GRAMS: "NAPEROL" MUMBAI
FAX: 22665966

TELEPHONE NO.
22618071 (7 LINES)

National Peroxide Limited

Registered Office:
NEVILLE HOUSE, J. N. HEREDIA MARG, BALLARD ESTATE,
MUMBAI - 400 001.
CIN : L24299MH1954PLC009254
Website : www.naperol.com

PER(A)/M-4

July 18, 2017

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

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

Dear Sirs,

Sub: Submission of Annual Report pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We refer to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enclose herewith the Notice and Annual Report of 63rd Annual General Meeting to be held at Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai 400 018 on Wednesday, 9th August, 2017 at 4.00 p.m.

Further, the Annual Report of the Company for the financial year ended 31st March, 2017 can also be downloaded from the Company's website www.naperol.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For NATIONAL PEROXIDE LIMITED

(SEEMA JAGNANI)
COMPANY SECRETARY

Encl: As above

National Peroxide Limited

ANNUAL REPORT
2016 - 2017

AWARD RECEIVED DURING 2016-2017

ICC CERTIFICATE OF MERIT FOR EXCELLENCE
IN MANAGEMENT OF HEALTH/SAFETY/ENVIRONMENT - 2015

The Indian Chemical Council (ICC) Certificate of Merit for Excellence in Management of Health/Safety/Environment for the year 2015, being presented to Mr. S. R. Lohokare, Managing Director (third from right) and other NPL team members by Prof. M. M. Sharma, Director (Retired), Institute of Chemical Technology, Mumbai (second from right) on 30th September, 2016 in Mumbai.

National Peroxide Limited

Annual Report 2016-2017

(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,
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

CONTENTS

Notice		2
Directors' Report		12
Annexures to Directors' Report:		
1.	Management Discussion & Analysis Report	18
2.	Corporate Governance Report	20
3.	Corporate Social Responsibility Report	31
4.	MGT-9 Extract of Annual Return	32
5.	Secretarial Audit Report	38
6.	Details of Remuneration of Directors, KMPs and Employees	40
7.	Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo	41
8.	Climate Change and Greenhouse Gas Emission	43
Standalone Auditors' Report		45
Standalone Financial Statements		50
Consolidated Auditors' Report		69
Consolidated Financial Statements		72
Form AOC-1		92

National Peroxide Limited

NOTICE

Registered Office:

Neville House, J. N. Heredia Marg,
Ballard Estate, Mumbai-400001

Head Office:

C-1, Wadia International Centre,
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-Third 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 Wednesday, 9th August, 2017 at 4.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Report of the Auditors thereon.

2. To declare a Dividend on Equity Shares for the financial year ended 31st March, 2017.

3. To appoint a Director in place of Mr. Ness N. Wadia (DIN: 00036049), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re–appointment.

4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Price Waterhouse Chartered Accountants LLP (FRN. 012754N/N500016), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the Financial Year 2022-23, subject to ratification by the shareholders at every Annual General Meeting, in place of the retiring Auditors, M/s. S. B. Billimoria & Co., Chartered Accountants, Mumbai (ICAI Registration No. 101496W) at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out-of-pocket expenses incurred by them for the purpose of Audit."

Special Business:

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

   "RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. D. C. Dave & 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, 2018, be paid remuneration of ₹ 4,00,000/- (Rupees Four Lakhs Only) plus applicable service tax and reimbursement of travelling and out-of-pocket expenses incurred by them for the purpose of Audit."

   "RESOLVED FURTHER THAT any one of the Directors, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorized to do all necessary acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution."

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

   "RESOLVED THAT, in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 ("the Rules"), including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force and pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide resolution dated 23rd May, 2017, the consent of the members be and is hereby accorded for the re-appointment of Mr. S. R. Lohokare (DIN: 00254816), as the Managing Director of the Company for a period of 3 (three) years, commencing from 1st May, 2018, upon and subject to the terms and conditions as agreed and contained in the Agreement proposed to be entered into with him and

as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration and/or agreement, or any amendments thereto as may be agreed to, between the Board and Mr. S. R. Lohokare, subject to such other approvals of applicable authority(ies), if any, including that of the Central Government, as may be required under the applicable laws to such appointment/ alteration(s)/ variation(s)/ amendment(s).

"RESOLVED FURTHER THAT, notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director such remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013 or any statutory act(s), rule(s), regulation(s), notification(s), modification(s), enactment(s) thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into an Agreement on behalf of Company with Mr. S. R. Lohokare on the terms and conditions as set out in the Explanatory Statement annexed to this Notice.

"RESOLVED FURTHER THAT any one of the Directors, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorized to do all necessary acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution."

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI
Company Secretary

Mumbai, 23rd May, 2017

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 re-appointed, nature of expertise in functional areas, names of companies in which they hold 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 Thursday, 27th July, 2017 to Wednesday, 9th August, 2017 (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 Thursday, 10th August, 2017, to those members whose names appear:

  (i) as Beneficial Owners as at the close of the business hours on Wednesday, 26th July, 2017 as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited in respect of shares held in electronic form; and

  (ii) as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Wednesday, 26th July, 2017. Transfer documents received after Wednesday, 26th July, 2017 will not be considered for the aforesaid purpose.

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

  i. to their Depository Participants (DPs) in respect of their electronic share accounts; and

  ii. to the Company's Registrar & Share Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., 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, 2010 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
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
2015-16	11.08.2016	10.08.2023

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.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 ("Act") read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended from time to time, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years to the Demat Account of the IEPF Authority.

In Compliance with the said Rules, the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred/ credited to the Demat Account of the IEPF Authority. The Company has uploaded on the website of the Company www.naperol.com under Investor Section, the details of such shareholders whose shares are to be transferred/ credited to the Demat Account of the IEPF Authority.

Shareholders may note that both, the unclaimed dividend amount transferred to IEPF and the shares transferred to the Demat Account of the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by the shareholders from the IEPF Authority after following the procedure prescribed in the Rules.

(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 proposes 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 sharexindia@vsnl.com or login at the RTA's website www.sharexindia.com and register their request.

(l) Members intending to require information about the Financial Statements, 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 63rd Annual General Meeting will also be available on the website of the Company www.naperol.com and website of Central Depository Services (India) Limited (CDSL) www.cdslindia.com. The copies of the aforesaid documents will also be available at the Company's Head 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 Requirements) 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 63rd AGM of the Company, dated 23rd May, 2017.

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 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 Sunday, 6th August, 2017 (9.00 a.m.) and ends on Tuesday, 8th August, 2017 (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 Wednesday, 2nd August, 2017, 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 Wednesday, 8th August, 2017.

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/Members".

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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • 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)	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. [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 (iii).]

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 of National Peroxide Limited.

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. 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 changed 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. 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 linked in the login 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.

(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 e-voting 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, 23rd May, 2017

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

[This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.]

M/s. S.B. Billimoria & Co., (SBB) Chartered Accountants, (ICAI Registration No. 101496W), Mumbai, were re-appointed as Statutory Auditors of the Company at the Sixty-Second Annual General Meeting (AGM) of the Company held on 11th August, 2016.

As per the provisions of Section 139 of the Companies Act, 2013, a listed company cannot appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, SBB can continue as the Auditors of the Company only upto the conclusion of this AGM, having completed their terms as per the provisions of Section 139 of the Companies Act, 2013.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 27th March, 2017, proposed the appointment of M/s. Price Waterhouse, Chartered Accountants LLP (PW) (FRN. 012754N/N500016) as the Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the financial year 2022-23, subject to the ratification by the shareholders at every AGM.

PW have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of M/s. D. C. Dave & 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 ₹ 4,00,000/- (Rupees Four 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, 2018. 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 Head 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, 2018.

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

Mr. S. R. Lohokare was appointed as Managing Director of the Company for a period of 5 (five) years w.e.f. 1st May, 2013. His term as Managing Director will expire on 30th April, 2018.

The Board of Directors at its meeting held on 23rd May, 2017 re-appointed Mr. S. R. Lohokare as Managing Director of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting, pursuant to Sections 196, 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, for a further period of 3 (three) years w.e.f. 1st May, 2018, on such terms and conditions including remuneration, as recommended by the Nomination and Remuneration Committee and set out in the draft Agreement to be entered into between the Company and Mr. Lohokare.

The material terms and conditions relating to his re-appointment as Managing Director (MD) are as follows:

1. Mr. Lohokare will serve the Company as MD for a period of 3 (three) years with effect from 1st May, 2018.
2. Mr. Lohokare shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.
3. Mr. Lohokare shall devote his whole time and attention to the business of the Company, exert his best endeavours to promote its interests and welfare and attend his place of employment at all proper times.
4. (i) Mr. Lohokare shall undertake such travelling in and outside India as may be necessary in the interest of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.

   (ii) Mr. Lohokare shall be entitled to reimbursement of all expenses including travelling, entertainment/

business promotion and other out-of-pocket expenses incurred by him in connection with or in relation to the business of the Company.

5. In consideration of the performance of his duties, Mr. Lohokare shall be paid the following remuneration:

   Basic Salary upto a maximum of ₹ 25,00,000/- per month, with increments each year, as may be decided by the Nomination and Remuneration Committee and the Board, based on merit and taking into account the Company's performance for the year.

   Benefits, perquisites and allowances including housing as may be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee from time to time, or as may be applicable in accordance with the rules and policies of the Company, upto a maximum of ₹ 25,00,000/- per month. Presently, Mr. Lohokare occupies Company's Flat, for which the HRA is 5% of the basic salary. If he occupies his own house, HRA will be paid at 20% of the basic salary from the date he occupies his own house, as per the Company's Rules.

   Reimbursement of actual medical expenses incurred on self and spouse.

   Bonus and/or Commission as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, based on performance criteria.

   Mr. Lohokhare will be entitled to Leave in accordance with the rules of the Company. Privilege Leave earned but not availed by him would be encashable in accordance with the Rules of the Company and shall not be included in the computation of the ceiling on remuneration.

   For the purpose of computing the ceilings, wherever applicable, perquisites would be valued as per the Income Tax Rules, 1962, and provision for use of car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in such computation.

   The aggregate of the remuneration shall be within the maximum limits as laid down under Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof), read with Schedule V of the Companies Act, 2013, and shall be subject to the approval of the Central Government, if and to the extent necessary.

   The contribution to provident fund, superannuation fund or annuity fund, if any, shall not exceed 27% of the remuneration or such higher percentage as permissible under Rule 87 of the Income Tax Rules, 1962. Gratuity shall be paid as per the rules/policies of the Company and shall not be included in the computation of the ceiling on remuneration.

   The Board of Directors on the recommendation of the Nomination and Remuneration Committee may, at its discretion, fix the actual remuneration of Mr. Lohokare and revise the same from time to time, within the maximum limits specified hereinabove.

   Where in any financial year, during the tenure of his re-appointment, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Lohokare remuneration as determined from time to time by the Nomination and Remuneration Committee and/or the Board of Directors pursuant to the authority vested in them, subject to compliance with the applicable provisions of Schedule V, with the approval of the Central Government if and to the extent necessary AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Lohokare in the absence or inadequacy of profits, in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

6. The rules and policies of the Company which are applicable to other senior executives of the Company shall also apply to Mr. Lohokare.

7. Mr. Lohokare shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.

8. Mr. Lohokare shall not, as long as he functions as MD of the Company, become interested or otherwise concerned directly or indirectly in any contract with the Company as contemplated under Section 188 of the Act, without the prior approval of the Central Government.

9. Mr. Lohokare shall not, except in the proper course of his duties during the continuance of his employment with the Company or any time thereafter divulge or disclose to any persons whomsoever or make use whatsoever for his own purpose or for any purpose of any information or knowledge obtained by him during his employment as to the business and/or affairs of the Company and/or trade secrets or secret processes of the Company.

10. Mr. Lohokare shall not in the event of his ceasing to be MD of the Company, before the expiry of the term of three years, for the remainder of such period:

    (a) either alone or jointly with or as an employee of any person, firm or Company, directly or indirectly, carry on or engage in any activities or business which shall be in competition with the business of the Company; and

    (b) in connection with carrying on any business similar to or in competition with the business of the Company on his behalf or on behalf of any person, firm or Company, directly or indirectly:

        (i) seek to procure orders or do business with any person, firm or Company, who/which has at any time during the two years, immediately preceding such cessation of employment, done business with the Company; or

(ii) endeavour to entice away from the Company any person who has at any time during the two years immediately preceding such cessation of employment, done business with, or engaged by, the Company. Provided that nothing in this clause shall prohibit seeking or procuring of orders or doing of business not related or similar to the business/businesses of the Company.

11. The employment of Mr. Lohokare shall forthwith determine if he ceases to be a Director of the Company. He shall cease to be a Director if the Agreement is terminated and he ceases to be employed as MD.
12. If Mr. Lohokare be guilty of any misconduct or any breach of the Agreement which in the opinion of the Board may render his retirement from the office of MD desirable, the Company may without notice determine the Agreement forthwith and he shall cease to be MD of the Company upon such determination.
13. Either party shall be entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing in that behalf to the Company, provided that the Company shall be entitled to terminate Mr. Lohokare's employment at any time by payment to him of six months' basic salary in lieu of such notice. Mr. Lohokare shall be entitled to take early retirement, at any time during the tenure of three years, commencing w.e.f. 1st May, 2018, by giving not less than six calendar months' prior notice in writing in that behalf to the Company.
14. If Mr. Lohokare ceases to be MD of the Company, he shall be deemed to have resigned from the office of Director as and from the date of such cessation.

The Board will have the authority to vary/modify/amend any of the aforesaid terms and conditions provided such variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

Your Directors consider the aforesaid remuneration commensurate with the duties and responsibilities of Mr. Lohokare.

