGM) was held on 11th August, 2015.

(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	—	3
Mr. Rajesh Batra	00020764	I & NED	Director	5	Yes	2	1	—	1
Mr. N. P. Ghanekar	00009725	I & NED	Director	5	Yes	—	3	3	—
Mr. S. Ragothaman	00042395	I & NED	Director	5	Yes	—	8	1	4
Mrs. Hema Hattangady (a)	00175563	I & NED	Director	—	NA	3	—	—	1
Dr. (Mrs.) Minnie Bodhanwala (b)	00422067	NI & NED	Director	3	NA	—	1	—	1
Mr. S. R. Lohokare	00254816	MD	Managing Director	5	Yes	—	1	—	—

@ I: Independent

NED: Non-Executive Director

NI: Non-Independent

MD: Managing Director

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

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

Notes:

(a) Mrs. Hema Hattangady resigned as Additional Director with effect from 2nd July, 2015.

(b) Dr. (Mrs.) Minnie Bodhanwala was appointed as Additional Director with effect from 1st October, 2015.



3. Board Committees:

The Board has constituted the following committees of Directors:

(a) Audit Committee:

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 read with revised Clause 49 of the erstwhile Listing Agreement and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 had adopted a revised Audit Committee Charter, containing the terms of reference, w.e.f. 1st October, 2014, in accordance with the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement. The Charter was suitably amended to incorporate the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 14th May, 2015.

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 control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct. The Audit Committee also reviews various reports and presentations and the responses thereto by the management.

Composition and Attendance:

During the year under review, the Committee met 4 times, i.e. on 26th May, 2015; 11th August, 2015; 4th November, 2015 and 11th February, 2016.

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

* I: Independent
NED: Non-Executive Director

Internal Audit and Control:

M/s. Mahajan & Aibara, Chartered Accountants are the Internal Auditors of the Company for the financial years 2015-16 & 2016-17. 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.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013; Clause 49 of the erstwhile Listing Agreement and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and Attendance:

The Committee comprises of the following Non-Executive Directors, majority of whom are Independent Directors. During the year under review, the Committee met 4 times i.e. on 26th May, 2015; 11th August, 2015; 4th November, 2015 and 22nd March, 2016.

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

* I: Independent
NED: Non-Executive Director

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

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

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. 1st 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; contributions at Board/Committee Meetings and Chairmanship of Committees of the Board.

A. Details of remuneration paid to the Managing Director during the year 2015-16 and his shareholding in the Company:

(Amount in ₹)

Name	Salary	Benefits *	Commission#	Total	Total no. of shares held
Mr. S. R. Lohokare	1,23,60,000	85,41,536	20,00,000	2,29,01,536	Nil

* Also includes Company's contribution to Provident and Superannuation Funds, amounting to ₹ 33,37,200/-.

Commission of ₹ 20,00,000/- paid for F.Y. 2014-15 shown on the basis of year of payment.

B. Details of payments made to Non-Executive Directors during the year 2015-16 and their Shareholding in the Company, as on 31st March, 2016:

(Amount in ₹)

Name	Commission@	Sitting Fees	Total	Total no. of shares held
Mr. Ness N. Wadia	2,50,000	2,40,000	4,90,000	Nil
Mr. Rajesh Batra	1,40,000	3,70,000	5,10,000	Nil
Mr. N. P. Ghanekar	1,40,000	3,70,000	5,10,000	Nil
Mr. S. Ragothaman	95,000	2,20,000	3,15,000	Nil
Mrs. Hema Hattangady*	0	0	0	Nil
Dr. (Mrs.) Minnie Bodhanwala**	0	60,000	60,000	Nil

@ Shown on the basis of year of payment

* Mrs. Hema Hattangady resigned as Director w.e.f. 2nd July, 2015.

** Dr. (Mrs.) Minnie Bodhanwala was appointed as Additional Director w.e.f. 1st October, 2015.



National Peroxide Limited

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 2015-16, a provision of ₹ 33.35 lacs is made in the books of accounts, for payment of commission to Non-Executive Directors, under Section 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 to Managing Director for the financial year ended 31st March, 2016:

(Amount in ₹)

Director	Salary	
	Fixed	Performance Linked Incentives
Mr. S. R. Lohokare	2,09,01,536	20,00,000

Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year ended 31st March, 2016:

Directors	Contract Period (Tenure)	Service Contract	Notice Period & Severance Fees
Mr. S. R. Lohokare, Managing Director	5 years from 1 st May, 2013 to 30 th April, 2018	Yes	Six months' notice or six 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

(c) 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; Clause 49 of the erstwhile Listing Agreement and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:

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

- 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.
- 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.
- 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:

The Committee met once during the year i.e. on 22nd March, 2016.

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

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

Name and Designation of Compliance Officer:

Ms. Seema Jagnani, Company Secretary, was designated as Compliance Officer with effect from 21st April, 2015.

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:

- Liability Management – to meet the funding requirements of the Company;
- Foreign Exchange Management;
- 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:

The Committee met twice during the year i.e. on 26th May, 2015 and 4th November, 2015.

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

* I: Independent
NED: Non-Executive Director

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:**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.



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Composition:

The Composition of the said Committee is as under:

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

* I: Independent
NED: Non-Executive Director

During the year, no meeting of the Executive Committee was held.

(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; Clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:

The broad terms of reference of the Committee include:

- (i) review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- (ii) recommend the project/programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and
- (iii) 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:

The Committee met 3 times during the year i.e. on 26th May, 2015; 11th August, 2015 and 11th February, 2016.

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: Independent
NED: Non-Executive Director

4. Independent Directors' Meeting:

During the year under review, the Independent Directors met on 22nd March, 2016, 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.

Familiarization Programme for Independent Directors:

The Board members are provided with necessary documents/brochures and reports to enable them to familiarize 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 and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

The details of familiarization programmes for Independent Directors have been posted on the Company's website at www.naperol.com and can be accessed at 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 erstwhile Listing Agreement (“Clause 49”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 th August, 2015	4.00 p.m.	1	Maintenance of Register of Members and other Statutory Registers at the Head Office.
Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400 018.	11 th 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 th August, 2013	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 (2016-17): 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; Clause 49 of the erstwhile Listing Agreement and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.



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As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on Related Party Transactions which has been posted on the website of the Company. (weblink: 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 Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Board.

The Company has formulated a Risk Assessment & Management Policy, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans which is reported to the Board periodically. The 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.

(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 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 Company has posted "Whistle Blower Policy" on website of the Company viz; [www.naperol.com](http://www.naperol.com/pdf/boardpolicies/Whistle-Blower-Policy.pdf) (weblink: <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.

(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. Sunil Londhe, Chief Financial Officer, have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2016.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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** : Thursday, 11th August, 2016 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 1st April to 31st March.
Tentative Schedule:
- | | |
|---|-------------------------------------|
| Results for quarter ending June 30, 2016 | : By 14 th August 2016 |
| Results for quarter ending September 30, 2016 | : By 14 th November 2016 |
| Results for quarter ending December 31, 2016 | : By 14 th February 2017 |
| Results for year ending March 31, 2017 | : By 30 th May 2017 |
| AGM for year ending March 31, 2017 | : By August 2017 |
- (c) **Date of Book Closure** : 29th July, 2016 to 11th August, 2016 (both days inclusive)
- (d) **Dividend Payment Date** : On or after 12th August, 2016
- (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 2016-17.
- (f) **Stock Code:**
- | | |
|---|-------------------------|
| Demat Code | : 500298 |
| Demat ISIN Number for NSDL & CDSL | : INE585A01020 |
| Scrip ID
(on the BSE website – www.bseindia.com) | : NATPEROX |
| Corporate Identification Number | : L24299MH1954PLC009254 |



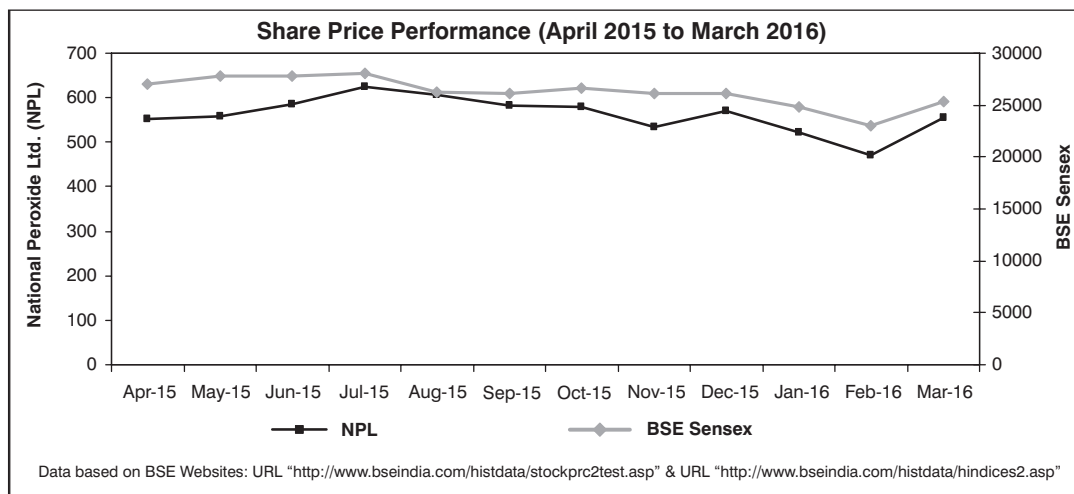
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(g) Stock Market Data (for face value of ₹ 10/- per share):

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades	Net Turnover (₹)
April 2015	648.00	537.50	43,050	4,207	2,59,01,440
May 2015	610.00	506.00	45,186	2,372	2,49,05,796
June 2015	600.00	537.25	49,235	1,270	2,75,65,304
July 2015	675.00	580.00	68,073	2,119	4,24,17,682
August 2015	647.00	538.00	79,418	1,754	4,89,50,165
September 2015	612.75	558.25	31,062	640	1,79,97,381
October 2015	615.00	563.00	32,149	618	1,89,80,207
November 2015	598.75	515.00	20,793	847	1,11,20,025
December 2015	591.50	531.50	18,412	677	1,03,17,831
January 2016	611.50	488.00	20,107	622	1,08,61,737
February 2016	564.75	470.00	68,999	401	3,39,85,782
March 2016	639.70	473.50	2,68,094	1,411	15,22,19,452

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

(h) Stock Performance:



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

(i) Registrar and Transfer Agents:

Sharex Dynamic (India) Private Limited

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.

(k) (i) Distribution of Shareholding as on 31st March, 2016:

Group of shares			No. of shareholders	No. of shares held	%age to total shares
1	to	50	3,179	82,128	1.43
51	to	100	1,076	94,380	1.64
101	to	250	2,632	3,93,641	6.85
251	to	500	422	1,68,307	2.93
501	to	1000	187	1,42,695	2.48
1001	to	5000	148	2,89,993	5.05
5001	to	10000	20	1,37,988	2.40
10001	and	above	17	44,37,868	77.22
Total:			7,681	57,47,000	100.00

(ii) Category of Shareholders as on 31st March, 2016:

Category	No. of shares held	%age 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	2,82,384	4.91
Indian Public	13,84,586	24.09
NRI/OCB	23,466	0.41
Clearing Members	3,121	0.06
Total:	57,47,000	100.00

(l) Dematerialisation of Shares and Liquidity:

97.68% of the outstanding Equity Shares have been dematerialised upto 31st March, 2016. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th 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 practicing 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 31st March, 2016, a sum of ₹ 3,13,656/- 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
Tel: 022-66620000; Fax: 022-66193421.
E-mail: secretarial@naperol.com



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- (r) As required in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

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 Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time.

Mumbai, 26th May, 2016

DECLARATION

As provided under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2016.