Approval of the members is also being sought by way of ordinary resolution for payment of remuneration to Mr. Lohokare as may be determined by the Board from time to time as minimum remuneration, in the event the Company has no profits or has inadequate profits, in any financial year, during the tenure of his re-appointment, subject to the approval of the Central Government and other approvals, sanctions or permissions, if any to the extent required.

The draft Agreement to be entered into by the Company with Mr. Lohokare is available for inspection by the Members at the Head Office of the Company on any working day (except Saturdays, Sundays and public holidays) upto the date of the Annual General Meeting.

This may be treated as an abstract of the terms of the Agreement between the Company and Mr. Lohokare, when executed, and memorandum of interest pursuant to Section 190 of the Act.

The Directors, therefore, commend the Ordinary Resolution at Item No. 6 for approval by the Members. None of the Directors are concerned with or interested in the Resolution, except Mr. Lohokare as it relates to his re-appointment as MD and the remuneration payable to him.

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI
Company Secretary

Mumbai, 23rd May, 2017

ANNEXURE II TO THE NOTICE

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

1. Mr. Ness N. Wadia

Mr. Ness N. Wadia, 46, 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 22 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 & 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 and CSR Committee (Chairman) of National Peroxide Ltd.

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

2. Mr. S. R. Lohokare

Mr. S. R. Lohokare, 66, is B. Tech. (Hons) (Chemical Engg.), P.G.D.I.M., M.F.M. (Bombay University). He has extensive experience in the Chemical Industry of over 44 years. He is recipient of several awards such as:

- Indian Institute of Chemical Engineers' (IIChE) Award for Excellence in Process and Product Development for the year 1986, from Indian Explosives Ltd., for the work in advanced area of catalytic processes, catalyst development and production.
- Indian Institute of Chemical Engineers' (IIChE) Award for the year 2008, from ICI India Limited, for Excellence in Process or Product Development.
- Best Chief Executive Gold Award in 2000, 2002, 2005 & 2008.
- Indian Chemical Council (ICC) – D. M. Trivedi Lifetime Achievement Award (Management of Industry) for the year 2012.

He is the Chairman of Technology and Energy expert committee of Indian Chemical Council. He is also the Chairman of Sectional Committee of Bureau of Indian Standard of Energy Management and Savings. He was elected as Vice-President of Bombay Management Association in 2017.

Mr. Lohokare is part of the Senior Management and responsible for operations and affairs of the Company. He joined the Company in April 1997 as Vice-President (Technical) and was promoted as Whole-time Director w.e.f. 1st May, 1998. He was also appointed as Whole-time Director of Citurgia Biochemicals Limited (CBL) in August 2002. In October 2004, he was promoted as Managing Director of the Company and CBL. Subsequently, he ceased to be the Managing Director of CBL in April 2007. He was responsible for restructuring of CBL which was referred to BIFR. Mr. Lohokare is the Whole-time/Managing Director of the Company for over 19 years.

Mr. Lohokare has extensive experience in development of Technology of Hydrogen Peroxide and Management of Industry. He has been responsible for three expansions undertaken by the Company in 2006, 2011 and 2014. Under his leadership the Company developed its own know-how to expand the plant's capacity.

Outside Directorship: Naperol Investments Limited.

Committee Membership: Stakeholders' Relationship Committee of National Peroxide Ltd.

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

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

SEEMA JAGNANI
Company Secretary

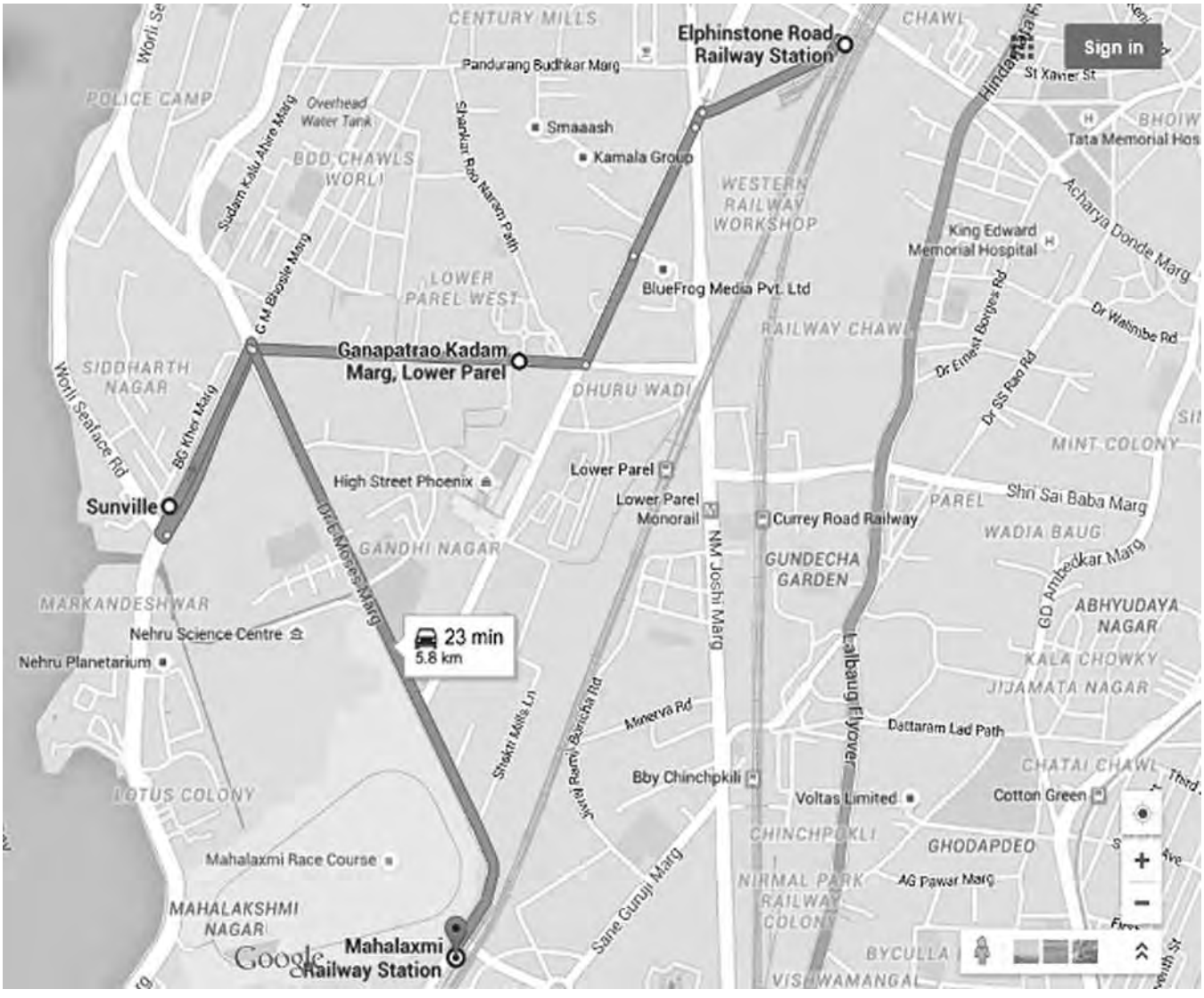
Registered Office:

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

Mumbai, 23rd May, 2017

ROUTE MAP FOR THE SIXTY-THIRD 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 WEDNESDAY, 9TH AUGUST, 2017 AT 4.00 P.M.

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 Sixty-Third Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Revenue from Operations (Net of Excise) and Other Income	26,149.06	*24,161.23*	26,195.29	*24,211.11*
Exceptional Items	393.33	*(91.53)*	393.33	*(91.53)*
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	7,660.61	*4,304.15*	7,705.98	*4,353.28*
Finance Charges	213.49	*538.50*	213.49	*538.50*
Depreciation	892.73	*895.60*	892.73	*895.60*
Provision for Tax (including for earlier years):				
(Less) Current Tax	2,075.00	*851.00*	2,075.06	*852.32*
(Less) Deferred Tax	155.98	*196.03*	155.98	*196.03*
(Less) (Excess)/Short Provision for Tax relating to prior years	(461.43)	*25.94*	(462.26)	*25.94*
Net Profit After Tax	4,784.84	*1,797.08*	4,830.98	*1,844.89*
Profit brought forward from previous year	18,140.56	*17,035.18*	18,341.53	*17,203.07*
Surplus available for Appropriations	22,925.40	*18,832.26*	23,172.51	*19,047.96*
Appropriations to:				
Proposed Dividend	—	*574.70*	—	*574.70*
Dividend Distribution Tax	—	*117.00*	—	*117.00*
Transferred to General Reserve	—	—	4.54	*4.91*
Transferred to Special Reserve u/s. 45IC of the RBI Act, 1934	—		9.07	*9.82*
Profit carried to Balance Sheet	22,925.40	*18,140.56*	23,158.90	*18,341.53*

2. DIVIDEND

Your Directors have recommended a dividend of ₹ 34/- per equity share of ₹ 10/- each for the Financial Year 2016-17, to be paid, if declared by the members at the Annual General Meeting to be held on 9th August, 2017.

3. TRANSFER TO RESERVES

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

4. STATE OF COMPANY'S AFFAIRS

The gross sales and other income for the year under review were ₹ 26,149 lacs as against ₹ 24,161 lacs for the previous year, registering increase of 8.2%. The profit before tax was ₹ 6,554 lacs (after interest and depreciation charges of ₹ 1,106 lacs) and the profit after tax was ₹ 4,785 lacs for the year under review as against ₹ 2,870 lacs and ₹ 1,797 lacs respectively, for the previous year, registering increase of 128% and 166% respectively.

The Company produced 93,564 MT of Hydrogen Peroxide, during the year under review, as compared to 97,637 MT during the previous year. The production was lower during the year due to two shutdowns taken to effect technical changes and bringing the heat recovery system in line and also due to building of inventory as a result of demonetization. The heat recovery system is expected to result in significant savings in future and reduce Greenhouse Gas Emissions.

The Company sold 96,195 MT of Hydrogen Peroxide during the year under review, as against 96,846 MT during the previous year. The Company continues to maintain its prime position in the market and held 38% market share during the year as compared to 42% during the previous year due to large quantum of imports.

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

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 2016-17:

Name of Award	Award Received from
Certificate of Merit for Excellence of Management of Health, Safety & Environment, for the year 2015	Indian Chemical Council, Mumbai
Certificate of Appreciation in recognition of appreciable achievement in Occupational Safety and Health during Assessment Period of Three Years (2012-2014)	National Safety Council

8. SAFETY & ENVIRONMENT

The Company continues to maintain a good safety and environmental record. There was no lost time injury during the F.Y. 2016-17. It has worked for 426 days without Lost Time Injury as on 31st March, 2017.

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

Naperol Investments Limited (Naperol) is the only subsidiary of the Company. There were no 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 (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 Naperol.

The Audited Financial Statements of the subsidiary company are kept open for inspection by the Members at the Head Office of the Company. The Company shall provide free of cost, a copy of the financial statements of its subsidiary company to the Members 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 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 ₹ 46.14 Lacs as against ₹ 47.81 Lacs in 2015-16.

13. CONSOLIDATED FINANCIAL STATEMENTS

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 reflect 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 had spent ₹ 74,04,588/- towards its Corporate Social Responsibility (CSR) activities during the Financial Year 2016-17 as per the provisions of the Companies Act, 2013.

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 the 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, 2017 was ₹ 574.70 Lacs. During the year under review, there has been no change in the paid-up Equity Share Capital of the Company.

However, Solvay S. A., one of the promoters of the Company had transferred its entire holding of 14,42,500 (25.10%) shares by inter-se promoter transfer to other promoters, viz. Nowrosjee Wadia & Sons Limited and Mr. Nusli N. Wadia. Accordingly, Solvay S. A. has ceased to be a promoter of the Company as on 31st March, 2017.

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.

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 the 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 2016-17.

22. STATUTORY AUDITORS

M/s. S. B. Billimoria & Co., Chartered Accountants (ICAI Registration No. 101496W), Statutory Auditors of the Company, will cease to hold office on the conclusion of the ensuing Annual General Meeting (AGM) as required by mandatory rotation of the Auditors under the Companies Act, 2013.

The Audit Committee recommended to the Board for approval, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (PW) (FRN. 012754N/N500016) as Statutory Auditors. The Board has approved the appointment of PW for a period of 5 (five) years, subject to the approval of the shareholders at the ensuing AGM.

PW are eligible for appointment as Statutory Auditors, under Section 141 of the Companies Act, 2013 and the rules framed thereunder. Members are requested to consider their appointment from the conclusion of the ensuing AGM upto the conclusion of the AGM to be held in the financial year 2022-23, subject to ratification by the Members at every AGM as per the provisions of the Companies Act, 2013.

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

23. 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 2017-18.

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. D. C. Dave & 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 2017-18. The remuneration of ₹ 4,00,000/- plus applicable service tax and re-imbursement 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 Annual General Meeting.

The Company has submitted its Cost Audit Report for the financial year 2015-16 to the Ministry of Corporate Affairs within the stipulated time period.

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

24. 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**.

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

25. 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.

26. 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 2016-17.

27. 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 suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

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

The details of establishment of such mechanism is also disclosed on the Company's website (weblink: http://naperol.com/pdf/boardpolicies/Whistle-Blower-policy.pdf).

28. 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.

29. 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 Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Mr. S. R. Lohokare has been re-appointed as Managing Director of the Company for a term of three years with effect from 1st May, 2018 by the Board of Directors subject to the approval of the Members, which is being sought at the ensuing AGM.