For NATIONAL PEROXIDE LIMITED

S. R. LOHOKARE
Managing Director

Mumbai, 26th May, 2016

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** (the 'Company'), for the financial year ended on 31st March, 2016, as stipulated in Clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with 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 of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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, 26th May, 2016

Annexure III to the Directors' Report**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.	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:	The Company has contributed towards the project for restoration of a children's hospital and upgradation of a laboratory in a school. Kindly refer the CSR policy on the Company's website. Weblink: http://www.naperol.com/pdf/boardpolicies/NPL_CSR_Policy.pdf
2.	The Composition of the CSR Committee:	Mr. Ness N. Wadia (Chairman, Non-Executive Director) Mr. Rajesh Batra (Independent Director) Mr. N. P. Ghanekar (Independent Director)
3.	Average net profit of the Company for last three financial years:	₹ 47.03 Crore
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):	The Company is required to spend atleast ₹ 94.06 Lakh towards CSR activities.
5.	Details of CSR spent during the financial year	
	(a) Total amount spent for the financial year:	₹ 94,06,012 (Rupees Ninety Four Lakh Six Thousand and Twelve Only)
	(b) Amount unspent, if any:	NIL

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

(1) Sr. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programmes [1] Local area or other [2] Specify the state and district where projects or programmes were undertaken.	(5) Amount outlay (Budget) projects or programmes wise (₹)	(6) Amount spent on the projects or programmes		(7) Cumulative expenditure up to the reporting period (₹)	(8) 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	85,00,000	85,00,000	Nil	85,00,000	85,00,000 spent directly
2.	Patil Bal Mandir School	Promotion of Education	State: Maharashtra District: Kalyan	9,06,012	9,06,012	Nil	9,06,012	9,06,012 Implementing Agency*
				94,06,012	94,06,012	—	94,06,012	94,06,012

* Sir Ness Wadia Foundation

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

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

Ness N. Wadia
Chairman
Corporate Social Responsibility Committee

Mumbai, 26th May, 2016



National Peroxide Limited

Annexure IV to the Directors' Report

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

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 th March, 1954
Name of the Company	National Peroxide Limited
Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
Address of the Registered office and contact details	Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400 001 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 Tel: 28515644 / 28515606

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	96.35
b.	Hydrogen Gas	20111	2.64
c.	Per Acetic Acid	20299	1.01

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 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
(a) Individual	6,325	0	6,325	0.11	6,325	0	6,325	0.11	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s).	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	25,47,043	0	25,47,043	44.32	25,47,043	0	25,47,043	44.32	0
(e) Banks/FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):	25,53,368	0	25,53,368	44.43	25,53,368	0	25,53,368	44.43	0

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
(a) NRI-Individuals	5,250	0	5250	0.091	5,250	0	5,250	0.091	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	14,94,000	0	14,94,000	25.996	14,94,000	0	14,94,000	25.996	0
(d) Banks/FII	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):	14,99,250	0	14,99,250	26.087	14,99,250	0	14,99,250	26.087	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	40,52,618	0	40,52,618	70.517	40,52,618	0	40,52,618	70.517	0
B. Public Shareholding									
1) Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	450	250	700	0.012	450	250	700	0.012	0
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.	125	0	125	0.002	125	0	125	0.002	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
Sub-total (B)(1):	575	250	825	0.014	575	250	825	0.014	0
2) Non-Institutions									
(a) Bodies Corp.									
i. Indian	2,52,973	905	2,53,878	4.418	2,81,479	905	2,82,384	4.914	0.496
ii. Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,74,381	1,39,992	13,14,373	22.871	10,69,594	1,31,692	12,01,286	20.903	-1.968
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	90,216	0	90,216	1.57	1,83,300	0	1,83,300	3.189	1.619
(c) Others (specify)									
Non Resident Indians	25,699	125	25,824	0.449	23,341	125	23,466	0.408	-0.041
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	9,266	0	9,266	0.161	3,121	0	3,121	0.054	-0.107
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	15,52,535	1,41,022	16,93,557	29.469	15,60,835	1,32,722	16,93,557	29.468	-0.001
Total Public Shareholding (B) = (B)(1) + (B)(2)	15,53,110	1,41,272	16,94,382	29.483	15,61,410	1,32,972	16,94,382	29.482	-0.001
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0
Grand Total (A+B+C)	56,05,728	1,41,272	57,47,000	100.00	56,14,028	1,32,972	57,47,000	100.00	0



National Peroxide Limited

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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 CO. LTD.	2,85,000	4.959	0.000	2,85,000	4.959	0	0.000
2.	BEN NEVIS INVESTMENTS LTD.	51,500	0.896	0.000	51,500	0.896	0.000	0
3.	MACROFIL INVESTMENTS LTD.	19,08,668	33.212	1.914	19,08,668	33.212	1.914	0
4.	NOWROJEE WADIA AND SONS LTD.	2,20,825	3.842	0.000	2,20,825	3.842	0.000	0
5.	N. W. EXPORTS LTD.	1,07,300	1.867	0.000	1,07,300	1.867	0.000	0
6.	VARNILAM INVESTMENTS & TRADING CO. LTD.	16,750	0.291	0.000	16,750	0.291	0.000	0
7.	NUSLI NEVILLE WADIA	6,325	0.11	0.000	6,325	0.11	0.000	0
8.	DINA NEVILLE WADIA	5,250	0.091	0.000	5,250	0.091	0.000	0
9.	SUNFLOWER INVESTMENTS AND TEXTILES PVT. LTD.	8,500	0.148	0.000	8,500	0.148	0.000	0
10.	SOLVAY S.A.	14,42,500	25.10	0.000	14,42,500	25.10	0.000	0
	Total	40,52,618	70.52	1.914	40,52,618	70.52	1.914	0

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

Sr. No.	Name of the Promoter / Promoter Group	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2016	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the Company
	N.A.							

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2016	
		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	0.141	01/04/2015				
	- Closing Balance			31/03/2016			8125	0.141
2	Dani Shares and Stocks Pvt. Ltd.	8289	0.144	01/04/2015				
				10/04/2015	-3712	Transfer	4577	0.08
				17/04/2015	-2000	Transfer	2577	0.045
				01/05/2015	-620	Transfer	1957	0.034
				08/05/2015	-30	Transfer	1927	0.034
				29/05/2015	-350	Transfer	1577	0.027
				05/06/2015	-1500	Transfer	77	0.001
	- Closing Balance			31/03/2016			77	0.001

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2016	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
3	Marwadi Shares and Finance Ltd.	10129	0.176	01/04/2015				
				03/04/2015	10	Transfer	10139	0.176
				10/04/2015	-990	Transfer	9149	0.159
				17/04/2015	736	Transfer	9885	0.172
				01/05/2015	-65	Transfer	9820	0.171
				08/05/2015	-43	Transfer	9777	0.17
				15/05/2015	-500	Transfer	9277	0.161
				29/05/2015	16	Transfer	9293	0.162
				12/06/2015	-50	Transfer	9243	0.161
				26/06/2015	-22	Transfer	9221	0.16
				17/07/2015	45	Transfer	9266	0.161
				24/07/2015	-80	Transfer	9186	0.16
				31/07/2015	5	Transfer	9191	0.16
				05/08/2015	900	Transfer	10091	0.176
				07/08/2015	5	Transfer	10096	0.176
				14/08/2015	-500	Transfer	9596	0.167
				21/08/2015	-51	Transfer	9545	0.166
				28/08/2015	5	Transfer	9550	0.166
				04/09/2015	-970	Transfer	8580	0.149
				11/09/2015	-10	Transfer	8570	0.149
				25/09/2015	10	Transfer	8580	0.149
				06/11/2015	51	Transfer	8631	0.15
				13/11/2015	-50	Transfer	8581	0.149
				20/11/2015	17	Transfer	8598	0.15
				04/12/2015	-17	Transfer	8581	0.149
				11/12/2015	-10	Transfer	8571	0.149
				18/12/2015	24	Transfer	8595	0.15
				25/12/2015	-24	Transfer	8571	0.149
				08/01/2016	20	Transfer	8591	0.149
				15/01/2016	-30	Transfer	8561	0.149
				22/01/2016	21	Transfer	8582	0.149
		29/01/2016	-19	Transfer	8563	0.149		
		19/02/2016	13	Transfer	8576	0.149		
		26/02/2016	-10	Transfer	8566	0.149		
		04/03/2016	-245	Transfer	8321	0.145		
		18/03/2016	-3	Transfer	8318	0.145		
		25/03/2016	5	Transfer	8323	0.145		
	- Closing Balance			31/03/2016	-5		8318	0.145



National Peroxide Limited

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2016	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
4	Millennium Developers Pvt Ltd	8350	0.145	01/04/2015				
				12/06/2015	-700	Transfer	7650	0.133
				28/07/2015	-585	Transfer	7065	0.123
				31/07/2015	-400	Transfer	6665	0.116
				18/09/2015	-2015	Transfer	4650	0.081
	- Closing Balance			30/09/2015	-2650	Transfer	2000	0.035
5	Sudarshan Securities Private Limited	100000	1.74	01/04/2015				
				10/07/2015	-100000	Transfer	0	0
				31/03/2016			0	0
	- Closing Balance			31/03/2016			0	0
6	Cyrus Jamshed Guzder	13650	0.238	01/04/2015				
				31/03/2016			13650	0.238
7	Hridaynath Consultancy Private Limited	82611	1.437	31/03/2016				
				31/03/2016			82611	1.437
8	Pune E Stock Broking Pvt. Ltd.	50	0.001	29/05/2015				
				07/08/2015	-49	Transfer	1	0
				28/08/2015	6	Transfer	7	0
				11/09/2015	-2	Transfer	5	0
				31/03/2016	39409	Transfer	39414	0.686
9	Afour Papers Private Limited	47100	0.82	01/04/2015				
				25/03/2016	-47100	Transfer	0	0
				31/03/2016			0	0
10	Neeta Manoj Ruparel	36750	0.639	01/04/2015				
				10/04/2015	-1742	Transfer	35008	0.609
				24/04/2015	-808	Transfer	34200	0.595
				26/06/2015	-800	Transfer	33400	0.581
				05/08/2015	-199	Transfer	33201	0.578
				07/08/2015	-101	Transfer	33100	0.576
				25/09/2015	-100	Transfer	33000	0.574
				09/10/2015	-1000	Transfer	32000	0.557
				22/01/2016	15	Transfer	32015	0.557
				29/01/2016	-440	Transfer	31575	0.549
				05/02/2016	-38	Transfer	31537	0.549
				25/03/2016	-17	Transfer	31520	0.548
	- Closing Balance			31/03/2016	-120	Transfer	31400	0.546
11	Arun Nahar	47100	0.82	31/03/2016				
				31/03/2016			47100	0.82

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year 31/03/2016	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
12	Darshana Jignesh Kothari	29516	0.514	01/04/2015				
				10/04/2015	-1820	Transfer	27696	0.482
				17/04/2015	-21	Transfer	27675	0.482
				24/04/2015	-994	Transfer	26681	0.464
				26/06/2015	-452	Transfer	26229	0.456
				07/08/2015	-200	Transfer	26029	0.453
				25/09/2015	-144	Transfer	25885	0.45
				09/10/2015	-185	Transfer	25700	0.447
				16/10/2015	-700	Transfer	25000	0.435
				22/01/2016	140	Transfer	25140	0.437
		26/02/2016	-9	Transfer	25131	0.437		
		11/03/2016	-31	Transfer	25100	0.437		
	- Closing Balance			31/03/2016	-100	Transfer	25000	0.435
13	Hardik Bharat Patel	28000	0.487	25/03/2016				
				31/03/2016			28000	0.487
14	Ami Shripalbhai Morakhia	10300	0.179	01/04/2015				
				31/03/2016			10300	0.179
15	Ruchit Bharat Patel	20	0	11/03/2016				
				18/03/2016	256	Transfer	276	0.005
				25/03/2016	27574	Transfer	27850	0.485
	- Closing Balance			31/03/2016			27850	0.485

v. Shareholding of Directors and Key Managerial Personnel: NIL

Sr. No.	Particulars	Shareholding at the beginning of the year 01/04/2015		Shareholding at the end of the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	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
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	6,801.71	500.00	11.55	7,313.26
Change in Indebtedness during the financial year				
• Addition	—	—	—	—
• Reduction	3,766.34	500.00	8.85	4,275.19
Net Change	-3,766.34	-500.00	-8.85	-4,275.19
Indebtedness at the end of the financial year				
i) Principal Amount	3,033.10	—	2.70	3,035.80
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	0.84	—	—	0.84
Total (i+ii+iii)	3,033.94	—	2.70	3,036.64



National Peroxide Limited

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Amount in ₹
Mr. S. R. Lohokare (Managing Director)		
1.	Gross salary	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,80,84,615
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	28,16,921
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	20,00,000
	• As % of profit	—
	• Others, please specify	—
5.	Others, please specify	—
	Total (A)	2,29,01,536
	Ceiling as per the Companies Act, 2013 (@ 5% of the net profits calculated u/s 198 of the Act)	1,66,78,331

ii. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Mr. Rajesh Batra	Mr. N. P. Ghanekar	Mr. S. Ragothaman	
1	Independent Directors				
	(a) Fee for attending board / committee meetings	3,70,000	3,70,000	2,20,000	9,60,000
	(b) Commission	1,40,000	1,40,000	95,000	3,75,000
	(c) Others, please specify	—	—	—	—
	Total (1)	5,10,000	5,10,000	3,15,000	13,35,000
2	Other Non-Executive Directors				
	(a) Fee for attending board / committee meetings	2,40,000	60,000	—	3,00,000
	(b) Commission	2,50,000	—	—	2,50,000
	(c) Others, please specify	—	—	—	—
	Total (2)	4,90,000	60,000	—	5,50,000
	Total (B)=(1+2)	10,00,000	5,70,000	3,15,000	18,85,000
	Total Managerial Remuneration				2,47,86,536*
	Overall Ceiling as per the Act	₹ 33,35,666 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 ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Arun Naik (upto 30.06.2015)	Mr. Hanoz Chinoy (upto 20.04.2015)	Mr. Sunil Londhe (w.e.f. 04.11.2015)	Ms. Seema Jagnani (w.e.f. 21.04.2015)	
1.	Gross salary	44,47,833	1,82,352	44,47,150	10,74,389	1,01,51,724
	a. Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	—	—	—	—	—
	b. Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	—	—	—	—	—
	c. Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission					
	• As % of profit	—	—	—	—	—
	• Others, please specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total	44,47,833	1,82,352	44,47,150	10,74,389	1,01,51,724

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



National Peroxide Limited

Annexure V to the Directors' Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
National Peroxide Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to that extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:

The Manufacture Storage & Import of Hazardous Chemicals Rules, 1989 amended 2000
Hazardous Wastes (Management, Handling & Trans Boundary Movement) Rules, 2016
The Petroleum Act, 1934 and the Petroleum Rules, 2003
Boiler Regulations (Indian), 1950 and amendments thereof
Explosives Act, 1884 & Rules, 1981 & Static and Mobile Pressure Vessel (Unfired) Rules, 1981
Motor Vehicles Act, 1988
The Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Amendment Order, 2009
Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards 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.