Necessary resolutions for the re-appointment of Mr. Ness N. Wadia and Mr. S. R. Lohokare have been included in the Notice convening the ensuing AGM and requisite details have been provided in the explanatory statement to the Notice. Your Directors commend their re-appointment.

All the Independent Directors have given a declaration under Section 149(7) of the Companies Act, 2013 ("Act") that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel

Mr. Sunil Londhe resigned as Chief Financial Officer w.e.f. 31st August, 2016.

The Board of Directors had, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Shailesh Chauhan as Chief Financial Officer w.e.f. 11th November, 2016.

30. 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).

31. 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.

32. 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 Head 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.

33. 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.

34. 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.

35. 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 Rule 8(3) of the Companies (Accounts) Rules, 2014, is appended as **Annexure VII**.

36. CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

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

37. DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is currently not applicable to the Company, since the Company does not fall under the top five hundred listed entities as on 31st March, 2017. However, this Policy has been adopted on a voluntary basis, as recommended under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is posted on the Company's website (weblink: http://naperol.com/pdf/boardpolicies/Dividend_Distribution_Policy.pdf).

38. 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, 23rd May, 2017

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, 2017 is estimated at 2,19,500 MTPA. The domestic demand is expected to grow by 5-6% during 2017-18. One of the producers has announced setting up of additional capacity of 28,000 MTPA which is expected to be operational during F.Y. 2018-19.

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 1,873 MMT of LNG (24.61 BCM) during F.Y. 2016-17. The total consumption amounts to 4,220 MMT of LNG (55.46 BCM). The import dependency based on consumption is 44.37%.

Currently, India imports LNG through Petronet. LNG Ltd. (Dahej), Hazira LNG Private Ltd. (Hazira), RGPPL (Dabhol) and Petronet LNG Ltd. (Kochi). Current capacity for imports is 26.69 MMT per year. Crude oil prices increased during the year and are currently around USD 55 per barrel. Oil prices are expected to hover around this level.

As per the New Domestic Natural Gas Pricing Guidelines 2014, the Government has notified the Natural Gas price at USD 2.48 per mmbtu (GCV) basis from 1st April, 2017 to 30th September, 2017. This price is not applicable to LNG imports.

Pulp and Paper Industry – A Key Customer for Hydrogen Peroxide

The performance of the paper industry has improved on the back of increased demand, softening raw material and lower coal prices. With increasing focus on education, the CAGR of Indian paper industry is expected to be around 7% during the next 5 years. Demand is expected to reach 20 million tonnes from the level of 13.9 million tonnes in 2014-15.

The threat of import of paper and dependence on imported raw material and wood chips is an issue faced by the paper industry. In 2016 budget, the basic customs duty on chips or particles for manufacture of paper, paperboard and newsprint has been reduced to zero from 5%. This addresses the problems of inverted duty structure faced by companies depending upon imported wood chips.

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 South Korea. 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.

Your company alongwith Hindustan Organic Chemicals jointly filed an application before the Designated Authority for initiation of anti-dumping duty concerning imports of Hydrogen Peroxide originating in or exported from Bangladesh, Taiwan, Korea RP, Indonesia, Pakistan and Thailand. The said authority initiated the investigations on 14th January, 2016. Final findings were notified by the Designated Authority on 11th April, 2017. The proceedings are currently in progress. The notification from the Ministry of Finance is awaited.

The Government has taken steps to implement Goods and Services Tax (GST) from 1st July, 2017. Its impact is yet to be clear.

RISKS & CONCERNS

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

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Board of Directors has laid down internal financial controls to be followed by the Company. These internal financial controls are adequate and were operating effectively. 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 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 Girni Kamgar Union (MGKU) expired on 30th September, 2016. The process of negotiation is expected to commence shortly.

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 employee strength on the permanent rolls of the Company was 113, as on 31st March, 2017.

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, 23rd May, 2017

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, (hereinafter referred to as "Listing Regulations") for the year ended 31st March, 2017, 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 Listing Regulations as detailed in the table at item 2(c) below.

(b) Board Meetings and Annual General Meeting:

During the year under review, five Board Meetings were held. The dates on which the meetings were held are: 26th May, 2016; 11th August, 2016; 11th November, 2016; 14th February, 2017 and 27th March, 2017. The Annual General Meeting (AGM) was held on 11th August, 2016.

(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	NI & NED	Chairman	5	Yes	—	6	—	3
Mr. Rajesh Batra	00020764	I & NED	Director	5	Yes	2	2	—	1
Mr. N. P. Ghanekar	00009725	I & NED	Director	5	Yes	—	3	1	2
Mr. S. Ragothaman	00042395	I & NED	Director	4	No	—	8	3	2
Dr. (Mrs.) Minnie Bodhanwala	00422067	NI & NED	Director	5	Yes	—	3	—	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.

3. Board Committees:

The Board has constituted the following Committees of the Directors:

(a) Audit Committee:

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations. 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, 2016; 11th August, 2016; 11th November, 2016 and 14th February, 2017.

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	3

* 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 is approved by the Audit Committee. The reports and findings of the Internal Auditors and the internal control system are periodically reviewed by the Audit Committee.

M/s. Mahajan and Aibara have been re-appointed as Internal Auditors of the Company for the financial years 2017-18 & 2018-19.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

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 11th August, 2016; 11th November, 2016; 14th February, 2017 and 27th March, 2017.

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	NI & NED	4

* I: Independent
NED: Non-Executive Director
NI: Non-Independent

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 familiarisation programme of Directors.
- Oversight of the HR Philosophy, HR and People strategy and Key HR practices.

Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the agreement executed between him and the Company. The Board and the Members have approved the agreement for re-appointment of the Managing Director. 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 2016–17 and his shareholding in the Company:

(Amount in ₹)

Name	Salary	Benefits *	Commission#	Total	Total no. of shares held
Mr. S. R. Lohokare	1,35,60,000	89,89,001	30,00,000	2,55,49,001	Nil

* Also includes Company's contribution to Provident and Superannuation Funds, amounting to ₹ 36,61,200/-.

\# Commission of ₹ 30,00,000/- paid for F.Y. 2015-16 shown on the basis of year of payment.

B. Details of payments made to Non-Executive Directors during the year 2016-17 and their Shareholding in the Company, as on 31st March, 2017:

(Amount in ₹)

Name	Commission@	Sitting Fees	Total	Total no. of shares held
Mr. Ness N. Wadia	9,34,000	2,40,000	11,74,000	Nil
Mr. Rajesh Batra	4,40,000	3,60,000	8,00,000	Nil
Mr. N. P. Ghanekar	4,88,000	3,60,000	8,48,000	Nil
Mr. S. Ragothaman	3,63,000	1,60,000	5,23,000	Nil
Dr. (Mrs.) Minnie Bodhanwala	1,10,000	1,00,000	2,10,000	Nil

@ Shown on the basis of year of payment.

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 2016-17, a provision of ₹ 65.16 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 Service Contracts, Notice Period, etc. of all the Directors for the financial year ended 31st March, 2017:

Directors	Contract Period (Tenure)	Service Contract	Notice Period & Severance Fees
Managing Director	5 years from 1st May, 2013 to 30th 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 and Regulation 20 of the Listing Regulations.

Terms of Reference:

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

i. To look into the redressal of grievances such as transfer/ transmission of security, non-receipt of annual reports, dividends, interest etc. of various stakeholders of the Company viz. shareholders, debenture holders, fixed deposit holders and other security holders.

ii. To monitor transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities issued by the Company and issue of duplicate share certificates. As per Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014, a duplicate share certificate is to be issued in lieu of a lost or destroyed certificate, only with the prior consent of the Board or Committee thereof. Accordingly, duplicate share certificates are now issued with the prior approval of the Committee.

iii. To carry out the functions as envisaged under the Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information adopted by the Company in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Composition and Attendance:

The Committee met once during the year i.e. on 11th August, 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 : 4

No. of complaints not solved to the satisfaction of shareholders : Nil

No. of pending complaints : Nil

(d) Finance Committee:

Terms of Reference:

The terms of reference of the Finance Committee include:

(a) Liability Management - to meet the funding requirements of the Company;

(b) Foreign Exchange Management;

(c) Investment Management - to deploy short-term/long-term surpluses of the Company. The Committee is also authorized to lend/place ICDs with other Companies.

Composition and Attendance:

The Committee met once during the year i.e. on 11th November, 2016.

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

* 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) Corporate Social Responsibility (CSR) Committee:

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

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) Monitoring 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 twice during the year i.e. on 11th November, 2016 and 14th February, 2017.

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

* NI: Non-Independent
I: Independent
NED: Non-Executive Director

4. Independent Directors' Meeting:

During the year under review, the Independent Directors met on 27th March, 2017, 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 (weblink: 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 the Listing Regulations (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 the 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.	11th August, 2016	4.00 p.m.	Nil	Nil
Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400 018.	11th 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.	11th August, 2014	3.30 p.m.	1	Payment of Commission to Non-Executive Directors.

(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 (2017-18): During the current year, if Special Resolutions are proposed to be passed through postal ballot, those will be taken up at the appropriate time.

(e) Procedure for Postal Ballot:

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

6. Other Disclosures:

(a) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Related Party Transactions, which has been posted on the Company's website (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 ("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 Policy is being implemented through the Risk Management Committee which is accountable to the Board of Directors. The Committee comprises of Managing Director (Chairman of the Committee), Vice President – Operations, Vice President – Marketing and Chief Financial Officer.

(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 the Whistle Blower Policy on the Company's website (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 the 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. Shailesh Chauhan, Chief Financial Officer, have certified to the Board that in accordance with Regulation 17(8) of the Listing Regulations, pertaining to CEO/CFO certification for the financial year ended 31st March, 2017.

8. Means of Communication:

(a) Quarterly Results:

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

(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 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 : Wednesday, 9th August, 2017 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 30th June, 2017	:	By 14th August, 2017
Results for quarter ending 30th September, 2017	:	By 14th November, 2017
Results for quarter ending 31st December, 2017	:	By 14th February, 2018
Results for year ending 31st March, 2018	:	By 30th May, 2018
AGM for year ending 31st March, 2018	:	By August 2018

(c) Date of Book Closure : Thursday, 27th July, 2017 to Wednesday, 9th August, 2017 (both days inclusive)

(d) Dividend Payment Date : On or after Thursday, 10th August, 2017

(e) Listing on Stock Exchange : The Company's shares are listed on BSE Limited. The Company has paid applicable listing fees to BSE Limited for Financial Year 2017-18.

(f) Stock Code:

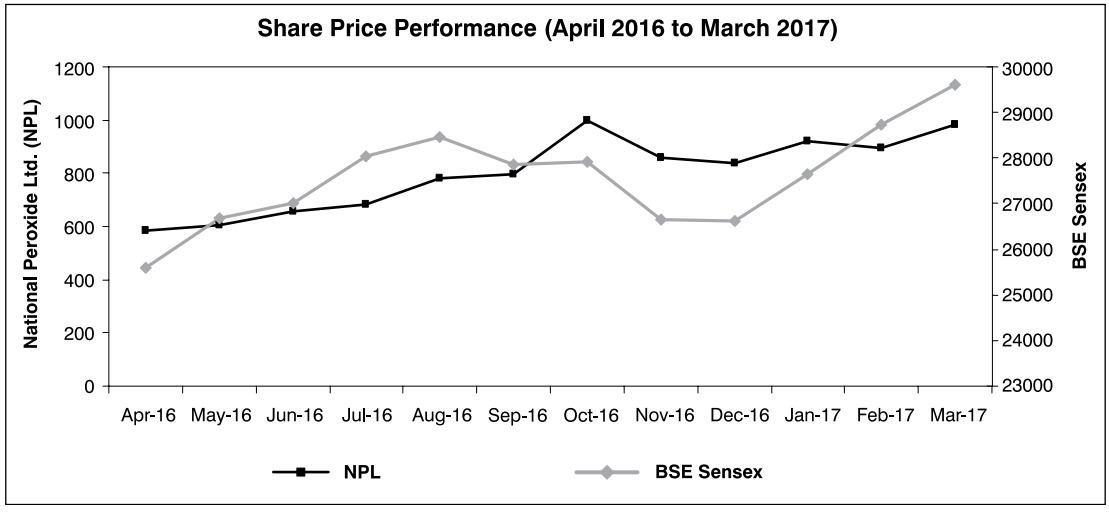
Demat Code	:	500298
Demat ISIN Number for NSDL & CDSL	:	INE585A01020
Scrip ID (on the BSE website- www.bseindia.com)	:	NATPEROX
Corporate Identification Number	:	L24299MH1954PLC009254

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

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades	Net Turnover (₹)
April 2016	608.50	555.00	17,048	381	98,48,374
May 2016	640.00	541.00	14,206	703	83,54,658
June 2016	718.00	590.00	50,961	2,349	3,35,13,700
July 2016	721.00	627.00	46,699	1,659	3,11,00,829
August 2016	816.00	644.05	75,947	2,724	5,89,41,622
September 2016	850.00	760.30	65,329	1,865	5,31,30,728
October 2016	1,040.00	795.00	74,805	3,539	7,09,32,523
November 2016	1,040.00	798.00	84,248	2,596	7,54,33,221
December 2016	917.00	811.00	27,346	1,396	2,32,76,819
January 2017	958.50	782.00	30,609	1,373	2,71,77,526
February 2017	1,000.00	890.00	24,837	1,399	2,32,75,925
March 2017	1,060.00	860.00	78,443	3,204	7,64,57,120

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, 2017:

Group of shares			No. of shareholders	No. of shares held	%age to total shares
1	to	50	3,405	83,573	1.45
51	to	100	1,067	93,947	1.63
101	to	250	2,486	3,69,468	6.43
251	to	500	388	1,54,049	2.68
501	to	1,000	189	1,42,690	2.48
1,001	to	5,000	146	3,01,387	5.24
5,001	to	10,000	20	1,41,441	2.47
10,001	and	above	16	44,60,445	77.62
Total:			7,717	57,47,000	100.00

(ii) Category of Shareholders as on 31st March, 2017:

Category	No. of shares held	%age to total shares
Indian Promoters	40,05,309	69.69
Foreign Promoters	56,750	0.99
Banks	825	0.01
Mutual Funds	NIL	NIL
Private Corporate Bodies	2,21,908	3.86
Indian Public	13,96,811	24.31
NRI/OCB	29,225	0.51
Clearing Members	36,172	0.63
Total:	57,47,000	100.00

(l) Dematerialisation of Shares and Liquidity:

97.91% of the outstanding Equity Shares have been dematerialised upto 31st March, 2017. 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 124 of the Companies Act, 2013, read with the Rules made thereunder, the Company has credited during the year ended 31st March, 2017, a sum of ₹ 4,13,020/- 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, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel: 022-6662 0000; Fax: 022 - 66193421 E-mail: secretarial@naperol.com

(r) As required in terms of Regulation 13 of the Listing Regulations, 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 Listing Regulations is being reviewed by the Board from time to time.