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

Decisions at the Board Meetings were taken unanimously.

We further report that there are 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

Place: Mumbai
Date: 26th May, 2016

FCS No.: 24539 CP No.: 9511

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.



National Peroxide Limited

'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. Where ever 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

FCS No.: 24539 CP No.: 9511

Place: Mumbai
Date: 26th May, 2016

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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. 2015-16 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2015-16	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	Mr. S. R. Lohokare, Managing Director	229.02	(11.89)	29.98:1
2.	Mr. A.V. Naik, Chief Financial Officer (upto 30 th June, 2015)	—	—	—
3.	Mr. H. B. Chinoy, Company Secretary (upto 20 th April, 2015)	—	—	—
4.	Mr. Sunil Londhe, Chief Financial Officer (w.e.f. 4 th November, 2015)	—	—	—
5.	Ms. Seema Jagnani, Company Secretary (w.e.f. 21 st April, 2015)	—	—	—

Details not given for employees at sr. nos 2, 3, 4 and 5 above since they were employed for part of the financial year.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 7.64 lakhs. In the FY 2015-16, there was a decrease of 9.69% in the median remuneration of employees;
- iii. There were 110 number of permanent employees on the rolls of the Company as on 31st March, 2016;
- 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 31st March, 2016 was ₹ 31,884.36 lakhs (₹ 32,269.41 lakhs as on 31st March, 2015).
- (b) Price Earnings ratio of the Company was 17.48 as at 31st March, 2016 and was 51.75 as at 31st March, 2015.
- (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 31st March, 2016 was ₹ 31,884.36 lakhs and the closing price of the same at BSE Ltd on 31st March, 2016 was ₹ 554.80 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. 2015-16, 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 2014-15	Remuneration paid to employees (excluding managerial personnel) for the FY 2015-16	% change in remuneration paid to employees (excluding managerial personnel)	Remuneration paid to managerial personnel for the FY 2014-15	Remuneration paid to managerial personnel for the FY 2015-16	(%) change in remuneration paid to managerial personnel
3,53,95,635	3,74,39,634	5.77	6,40,34,521	7,16,08,078	11.83



National Peroxide Limited

The figures for FY 2014-15 are not comparable to the figures mentioned in Annual Report for the financial year ended 31st March, 2015 as the mix of employees between FY 2014-15 and FY 2015-16 is not similar to FY 2013-14 and FY 2014-15.

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

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

	Mr. S. R. Lohokare, Managing Director
Aggregate Remuneration of Key Managerial Personnel (₹ in lakhs)	229.02
Revenue (₹ in lakhs)	24,161.23
Remuneration of KMPs (as a % of revenue)	0.95
Profit Before Tax (PBT) (₹ in lakhs)	2,870.05
Remuneration of KMP (as a % of PBT)	7.98

* Comparison of Remuneration of other Key Managerial Personnel is not applicable as employed for part of the financial year.

- 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]

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:**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 23 watts CFL lamps with 9 watts LED lamps for plant lighting.
- Replaced old 2X40W TL with 18 watts LED TL for office & other areas.
- Installed Auto on off Motion Sensors for plant MCC, passage and other area lighting.
- Replaced old stabilizer Pump Motors with new high Energy Efficient Motors
- Installed Instrument Air cooler and eliminated refrigeration dryer for cooling of instrument air.
- Replaced old window Air Conditioner units with Inverter type energy efficient 5 star rating split ac units.

These measures, along with the measures taken during the last year, have resulted in significant reduction in energy consumption. Also the power consumption has reduced due to operating plant at enhanced capacity.

Total energy consumption & energy consumption per unit of production:

	2015-16	2014-15
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased:		
Units (KWH).....	3,48,62,602	2,73,52,000
Total Amount (₹ lacs).....	2,433.63	2,041.48
Rate/Unit (₹/KWH)	6.98	7.46
b. Own Generation:		
(i) Through diesel generator Units (KWH).....	22,490	13,635
Units/litre of diesel oil (KWH)	2.74	2.96
Cost of diesel/Unit (₹/KWH)	18.45	16.50
(ii) Through steam turbine/generator	Not Applicable	
2. Coal	Not Applicable	
3a. Furnace Oil		
Quantity (MT)	0.00	0.00
Total amount (₹ lacs)	0.00	0.00
Average rate (₹/MT).....	0.00	0.00
3b. Natural Gas		
Quantity (MMBTU)	91,686.00	89,523.00
Total amount (₹ lacs)	805.64	972.94
Average rate (₹/MMBTU).....	878.70	1,086.80
4. Other/Internal Generation	Not Applicable	
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity (KWH/MT).....	349.54	360.67
2a. Furnace Oil (KG/MT).....	0.00	0.00
2b. Natural Gas (MMBTU/MT)	0.94	1.23

* 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 2014-15 & 2015-16 works out to 30.24 KG of Fuel Oil/MT & 23.02 KG of Fuel Oil/MT, respectively.



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(b) The steps taken by the company for utilising alternate sources of energy:

The Solar based power plant and the purchase of Open Access power as alternate sources of energy were evaluated. They were not found to be viable at present.

(c) The capital investment on energy conservation equipment:

Capital investment of ₹ 3.50 lacs was incurred during the year on various energy conservation equipment.

B. TECHNOLOGY ABSORPTION:

(a) The efforts made towards technology absorption:

- Engineering & Process Design of equipment for expansion of Hydrogen & Hydrogen Peroxide Plant;
- The Hydrogen plant capacity increase study was carried out with Technology supplier;
- Engineering and designing of equipment for Process Heat Recovery improvement project;
- Reduced Sanctioned Maximum Demand and changed Power Tariff from continuous to non-continuous;
- Installation and Commissioning of Two Stream on-line GC for Natural Gas Analysis for Hydrogen Plant;
- Installation Commissioning of online TOC for Effluent Treatment Plant;
- Upgradation of APC system for Plant;
- Stabilisation of Exa OPC system for Plant;
- Operating the Boiler with Economiser for optimum usage of fuel.

(b) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Stabilised plant operation with enhanced plant capacity with in-house designing of project & training of man power for technology & projects;
- Ascertaining the enhanced Hydrogen Plant capacity with low cost;
- Enhancing Energy efficiency of Plant with in-house designing of heat recovery system;
- Reduced the power tariff;
- Effective monitoring and control of Hydrogen Plant Natural Gas parameters;
- Established on-line monitoring of effluent parameter to maintain the quality of effluent discharge as per MPCB norms;
- 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;
- Better economy & reduction in emission & clean operation.

(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 has been fully absorbed : N.A.
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A.

(d) The 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 and the foreign exchange outgo in terms of actual outflows, during the year, are as follows:

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
Foreign exchange earned	Nil	Nil
Foreign exchange used	298.40	276.60

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

United Nations' 21st Climate Change Conference was held in Paris, from 1st to 14th December, 2015. During the conference a 'Historic Agreement' was reached between 'participating nations' to combat 'Climate Change' and intensify actions and investments needed to attain a sustainable low carbon future.

'Key features' of the Agreement, which was signed by 190 nations, are:

- 1) Strengthen Global efforts to limit Global temperature rise below 2°C above the Pre-industrial level by the end of this century & pursue efforts to limit the temperature rise below 1.5°C.
- 2) Provide finance to help developing countries in their transition to clean Energy.
- 3) Countries promised to try bringing down peak emissions as soon as possible and achieve net 'zero emission', in the 2nd half of this century by adopting clean renewable energy, improving energy efficiency and removal of GreenHouse Gases (GHG) using Sink.
- 4) Global stock taking every 5 years to assess the collective progress made by an individual country.
- 5) Deal includes loss & damage mechanism for addressing the financial losses of countries which are vulnerable to the impacts of climate change such as extreme weather.

120 countries including India have put up their INDCs (Indented Nationally Determined Contributions) to curb emissions. In the Action Plan submitted to UNFCCC, India has stated that it will reduce GHG emissions by 33% to 35% of 2005 level, by 2030 by using Non-Fossil fuel based sources such as Solar, Wind, Hydropower and by other means.

United States announced an initial contribution of US \$ 500 million towards Green Climate fund. World climate finance is collectively aimed at \$ 100 billion per year by 2020.

The next Conference of Parties (COP) will be held at Marrakech, Morocco from 7th to 18th November, 2016.

Climate Technology Centre and Network (CTCN), the operating arm of UNFCCC, promotes transfer of environmentally sound technologies for carbon reduction and gives advice on policies, legal and regulatory framework.

CTCN helps in curbing Green Gas Emission in the following ways:

- 1) CTCN manages requests from developing countries for their Climate Change Projects.
- 2) Provides information and knowledge on various proposal implemented across world, through its network.
- 3) Provides technical assistance for preparing climate technology projects for financing.
- 4) Provides access to financial support from donor countries for development of Climate Change Technology & their transfer to Green Gas Emission Curbing proposals.

CTCN has received 104 such requests of which 73 requests have been published.

4th Annual Conference 'CONNECTkaro' by WRI in India was held at New Delhi from 5th to 7th April, 2016. During the conference, challenges and solutions in the area of renewable energy, Air pollution, Urban Expansion and Transport were discussed. Conference helped in drawing upon the best 'Global Practices' and their application in the Indian context.

NPL has made extensive efforts to reduce its CO₂ emissions during the year. The thrust is on using energy efficient equipment and appliances in it's plants and office buildings, to conduct energy audits, minimise waste and recycle water from its effluent.

The Company's GHG emissions during the last three years, with Kalyan plant as the project boundary, are given below:

(Ton Co₂/Year)

SCOPE	FY 2013-14			FY 2014-15			FY 2015-16		
	H ₂ Plant	A.O. Plant	Total	H ₂ Plant	A.O. Plant	Total	H ₂ Plant	A.O. Plant	Total
Scope - 1	29,712	6,962	36,674	23,879	4,808	28,687	34,275	4,994	39,270
Scope - 2	2,300	22,004	24,304	1,358	19,863	21,221	2,042	25,848	27,890
Scope - 3	220	6,804	7,024	100	6,123	6,223	181	7,495	7,676
Total	32,232	35,770	68,002	25,337	30,794	56,131	36,500	38,336	74,836

For Hydrogen Filling	4,024	—	4,024	2,853	—	2,853	2,795	—	2,795
For AO Plant	28,208	35,770	63,978	22,484	30,794	53,278	39,295	38,336	77,631

PRODUCTION	FY 2013-14	FY 2014-15	FY 2015-16
H ₂ O ₂ (50% H ₂ O ₂)	84,233	*72,089	97,637
H ₂	33.19 Million m ³	28.55 Million m ³	58.00 Million m ³
GHG Intensity (50% H ₂ O ₂)	759.5 kg/MT	739 kg/MT	737.8 kg/MT

* Production was less during FY 2014-15, due to 61 days plant shutdown. The total emission was also less during FY 2014-15.



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The efforts taken have paid rich dividends in reducing CO₂ emissions from 759 Kg/MT of H₂O₂ production during the year 2013-14, to 738 Kg/MT of H₂O₂ during year 2015-16 (reduction by 3% as shown in the table).

The specific CO₂ emission (Kg/MT) and total tCO₂e is separated for AO and Hydrogen Plant, as in some Hydrogen Peroxide plants, Hydrogen Gas is available as a by-product from a Caustic-Chlorine plant.

Benchmarking of GHG intensity for Hydrogen Peroxide is not possible due to non-availability of data from other Hydrogen Peroxide Producers.

Further plans to turn Green include:

- Innovative plant changes to achieve a quantum reduction in Energy Consumption by heat recovery.
- Use of Solar energy, if found viable.
- Rain Water Harvesting using land available at Kalyan Plant.

Emissions Reduction and Abatement Measures

Various Energy Conservation Measures as detailed in Annexure VII, have resulted in reduction of 155 Tons of CO₂ Emission (1.6 kg/Ton H₂O₂ production).

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, 2016, 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 prescribed under Section 133 of the Act, as applicable.

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 and the Order under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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, 2016, 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 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.



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- (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 financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial control over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 – Refer Note 20 (i) 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.
2. As required by the Companies (Auditors’ Report) Order, 2016 (“the order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 26th May, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the standalone financial statements of National Peroxide Limited for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NATIONAL PEROXIDE LIMITED (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the

“Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 26th May, 2016



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 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, 2016)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered Indenture deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable interval and no material discrepancies 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit. Hence reporting under clause (v) of the order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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 explanation 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, Service Tax, Customs Duty, Excise Duty, Value Added tax, cess and 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, Service Tax, Customs Duty, Excise Duty, Value Added tax, cess and other material statutory dues in arrears as at 31st March 2016 for a period of more than six months from the date they became payable except following:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the Amount Relates	Due Date	Date of subsequent payment
The Income Tax Act, 1961	Income Tax	4.26	FY 2011-12	15th April, 2015	23rd May, 2016

- (b) There are no dues of Income-tax as on 31st March 2016 on account of dispute.
- (viii) 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 borrowings from financial institution and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of Initial Public Offer of further public offer (including debt instruments) or term loan and hence reporting under clause (ix) of the order is not applicable.
- (x) 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 by its officers or employees has been noticed or reported during the year.