Mumbai, 23rd May, 2017

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, 2017.

For NATIONAL PEROXIDE LIMITED

S. R. LOHOKARE
Managing Director

Mumbai, 23rd May, 2017

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, 2017, as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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 SEBI Listing 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

Place: Mumbai
Date: 23rd May, 2017.

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 weblink to the CSR policy and projects or programmes**	:	The Company has contributed towards the project for upgradation and renovation of the existing infrastructure and heritage building of Nowrosjee Wadia Maternity Hospital, Parel, Mumbai and Setting-up of Physics Laboratory in Patil Bal Mandir School, Mohone, Kalyan. Kindly refer the CSR policy on the Company's website. Weblink: http://www.naperol.com/pdf/boardpolicies/NPL_CSR_Policy.pdf
2.	**Composition of the CSR Committee**	:	Mr. Ness N. Wadia (Chairman, Non-Independent, 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**	:	₹ 37,02,29,383/-.
4.	**Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**	:	The Company is required to spend atleast ₹ 74,04,588/- towards CSR activities.
5.	**Details of CSR spent during the financial year**	:	
	(a) Total amount spent for the financial year:	:	₹ 74,04,588/- (Rupees Seventy-Four Lakhs Four Thousand Five Hundred and Eighty-Eight Only).
	(b) Amount unspent, if any	:	NIL

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

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or programmes [1] Local area or other [2] Specify the state and district where projects or programmes were undertaken.**	**Amount outlay (Budget) projects or programmes wise (₹)**	**Amount spent on the projects or programmes**		**Cumulative expenditure up to the reporting period (₹)**	**Amount spent: directly or through implementing agency* (₹)**
					Direct expenditure on programmes or projects (₹)	**Overheads** (₹)		
1.	Upgradation and renovation of the existing infrastructure and heritage building of Nowrosjee Wadia Maternity Hospital (NWMH)	Promoting preventative health care	State: Maharashtra District: Mumbai	66,64,000	66,64,000	—	66,64,000	66,64,000 spent directly
2.	Setting-up of Physics Laboratory in Patil Bal Mandir School	Promotion of Education	State: Maharashtra District: Kalyan	7,40,588	7,40,588	—	7,40,588	7,40,588 Implementing Agency*
				74,04,588	74,04,588	—	74,04,588	74,04,588

* Implementing Agency - 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, 23rd May, 2017

National Peroxide Limited

Annexure IV to the Directors' Report

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2017

[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	16th 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	98.24
b.	Hydrogen Gas	20111	0.94
c.	Peracetic Acid	20299	0.82

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 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% 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	0.110	16,325	0	16,325	0.284	0.174
(b) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(c) State Govt(s).	0	0	0	0.000	0	0	0	0.000	0.000
(d) Bodies Corporate	25,47,043	0	25,47,043	44.320	39,88,984	0	39,88,984	69.410	25.090
(e) Banks/FI	0	0	0	0.000	0	0	0	0.000	0.000
(f) Any Other	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (A)(1):	25,53,368	0	25,53,368	44.43	40,05,309	0	40,05,309	69.694	25.264

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
(a) NRI-Individuals	5,250	0	5,250	0.091	5,250	0	5,250	0.091	0.000
(b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
(c) Bodies Corporate	14,94,000	0	14,94,000	25.996	51,500	0	51,500	0.896	-25.100
(d) Banks/FII	0	0	0	0.000	0	0	0	0.000	0.000
(e) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
(f) Any Other	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (A)(2):	14,99,250	0	14,99,250	26.087	56,750	0	56,750	0.987	-25.100
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	40,52,618	0	40,52,618	70.517	40,62,059	0	40,62,059	70.681	0.164
B. Public Shareholding									
1) Institutions									
(a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
(b) Banks/FI	450	250	700	0.012	450	250	700	0.012	0.000
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(d) State Govt.	125	0	125	0.002	125	0	125	0.002	0.000
(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
(g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(i) Others	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B)(1):	575	250	825	0.014	575	250	825	0.014	0.000
2) Non-Institutions									
(a) Bodies Corporate									
i. Indian	2,81,479	905	2,82,384	4.914	2,21,253	655	2,21,908	3.861	-1.053
ii. Overseas	0	0	0	0.000	0	0	0	0.000	0.000
(b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,69,594	1,31,692	12,01,286	20.903	10,35,140	1,19,142	11,542,82	20.085	-0.818
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,83,300	0	1,83,300	3.189	2,42,529	0	2,42,529	4.220	1.031
(c) Others (specify)									
Non-Resident Indians	23,341	125	23,466	0.408	29,100	125	29,225	0.509	0.101
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0.000
Clearing Members	3,121	0	3,121	0.054	36,172	0	36,172	0.629	0.575
Trusts	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Bodies – DR	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B)(2):	15,60,835	1,32,722	16,93,557	29.468	15,64,194	1,19,922	16,84,116	29.304	-0.164
Total Public Shareholding (B)=(B)(1)+(B)(2)	15,61,410	1,32,972	16,94,382	29.482	15,64,769	1,20,172	16,84,941	29.318	-0.164
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	56,14,028	1,32,972	57,47,000	100.00	56,26,828	1,20,172	57,47,000	100.00	0.000

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016			Shareholding at the end of the year 31-03-2017			% 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.	MACROFIL INVESTMENTS LIMITED	19,08,668	33.212	1.914	19,18,109	33.376	1.914	0.164
2.	NOWROSJEE WADIA AND SONS LIMITED	2,20,825	3.842	0	16,53,325	28.768	0	24.926
3.	SOLVAY S.A.	14,42,500	25.100	0	0	0	0	-25.100
4.	ARCHWAY INVESTMENT COMPANY LTD.	2,85,000	4.959	0	2,85,000	4.959	0	0.000
5.	N. W. EXPORTS LIMITED	1,07,300	1.867	0	1,07,300	1.867	0	0.000
6.	BEN NEVIS INVESTMENTS LTD.	51,500	0.896	0	51,500	0.896	0	0.000
7.	VARNILAM INVESTMENTS & TRADING COMPANY LIMITED	16,750	0.291	0	16,750	0.291	0	0.000
8.	NUSLI NEVILLE WADIA	6,325	0.110	0	16,325	0.284	0	0.174
9.	DINA NEVILLE WADIA	5,250	0.091	0	5,250	0.091	0	0.000
10.	SUNFLOWER INVESTMENTS AND TEXTILES PRIVATE LIMITED	8,500	0.148	0	8,500	0.148	0	0.000
	Total	40,52,618	70.516	1.914	40,62,059	70,680	1.914	0.164

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016		Date	Increase / Decrease in Shareholding	Reason	Shareholding at the end of the year 31-03-2017	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the Company
1.	MACROFIL INVESTMENTS LIMITED	1908668	33.212	01-04-2016				
				22-07-2016	7311	Buy	1915979	33.339
				29-07-2016	2108	Buy	1918087	33.375
				10-03-2017	22	Buy	1918109	33.376
	– Closing Balance			31-03-2017			1918109	33.376
2.	NOWROSJEE WADIA AND SONS LIMITED	220825	3.842	01-04-2016				
				30-03-2017	1432500	Buy	1653325	28.768
	– Closing Balance			31-03-2017			1653325	28.768
3.	NUSLI NEVILLE WADIA	6325	0.11	01-04-2016				
				31-03-2017	10000	Buy	16325	0.284
	– Closing Balance			31-03-2017			16325	0.284
4.	SOLVAY S.A.	1442500	25.1	01-04-2016				
				30-03-2017	-1432500	Sold	10000	0.174
				31-03-2017	-10000	Sold	0	0.000
	– Closing Balance			31-03-2017			0	0.000

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 01-04-2016		Date	Increase / Decrease in Shareholding	Reason	Shareholding at the end of the year 31-03-2017	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	AMRIT PETROLEUMS PVT. LIMITED	100000	1.740	01-04-2016				
	– Closing Balance			31-03-2017		No Change	100000	1.740
2.	HRIDAYNATH CONSULTANCY PRIVATE LIMITED	82611	1.437	01-04-2016				
				08-04-2016	3321	Buy	85932	1.495
	– Closing Balance			31-03-2017			85932	1.495

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 01-04-2016		Date	Increase / Decrease in Shareholding	Reason	Shareholding at the end of the year 31-03-2017	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
3.	RUCHIT BHARAT PATEL	27850	0.485	01-04-2016				
				22-04-2016	8	Buy	27858	0.485
				29-04-2016	7090	Buy	34948	0.608
				02-09-2016	1223	Buy	36171	0.629
				11-11-2016	28113	Buy	64284	1.119
				25-11-2016	1000	Buy	65284	1.136
				24-03-2017	-201	Sold	65083	1.132
	–Closing Balance			31-03-2017	-17397	Sold	47686	0.830
4.	HARDIK BHARAT PATEL	28000	0.487	01-04-2016				
				19-08-2016	5718	Buy	33718	0.587
				26-08-2016	500	Buy	34218	0.595
				02-09-2016	473	Buy	34691	0.604
				09-09-2016	4184	Buy	38875	0.676
				16-09-2016	43	Buy	38918	0.677
				07-10-2016	6750	Buy	45668	0.795
				21-10-2016	-3644	Sold	42024	0.731
				04-11-2016	-202	Sold	41822	0.728
				06-01-2017	6894	Buy	48716	0.848
	–Closing Balance			31-03-2017	-1300	Sold	47416	0.825
5.	ARUN NAHAR	47100	0.82	01-04-2016				
	–Closing Balance			31-03-2017		No Change	47100	0.820
6.	NEETA MANOJ RUPAREL	31400	0.546	01-04-2016				
				20-05-2016	-100	Sold	31300	0.545
				15-07-2016	-68	Sold	31232	0.543
				22-07-2016	1564	Buy	32796	0.571
				29-07-2016	300	Buy	33096	0.576
				16-09-2016	-146	Sold	32950	0.573
				18-11-2016	-200	Sold	32750	0.570
				30-12-2016	680	Buy	33430	0.582
				06-01-2017	-100	Sold	33330	0.580
				13-01-2017	-30	Sold	33300	0.579
				17-02-2017	-50	Sold	33250	0.579
	–Closing Balance			31-03-2017			33250	0.579
7.	DARSHANA JIGNESH KOTHARI	25000	0.435	01-04-2016				
				22-07-2016	1347	Buy	26347	0.458
				29-07-2016	321	Buy	26668	0.464
				16-09-2016	-18	Sold	26650	0.464
				09-12-2016	187	Buy	26837	0.467
				06-01-2017	213	Buy	27050	0.471
				20-01-2017	-198	Sold	26852	0.467
				17-02-2017	-50	Sold	26802	0.466
	–Closing Balance			31-03-2017			26802	0.466
8.	CYRUS JAMSHED GUZDER	13650	0.238	01-04-2016				
	–Closing Balance			31-03-2017		No Change	13650	0.238
9.	AMI SHRIPALBHAI MORAKHIA	10300	0.179	01-04-2016				
	–Closing Balance			31-03-2017		No Change	10300	0.179
10.	PUNE E STOCK BROKING PVT. LTD.	39414	0.686	01-04-2016				
				08-04-2016	-5001	Sold	34413	0.599
				12-08-2016	-34313	Sold	100	0.002
				30-09-2016	9900	Buy	10000	0.174
	–Closing Balance			07-10-2016	-10000	Sold	0	0.000

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year 01-04-2016		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding at the end of the year 31-03-2017	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
	NIL	—	—	—	—	—	—	—

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	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
Change in Indebtedness during the financial year				
• Addition	72.23	—	—	72.23
• Reduction	2,000.00	—	—	2,000.00
Net Change	-1,927.77	—	2.70	-1,927.77
Indebtedness at the end of the financial year				
i) Principal Amount	1,105.33	—	2.70	1,108.03
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	0.28	—	—	0.28
Total (i+ii+iii)	1,105.61	—	2.70	1,108.31

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. 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	1,35,60,000
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	62,40,636
	b. Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	27,48,365
	c. Profits in lieu of salary u/s. 17(3) of the Income-tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	30,00,000
	• As % of profit	—
	• Others, please specify	—
5.	Others, please specify	—
	Total (A)	2,55,49,001
	Ceiling as per the Act	3,25,82,354

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors			
1	Independent Directors	**Mr. Rajesh Batra**	**Mr. N. P. Ghanekar**	**Mr. S. Ragothaman**	**Total**
	(a) Fee for attending board / committee meetings	3,60,000	3,60,000	1,60,000	8,80,000
	(b) Commission	4,40,000	4,88,000	3,63,000	12,91,000
	(c) Others, please specify	—	—	—	—
	Total (1)	8,00,000	8,48,000	5,23,000	21,71,000
2	Other Non-Executive Directors	**Mr. Ness. N. Wadia**	**Dr. (Mrs.) Minnie Bodhanwala**		
	(a) Fee for attending board / committee meetings	2,40,000	1,00,000		3,40,000
	(b) Commission	9,34,000	1,10,000		10,44,000
	(c) Others, please specify	—	—		—
	Total (2)	11,74,000	2,10,000		13,84,000
	Total (B)=(1+2)	19,74,000	10,58,000	5,23,000	35,55,000
	Total Managerial Remuneration				2,91,04,001*
	Overall Ceiling as per the Act				7,16,81,179

* Total Remuneration to Managing Director and other Directors (being the total of A and B).