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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid and provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable to the company.
- (xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence the provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 26th May, 2016



National Peroxide Limited

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	₹ in Lakhs	₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
(A) EQUITY AND LIABILITIES:				
SHAREHOLDERS' FUNDS				
(a) Share Capital	2	574.70		574.70
(b) Reserves and Surplus	3	21,425.06		20,319.68
			21,999.76	20,894.38
NON-CURRENT LIABILITIES				
(a) Long Term Borrowings.....	4	1,000.00		3,000.00
(b) Deferred Tax Liabilities (Net)	5	2,946.19		2,750.16
(c) Long-Term Provisions.....	6	199.04		154.58
			4,145.23	5,904.74
CURRENT LIABILITIES				
(a) Short-Term Borrowings	7	33.10		2,299.44
(b) Trade Payables	8			
(i) Total outstanding dues of micro enterprises & small enterprises		0.06		0.06
(ii) Total outstanding dues of other than micro enterprises & small enterprises.....		1,805.50		2,519.27
(c) Other Current Liabilities	9	2,221.25		2,359.09
(d) Short-Term Provisions	10	824.60		434.19
			4,884.51	7,612.05
			<u>31,029.50</u>	<u>34,411.17</u>
	TOTAL			
(B) ASSETS:				
NON-CURRENT ASSETS				
(a) Fixed Assets				
(i) Tangible Assets.....	11	17,966.89		18,736.54
(ii) Capital Work-in-progress.....		308.89		397.94
(b) Non-current Investments	12	127.33		127.33
(c) Long-Term Loans and Advances	13	637.96		867.11
			19,041.07	20,128.92
CURRENT ASSETS				
(a) Current Investments	14	578.44		831.26
(b) Inventories	15	1,411.05		1,600.03
(c) Trade Receivables	16	3,266.01		3,716.33
(d) Cash and Bank Balances.....	17	71.43		77.46
(e) Short-Term Loans and Advances.....	18	6,645.29		8,039.17
(f) Other Current Assets	19	16.21		18.00
			11,988.43	14,282.25
			<u>31,029.50</u>	<u>34,411.17</u>
	TOTAL			

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

S. B. LONDHE
Chief Financial Officer
SEEMA JAGNANI
Company Secretary

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA

Directors

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	₹ in Lakhs	₹ in Lakhs	2014-2015 ₹ in Lakhs
I. REVENUE FROM OPERATIONS	21		23,353.49	19,629.56
II. OTHER INCOME.....	22		807.74	636.58
III. TOTAL REVENUE			<u>24,161.23</u>	<u>20,266.14</u>
IV. EXPENSES:				
Cost of Raw Material Consumed	23		8,018.88	6,712.99
Changes in inventories of finished goods.....	24		(38.27)	808.57
Employee benefits expenses	25		1,937.42	1,705.81
Finance cost	26		538.50	468.40
Depreciation and amortisation expenses.....	11		895.60	721.31
Other expenses.....	27		9,847.52	8,208.36
TOTAL EXPENSES.....			<u>21,199.65</u>	<u>18,625.44</u>
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)..			2,961.58	1,640.70
Exceptional Item.....	28		91.53	—
VI. PROFIT BEFORE TAX.....			2,870.05	1,640.70
VII. TAX EXPENSE:				
— Current Tax.....		851.00		335.00
— MAT Credit Entitlement.....		—		(335.00)
— Deferred tax [Net of ₹ Nil (Previous Year – ₹ 10.72 Lakhs) Refer Note No. 11].....	5	196.03		984.72
— Short Provision for Tax relating to Prior Years		25.94		32.49
			<u>1,072.97</u>	<u>1,017.21</u>
VIII. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (VI - VII).....			1,797.08	623.49
IX. Profit/(Loss) from discontinuing operations.....			—	—
X. PROFIT FOR THE YEAR (VIII - IX).....			<u>1,797.08</u>	<u>623.49</u>
XI. Earnings per equity share – Basic and Diluted (₹)..... (Face Value ₹ 10)	31		31.27	10.85

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

S. B. LONDHE
Chief Financial Officer
SEEMA JAGNANI
Company Secretary

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA

Directors

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016



National Peroxide Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Lakhs	2014-2015 ₹ in Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax.....	2,870.05	1,640.70
Adjustments for:		
Depreciation.....	895.60	721.31
Interest expense.....	538.50	468.40
Interest income.....	(672.46)	(567.02)
Dividend income.....	(51.69)	(65.11)
Advance Tax Written off.....	51.53	—
Provision for Employee Benefits.....	(1.56)	168.99
Bad Debts.....	1.05	—
Provisions for Doubtful Debts.....	100.73	—
Trade Payables Written Back.....	(83.59)	—
Provision for expected loss on reduction in net realisable value of Capital Work in Progress.....	91.53	—
Profit on Sale of Investments.....	—	(0.17)
Operating Profit before Working Capital Changes.....	3,739.69	2,367.10
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables.....	348.54	(465.82)
Long-term Loans and Advances.....	(15.19)	—
Short-term Loans and Advances.....	(706.12)	(482.79)
Term deposits pledged with banks.....	—	97.73
Dividend Account balance with banks.....	0.76	(5.49)
Inventories.....	188.98	798.88
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables.....	(630.18)	266.84
Other Current Liabilities.....	(28.58)	(13.16)
Cash generated from operations.....	2,897.90	2,563.29
Less: Taxes paid (Net).....	(714.94)	(456.68)
Net Cash flow from Operating Activities (A).....	2,182.96	2,106.61
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital work in progress).....	(129.11)	(3,600.27)
Interest received.....	674.25	566.51
Dividend received.....	51.69	65.11
Inter Corporate Deposits placed.....	—	(7,500.00)
Inter Corporate Deposits refunded.....	2,100.00	2,900.00
Purchase of Investments in Mutual Fund.....	(12,026.88)	(8,390.24)
Sale of Investments in Mutual Fund.....	12,279.70	8,461.26
Net Cash flow from/(used in) Investing Activities (B).....	2,949.65	(7,497.63)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings.....	(1,766.34)	1,395.65
Interest paid.....	(524.93)	(466.13)
Dividend and Tax on Dividend paid.....	(346.61)	(1,003.07)
Term Loan taken from Bank.....	(2,000.00)	5,000.00
Inter Corporate Deposits taken.....	(500.00)	500.00
Net Cash flow (used in)/from Financing Activities (C).....	(5,137.88)	5,426.45
Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C).....	(5.27)	35.43
Cash and Cash Equivalents - Opening balance.....	38.17	2.74
Cash and Cash Equivalents - Closing balance.....	32.90	38.17
Cash and Bank Balances - Closing balance (Refer Note No. 17).....	71.43	77.46
Less: Unclaimed Dividends.....	38.53	39.29
Cash and Cash Equivalents - Closing balance.....	32.90	38.17

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

S. B. LONDHE
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

Directors

SEEMA JAGNANI
Company Secretary

S. RAGOTHAMAN

MINNIE BODHANWALA

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016

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 prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 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 straight line 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 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 standalone financial statement.

(m) Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset 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 over lease term.

(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.

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
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2. SHARE CAPITAL**AUTHORISED**

25,000,000 (Previous Year: 25,000,000) Equity Shares of ₹ 10 each ...	2,500.00	2,500.00
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ISSUED, SUBSCRIBED AND PAID-UP

5,747,000 (Previous Year: 5,747,000) Equity Shares of ₹ 10 each	574.70	574.70
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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	
	As at 31.03.2016	As at 31.03.2015
Macrofil Investments Limited	1,908,668	1,908,668
Percentage	33.21	33.21
Solvay S A.....	1,442,500	1,442,500
Percentage.....	25.10	25.10

	As at	
	31.03.2016	31.03.2015
	₹ in Lakhs	₹ in Lakhs
3. RESERVES AND SURPLUS		
GENERAL RESERVE		
Balance as per last balance sheet.....	3,284.50	3,284.50
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Opening Balance.....	17,035.18	16,799.21
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	1,797.08	623.49
Amount available for appropriation	18,832.26	17,381.03
Less: Proposed Dividend (See Note (i) below).....	574.70	287.35
Less: Tax on Dividend	117.00	58.50
	<u>18,140.56</u>	<u>17,035.18</u>
	<u>21,425.06</u>	<u>20,319.68</u>

(i) The Board of Directors at its meeting held on 26th May, 2016 has recommended a dividend of ₹ 10 (Previous Year: ₹ 5) per equity share.

4. LONG-TERM BORROWINGS		
SECURED BORROWINGS		
Term Loan from Bank	1,000.00	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 and machinery and other movables and Second charge on industrial land at Kalyan and building thereon by way of mortgage.		
	<u>1,000.00</u>	<u>3,000.00</u>

5. DEFERRED TAXES		
DEFERRED TAX LIABILITY:		
Depreciation on fixed assets	3,095.94	2,834.24
Total	<u>3,095.94</u>	<u>2,834.24</u>
DEFERRED TAX ASSET:		
Provision for Compensated Absences.....	89.11	58.98
Provision for Doubtful Debts.....	34.86	—
Other Provision	25.78	25.10
Total	<u>149.75</u>	<u>84.08</u>
NET DEFERRED TAX LIABILITY	<u>2,946.19</u>	<u>2,750.16</u>

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 196.03 Lakhs (Previous Year: ₹ 995.44 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
6. LONG-TERM PROVISIONS		
Provision for employee benefits	199.04	154.58
	<u>199.04</u>	<u>154.58</u>
7. SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loans Repayable on Demand:		
Working Capital Demand Loan from HSBC Bank*	—	1,500
Cash Credits*	33.10	0.16
Buyers Credit from Banks*	—	299.28
UNSECURED BORROWINGS		
Inter-corporate Deposits from other (Payable within 90 days)	—	500
	<u>33.10</u>	<u>2,299.44</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.)		
8. TRADE PAYABLES		
(i) Total outstanding dues of micro enterprises & small enterprises:		
Payable for other expenses	0.06	0.06
	<u>0.06</u>	<u>0.06</u>
(ii) Total outstanding dues of other than micro enterprises & small enterprises:		
Payable for goods purchased.....	856.21	1,438.31
Payable to Employees	173.15	167.82
Payable for other expenses.....	776.14	913.14
	<u>1,805.50</u>	<u>2,519.27</u>
	<u>1,805.50</u>	<u>2,519.27</u>
Footnote:		
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.		
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Loan (Refer to Note No. 4)	2,000.00	2,000.00
Interest Accrued but not due on Borrowing	0.84	2.27
Advances received from Customers	5.43	14.68
Deposits received from Customers	2.70	11.55
Statutory and Other dues	51.73	62.21
Interest Accrued on Other.....	15.00	—
Payable in respect of Capital Goods (other than to Micro and Small Enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006).....	24.27	55.76
Payable to Gratuity Fund (Refer to Note No. 29)	82.75	173.33
Unclaimed Dividends	38.53	39.29
	<u>2,221.25</u>	<u>2,359.09</u>
10. SHORT-TERM PROVISIONS		
Provision for employee benefits	132.90	88.34
Proposed Dividend:		
Proposed Dividend (Refer to Note No. 3 (i)).....	574.70	287.35
Tax on Dividend.....	117.00	58.50
	<u>824.60</u>	<u>434.19</u>
Footnote:		
Amount remitted during the year in Foreign Currency on account of dividend	2015-16	2014-15
1. Number of Shareholders	2	2
2. Number of Shares held	1,494,000	1,494,000
3. Amount remitted (in ₹ Lakhs).....	74.70	224.10
4. Year to which dividend relates.....	2014-15	2013-14



NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

(₹ in lakhs)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening as at 1-04-2015	Additions during the year	Deductions during the year	Closing as at 31-03-2016	Up to 1-04-2015	For the year	Deductions during the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Up to 31-03-2016	As at 31-03-2016	As at 31-03-2015
TANGIBLE ASSETS: (See footnote below)											
Land : Freehold.....	5.89	—	—	5.89	—	—	—	—	—	5.89	5.89
Previous Year	5.89	—	—	5.89	—	—	—	—	—	5.89	
Buildings	725.89	—	—	725.89	347.14	41.22	—	—	388.36	337.53	378.75
Previous Year	590.06	135.83	—	725.89	320.44	15.56	—	11.14	347.14	378.75	
Plant & Machinery.....	31,278.54	70.55	—	31,349.09	12,942.68	843.66	—	—	13,786.34	17,562.75	18,335.86
Previous Year	23,591.03	7,687.51	—	31,278.54	12,233.95	697.29	—	11.44	12,942.68	18,335.86	
Furniture & Fixtures.....	79.30	50.85	—	130.15	70.12	7.51	—	—	77.63	52.52	9.18
Previous Year	79.14	0.16	—	79.30	65.08	4.67	—	0.37	70.12	9.18	
Office Equipment	67.42	4.55	—	71.97	60.56	3.21	—	—	63.77	8.20	6.86
Previous Year	64.83	2.59	—	67.42	48.77	3.79	—	8.00	60.56	6.86	
TOTAL	32,157.04	125.95	—	32,282.99	13,420.50	895.60	—	—	14,316.10	17,966.89	18,736.54
Total Previous Year	24,330.95	7,826.09	—	32,157.04	12,668.24	721.31	—	30.95	13,420.50	18,736.54	—

FOOTNOTE :

In the previous year Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the year ended March 31, 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 was lower by ₹ 361.54 Lakhs. An amount of ₹ 41.67 Lakhs (net of deferred tax) was 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
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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		5,350.50	6,495.51

AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS:

Cost		25.50	25.50
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances.....	0.72	31.53
Sundry Deposits.....	239.50	239.50
Prepaid Expenses.....	15.19	—
Advance Payment of Taxes (Net of provision ₹ 8,552.35 Lakhs [Previous Year: ₹ 7,882.41 Lakhs]).....	254.55	261.08
MAT Credit Entitlement.....	128.00	335.00
	637.96	867.11
	637.96	867.11
14. CURRENT INVESTMENTS		
INVESTMENT IN MUTUAL FUND:		
UNQUOTED (AT COST OR MARKET VALUE WHICHEVER IS LOWER):		
SBI Premier Liquid Fund - Regular Plan - Daily Dividend Nil (Previous Year: 20,082.737) Units of ₹ 1,000 each.....	—	201.48
JM Money Manager Fund - Super Plus Plan - Daily Dividend (479) 5,768,071.463 (Previous Year: 2,499,560.791) Units of ₹ 10 each.....	578.44	250.61
Birla Sunlife Cash Plus - Daily Dividend - Reinvestment Nil (Previous Year: 378,432.857) Units of ₹ 100 each.....	—	379.17
	578.44	831.26
	578.44	831.26
Aggregate Net Asset Value of units in Mutual Funds.....	578.75	831.26
15. INVENTORIES		
(At lower of Cost and Net Realisable Value)		
Raw Materials.....	280.13	494.68
Finished Goods.....	578.78	540.51
Stores, Spare Parts and Packing materials.....	552.14	564.84
	1,411.05	1,600.03
	1,411.05	1,600.03



National Peroxide Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment.....	100.73	212.63
Less: Provision for Doubtful Debts.....	(100.73)	—
	<u>—</u>	<u>212.63</u>
Others	3,266.01	3,503.70
	<u>3,266.01</u>	<u>3,716.33</u>
17. CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS:		
Cash on hand.....	1.26	1.41
Balances with Banks:		
In Current Account	31.64	36.76
	<u>32.90</u>	<u>38.17</u>
OTHER BANK BALANCES:		
In Unpaid Dividend Account	38.53	39.29
	<u>38.53</u>	<u>39.29</u>
	<u>71.43</u>	<u>77.46</u>
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Intercompany Deposits*	4,400.00	6,500.00
Advance to Gratuity Fund	21.86	16.78
Advance to Employees.....	0.25	—
Sundry Deposits	34.90	25.08
Balances with Excise, Customs, Sales tax etc.....	2,072.51	1,439.09
Prepaid Expenses	51.69	15.52
Advance for Purchase of Materials.....	31.89	32.61
Advance for Expenses	32.19	10.09
	<u>6,645.29</u>	<u>8,039.17</u>
* [The Company has given Intercompany Deposits (ICD) for general business purposes to Bombay Dyeing Real Estate Co. Ltd. ₹ Nil (Previous Year: ₹ 500 Lakhs), Archway Investments Ltd. ₹ 1,400 Lakhs (Previous Year: ₹ 3,000 Lakhs) and Macrofil Investment Ltd. ₹ 3,000 Lakhs (Previous Year: ₹ 3,000 Lakhs). The interest rate of the said ICD's is 12.50% p.a. and these are repayable on demand]		
19. OTHER CURRENT ASSETS		
Interest Accrued but not due on sundry deposits.....	16.21	18.00
	<u>16.21</u>	<u>18.00</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
20. CONTINGENT LIABILITIES AND COMMITMENTS		
(i) Contingent Liability:		
In respect of matters which are contested by the Company		
Income Tax demand	128.32	28.48
The Company is not estimating any cash outflow relating to above matters		
(ii) Commitments:		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	2.10	62.03
(b) Other Commitment		
The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. As per the agreement which is valid till 30th April, 2028, 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.		
During the previous year GAIL had sent a demand for ₹ 206.53 Lakhs against the 'Take or Pay obligation' for the calendar year 2014.		
During the current year the Company has paid ₹ 33.81 Lakhs by way of one-time settlement and given up its right to makeup gas.		
(c) Refer to Note No. 36 regarding lease commitment		
	₹ in Lakhs	2015-2016 ₹ in Lakhs
		2014-2015 ₹ in Lakhs
21. REVENUE FROM OPERATIONS		
Sale of Products:		
Hydrogen Peroxide	25,347.72	20,984.60
Sodium Perborate	—	90.88
Hydrogen Gas.....	687.52	750.16
Gross Total	26,035.24	21,825.64
Less: Excise duty.....	2,694.62	2,258.56
Total	23,340.62	19,567.08
Other Operating Revenue:		
Sale of Scrap.....	9.91	59.01
Discount received.....	2.96	3.47
	23,353.49	19,629.56



National Peroxide Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs
22. OTHER INCOME			
Interest income from Banks on Fixed Deposits.....		—	4.52
Interest income from Intercorporate Deposits.....		656.25	543.52
Other Interest income		16.21	18.98
Dividends (Long Term)			
On Trade Investments	24.72		24.69
Dividends (Current)			
On Other Investments	26.97		40.42
		<u>51.69</u>	<u>65.11</u>
Profit on Sale of Current Investments		—	0.17
Foreign Exchange Fluctuation (Net).....		—	4.21
Insurance Claims		—	0.07
Trade Payables Written Back		83.59	—
		<u>807.74</u>	<u>636.58</u>
23. COST OF RAW MATERIAL CONSUMED			
Opening Stock.....		494.68	503.78
Add: Purchases.....		7,804.33	6,871.33
		8,299.01	7,375.11
Less: Capitalisation of Cost of Material consumed during expansion in Previous Year.....		—	167.44
		8,299.01	7,207.67
Less: Closing Stock.....		280.13	494.68
Cost of Material consumed		<u>8,018.88</u>	<u>6,712.99</u>
Material consumed comprises of:			
Natural Gas		5,609.05	5,259.50
Solvents and Chemicals.....		1,609.34	823.63
Others		800.49	629.86
		<u>8,018.88</u>	<u>6,712.99</u>
24. CHANGES IN INVENTORY OF FINISHED GOODS			
Opening balance			
Hydrogen Peroxide		540.51	1,343.75
Sodium Perborate		—	5.33
		540.51	1,349.08
Closing balance			
Hydrogen Peroxide		578.78	540.51
Net (Increase)/Decrease in Finished Goods.....		<u>(38.27)</u>	<u>808.57</u>
25. EMPLOYEE BENEFITS EXPENSES			
Salaries, Wages and Other Benefits		1,485.96	1,432.48
Contributions to Provident and Other Funds (Refer to Note No. 29)		219.84	309.88
Workmen and Staff Welfare Expenses		231.62	245.64
		1,937.42	1,988.00
Less: Amount capitalised during the Previous Year		—	282.19
		<u>1,937.42</u>	<u>1,705.81</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs
26. FINANCE COSTS			
Interest on Borrowings.....		521.60	425.39
Other Interest.....		15.00	—
OTHER BORROWING COST:			
Loan Processing Fees		—	25.00
Discounting Charges.....		1.90	18.01
		<u>538.50</u>	<u>468.40</u>
27. OTHER EXPENSES			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Change in Closing Stock).....	27.88		(121.23)
Insurance.....	44.09		45.10
Rent	45.47		30.97
Rates and Taxes.....	33.58		21.14
Commission and Discount.....	31.15		20.77
Packing and Containers.....	2,219.81		1,731.48
Power, Fuel and Water.....	3,291.97		3,054.20
Stores and Spare Parts Consumed.....	340.26		509.09
Repairs and Maintenance - Buildings.....	2.12		1.73
Repairs and Maintenance - Machinery.....	425.51		515.66
Freight Outward	2,263.93		1,709.69
Sundry Expenses.....	855.13		661.14
		9,580.90	8,179.74
AUDITORS' REMUNERATION:			
(i) Audit Fees	10.00		7.00
(ii) Other Matters.....	6.52		3.75
(iii) Reimbursement of Expenses	—		0.13
		16.52	10.88
Foreign Exchange Fluctuation (Net).....		9.17	—
Bad Debts		1.05	—
Provision for Doubtful Debts.....		100.73	—
Expenditure on Corporate Social Responsibility		94.06	109.20
Commission to Non Executive Directors.....	33.35		6.25
Less: Reversal of previous year excess commission to Non Executive Directors.....	—		(12.29)
		33.35	(6.04)
Directors' Sitting Fees		11.74	13.48
		9,847.52	8,307.26
Less: Amount capitalised during the Previous Year		—	98.90
		<u>9,847.52</u>	<u>8,208.36</u>
28. EXCEPTIONAL ITEM			
Provision for expected loss on reduction in net realisable value of Capital Work in Progress.		91.53	—
		<u>91.53</u>	<u>—</u>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2015-2016 (₹ in Lakhs)	2014-2015 (₹ in Lakhs)
29. EMPLOYEE BENEFITS OBLIGATIONS		
(a) The Company has recognised the following amounts in the Statement of Profit and Loss as contribution under defined contribution schemes		
(i) Provident Fund	87.18	72.60
(ii) Superannuation Fund	49.91	43.38
	137.09	115.98
(b) Details of the funded gratuity plan are as follows:		
The amounts recognised in the Balance Sheet are as follows:		
(i) Present value of funded obligations	847.16	821.50
(ii) Fair value of plan assets	(764.41)	(648.17)
Amounts in the Balance Sheet:		
Liabilities (Refer to Note No. 9)	82.75	173.33
The amounts recognised in the Statement of Profit and Loss are as follows:		
(i) Current service cost	32.72	27.25
(ii) Interest on obligation	60.00	54.43
(iii) Expected return on plan assets	(46.66)	(44.43)
(iv) Net actuarial losses/(gains) recognised in year	(136.64)	136.08
(v) Past service cost	—	—
(vi) Expenses recognized in the Statement of Profit and Loss (Refer to Note No. 25)	(90.58)	173.33
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	821.50	653.16
(ii) Service cost	32.72	27.25
(iii) Interest cost	60.00	54.43
(iv) Actuarial losses/(gains)	46.08	158.18
(v) Past service cost	—	—
(vi) Benefits paid	(113.14)	(71.52)
(vii) Closing defined benefit obligation	847.16	821.50
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	648.17	609.66
(ii) Expected return	46.66	44.43
(iii) Actuarial losses/(gains)	182.72	22.09
(iv) Contribution by employer	—	43.51
(v) Benefits paid	(113.14)	(71.52)
(vi) Closing fair value of plan assets	764.41	648.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2015-2016	2014-2015
The major categories of plan assets as a percentage of total plan assets are as follows:		
(i) Government of India Securities.....	17%	11%
(ii) Corporate Bonds	67%	63%
(iii) Special Deposit Scheme.....	14%	17%
(iv) Others.....	2%	9%
Principal actuarial assumptions at the balance sheet date are as follows:		
(i) Discount rate at 31st March	7.75% p.a.	8.00% 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.