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Sunil Londhe, CFO (upto 31.08.2016)	**Mr. Shailesh Chauhan, CFO (w.e.f. 11.11.2016)**	**Ms. Seema Jagnani, Company Secretary**	**Total**
1.	Gross salary	25,12,146	29,71,408	14,21,702	69,05,256
	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 u/s. 17(3) of the Income-Tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total	25,12,146	29,71,408	14,21,702	69,05,256

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					

Annexure V to the Directors' Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 authorized 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, 2017, 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, 2017 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, 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:

  1. The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989 amended 2000.
  2. Hazardous Wastes (Management, Handling & Trans Boundary Movements) Rules, 2016
  3. The Petroleum Act, 1934 and the Petroleum Rules, 2003
  4. The Indian Boilers Act, 1923
  5. Indian Boiler Regulations 1950 and amendment thereof
  6. Explosives Act, 1884 & Rules, 1981 & Static and Mobile Pressure Vessel (Unfired) Rules, 1981
  7. Motor Vehicles Act, 1988

8. The Solvent Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Amendment Order, 2009
9. 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

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994

Place: Mumbai
Date: 23rd May, 2017

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

'Annexure A'

To,
The Members
National Peroxide Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. 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

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994

Place: Mumbai
Date: 23rd May, 2017

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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. 2016-17 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2016-17	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. S. R. Lohokare, Managing Director	255.49	11.56	33.44:1
2.	Mr. Sunil B. Londhe, *Chief Financial Officer (upto 31st August, 2016)	—	—	—
3.	Mr. Shailesh J. Chauhan,** Chief Financial Officer (w.e.f. 11th November, 2016)	—	—	—
4.	Ms. Seema Jagnani, Company Secretary (w.e.f. 21st April, 2015)	14.22	32.33	1.86:1

*Details not given for Mr. Sunil B. Londhe, as he was employed only for part of the financial year 2016-17 i.e. upto 31st August, 2016.

** Details not given for Mr. Shailesh J. Chauhan, as he was employed only for part of the financial year 2016-17 i.e., Designated as CFO & KMP w.e.f. 11th November, 2016.

ii. The median remuneration of employees of the Company during the financial year was ₹ 7.65 lakhs.

iii. There were 113 number of permanent employees on the rolls of the Company as on 31st March, 2017.

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17, 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 2015-16	Remuneration paid to employees (excluding managerial personnel) for the FY 2016-17	(%) change in remuneration paid to employees (excluding managerial personnel)	Remuneration paid to managerial personnel for the FY 2015-16	Remuneration paid to managerial personnel for the FY 2016-17	(%) change in remuneration paid to managerial personnel
3,73,91,626	3,84,20,035	2.75	7,32,30,564	7,99,68,549	9.20

The figures for FY 2015-16 are not comparable to the figures mentioned in Annual Report for the financial year ended 31st March, 2016 as the mix of employees between FY 2015-16 and FY 2016-17 is not similar to FY 2014-15 and FY 2015-16.

There were no exceptional circumstances for increase in Managerial Remuneration.

v. 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

[Pursuant to 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) The 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:

- Installed Peer to Peer Process Air Compressor system controller for AO Plant.
- Replaced high flow pump with lower flow pump for ETP plant and reduced the unproductive power consumption.
- Optimized power consumption of Reformer Boiler feed water pump by eliminating the blockages in heat exchanger circuit.
- Replaced old street light fittings in plant peripheral area with energy efficient LED light fittings/Lamps.
- Replaced old window Air Conditioner units with Inverter type energy efficient 5-star rating split AC units.
- Implemented Heat Recovery System to reduce steam consumption in the Plant.

These measures, along with the measures taken during the last year, have resulted in significant reduction in energy consumption.

In spite of various measures taken during the year, the specific power consumption was higher due to plant shutdown for implementation of heat recovery system. The impact of these measures will be seen during the next year.

Total energy consumption & energy consumption per unit of production:

A. POWER AND FUEL CONSUMPTION

			2016-17	*2015-16*
1.	**Electricity**			
	a.	Purchased:		
		Units (KWH)	3,31,18,576	*3,48,62,602*
		Total Amount (₹ lacs)	2,399.61	*2,433.63*
		Rate/Unit (₹/KWH)	7.25	*6.98*
	b.	Own Generation:		
		(i) Through diesel generator Units (KWH)	56,572	*22,490*
		Units/litre of diesel oil (KWH)	3.01	*2.74*
		Cost of diesel/Unit (₹/KWH)	16.81	*18.45*
		(ii) Through steam turbine/generator	Not Applicable	
2.	**Coal**		Not Applicable	
3.	**Fuel**			
	a.	**Furnace Oil**		
		Quantity (MT)	49.954	*0.00*
		Total amount (₹ lacs)	14.04	*0.00*
		Average rate (₹/MT)	28,096.87	*0.00*
	b.	**Natural Gas**		
		Quantity (MMBTU)	84,682.00	*91,686.00*
		Total amount (₹ lacs)	525.00	*805.64*
		Average rate (₹/MMBTU)	619.97	*878.70*
4.	**Other/Internal Generation**		Not Applicable	

B. CONSUMPTION PER UNIT OF PRODUCTION

		2016-17	*2015-16*
1.	Electricity (KWH/MT)	351.51	*349.54*
2.	Fuel		
	a. Furnace Oil (KG/MT)*	0.53	*0.00*
	b. Natural Gas (MMBTU/MT)*	0.91	*0.94*

* The Boiler was operated partly on Furnace Oil and partly on Natural Gas. The consumption for each fuel is calculated on the basis of annual production. The equivalent fuel oil specific consumption on gross calorific value basis for 2014-15, 2015-16 and 2016-17 works out to 30.24 KG of Fuel Oil/MT, 23.02 KG of Fuel Oil/MT, and 22.72 of Fuel Oil/MT respectively.

(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 viable at this time.

(c) The capital investment on energy conservation equipment:
Capital investment of ₹ 649.25 lacs was incurred during the year on various energy conservation measures.

B. TECHNOLOGY ABSORPTION:

(a) Efforts made towards technology absorption:

- Engineering and Process Design of equipment for expansion of Hydrogen and Hydrogen Peroxide Plant.
- The Hydrogen plant capacity increase trials were conducted to ascertain further requirements for capacity increase with Technology supplier UOP.
- Implemented Process Heat Recovery System to reduce steam consumption in the Plant.
- Installed and Commissioned Sewage Treatment Plant (STP).

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

- Stable operation of the Plant at high capacity with trained man power.
- Established requirements to debottleneck Hydrogen plant capacity at low capital cost.
- Enhanced Energy efficiency with Heat Recovery System.
- Established on-line monitoring of effluent treatment plant to maintain the quality of final discharge effluent as per MPCB norms.
- Better economy, reduction in emission and 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 : Process Heat Recovery System to reduce Steam Consumption in the Plant.
- The year of import : 2016-17
- Whether the technology been fully absorbed : Yes
- 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 EARNING AND OUTGO:

The foreign Exchange earned in terms of actual inflows and the foreign outgo in terms of actual outflows, during the year, are as follows:

(Amount in ₹ Lacs)

Particulars	2016-17	*2015-16*
Foreign exchange earned	Nil	*Nil*
Foreign exchange used	1,063.56	*829.46*

Annexure VIII to the Directors' Report

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

United Nation's 22nd Climate Change Conference (UNFCCC) was held at Marrakech, Morocco, from 7th to 18th November, 2016.

The plans of combating climate changes and the way in which Paris Agreement is to be applied and implemented was part of this Conference. Some of the focused aspects of the conference were: -

- Reduce Greenhouse Gas (GHG) Emission by utilizing low carbon energy sources;
- Financing Climate Actions incorporating climate considerations through economic system;
- Low carbon innovations. Parties discussed how "low emission" technologies can be integrated within existing infrastructure;
- Accelerating Urban Mobility, especially public transport system and how it can be made zero emission.

Climate Technology Centre and Network (CTCN) based at Copenhagen, Denmark provides technical assistance to Developing Countries in the areas such as Climate Combat, Energy Efficiency, Carbon Abatement in Industry, renewable energy and disaster management.

Across the World, within last 3 years, CTCN received 184 requests for technical assistance. CTCN is working on 108 such approved requests, which are at various stages of design and implementation.

The India GHG program is Industry led voluntary framework to help Indian Companies for GHG measurements using relevant tools, methodologies and GHG India protocol. India GHG program also promotes profitability, sustainability, innovation and competitive business. It is now receiving strong support from leading Indian Companies.

Number of Indian Companies are now becoming more open to disclose their carbon emissions and emission reduction, to their stakeholders as they realize benefits of doing so.

India ratified Paris Agreement on October 2, 2016. As per National Plan India has number of policies for mitigation of Climate Change to further reduce or even avoid GHG emissions. India's current National Plan (2012-2017) includes goals to:

- Achieve 8% annual GDP growth;
- Reduce emission in line with Copenhagen Pledge;
- Add 3,00,000 MW of renewable energy.

After the new US President has taken over, certain changes in the approach towards GHG emissions are expected to take place.

In India, Confederation of Indian Industry (CII) gives Green Co rating for promoting Ecological sustainability in Industries. Presently, 14 Companies have been rated green, 70 more companies are working on this system. CII is targeting to bring around 100 companies to register green.

In line with the above National and International initiatives, National Peroxide Ltd., is striving to achieve sustainability by reduction of GHG emission through innovations.

Heat Recovery System was commissioned during 2016-17, to reduce steam and consequently fuel consumption. The benefits of this initiative will be fully realized during 2017-18. The Company expects to reduce GHG emissions by 4800 MT CO_2 per year equivalent to 48 Kg/MT H_2O_2 during 2017-18. Other energy conservation measures taken during the year are listed in Annexure VII.

The Company continues to carry out the accounting of its GHG emissions. The GHG emissions of the Company during the last three years are given below:

SCOPE	FY 2014-15			FY 2015-16			FY 2016-17		
	(Ton Co_2/Year)			(Ton Co_2/Year)			(Ton Co_2/Year)		
	H_2 Plant	A.O. Plant	Total	H_2 Plant	A.O. Plant	Total	H_2 Plant	A.O. Plant	Total
Manufacturing	23,879	4,808	28,687	34,275	4,994	39,270	31,495	4,595	36,090
Electricity	1,358	19,863	21,221	2,042	25,848	27,890	1,539	24,991	26,530
Transport	100	6,123	6,223	181	7,495	7,676	135	6,328	6,463
Total	25,337	30,794	56,141	36,500	38,336	74,836	33,169	35,915	69,084

For Hydrogen Filling	2,853	—	2,853	2,795	—	2,795	1,187	—	1,187
For AO Plant	22,484	30,794	53,278	33,705	38,336	72,041	31,982	35,915	67,897

PRODUCTION	FY 2014-15	FY 2015-16	FY 2016-17
H_2O_2 (50% H_2O_2) (MT)	*72,089	97,637	93,564
H_2 (Million nm^3)	28.55	36.07	33.76
GHG Intensity of H_2O_2 (50% H_2O_2) (Kg/MT)	739	738	726

* Production was less during FY 2014-15, due to 61 days plant shutdown to implement 95 KTPA Expansion.

Benchmarking of GHG intensity for Hydrogen Peroxide is not possible due to non-availability of data from other Hydrogen Peroxide Producers. In Caustic-Chlorine Plants, Hydrogen is available as a by-product to produce Hydrogen Peroxide.

Therefore, the specific CO_2 emission MT/year and specific CO_2 emission in Kg/MT is separated for H_2O_2 Plant and Hydrogen Plant.

Further plans to achieve sustainability include:

- Use of energy efficient equipment.
- Plant capacity enhancement project.
- Reduction in raw material consumptions.
- Maintenance of ISO Management Systems and Responsible Care.

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, 2017, 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.

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 standalone 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us 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, 2017, 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, based on our audit 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.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 standalone financial statements – Refer Note 20 (i) to the standalone 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.

iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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, 23rd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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, 2017 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, 2017 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, 23rd May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(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. Immovable properties of Land whose title deeds have been pledged as security for loan are held in the name of the Company based on the confirmation directly received by us from lender.

(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 2017 for a period of more than six months from the date they became payable.

(b) Details of dues of Value Added Tax and Sales Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where dispute is pending**	**Period to which the Amount Relates**	**Amount involved (₹ in Lakhs)**
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Dy. Commissioner of Sales Tax	FY 2009-10	42.59*
Central Sales Tax Act, 1956	Sales Tax	Jt. Commissioner of Sales Tax	FY 2009-10	205.69**
Central Sales Tax Act, 1956	Sales Tax	Jt. Commissioner of Sales Tax	FY 2012-13	38.90

* ₹ 3 Lakhs paid as deposit

** ₹ 0.99 Lakhs paid as deposit

(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.