	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)	2015-16 (₹ in Lakhs)
Defined Benefit Obligation	487.04	592.46	653.16	821.50	847.16
Plan Assets	455.73	501.67	609.66	648.17	764.41
Surplus/(Deficit)	(31.31)	(90.78)	(43.50)	(173.33)	(82.75)
Experience Adjustment on Plan Liabilities...	24.92	58.30	67.69	110.46	36.62
Experience Adjustment on Plan Assets	7.61	10.40	11.69	22.09	182.72

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 2016-17 is ₹ 82.75 Lakhs

	2015-2016 (₹ in Lakhs)	2014-2015 (₹ in 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:		
(i) Present value of funded obligations	74.46	72.50
(ii) Fair value of plan assets	—	—
Amounts in the Balance Sheet:		
Liabilities.....	74.46	72.50



NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2015-2016 (₹ in Lakhs)	2014-2015 (₹ in Lakhs)
The amounts recognised in the Statement of Profit and Loss are as follows:		
(i) Current service cost	1.84	1.80
(ii) Interest on obligation	5.38	5.13
(iii) Expected return on plan assets	—	—
(iv) Net actuarial losses/(gains) recognised in year	1.82	9.41
(v) Past service cost	—	—
(vi) Expenses recognized in the Statement of Profit and Loss.....	9.04	16.34
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	72.50	61.62
(ii) Service cost	1.84	1.80
(iii) Interest cost	5.38	5.13
(iv) Actuarial losses/(gains)	1.82	9.41
(v) Past service cost	—	—
(vi) Benefits paid	(7.08)	(5.46)
(vii) Closing defined benefit obligation	74.46	72.50
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	7.08	5.46
(v) Benefits paid	(7.08)	(5.46)
(vi) Closing fair value of plan assets.....	—	—
Principal actuarial assumptions at the balance sheet date are as follows:		
	2015-2016	2014-2015
(i) Discount rate at 31st March.....	7.75% p.a.	8.00% 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:		
	2015-2016 (₹ in Lakhs)	2014-2015 (₹ in Lakhs)
Defined Benefit Obligations.....	74.46	72.50
Plan Assets	—	—
Surplus/ (Deficit).....	(74.46)	(72.50)
Experience Adjustment on Plan Liabilities	1.02	8.51
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	2015-16 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
(a) Related Parties				
Naperol Investments Ltd.	Wholly owned Subsidiary		—	—
(b) Key Management Personnel				
Mr. S. R. Lohokare	Managing Director	Remuneration for the year	228.26	213.69
		Remuneration Payable	5.42	5.00

31. EARNINGS PER SHARE

	2015-16	2014-15
(a) Profit for the year (₹ in lakhs)	1,797.08	623.49
(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 (₹).....	31.27	10.85

32. OTHER DISCLOSURES

	2015-16 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
(a) Imports on C.I.F. Basis:		
Raw Materials.....	805.55	528.50
Stores and Spare parts	19.67	0.77
Capital Goods.....	—	22.14

(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:

	2015-2016		2014-2015	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Raw Materials:				
Directly imported	1,115.06	13.91	607.48	9.05
Indigenously obtained	6,903.82	86.09	6,105.51	90.95
	<u>8,018.88</u>	<u>100.00</u>	<u>6,712.99</u>	<u>100.00</u>
Components, Stores and Spare Parts:				
Directly imported	15.78	4.64	1.69	0.33
Indigenously obtained	324.48	95.36	507.40	99.67
	<u>340.26</u>	<u>100.00</u>	<u>509.09</u>	<u>100.00</u>

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

	2015-2016 (₹ in Lakhs)	2014-2015 (₹ in Lakhs)
(c) Expenditure in Foreign Currency:		
Membership & Subscription	3.63	3.34
Foreign Travel	0.61	2.27



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)	2015-16 (Fx in Lakhs)	2014-15 (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	2015-2016		2014-2015	
	(₹ in Lakhs)	(Fx in Lakhs)	(₹ in Lakhs)	(Fx in Lakhs)
Import of goods	—	—	61.62	USD 0.98

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 31.03.2016 (₹ in Lakhs)	As at 31.03.2015 (₹ in Lakhs)
(a) Total of minimum lease payments for a period:		
— Not later than one year	17.34	17.34
— Later than one year but not later than five years	21.93	39.27
(b) Lease payments recognised in the Statement of Profit and Loss for the year	17.91	15.85

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
S. B. LONDHE Chief Financial Officer	R. BATRA	} Directors
SEEMA JAGNANI Company Secretary	N. P. GHANEKAR	
	S. RAGOTHAMAN	
	MINNIE BODHANWALA	

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016

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 (the Holding Company and its subsidiary constitutes "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 (hereinafter referred to as "the consolidated financial statements").

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 prescribed under Section 133 of the Act, as applicable. 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. 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 report referred to in the 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, 2016, 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 ₹ 427.01 lakhs as at 31st March, 2016, total revenues of ₹ 49.88 lakhs and net cash inflow amounting to ₹ 47.40 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 is based solely on the report 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 report of the other auditor.



Report on Other Legal and Regulatory Requirements

1. 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 prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India none of the directors of the Group Companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 20 (i) 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 26th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of National Peroxide Limited for the year ended 31st March 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting ("IFCoFR") of **NATIONAL PEROXIDE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company and its subsidiary company which is company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company which is company incorporated in India, in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 26th May, 2016



National Peroxide Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	₹ in Lakhs	₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
(A) EQUITY AND LIABILITIES:				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	2	574.70		574.70
(b) Reserves and Surplus	3	21,824.84		20,671.65
			22,399.54	21,246.35
2. NON-CURRENT LIABILITIES				
(a) Long-Term Borrowings	4	1,000.00		3,000.00
(b) Deferred Tax Liability (Net)	5	2,946.19		2,750.16
(c) Long-Term Provisions	6	199.04		154.58
			4,145.23	5,904.74
3. CURRENT LIABILITIES				
(a) Short-Term Borrowings	7	33.10		2,299.44
(b) Trade Payables	8			
(i) Total outstanding dues of micro enterprises & small enterprises		0.06		0.06
(ii) Total outstanding dues of other than micro enterprises & small enterprises		1,806.03		2,519.80
(c) Other Current Liabilities	9	2,221.25		2,359.09
(d) Short-Term Provisions	10	825.80		434.48
			4,886.24	7,612.87
TOTAL			<u>31,431.01</u>	<u>34,763.96</u>
(B) ASSETS:				
1. NON-CURRENT ASSETS				
(a) Fixed Assets				
(i) Tangible Assets	11	17,966.89		18,736.54
(ii) Capital Work-in-Progress		308.89		397.94
(b) Non-current Investments	12	433.29		433.29
(c) Long-Term Loans and Advances	13	637.96		867.11
			19,347.03	20,434.88
2. CURRENT ASSETS				
(a) Current Investments	14	578.44		831.26
(b) Inventories	15	1,411.05		1,600.03
(c) Trade Receivables	16	3,266.01		3,716.33
(d) Cash and Bank Balances	17	165.53		124.16
(e) Short-Term Loans and Advances	18	6,645.29		8,039.20
(f) Other Current Assets	19	17.66		18.10
			12,083.98	14,329.08
TOTAL			<u>31,431.01</u>	<u>34,763.96</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

S. B. LONDHE
Chief Financial Officer
SEEMA JAGNANI
Company Secretary

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA

Directors

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016**

	Note No.	₹ in Lakhs	2014-2015 ₹ in Lakhs
I. REVENUE FROM OPERATIONS.....	21	23,399.12	19,675.30
II. OTHER INCOME.....	22	811.99	636.68
III. TOTAL REVENUE.....		<u>24,211.11</u>	<u>20,311.98</u>
IV. EXPENSES:			
Cost of Raw Material Consumed.....	23	8,018.88	6,712.99
Changes in Inventories.....	24	(38.27)	808.57
Employee benefits expenses.....	25	1,937.42	1,705.81
Finance cost.....	26	538.50	468.40
Depreciation and amortisation expenses.....	11	895.60	721.31
Other expenses.....	27	9,848.27	8,209.36
TOTAL EXPENSES.....		<u>21,200.40</u>	<u>18,626.44</u>
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV).....		3,010.71	1,685.54
Exceptional Item.....	28	91.53	—
VI. PROFIT BEFORE TAX.....		2,919.18	1,685.54
VII. Tax expense:			
– Current tax.....		852.32	335.03
– MAT Credit Entitlement.....		—	(335.00)
– Deferred tax [Net of ₹ Nil (Previous Year: ₹ 10.72 Lakhs)..... Refer Note No. 11]	5	196.03	984.72
– Short Provision for Tax relating to Prior Years.....		25.94	33.26
		<u>1,074.29</u>	<u>1,018.01</u>
VIII. PROFIT FOR THE YEAR (VI - VII).....		<u>1,844.89</u>	<u>667.53</u>
IX. Earnings per equity share – Basic and Diluted (₹)..... (Face Value ₹ 10)	32	32.10	11.62

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

S. B. LONDHE
Chief Financial Officer
SEEMA JAGNANI
Company Secretary

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA

Directors

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016



National Peroxide Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	₹ in Lakhs	2014-15 ₹ in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax.....	2,919.18	1,685.54
Adjustments for:		
Depreciation.....	895.60	721.31
Interest expense.....	538.50	468.40
Interest income.....	(676.71)	(567.12)
Dividend income.....	(51.69)	(65.11)
Advance Tax Written Off.....	51.53	—
Provision for Employee Benefits.....	(1.56)	168.99
Bad Debts.....	1.05	—
Provisions for Doubtful Debts.....	100.73	—
Trade Payables Written Back.....	(83.59)	—
Provision for expected loss on reduction in net realisable value of Capital Work in Progress.....	91.53	—
Profit on Sale of Investments.....	—	(0.17)
Operating Profit before Working Capital Changes.....	3,784.57	2,411.84
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables.....	348.54	(465.82)
Long-term Loans and Advances.....	(15.19)	—
Short-term Loans and Advances.....	(706.09)	(482.82)
Term deposits pledged with banks.....	—	97.73
Dividend Account balance with banks.....	0.76	(5.49)
Inventories.....	188.98	798.88
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables.....	(630.15)	266.88
Other Current Liabilities.....	(28.58)	(13.16)
Cash generated from operations.....	2,942.84	2,608.04
Less: Taxes paid.....	(715.38)	(458.34)
Net Cash from Operating Activities (A).....	2,227.46	2,149.70
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital work in progress).....	(129.11)	(3,600.27)
Interest received.....	677.15	566.51
Dividend received.....	51.69	65.11
Inter Corporate Deposits placed.....	—	(7,500.00)
Inter Corporate Deposits refunded.....	2,100.00	2,900.00
Purchase of Investments in Mutual Fund.....	(12,026.88)	(8,390.24)
Sale of Investments in Mutual Fund.....	12,279.70	8,461.26
Net Cash flow from/(used in) Investing Activities (B).....	2,952.55	(7,497.63)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings.....	(1,766.34)	1,395.65
Interest paid.....	(524.93)	(466.13)
Dividend and Tax on Dividend paid.....	(346.61)	(1,003.07)
Term Loan taken from Bank.....	(2,000.00)	5,000.00
Inter Corporate Deposits taken.....	(500.00)	500.00
Net Cash flow (used in)/from Financing Activities (C).....	(5,137.88)	5,426.45
Net Increase in Cash and Cash equivalents (A+B+C).....	42.13	78.52
Cash and Cash Equivalents - Opening balance.....	84.87	6.35
Cash and Cash Equivalents - Closing balance.....	127.00	84.87
Cash and Bank Balances - Closing balance (Refer Note No. 17).....	165.53	124.16
Less: Current Accounts held for Unclaimed Dividends.....	38.53	39.29
Cash and Cash Equivalents - Closing balance.....	127.00	84.87
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

S. B. LONDHE
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

Directors

SEEMA JAGNANI
Company Secretary

S. RAGOTHAMAN

MINNIE BODHANWALA

Mumbai, 26th May, 2016

Mumbai, 26th May, 2016

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 subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 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' prescribed under Section 133 of the Companies Act, 2013. 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 31.03.2016 & 31.03.2015
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.

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 straight line 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.

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

(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 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 over lease term.

(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**

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

	As at 31.03.2016	As at 31.03.2015
	₹ 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, 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 Rs. 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 31.03.2016	As at 31.03.2015
Macrofil Investments Limited.....	1,908,668	1,908,668
Percentage.....	33.21	33.21
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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
3. RESERVES AND SURPLUS			
CAPITAL REDEMPTION RESERVE			
Balance as per last Balance Sheet		0.02	0.02
SPECIAL RESERVE UNDER SECTION 45 IC OF THE RESERVE BANK OF INDIA ACT, 1934			
Balance as per last Balance Sheet	115.61		106.65
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss.....	9.82		8.96
		125.43	115.61
GENERAL RESERVE			
Balance as per last Balance Sheet	3,352.95		3,348.47
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss.....	4.91		4.48
		3,357.86	3,352.95
SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
Opening Balance	17,203.07		16,936.50
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	1,844.89		667.53
Amount available for appropriation	19,047.96		17,562.36
Less: Proposed Dividend (See Note (i) below)	574.70		287.35
Less: Tax on Dividend.....	117.00		58.50
Less: Transfer to General Reserve	4.91		4.48
Less: Transfer to Special Reserve under Section 45 IC of the Reserve Bank of India Act, 1934.....	9.82		8.96
		18,341.53	17,203.07
		<u>21,824.84</u>	<u>20,671.65</u>

- (i) The Board of Directors at its meeting held on 26th May, 2016 has recommended a dividend of ₹ 10 (Previous Year : ₹ 5) per equity share.

	₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
4. LONG-TERM BORROWINGS			
SECURED BORROWINGS			
Term Loan from Bank			
Term Loans.....		1,000.00	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 and machinery and other movables and Second charge on industrial land at Kalyan and building thereon by way of mortgage.			
		<u>1,000.00</u>	<u>3,000.00</u>
5. DEFERRED TAXES			
DEFERRED TAX LIABILITY:			
Depreciation on fixed assets		3,095.94	2,834.24
TOTAL		<u>3,095.94</u>	<u>2,834.24</u>
DEFERRED TAX ASSET:			
Provision for Compensated Absences.....		89.11	58.98
Provision for Doubtful Debts		34.86	—
Other Provision		25.78	25.10
TOTAL		<u>149.75</u>	<u>84.08</u>
Net deferred tax liability		<u>2,946.19</u>	<u>2,750.16</u>

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 196.03 Lakhs (Previous Year: ₹ 995.44 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
6. LONG-TERM PROVISIONS		
Provision for employee benefits.....	199.04	154.58
	<u>199.04</u>	<u>154.58</u>
7. SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
LOANS REPAYABLE ON DEMAND:		
Working Capital Demand Loan from HSBC Bank*.....	—	1,500.00
Cash Credits*.....	33.10	0.16
Buyers Credit from Banks*.....	—	299.28
UNSECURED BORROWINGS		
Inter-corporate Deposits from other (Payable within 90 days).....	—	500.00
	<u>33.10</u>	<u>2,299.44</u>
	<u>33.10</u>	<u>2,299.44</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.)		
8. TRADE PAYABLES		
(i) Total outstanding dues of micro enterprises & small enterprises:		
Payable for other expenses.....	0.06	0.06
	<u>0.06</u>	<u>0.06</u>
(ii) Total outstanding dues of other than micro enterprises & small enterprises:		
Payable for goods purchased	856.21	1,438.31
Payable to Employees.....	173.15	167.82
Payable for other expenses.....	776.67	913.67
	<u>1,806.03</u>	<u>2,519.80</u>
	<u>1,806.09</u>	<u>2,519.86</u>
FOOTNOTE:		
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.		
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Term Loan (Refer Note No. 4).....	2,000.00	2,000.00
Interest Accrued but not due on Borrowing	0.84	2.27
Advances from Customers.....	5.43	14.68
Deposits received from Customers	2.70	11.55
Statutory and Other dues	51.73	62.21
Interest Accrued on Other	15.00	—
Payable in respect of Capital Goods (other than to Micro and Small Enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006)	24.27	55.76
Payable to Gratuity Fund (Refer to Note No. 29).....	82.75	173.33
Unclaimed Dividends	38.53	39.29
	<u>2,221.25</u>	<u>2,359.09</u>
10. SHORT-TERM PROVISIONS		
Provision for employee benefits.....	132.90	88.34
Proposed Dividend:		
Proposed Dividend (Refer to Note No. 3 (i))	574.70	287.35
Tax on Dividend	117.00	58.50
Provision for Income Tax (Net of Advance Tax of ₹ 0.41 Lakhs [Previous Year: ₹ 1.66 Lakhs]	1.20	0.29
	<u>825.80</u>	<u>434.48</u>
FOOTNOTE:		
Amount remitted during the year in Foreign Currency on account of dividend		
	2015-16	2014-15
1. Number of Shareholders.....	2	2
2. Number of Shares held	1,494,000	1,494,000
3. Amount remitted (in ₹ Lakhs)	74.70	224.10
4. Year to which dividend relates.....	2014-15	2013-14



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS

(₹ in Lakhs)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening as at 1-04-2015	Additions during the year	Deductions during the year	Closing as at 31-03-2016	Up to 1-04-2015	For the year	Deductions during the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Up to 31-03-2016	As at 31-03-2016	As at 31-03-2015
TANGIBLE ASSETS: (See footnote below)											
Land : Freehold.....	5.89	—	—	5.89	—	—	—	—	—	5.89	5.89
Previous Year	5.89	—	—	5.89	—	—	—	—	—	5.89	—
Buildings	725.89	—	—	725.89	347.14	41.22	—	—	388.36	337.53	378.75
Previous Year	590.06	135.83	—	725.89	320.44	15.56	—	11.14	347.14	378.75	—
Plant & Machinery.....	31,278.54	70.55	—	31,349.09	12,942.68	843.66	—	—	13,786.34	17,562.75	18,335.86
Previous Year	23,591.03	7,687.51	—	31,278.54	12,233.95	697.29	—	11.44	12,942.68	18,335.86	—
Furniture & Fixtures.....	79.30	50.85	—	130.15	70.12	7.51	—	—	77.63	52.52	9.18
Previous Year	79.14	0.16	—	79.30	65.08	4.67	—	0.37	70.12	9.18	—
Office Equipments.....	67.42	4.55	—	71.97	60.56	3.21	—	—	63.77	8.20	6.86
Previous Year	64.83	2.59	—	67.42	48.77	3.79	—	8.00	60.56	6.86	—
TOTAL.....	32,157.04	125.95	—	32,282.99	13,420.50	895.60	—	—	14,316.10	17,966.89	18,736.54
<i>Total Previous Year</i>	<i>24,330.95</i>	<i>7,826.09</i>	<i>—</i>	<i>32,157.04</i>	<i>12,668.24</i>	<i>721.31</i>	<i>—</i>	<i>30.95</i>	<i>13,420.50</i>	<i>18,736.54</i>	<i>—</i>

FOOTNOTE:

In the previous year 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 was lower by ₹ 361.54 Lakhs. An amount of ₹ 41.67 Lakhs (net of deferred tax) was 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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
132 (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.....	*	*
8,397 (Previous Year: 8,397) Equity Shares of ₹ 2 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.....	*	*
	<hr/>	<hr/>
	1.02	1.02
Non-Trade Investments (Unquoted) at Cost:		
1,000 (Previous year: 1,000) Equity Shares of ₹ 100 each fully paid up in B. R. T. Limited	1.37	1.37
Investment in Debenture Instruments (Unquoted):		
393 (Previous year: 393) Zero% Unsecured Fully Convertible Debentures of ₹ 100 each in Sunflower Investments and Textiles Private Limited.....	0.39	0.39
Investment in Mutual Fund (Unquoted):		
Kotak Bond Scheme Plan A - Growth [71,667.610 (Previous year 71,667.610)] Units of ₹ 10 each.....	23.00	23.00
DWS Short Maturity Fund Regular Plan Growth [903,524.210 (Previous year 903,524.210)] Units of ₹ 10 each.....	193.00	193.00
	<hr/>	<hr/>
	433.29	433.29
	<hr/>	<hr/>
Aggregate amount of Quoted Investments:		
Cost	215.53	215.53
Market Value	22,177.02	25,533.81
* Investments Value less than ₹ 5,000		
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances.....	0.72	31.53
Sundry Deposits	239.50	239.50
Prepaid Expenses	15.19	—
Advance Payment of Taxes (Net of provision ₹ 8,552.35 Lakhs [Previous Year: ₹ 7,882.41 Lakhs])	254.55	261.08
MAT Credit entitlement.....	128.00	335.00
	<hr/>	<hr/>
	637.96	867.11
	<hr/>	<hr/>
14. CURRENT INVESTMENTS		
Investment in Mutual Fund:		
Unquoted (at cost or market value whichever is lower):		
SBI Premier Liquid Fund - Regular Plan - Daily Dividend Nil (Previous Year: 20,082.737) Units of ₹ 1,000 each.....	—	201.48
JM Money Manager Fund - Super Plus Plan - Daily Dividend (479) 5,768,071.463 (Previous Year: 2,499,560.791) Units of ₹ 10 each	578.44	250.61
Birla Sunlife Cash Plus - Daily Dividend - Reinvestment Nil (Previous Year: 378,432.857) Units of ₹ 100 each	—	379.17
	<hr/>	<hr/>
	578.44	831.26
	<hr/>	<hr/>
Aggregate Net Asset Value of units in Mutual Funds.....	578.75	831.26



National Peroxide Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
15. INVENTORIES		
(At lower of Cost and Net Realisable Value)		
Raw Materials.....	280.13	494.68
Finished Goods.....	578.78	540.51
Stores, Spare Parts and Packing materials	552.14	564.84
	<u>1,411.05</u>	<u>1,600.03</u>
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment	100.73	212.63
Less: Provision for Doubtful Debts	(100.73)	—
	—	212.63
Others.....	3,266.01	3,503.70
	<u>3,266.01</u>	<u>3,716.33</u>
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Cash on hand.....	1.33	1.49
Balances With Banks :		
In Current Account	36.19	41.38
In Deposit Account having maturity less than 3 months.....	89.48	42.00
	<u>127.00</u>	<u>84.87</u>
Other Bank Balances:		
In Unpaid Dividend Account.....	38.53	39.29
	<u>38.53</u>	<u>39.29</u>
	<u>165.53</u>	<u>124.16</u>
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Intercompany Deposits*	4,400.00	6,500.00
Advance to Gratuity Fund.....	21.86	16.78
Advance to Employees.....	0.25	—
Sundry Deposits.....	34.90	25.08
Balances with Excise, Customs, Sales tax etc.....	2,072.51	1,439.09
Prepaid Expenses.....	51.69	15.55
Advance for Purchase of Materials	31.89	32.61
Advance for Expenses	32.19	10.09
	<u>6,645.29</u>	<u>8,039.20</u>
* [The Company has given Intercompany Deposits (ICD) for general business purposes to Bombay Dyeing Real Estate Co. Ltd. ₹ Nil (Previous Year: ₹ 500 Lakhs), Archway Investments Ltd. ₹ 1,400 Lakhs (Previous Year: ₹ 3,000 Lakhs) and Macrofil Investment Ltd. ₹ 3,000 Lakhs (Previous Year: ₹ 3,000 Lakhs). The interest rate of the said ICD's is 12.50% p.a. and these are repayable on demand.]		
19. OTHER CURRENT ASSETS		
Interest Accrued but not due on fixed deposits with banks.....	1.45	0.10
Interest Accrued but not due on sundry deposits	16.21	18.00
	<u>17.66</u>	<u>18.10</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
20. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) CONTINGENT LIABILITY:		
In respect of matters which are contested by the Company		
Income Tax demand.....	128.32	28.48
The Company is not estimating any cash outflow relating to above matters		
(II) COMMITMENTS:		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	2.10	62.03
(b) Other Commitment		
The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. As per the agreement which is valid till 30th April, 2028, 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.		
During the previous year GAIL had sent a demand for ₹ 206.53 Lakhs against the 'Take or Pay obligation' for the calendar year 2014.		
During the current year the Company has paid ₹ 33.81 Lakhs by way of one-time settlement and given up its right to makeup gas.		
(c) Refer to Note No. 33 regarding lease commitment		
	₹ in Lakhs	2014-2015 ₹ in Lakhs
21. REVENUE FROM OPERATIONS		
SALE OF PRODUCTS:		
Hydrogen Peroxide	25,347.72	20,984.60
Sodium Perborate	—	90.88
Hydrogen Gas.....	687.52	750.16
GROSS TOTAL	26,035.24	21,825.64
Less: Excise duty.....	2,694.62	2,258.56
TOTAL	23,340.62	19,567.08
Dividend on Non Trade Investments (Long-term) from Investments activities	45.63	45.74
OTHER OPERATING REVENUE:		
Sale of Scrap.....	9.91	59.01
Discount received.....	2.96	3.47
	<u>23,399.12</u>	<u>19,675.30</u>
22. OTHER INCOME		
Interest income from Banks on Fixed Deposits.....	4.25	4.62
Interest income from Intercompany Deposits.....	656.25	543.52
Other Interest income	16.21	18.98
Dividends		
On Trade Investments (Long Term)	24.72	24.69
On Other Investments (Current)	26.97	40.42
	51.69	65.11
Profit on Sale of Current Investments	—	0.17
Foreign Exchange Fluctuation (Net).....	—	4.21
Insurance Claim	—	0.07
Trade Payables Written Back	83.59	—
	<u>811.99</u>	<u>636.68</u>



National Peroxide Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs
23. COST OF RAW MATERIAL CONSUMED			
Opening Stock.....		494.68	503.78
Add: Purchases.....		7,804.33	6,871.33
		<u>8,299.01</u>	<u>7,375.11</u>
Less: Capitalisation of Cost of Material consumed during expansion in Previous Year.....		—	167.44
		<u>8,299.01</u>	<u>7,207.67</u>
Less: Closing Stock		280.13	494.68
Cost of material consumed		<u>8,018.88</u>	<u>6,712.99</u>
Material consumed comprises of:			
Natural Gas.....		5,609.05	5,259.50
Solvents and Chemicals		1,609.34	823.63
Others.....		800.49	629.86
		<u>8,018.88</u>	<u>6,712.99</u>
24. CHANGES IN INVENTORY OF FINISHED GOODS			
OPENING BALANCE:			
Hydrogen Peroxide		540.51	1,343.75
Sodium Perborate		—	5.33
		<u>540.51</u>	<u>1,349.08</u>
CLOSING BALANCE:			
Hydrogen Peroxide		578.78	540.51
Net (Increase)/Decrease in Inventories		<u>(38.27)</u>	<u>808.57</u>
25. EMPLOYEE BENEFITS EXPENSES			
Salaries, Wages and Other Benefits		1,485.96	1,432.48
Contributions to Provident and Other Funds (Refer to Note No. 29)		219.84	309.88
Workmen and Staff Welfare Expenses		231.62	245.64
		<u>1,937.42</u>	<u>1,988.00</u>
Less: Amount capitalised during the Previous Year		—	282.19
		<u>1,937.42</u>	<u>1,705.81</u>
26. FINANCE COSTS			
Interest on Borrowings		521.60	425.39
Other Interest		15.00	—
OTHER BORROWING COST:			
Loan Processing Fees		—	25.00
Discounting Charges		1.90	18.01
		<u>538.50</u>	<u>468.40</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs
27. OTHER EXPENSES			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Relating to Closing Stock)	27.88		(121.23)
Insurance	44.09		45.10
Rent	45.47		30.97
Rates and Taxes	33.58		21.14
Commission and Discount	31.15		20.77
Packing and Containers.....	2,219.81		1,731.48
Power, Fuel and Water	3,291.97		3,054.20
Stores and Spare Parts Consumed	340.26		509.09
Repairs and Maintenance – Buildings.....	2.12		1.73
Repairs and Maintenance – Machinery.....	425.51		528.33
Freight Outward	2,263.93		1,709.69
Sundry Expenses	855.43		648.82
		9,581.20	8,180.11
AUDITORS' REMUNERATION:			
(i) Audit Fees.....	10.30		7.30
(ii) Taxation Matters	0.15		0.20
(iii) Other Matters.....	6.52		3.90
(iv) Reimbursement of Expenses	—		0.13
		16.97	11.53
Foreign Exchange Fluctuation (Net).....		9.17	—
Bad Debts		1.05	—
Provision for Doubtful Debts.....		100.73	—
Expenditure on Corporate Social Responsibility		94.06	109.20
Commission to Non Executive Directors.....	33.35		6.25
Less: Reversal of previous year excess commission to Non Executive Directors	—		(12.29)
		33.35	(6.04)
Directors Sitting Fees		11.74	13.48
		9,848.27	8,308.26
Less: Amount capitalised during the Previous Year		—	98.90
		9,848.27	8,209.36
28. EXCEPTIONAL ITEM			
Provision for expected loss on reduction in net realisable value of Capital Work in Progress		91.53	—
		91.53	—