(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, 23rd May, 2017

National Peroxide Limited

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	₹ in Lakhs	₹ in Lakhs	*As at 31st March, 2016 ₹ in Lakhs*
(A) EQUITY AND LIABILITIES:				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	2	574.70		*574.70*
(b) Reserves and Surplus	3	26,209.90		*21,425.06*
			26,784.60	*21,999.76*
2. NON-CURRENT LIABILITIES				
(a) Long Term Borrowings	4	—		*1,000.00*
(b) Deferred Tax Liabilities (Net)	5	3,102.17		*2,946.19*
(c) Long-Term Provisions	6	279.03		*199.04*
			3,381.20	*4,145.23*
3. CURRENT LIABILITIES				
(a) Short-Term Borrowings	7	105.33		*33.10*
(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		2,236.94		*1,805.50*
(c) Other Current Liabilities	9	1,200.44		*2,221.25*
(d) Short-Term Provisions	10	163.07		*824.60*
			3,705.84	*4,884.51*
TOTAL			33,871.64	*31,029.50*
(B) ASSETS:				
1. NON-CURRENT ASSETS				
(a) Property, Plant and Equipment				
(i) Tangible Assets	11	17,848.07		*17,966.89*
(ii) Capital Work-in-progress		168.18		*308.89*
(b) Non-current Investments	12	127.33		*127.33*
(c) Long-Term Loans and Advances	13	194.24		*637.96*
			18,337.82	*19,041.07*
2. CURRENT ASSETS				
(a) Current Investments	14	5,010.61		*578.44*
(b) Inventories	15	1,110.72		*1,411.05*
(c) Trade Receivables	16	3,316.79		*3,266.01*
(d) Cash and Bank Balances	17	42.78		*71.43*
(e) Short-Term Loans and Advances	18	5,959.23		*6,645.29*
(f) Other Current Assets	19	93.69		*16.21*
			15,533.82	*11,988.43*
TOTAL			33,871.64	*31,029.50*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

NESS N. WADIA — *Chairman*

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23rd May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		Note No.	₹ in Lakhs	₹ in Lakhs	*2015-2016 ₹ in Lakhs*
I.	REVENUE FROM OPERATIONS	21		25,545.64	*23,353.49*
II.	OTHER INCOME	22		603.42	*807.74*
III.	TOTAL REVENUE			26,149.06	*24,161.23*
IV.	EXPENSES:				
	Cost of Raw Material Consumed	23		5,958.57	*8,018.88*
	Changes in inventories of finished goods	24		510.81	*(38.27)*
	Employee benefits expenses	25		2,305.85	*1,937.42*
	Finance cost	26		213.49	*538.50*
	Depreciation and amortisation expenses	11		892.73	*895.60*
	Other expenses	27		10,106.55	*9,847.52*
	TOTAL EXPENSES			19,988.00	*21,199.65*
V.	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)			6,161.06	*2,961.58*
	Exceptional Items	28		(393.33)	*91.53*
VI.	PROFIT BEFORE TAX			6,554.39	*2,870.05*
VII.	TAX EXPENSE:				
	— Current Tax		2,075.00		*851.00*
	— Deferred tax	5	155.98		*196.03*
	— (Excess)/Short Provision for tax relating to prior years		(461.43)		*25.94*
				1,769.55	*1,072.97*
VIII.	PROFIT FOR THE YEAR (VI - VII)			4,784.84	*1,797.08*
IX.	Earnings per equity share – Basic and Diluted (₹) (Face Value ₹ 10)	31		83.26	*31.27*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

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Company Secretary

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R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23rd May, 2017

National Peroxide Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	₹ in Lakhs	*2015-2016 ₹ in Lakhs*
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	6,554.39	*2,870.05*
Adjustments for:		
Depreciation	892.73	*895.60*
Interest expense	213.49	*538.50*
Interest income	(468.53)	*(672.46)*
Dividend income	(121.49)	*(51.69)*
Advance Tax Written off	—	*51.53*
Provision for Employee Benefits	102.30	*(1.56)*
Bad Debts	—	*1.05*
Provisions for Doubtful Debts	—	*100.73*
Trade Payables Written Back	—	*(83.59)*
Profit on Sale of Property, Plant and Equipment	(0.16)	—
Profit on Sale of Investments	(6.08)	—
Provision for expected loss on reduction in net realisable value of Capital Work in Progress	20.86	*91.53*
Operating Profit before Working Capital Changes	7,187.51	*3,739.69*
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables	(50.78)	*348.54*
Long-term Loans and Advances	202.71	*(15.19)*
Short-term Loans and Advances	(713.94)	*(706.12)*
Dividend Account balance with banks	0.13	*0.76*
Inventories	300.33	*188.98*
Other Current Assets	(56.26)	—
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	431.44	*(630.18)*
Other Current Liabilities	2.01	*(28.58)*
Cash generated from operations	7,303.15	*2,897.90*
Less: Taxes paid (Net)	(1,373.28)	*(714.94)*
Net Cash flow from Operating Activities (A)	5,929.87	*2,182.96*
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for Property, Plant and Equipment (including Capital work in progress)	(677.86)	*(129.11)*
Proceeds from disposal of Property, Plant and Equipment	0.42	—
Interest received	447.31	*674.25*
Dividend received	121.49	*51.69*
Inter Corporate Deposits refunded	1,400.00	*2,100.00*
Purchase of Investments in Mutual Fund	(20,296.60)	*(12,026.88)*
Sale of Investments in Mutual Fund	15,870.50	*12,279.70*
Net Cash flow (used in) / from Investing Activities (B)	(3,134.74)	*2,949.65*
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from / (Repayment of) short term borrowings	72.23	*(1,766.34)*
Interest paid	(204.05)	*(524.93)*
Dividend and Tax on Dividend paid	(691.83)	*(346.61)*
Repayment of Term Loan taken from Bank	(2,000.00)	*(2,000.00)*
Inter Corporate Deposits repaid	—	*(500.00)*
Net Cash flow (used in) Financing Activities (C)	(2,823.65)	*(5,137.88)*
Net (Decrease) in Cash and Cash equivalents (A+B+C)	(28.52)	*(5.27)*
Cash and Cash Equivalents - Opening balance	32.90	*38.17*
Cash and Cash Equivalents - Closing balance	4.38	*32.90*
Cash and Bank Balances - Closing balance (Refer Note No. 17)	42.78	*71.43*
Less: Unclaimed Dividends	38.40	*38.53*
Cash and Cash Equivalents - Closing balance	4.38	*32.90*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

NESS N. WADIA — *Chairman*

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23th May, 2017

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) **Property, Plant and Equipment & Depreciation:**

Property, Plant and Equipment 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 Property, Plant and Equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property, Plant and Equipment 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 Property, Plant and Equipment:**

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 assets/cash generating units. 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. When there is indication that the impairment loss recognised for an asset in earlier accounting period no longer exists or may have decrease, such reversal impairment loss is recognised 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) **Dividend to Equity Shareholders:**
Dividend to Equity Shareholders is recognised as a liability and deducted from shareholders funds in the period in which the dividend is approved by the equity shareholders in the general meeting.

(q) **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 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
2. SHARE CAPITAL		
AUTHORISED		
25,000,000 (Previous Year: 25,000,000) Equity Shares of ₹ 10 each ...	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 ₹ 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.

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 31.03.2017	*Number of shares As at 31.03.2016*
Macrofil Investments Limited	1,918,109	*1,908,668*
Percentage	33.38	*33.21*
Solvay S A.	–	*1,442,500*
Percentage	–	*25.10*
Nowrosjee Wadia and Sons Limited	1,653,325	–
Percentage	28.77	–

	₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ 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	18,140.56		*17,035.18*
Add: Profit for the year	4,784.84		*1,797.08*
Amount available for appropriation	22,925.40		*18,832.26*
Less: Proposed Dividend (See Note (i) below & Note No.37)	—		*574.70*
Less: Tax on Dividend	—		*117.00*
		22,925.40	*18,140.56*
		26,209.90	*21,425.06*

(i) The Board of Directors at its meeting held on 23rd May, 2017 has recomended a dividend of ₹ 34 (Previous Year: ₹ 10) per equity share.

4. LONG-TERM BORROWINGS		
SECURED BORROWINGS		
Term Loan from Bank	—	*1,000.00*
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.		
	—	*1,000.00*

5. DEFERRED TAXES		
DEFERRED TAX LIABILITY:		
Depreciation on fixed assets	3,294.08	*3,095.94*
Total	3,294.08	*3,095.94*
DEFERRED TAX ASSET:		
Provision for Compensated Absences	125.08	*89.11*
Provision for Doubtful Debts	—	*34.86*
Other Provision	66.83	*25.78*
Total	191.91	*149.75*
NET DEFERRED TAX LIABILITY	3,102.17	*2,946.19*

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 155.98 Lakhs (Previous Year: ₹ 196.03 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
6. LONG-TERM PROVISIONS		
Provision for employee benefits	279.03	*199.04*
	279.03	*199.04*
7. SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
Loans Repayable on Demand		
Cash Credits*	105.33	*33.10*
	105.33	*33.10*
*(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*
	0.06	*0.06*
(ii) Total outstanding dues of other than micro enterprises & small enterprises:		
Payable for goods purchased	1,251.63	*856.21*
Payable to Employees	314.02	*173.15*
Payable for other expenses	671.29	*776.14*
	2,236.94	*1,805.50*
	2,237.00	*1,805.56*
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)	1,000.00	*2,000.00*
Interest Accrued but not due on Borrowing	0.28	*0.84*
Advances from Customers	3.12	*5.43*
Deposits received from Customers	2.70	*2.70*
Statutory and Other dues	56.05	*51.73*
Interest Accrued on Other	25.00	*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*
Payable to Gratuity Fund (Refer to Note No. 29)	74.89	*82.75*
Unclaimed Dividends	38.40	*38.53*
	1,200.44	*2,221.25*
10. SHORT-TERM PROVISIONS		
Provision for employee benefits	163.07	*132.90*
Proposed Dividend (Refer to Note No. 37)	—	*574.70*
Tax on Dividend	—	*117.00*
	163.07	*824.60*
Footnote: Amount remitted during the year in Foreign Currency on account of dividend	2016-17	*2015-16*
1. Number of Shareholders	2	*2*
2. Number of Shares held	1,494,000	*1,494,000*
3. Amount remitted (in ₹ Lakhs)	149.40	*74.70*
4. Year to which dividend relates	2015-16	*2014-15*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

11. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Opening as at 1-04-2016	Additions during the year	Deductions during the year	Closing as at 31-03-2017	Up to 1-04-2016	For the year	Deductions during the year	Up to 31-03-2017	As at 31-03-2017	*As at 31-03-2016*
TANGIBLE ASSETS:										
Land : Freehold	5.89	—	—	5.89	—	—	—	—	5.89	*5.89*
Previous Year	*5.89*	—	—	*5.89*	—	—	—	—	*5.89*	
Buildings	725.89	—	—	725.89	388.36	41.19	—	429.55	296.34	*337.53*
Previous Year	*725.89*	—	—	*725.89*	*347.14*	*41.22*	—	*388.36*	*337.53*	
Plant & Machinery	31,349.09	767.08	—	32,116.17	13,786.34	841.52	—	14,627.86	17,488.31	*17,562.75*
Previous Year	*31,278.54*	*70.55*	—	*31,349.09*	*12,942.68*	*843.66*	—	*13,786.34*	*17,562.75*	
Furniture & Fixtures	130.15	—	—	130.15	77.63	6.09	—	83.72	46.43	*52.52*
Previous Year	*79.30*	*50.85*	—	*130.15*	*70.12*	*7.51*	—	*77.63*	*52.52*	
Office Equipments	71.97	7.09	0.50	78.56	63.77	3.93	0.24	67.46	11.10	*8.20*
Previous Year	*67.42*	*4.55*	—	*71.97*	*60.56*	*3.21*	—	*63.77*	*8.20*	
TOTAL	32,282.99	774.17	0.50	33,056.66	14,316.10	892.73	0.24	15,208.59	17,848.07	*17,966.89*
Total-Previous Year	*32,157.04*	*125.95*	—	*32,282.99*	*13,420.50*	*895.60*	—	*14,316.10*	*17,966.89*	

	₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
12. NON CURRENT INVESTMENTS			
INVESTMENT IN EQUITY INSTRUMENTS (LONG TERM):			
TRADE INVESTMENTS (QUOTED) AT COST:			
1,489,700 (Previous Year: 1,489,700) Equity Shares of ₹ 2 each fully paid up in The Bombay Dyeing & Manufacturing Company Limited…	78.03		*78.03*
1,252,200 (Previous Year: 1,252,200) Equity Shares of ₹ 2 each fully paid up in The Bombay Burmah Trading Corporation Limited	23.73		*23.73*
		101.76	*101.76*
TRADE INVESTMENTS IN THE SUBSIDIARY COMPANY (UNQUOTED) AT COST:			
25,500 (Previous Year: 25,500) Equity Shares of ₹ 100 each fully paid up in Naperol Investments Limited		25.50	*25.50*
NON-TRADE INVESTMENTS (QUOTED) AT COST:			
600 (Previous Year: 600) Equity Shares of ₹ 2 each fully paid up in Housing Development Finance Corporation Limited	0.02		*0.02*
2,500 (Previous Year: 2,500) Shares of ₹ 2 each fully paid up in HDFC Bank Limited	0.05		*0.05*
		0.07	*0.07*
		127.33	*127.33*
AGGREGATE AMOUNT OF QUOTED INVESTMENTS:			
Cost		101.83	*101.83*
Market Value		11,997.85	*5,350.50*
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS:			
Cost		25.50	*25.50*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances	—	*0.72*
Sundry Deposits	37.91	*239.50*
Prepaid Expenses	14.07	*15.19*
Advance Payment of Taxes (Net of provisions of ₹ 6,345.20 Lakhs [Previous Year: ₹ 8,552.35 Lakhs])	142.26	*254.55*
MAT Credit Entitlement	—	*128.00*
	194.24	*637.96*
14. CURRENT INVESTMENTS		
INVESTMENT IN MUTUAL FUND:		
UNQUOTED (AT COST OR MARKET VALUE WHICHEVER IS LOWER):		
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend 10,073,425.222 (Previous Year: NIL) Units of ₹ 10 each	1,015.43	—
SBI Premier Liquid Fund - Regular Plan - Daily Dividend 122,656.848 (Previous Year: NIL) Units of ₹ 1,000 each	1,230.55	—
JM Money Manager Fund - Super Plus Plan (Direct) - Daily Dividend Option (479) 8,105,559.005 (Previous Year: 5,768,071.463) Units of ₹ 10 each	819.22	*578.44*
HDFC - Floting Rate Income Fund - Short Term Plan - Direct Plan -Wholesale Option - Growth Option 3,649,700.882 (Previous Year: NIL) Units of ₹ 10 each	1,020.41	—
Birla Sunlife Saving Fund- Growth - Direct Plan 289,221.350 (Previous Year: NIL) Units of ₹ 100 each	925.00	—
	5,010.61	*578.44*
Aggregate Net Asset Value of units in Mutual Funds	5,026.17	*578.75*
15. INVENTORIES		
(At lower of Cost and Net Realisable Value)		
Raw Materials	387.53	*280.13*
Finished Goods	67.97	*578.78*
Stores, Spare Parts and Packing materials	655.22	*552.14*
	1,110.72	*1,411.05*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment	32.10	*100.73*
Less: Provision for Doubtful Debts	—	*(100.73)*
	32.10	—
Others	3,284.69	*3,266.01*
	3,316.79	*3,266.01*
17. CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS:		
Cash on hand	2.46	*1.26*
Balances with Banks:		
In Current Account	1.92	*31.64*
	4.38	*32.90*
OTHER BANK BALANCES:		
In Unpaid Dividend Account	38.40	*38.53*
	38.40	*38.53*
	42.78	*71.43*
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Intercorporate Deposits*	3,000.00	*4,400.00*
Advance to Gratuity Fund	—	*21.86*
Advance to Employees	0.50	*0.25*
Sundry Deposits	31.60	*34.90*
Balances with Excise, Customs, Sales tax etc	2,749.44	*2,072.51*
Prepaid Expenses	66.64	*51.69*
Advance for Purchase of Materials	51.40	*31.89*
Advance for Expenses	59.65	*32.19*
	5,959.23	*6,645.29*

* [The Company has given Intercorporate Deposits (ICD) for general business purposes to Archway Investments Ltd. ₹ NIL (Previous Year : ₹ 1,400 Lakhs) and Macrofil Investment Ltd. ₹ 3,000 Lakhs (Previous Year : 3,000 Lakhs). The interest rate of the said ICDs is 12.50% p.a. and these are repayable on demand]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
19. OTHER CURRENT ASSETS		
Interest Accrued but not due on deposits	37.43	*16.21*
Other Receivable	56.26	—
	93.69	*16.21*

20. CONTINGENT LIABILITIES AND COMMITMENTS

(i) Contingent Liability:
In respect of matters which are contested by the Company

(a) Income Tax demand	—	*128.32*
(b) Sales Tax demand	287.18	—

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*

(b) Other Commitment

The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. The agreement is valid till 30th April, 2028. As per the said agreement, the Company under 'Take or Pay obligation' clause has to make payment for a fixed quantity of gas on an annual basis, whether used or not. GAIL has the discretion to waive off the Take or Pay charges. A request for supply of Make Up gas can be made by the Company corresponding to Take or Pay deficiencies which are outstanding and for which the Company would pay to GAIL at the time of annual programme.

(c) Refer to Note No. 35 regarding lease commitment

	₹ in Lakhs	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
21. REVENUE FROM OPERATIONS			
Sale of Products:			
Hydrogen Peroxide	28,190.73		*25,347.72*
Hydrogen Gas	266.25		*687.52*
Gross Total	28,456.98		*26,035.24*
Less: Excise duty	2,927.00		*2,694.62*
Total		25,529.98	*23,340.62*
Other Operating Revenue:			
Sale of Scrap		13.66	*9.91*
Discount received		2.00	*2.96*
		25,545.64	*23,353.49*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
22. OTHER INCOME			
Interest income from Intercorporate Deposits		459.74	*656.25*
Other Interest income		8.79	*16.21*
Dividends (Long Term)			
On Trade Investments	19.97		*24.44*
On Non-Trade Investments	0.34		*0.28*
Dividends (Current)			
On Other Investments	101.18		*26.97*
		121.49	*51.69*
Profit on Sale of Current Investments		6.08	—
Foreign Exchange Fluctuation (Net)		7.16	—
Profit on Sale of Property, Plant and Equipment		0.16	—
Trade Payables Written Back		—	*83.59*
		603.42	*807.74*
23. COST OF RAW MATERIAL CONSUMED			
Opening Stock		280.13	*494.68*
Add: Purchases		6,065.97	*7,804.33*
		6,346.10	*8,299.01*
Less: Closing Stock		387.53	*280.13*
Cost of Material consumed		5,958.57	*8,018.88*
Material consumed comprises of:			
Natural Gas		3,793.31	*5,609.05*
Solvents and Chemicals		1,360.86	*1,609.34*
Others		804.40	*800.49*
		5,958.57	*8,018.88*
24. CHANGES IN INVENTORY OF FINISHED GOODS			
Opening balance			
Hydrogen Peroxide		578.78	*540.51*
Closing balance			
Hydrogen Peroxide		67.97	*578.78*
Net Decrease / (Increase) in Finished Goods		510.81	*(38.27)*
25. EMPLOYEE BENEFITS EXPENSES			
Salaries, Wages and Other Benefits		1,808.33	*1,485.96*
Contributions to Provident and Other Funds (Refer to Note No. 29)		220.16	*219.84*
Workmen and Staff Welfare Expenses		277.36	*231.62*
		2,305.85	*1,937.42*
26. FINANCE COSTS			
Interest on Borrowings		186.78	*521.60*
Other Interest		26.71	*15.00*
OTHER BORROWING COST:			
Discounting Charges		—	*1.90*
		213.49	*538.50*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
27. OTHER EXPENSES			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Change in Closing Stock)	(66.30)		*27.88*
Insurance	40.45		*44.09*
Rent	44.92		*45.47*
Rates and Taxes	37.11		*33.58*
Commission and Discount	28.94		*31.15*
Packing and Containers	1,962.34		*2,219.81*
Power, Fuel and Water	3,020.10		*3,291.97*
Stores and Spare Parts Consumed	669.81		*340.26*
Repairs and Maintenance - Buildings	4.29		*2.12*
Repairs and Maintenance - Machinery	704.80		*425.51*
Freight Outward	2,293.51		*2,263.93*
Legal & Professional Fees	332.20		*124.90*
Sundry Expenses	870.32		*730.23*
		9,942.49	*9,580.90*
AUDITORS' REMUNERATION:			
(i) Audit Fees	10.05		*10.00*
(ii) Other Matters	8.54		*6.52*
		18.59	*16.52*
Foreign Exchange Fluctuation (Net)		—	*9.17*
Bad Debts	100.73		*1.05*
Less: Adjusted against Provision for Doubtful Debts	(100.73)		—
		—	*1.05*
Provision for Doubtful Debts		—	*100.73*
Expenditure on Corporate Social Responsibility		74.05	*94.06*
Commission to Non Executive Directors	65.16		*33.35*
Less: Reversal of previous year excess commission to Non Executive Directors	(10.01)		—
		55.15	*33.35*
Directors Sitting Fees		16.27	*11.74*
		10,106.55	*9,847.52*
28. EXCEPTIONAL ITEM			
Refund received from Maharashtra State Electricity Distribution Co. Ltd. towards tariff difference between continuous supply and non-continuous supply for the period October 2013 to July 2015		(414.19)	—
Provision for expected loss on reduction in net realisable value of Capital Work in Progress		20.86	*91.53*
		(393.33)	*91.53*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2016-2017 (₹ in Lakhs)	*2015-2016 (₹ 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	94.11	*87.18*
(ii) Superannuation Fund	51.16	*49.91*
	145.27	*137.09*
(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	987.38	*847.16*
(ii) Fair value of plan assets	(912.49)	*(764.41)*
Amounts in the Balance Sheet:		
Liabilities (Refer to Note No. 9)	74.89	*82.75*
The amounts recognised in the Statement of Profit and Loss are as follows:		
(i) Current service cost	32.98	*32.72*
(ii) Interest on obligation	57.26	*60.00*
(iii) Expected return on plan assets	(53.39)	*(46.66)*
(iv) Net actuarial losses/(gains) recognised in year	(44.71)	*(136.64)*
(v) Past service cost	—	—
(vi) Expenses recognized in the Statement of Profit and Loss (Refer to Note No. 25)	(7.86)	*(90.58)*
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	847.16	*821.50*
(ii) Service cost	32.98	*32.72*
(iii) Interest cost	57.26	*60.00*
(iv) Actuarial losses / (gains)	58.39	*46.08*
(v) Past service cost	—	—
(vi) Benefits paid	(8.41)	*(113.14)*
(vii) Closing defined benefit obligation	987.38	*847.16*
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	764.41	*648.17*
(ii) Expected return	53.39	*46.66*
(iii) Actuarial losses/(gains)	103.10	*182.72*
(iv) Contribution by employer	—	—
(v) Benefits paid	(8.41)	*(113.14)*
(vi) Closing fair value of plan assets	912.49	*764.41*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

		2016-2017	*2015-2016*
The major categories of plan assets as a percentage of total plan assets are as follows:			
(i)	Government of India Securities	29%	*17%*
(ii)	Corporate Bonds	46%	*67%*
(iii)	Special Deposit Scheme	11%	*14%*
(iv)	Others	14%	*2%*
Principal actuarial assumptions at the balance sheet date are as follows:			
(i)	Discount rate at 31st March	7.10% p.a.	*7.75% p.a.*
(ii)	Expected return on plan assets at 31st March	7.50% 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.

	2012-13 (₹ in Lakhs)	*2013-14 (₹ in Lakhs)*	*2014-15 (₹ in Lakhs)*	*2015-16 (₹ in Lakhs)*	2016-17 (₹ in Lakhs)
Defined Benefit Obligation	*592.46*	*653.16*	*821.50*	*847.16*	987.38
Plan Assets	*501.67*	*609.66*	*648.17*	*764.41*	912.49
Surplus/(Deficit)	*(90.78)*	*(43.50)*	*(173.33)*	*(82.75)*	(74.89)
Experience Adjustment on Plan Liabilities	*58.30*	*67.69*	*110.46*	*36.62*	32.76
Experience Adjustment on Plan Assets	*10.40*	*11.69*	*22.09*	*182.72*	103.10

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 2017-18 is ₹ 74.89 Lakhs

		2016-2017 (₹ in Lakhs)	*2015-2016 (₹ 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	80.69	*74.46*
(ii)	Fair value of plan assets	—	—
	Amounts in the Balance Sheet:		
	Liabilities	80.69	*74.46*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2016-2017 (₹ in Lakhs)	*2015-2016 (₹ in Lakhs)*
The amounts recognised in the Statement of Profit and Loss are as follows:		
(i) Current service cost	1.98	*1.84*
(ii) Interest on obligation	5.41	*5.38*
(iii) Expected return on plan assets	—	—
(iv) Net actuarial losses/(gains) recognised in year	6.76	*1.82*
(v) Past service cost	—	—
(vi) Expenses recognized in the Statement of Profit and Loss	14.15	*9.04*
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	74.46	*72.50*
(ii) Service cost	1.98	*1.84*
(iii) Interest cost	5.41	*5.38*
(iv) Actuarial losses/(gains)	6.76	*1.82*
(v) Past service cost	—	—
(vi) Benefits paid	(7.92)	*(7.08)*
(vii) Closing defined benefit obligation	80.69	*74.46*
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	7.92	*7.08*
(v) Benefits paid	(7.92)	*(7.08)*
(vi) Closing fair value of plan assets	—	—

Principal actuarial assumptions at the balance sheet date are as follows:

	2016-2017	*2015-2016*
(i) Discount rate at 31st March	7.10% p.a.	*7.75% 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:

	2016-2017 (₹ in Lakhs)	*2015-2016 (₹ in Lakhs)*
Defined Benefit Obligations	80.69	*74.46*
Plan Assets	—	—
Surplus/(Deficit)	(80.69)	*(74.46)*
Experience Adjustment on Plan Liabilities	4.05	*1.02*
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	2016-17 (₹ in Lakhs)	*2015-16 (₹ 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	255.49	*228.26*
		Remuneration Payable	6.32	*5.42*

	2016-17	*2015-16*
31. EARNINGS PER SHARE		
(a) Profit for the year (₹ in lakhs)	4,784.84	*1,797.08*
(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 (₹)	83.26	*31.27*

32. OTHER DISCLOSURES

	2016-17 (₹ in Lakhs)	*2015-16 (₹ in Lakhs)*
(a) Imports on C.I.F. Basis:		
Raw Materials	832.90	*805.55*
Stores and Spare parts	40.39	*19.67*
Capital Goods	—	—