National Peroxide Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
29. Employee Benefits Obligations		
(a) The Company has recognised the following amounts in the Consolidated Statement of Profit and Loss as contribution under defined contribution schemes		
(i) Provident Fund	87.18	72.60
(ii) Superannuation Fund	49.91	43.38
	137.09	115.98
(b) Details of funded gratuity plan are as follows:		
The amounts recognised in the Balance Sheet are as follows:		
(i) Present value of funded obligations	847.16	821.50
(ii) Fair value of plan assets	(764.41)	(649.17)
Amounts in the Balance Sheet		
Liabilities (Refer to Note No. 9)	(82.75)	(173.33)
The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:		
(i) Current service cost	32.72	27.25
(ii) Interest on obligation	60.00	54.43
(iii) Expected return on plan assets	(46.66)	(44.43)
(iv) Net actuarial losses/(gains) recognised in year	(136.64)	136.08
(v) Past service cost	—	—
(vi) Expenses recognized in the Consolidated Statement of Profit and Loss (Refer to Note No. 25)	(90.58)	173.33
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	821.50	653.16
(ii) Service cost	32.72	27.25
(iii) Interest cost	60.00	54.43
(iv) Actuarial losses/(gains)	46.08	158.18
(v) Past service cost	—	—
(vi) Benefits paid	(113.14)	(71.52)
(vii) Closing defined benefit obligation	847.16	821.50
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
(i) Opening fair value of plan assets	648.17	609.66
(ii) Expected return	46.66	44.43
(iii) Actuarial losses/(gains)	182.72	22.09
(iv) Contribution by employer	—	43.51
(v) Benefits paid	(113.14)	(71.52)
(vi) Closing fair value of plan assets	764.41	648.17
The major categories of plan assets as a percentage of total plan assets are as follows:		
Category of Assets	2015-16	2014-15
(i) Government of India Securities	17%	11%
(ii) Corporate Bonds	67%	63%
(iii) Special Deposit Scheme	14%	17%
(iv) Others	2%	9%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2015-16	2014-15
Principal actuarial assumptions at the Balance Sheet date are as follows:		
(i) Discount rate at 31st March	7.75% p.a.	8.00% 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.

	2011-12 (₹ in Lakhs)	2012-13 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2014-15 (₹ in Lakhs)	2015-16 (₹ in Lakhs)
Defined Benefit Obligation	487.04	592.46	653.16	821.50	847.16
Plan Assets	455.73	501.67	609.66	648.17	764.41
Surplus/(Deficit).....	(31.31)	(90.78)	(43.50)	(173.33)	(82.75)
Experience Adjustment on Plan Liabilities	24.92	58.30	67.69	110.46	36.62
Experience Adjustment on Plan Assets	7.61	10.40	11.69	22.09	182.72

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 2016-17 is ₹ 82.75 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:

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
(i) Present value of funded obligations.....	74.46	72.50
(ii) Fair value of plan assets	—	—

Amounts in the Balance Sheet

Liabilities.....	74.46	72.50
------------------	-------	-------

The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:

(i) Current service cost.....	1.84	1.80
(ii) Interest on Defined benefit obligation	5.38	5.13
(iii) Expected return on plan assets	—	—
(iv) Net actuarial losses/(gains) recognised in year	1.82	9.41
(v) Past service cost	—	—
(vi) Expenses recognized in the Consolidated statement of Profit and Loss.....	9.04	16.34



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
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	72.50	61.62
(ii) Service cost	1.84	1.80
(iii) Interest cost	5.38	5.13
(iv) Actuarial losses/(gains)	1.82	9.41
(v) Past service cost	—	—
(vi) Benefits paid	(7.08)	(5.46)
(vii) Closing defined benefit obligation	74.46	72.50
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	7.08	5.46
(v) Benefits paid	(7.08)	(5.46)
(vi) Closing fair value of plan assets	—	—
Principal actuarial assumptions at the Balance Sheet date are as follows:		
(i) Discount rate at 31st March	2015-16 7.75% p.a.	2014-15 8.00% 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:		
	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
Defined Benefit Obligation	74.46	72.50
Plan Assets	—	—
Surplus/(Deficit)	(74.46)	(72.50)
Experience Adjustment on Plan Liabilities	1.02	8.51
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	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
Mr. S. R. Lohokare	Managing Director	Remuneration for the year	228.26	213.69
		Remuneration payable	5.42	5.00

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.

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
Information about Primary Business Segments		
1. SEGMENT REVENUE		
Peroxygen	23,353.49	19,629.56
Others	45.63	45.74
Unallocated	811.99	636.68
Total Revenue	<u>24,211.11</u>	<u>20,311.98</u>
2. SEGMENT RESULTS (Profit before Tax)		
Peroxygen	2,600.81	1,472.52
Others	44.88	44.74
Unallocated:		
Interest Paid.....	(538.50)	(468.40)
Other Income	811.99	636.68
Loss on sale of assets.....	—	—
	<u>273.49</u>	<u>168.28</u>
Profit before Taxes.....	2,919.18	1,685.54
Less: Provision for taxes	<u>(1,074.29)</u>	<u>(1,018.01)</u>
Profit after Taxes.....	<u>1,844.89</u>	<u>667.53</u>
3. OTHER INFORMATION		
(i) SEGMENT ASSETS:		
Peroxygen	25,524.97	26,338.50
Others	336.08	336.19
Unallocated.....	5,569.96	8,089.27
Total.....	<u>31,431.01</u>	<u>34,763.96</u>
(ii) SEGMENT LIABILITIES:		
Peroxygen	2,319.38	3,079.78
Others	1.73	0.82
Unallocated.....	6,710.36	10,437.01
Total	<u>9,031.47</u>	<u>13,517.61</u>
(iii) CAPITAL EXPENDITURE INCURRED:		
Peroxygen	129.11	3,600.27
Others	—	—
Unallocated.....	—	—
Total.....	<u>129.11</u>	<u>3,600.27</u>
(iv) DEPRECIATION:		
Peroxygen	895.60	721.31
Others	—	—
Unallocated.....	—	—
Total.....	<u>895.60</u>	<u>721.31</u>
(v) NON CASH EXPENDITURE OTHER THAN DEPRECIATION:		
Peroxygen	100.22	168.99
Others	—	—
Unallocated.....	—	(0.17)
Total.....	<u>100.22</u>	<u>168.82</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.

32. Earning Per Share:

	2015-16	2014-15
a. Profit for the year (₹ in lakhs)	1,844.89	667.53
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 ₹)	32.10	11.62



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs
(a) Total of minimum lease payments for a period:		
– Not later than one year	17.34	17.34
– Later than one year but not later than five years	21.93	39.27
(b) Lease payments recognised in the Consolidated Statement of Profit and Loss for the year.....	17.91	15.85

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	2015-16	2014-15
			(₹ in Lakhs)	(₹ 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	2015-16		2014-15	
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Import of goods.....	—	—	61.62	USD 0.98

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)
	2015-16			
Parent	98.22%	21,999.76	97.41%	1,797.08
Indian Subsidiary	1.78%	399.75	2.59%	47.81
Total	100.00%	22,399.51	100.00%	1,844.89
	2014-15			
Parent	98.34%	20,894.38	93.40%	623.49
Indian Subsidiary	1.66%	351.97	6.60%	44.04
Total	100.00%	21,246.35	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

S. B. LONDHE
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

SEEMA JAGNANI
Company Secretary

S. RAGOTHAMAN

MINNIE BODHANWALA

Directors

Mumbai, 26th May, 2016

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 31st March, 2016

(Amount in ₹ Lakhs)

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 st April, 2015 to 31 st March, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
4.	Share capital	25.50
5.	Reserves & surplus	399.75
6.	Total assets	427.01
7.	Total Liabilities (Excluding Share Capital and Reserves and Surplus)	1.76
8.	Investments	331.46
9.	Turnover	49.88
10.	Profit before taxation	49.13
11.	Provision for taxation	1.32
12.	Profit after taxation	47.81
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*S. B. LONDHE
Chief Financial Officer

R. BATRA

N. P. GHANEKAR

SEEMA JAGNANI
Company Secretary

S. RAGOTHAMAN

MINNIE BODHANWALA

} *Directors*

Mumbai, 26th May, 2016



National Peroxide Limited

TEN YEAR STANDALONE FINANCIAL STATISTICS

(₹ in Lakhs)

As at/Year ended 31st March	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Assets Employed :										
Fixed Assets less Depreciation & CWIP	9425.00	9206.44	8820.20	8416.42	10275.99	12040.29	11356.34	15754.51	19134.48	18275.78
Investments	127.33	127.33	127.33	127.33	2177.42	2398.01	5860.87	1335.40	958.59	705.77
Net Current Assets	513.79	932.89	944.60	761.57	2544.18	2332.92	1611.85	4667.67	8138.38	6558.58
Miscellaneous Expenditure	35.69	27.20	18.49	9.17	2.07	0.00	0.00	0.00	0.00	0.00
Loans & Advances (Net)						157.40	785.43	1367.85	712.53	438.92
Financed by :										
Share Capital	574.70	574.70	574.70	574.70	574.70	574.70	574.70	574.70	574.70	574.70
Reserves & Surplus	4410.52	4950.51	6342.72	7290.45	12301.29	14252.14	17230.44	20391.64	20319.68	21425.06
Loan Funds	3885.68	3453.49	1649.41	144.84	885.17	526.43	102.65	403.79	5299.44	1033.10
Deferred Tax Liability	1230.91	1315.16	1343.79	1304.50	1238.50	1575.35	1706.69	1754.72	2750.16	2946.19
Profits & Appropriations :										
Sales & other Income	6431.83	11032.49	13602.64	12250.66	18487.70	15616.72	21731.46	24062.71	20266.14	24161.23
Manufacturing Expenses	5025.58	8237.21	9366.14	8886.62	8976.64	10685.44	14552.51	17229.76	17435.73	19857.08
Interest	161.14	339.04	300.22	127.40	75.84	40.75	34.72	21.65	468.40	538.50
Depreciation	593.39	784.60	820.73	830.83	840.96	1002.19	1100.23	973.44	721.31	895.60
Profit Before Tax	651.72	1671.64	3115.55	2405.81	8594.26	3888.34	6044.00	5837.86	1640.70	2870.05
Taxation	217.87	593.76	1050.97	785.71	2801.99	1140.22	2063.34	1976.03	1017.21	1072.97
Profit After Tax	433.85	1077.88	2064.58	1620.10	5792.27	2748.12	3980.66	3861.83	623.49	1797.08
Dividend :										
- Amount	402.29	459.76	574.70	574.70	689.64	689.64	862.05	862.05	287.35	574.70
- Percentage	70%	80%	100%	100%	120%	120%	150%	150%	50%	100%
Earning Per Share (EPS) (₹)	7.55	18.76	35.92	28.19	100.79	47.82	69.26	67.20	10.85	31.27

Notes:

1. Share Capital for 2006-07 onwards includes Sub-Division of Shares (1:10) & Issue of Bonus Shares (2:3) in June 2006.
2. Reserves & Surplus includes revaluation reserve.
3. Sales and other Income include excise duty, sale of Assets etc.
4. Dividend amount does not include Corporate Dividend Tax.



National Peroxide Limited

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

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 62nd Annual General Meeting of the Company to be held on Thursday, 11th August, 2016 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
Ordinary Business			
1	Adoption of the Audited Financial Statements and Audited Consolidated Financial Statements for the financial year ended on 31st March, 2016, and the Reports of the Board of Directors and Auditors thereon		
2	Declaration of Dividend for the financial year ended 31st March, 2016		
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		
Special Business			
5	Approval of the Remuneration of the Cost Auditors, M/s. N. I. Mehta & Co.		
6	Appointment of Dr. (Mrs.) Minnie Bodhanwala as Director		

Signed this _____ day of _____ 2016.

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.

National Peroxide Limited

Registered Office:

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