(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:

	2016-2017 (₹ in Lakhs)	%	*2015-2016 (₹ in Lakhs)*	%
Raw Materials:				
Directly imported	1,034.99	17.37	*1,115.06*	*13.91*
Indigenously obtained	4,923.58	82.63	*6,903.82*	*86.09*
	5,958.57	100.00	*8,018.88*	*100.00*
Components, Stores and Spare Parts:				
Directly imported	11.57	1.73	*15.78*	*4.64*
Indigenously obtained	658.24	98.27	*324.48*	*95.36*
	669.81	100.00	*340.26*	*100.00*

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

	2016-2017 (₹ in Lakhs)	*2015-2016 (₹ in Lakhs)*
(c) Expenditure in Foreign Currency:		
Membership & Subscription	4.50	*3.63*
Professional Fess	181.17	—
Foreign Travel	4.60	*0.61*

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. UNHEDGED FOREIGN CURRENCY EXPOSURES

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

Particulars	2016-2017		*2015-2016*	
	(₹ in Lakhs)	(Fx in Lakhs)	*(₹ in Lakhs)*	*(Fx in Lakhs)*
Import of goods	139.20	USD 2.15	—	—
Others	9.71	GBP 0.12	—	—

Note : Fx = Foreign Currency; USD = US Dollar, GBP = Great Britain Pound

35. 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 31.03.2017 (₹ in Lakhs)	*As at 31.03.2016 (₹ in Lakhs)*
(a) Total of minimum lease payments for a period :		
— Not later than one year	18.19	*17.34*
— Later than one year but not later than five years	14.30	*21.93*
(b) Lease payments recognised in the Statement of Profit and Loss for the year	19.61	*17.91*

36. During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017 on the details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lakhs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hands as on November 8, 2016	3.99	0.36	4.35
Add: Permitted receipts	0.20	10.40	10.60
Less: Permitted payments	—	7.76	7.76
Less: Amount deposited in banks	4.19	—	4.19
Closing cash in hands as on December 30, 2016	—	3.00	3.00

37. Proposed Dividend on Equity Shares :

Particulars	*2016-17* (₹ in Lakhs)
Final cash dividend for the year ended on March 31, 2017: ₹ 34 per Equity share of ₹ 10/- Each	1,953.98
Dividend distribution tax (DDT) on proposed dividend	397.79
Total	2,351.77

38. 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. J. CHAUHAN *Chief Financial Officer*	R. BATRA N. P. GHANEKAR S. RAGOTHAMAN	*Directors*
SEEMA JAGNANI *Company Secretary*	MINNIE BODHANWALA	

Mumbai, 23rd May, 2017

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, 2017, 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, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matter paragraph below, 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, 2017, 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 ₹ 471.84 lakhs as at 31st March, 2017, total revenues of ₹ 46.23 lakhs and net cash outflow amounting to ₹ 90.35 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of a subsidiary referred in the Other Matters paragraph above 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, 2017 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, 2017 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 separate 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.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditor by the Management of the respective Group entities.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 23rd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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, 2017, 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 respective 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 internal financial controls over financial reporting of the Holding Company and its subsidiary company which is company incorporated in India, 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company which is company incorporated in India.

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, 2017, based on the internal control over financial reporting criteria established by the respective Companies 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.

Our opinion is not modified in respect of the above matter.

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

Joe Pretto
Partner
Membership No. 077491

Mumbai, 23rd May, 2017

National Peroxide Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	₹ in Lakhs	₹ in Lakhs	*As at 31st March, 2016* ₹ *in Lakhs*
(A) EQUITY AND LIABILITIES:				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	2	574.70		*574.70*
(b) Reserves and Surplus	3	26,655.82		*21,824.84*
			27,230.52	*22,399.54*
2. NON-CURRENT LIABILITIES				
(a) Long-Term Borrowings	4	—		*1,000.00*
(b) Deferred Tax Liability (Net)	5	3,102.17		*2,946.19*
(c) Long-Term Provisions	6	279.03		*199.04*
			3,381.20	*4,145.23*
3. CURRENT LIABILITIES				
(a) Short-Term Borrowings	7	105.33		*33.10*
(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		2,237.36		*1,806.03*
(c) Other Current Liabilities	9	1,200.44		*2,221.25*
(d) Short-Term Provisions	10	163.07		*825.80*
			3,706.26	*4,886.24*
TOTAL			34,317.98	*31,431.01*
(B) ASSETS:				
1. NON-CURRENT ASSETS				
(a) Property, Plant and Equipment				
(i) Tangible Assets	11	17,848.07		*17,966.89*
(ii) Capital Work-in-Progress		168.18		*308.89*
(b) Non-current Investments	12	569.50		*433.29*
(c) Long-Term Loans and Advances	13	194.24		*637.96*
			18,779.99	*19,347.03*
2. CURRENT ASSETS				
(a) Current Investments	14	5,010.61		*578.44*
(b) Inventories	15	1,110.72		*1,411.05*
(c) Trade Receivables	16	3,316.79		*3,266.01*
(d) Cash and Bank Balances	17	46.53		*165.53*
(e) Short-Term Loans and Advances	18	5,959.65		*6,645.29*
(f) Other Current Assets	19	93.69		*17.66*
			15,537.99	*12,083.98*
TOTAL			34,317.98	*31,431.01*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

NESS N. WADIA — *Chairman*

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23rd May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		Note No.	₹ in Lakhs	*2015-2016 ₹ in Lakhs*
I.	REVENUE FROM OPERATIONS	21	25,591.68	*23,399.12*
II.	OTHER INCOME	22	603.61	*811.99*
III.	TOTAL REVENUE		26,195.29	*24,211.11*
IV.	EXPENSES:			
	Cost of Raw Material Consumed	23	5,958.57	*8,018.88*
	Changes in Inventories	24	510.81	*(38.27)*
	Employee benefits expenses	25	2,305.85	*1,937.42*
	Finance cost	26	213.49	*538.50*
	Depreciation and amortisation expenses	11	892.73	*895.60*
	Other expenses	27	10,107.41	*9,848.27*
TOTAL EXPENSES			19,988.86	*21,200.40*
V.	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III - IV)		6,206.43	*3,010.71*
	Exceptional Items	28	(393.33)	*91.53*
VI.	PROFIT BEFORE TAX		6,599.76	*2,919.18*
VII.	Tax expense:			
	– Current tax		2,075.06	*852.32*
	– Deferred tax	5	155.98	*196.03*
	– (Excess)/Short Provision for Tax relating to Prior Years		(462.26)	*25.94*
			1,768.78	*1,074.29*
VIII.	PROFIT FOR THE YEAR (VI - VII)		4,830.98	*1,844.89*
IX.	Earnings per equity share – Basic and Diluted (₹) (Face Value ₹ 10)	32	84.06	*32.10*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

NESS N. WADIA — *Chairman*

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23rd May, 2017

National Peroxide Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		₹ in Lakhs	*2015-16 ₹ in Lakhs*
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit Before Tax	6,599.76	*2,919.18*
	Adjustments for:		
	Depreciation	892.73	*895.60*
	Interest expense	213.49	*538.50*
	Interest income	(468.72)	*(676.71)*
	Dividend income	(121.49)	*(51.69)*
	Advance Tax Written Off	—	*51.53*
	Provision for Employee Benefits	102.30	*(1.56)*
	Bad Debts	—	*1.05*
	Provisions for Doubtful Debts	—	*100.73*
	Trade Payables Written Back	—	*(83.59)*
	Profit on Sale of Property, Plant and Equipment	(0.16)	—
	Profit on Sale of Investments	(6.08)	—
	Provision for expected loss on reduction in net realisable value of Capital Work in Progress	20.86	*91.53*
	Operating Profit before Working Capital Changes	7,232.69	*3,784.57*
	Adjustments for (increase)/decrease in operating assets:		
	Trade Receivables	(50.78)	*348.54*
	Long-term Loans and Advances	202.71	*(15.19)*
	Short-term Loans and Advances	(713.94)	*(706.09)*
	Dividend Account balance with banks	0.13	*0.76*
	Inventories	300.33	*188.98*
	Other Current Assets	(56.26)	—
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payables	431.33	*(630.15)*
	Other Current Liabilities	2.01	*(28.58)*
	Cash generated from operations	7,348.22	*2,942.84*
	Less: Taxes paid	(1,373.72)	*(715.38)*
	Net Cash from Operating Activities (A)	5,974.50	*2,227.46*
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Payment for Property, Plant and Equipment (including Capital work in progress)	(677.86)	*(129.11)*
	Proceeds from disposal of Property, Plant and Equipment	0.42	—
	Interest received	448.53	*677.15*
	Dividend received	121.49	*51.69*
	Inter Corporate Deposits refunded	1,400.00	*2,100.00*
	Purchase of Investments in Mutual Fund	(20,523.21)	*(12,026.88)*
	Sale of Investments in Mutual Fund	15,960.91	*12,279.70*
	Net Cash flow (used in)/from Investing Activities (B)	(3,269.72)	*2,952.55*
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from/(Repayment of) short term borrowings	72.23	*(1,766.34)*
	Interest paid	(204.05)	*(524.93)*
	Dividend and Tax on Dividend paid	(691.83)	*(346.61)*
	Repayment of Term Loan taken from Bank	(2,000.00)	*(2,000.00)*
	Inter Corporate Deposits repaid	—	*(500.00)*
	Net Cash flow (used in) Financing Activities (C)	(2,823.65)	*(5,137.88)*
	Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)	(118.87)	*42.13*
	Cash and Cash Equivalents - Opening balance	127.00	*84.87*
	Cash and Cash Equivalents - Closing balance	8.13	*127.00*
	Cash and Bank Balances - Closing balance (Refer Note No. 17)	46.53	*165.53*
	Less: Current Accounts held for Unclaimed Dividends	38.40	*38.53*
	Cash and Cash Equivalents - Closing balance	8.13	*127.00*

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

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

Joe Pretto
Partner

Mumbai, 23rd May, 2017

For and on behalf of the Board of Directors

S. R. LOHOKARE
Managing Director

S. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

NESS N. WADIA — *Chairman*

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA — *Directors*

Mumbai, 23th May, 2017

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 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 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 31.03.2017 & 31.03.2016
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) **Property, Plant and Equipment & Depreciation:**

Property, Plant and Equipment 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 Property, Plant and Equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property, Plant and Equipment 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 Property, Plant and Equipment:**

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 assets/cash generating units. 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. When there is indication that the impairment loss recognised for an asset in earlier accounting period no longer exists or may have decrease, such reversal of impairment loss is recognised 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 encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

(o) **Operating Lease:**
Lease arrangements where risks and rewards incidental to ownership of an assets substantially vest with lessor are recognised as operating leases. Lease rentals under the operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis 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) **Dividend to Equity Shareholders:**
Dividend to Equity Shareholders is recognised as liability and deducted from shareholders' fund in the period in which the dividend is approved by the equity shareholders in the general meeting.

(s) **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.

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
2. SHARE CAPITAL		
AUTHORISED		
25,000,000 (Previous Year: 25,000,000) Equity Shares of ₹ 10 each	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 ₹ 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 31.03.2017	*Number of shares As at 31.03.2016*
Macrofil Investments Limited.....	1,918,109	*1,908,668*
Percentage	33.38	*33.21*
Solvay S A	—	*1,442,500*
Percentage	—	*25.10*
Nowrosjee Wadia and Sons Limited.....	1,653,325	—
Percentage	28.77	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ 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	125.43		*115.61*
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	9.07		*9.82*
		134.50	*125.43*
GENERAL RESERVE			
Balance as per last Balance Sheet	3,357.86		*3,352.95*
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	4.54		*4.91*
		3,362.40	*3,357.86*
SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
Opening Balance	18,341.53		*17,203.07*
Add: Profit for the year	4,830.98		*1,844.89*
Amount available for appropriation	23,172.51		*19,047.96*
Less: Proposed Dividend (See Note (i) below & Note No. 37)	—		*574.70*
Less: Tax on Dividend	—		*117.00*
Less: Transfer to General Reserve	4.54		*4.91*
Less: Transfer to Special Reserve under Section 45 IC of the Reserve Bank of India Act, 1934	9.07		*9.82*
		23,158.90	*18,341.53*
		26,655.82	*21,824.84*

(i) The Board of Directors at its meeting held on 23rd May, 2017 has recommended a dividend of ₹ 34 (Previous Year: ₹ 10) per equity share.

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
4. LONG-TERM BORROWINGS		
SECURED BORROWINGS		
Term Loan from Bank	—	*1,000.00*
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.		
	—	*1,000.00*
5. DEFERRED TAXES		
DEFERRED TAX LIABILITY:		
Depreciation on fixed assets	3,294.08	*3,095.94*
TOTAL	3,294.08	*3,095.94*
DEFERRED TAX ASSET:		
Provision for Compensated Absences	125.08	*89.11*
Provision for Doubtful Debts	—	*34.86*
Other Provision	66.83	*25.78*
TOTAL	191.91	*149.75*
Net deferred tax liability	3,102.17	*2,946.19*

The Company has recognised in the Statement of Profit and Loss, the net provision of deferred tax liability of ₹ 155.98 Lakhs (Previous Year: ₹ 196.03 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
6. LONG-TERM PROVISIONS		
Provision for employee benefits	279.03	*199.04*
	279.03	*199.04*
7. SHORT-TERM BORROWINGS		
SECURED BORROWINGS		
LOANS REPAYABLE ON DEMAND:		
Cash Credits*	105.33	*33.10*
	105.33	*33.10*
*(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*
	0.06	*0.06*
(ii) Total outstanding dues of other than micro enterprises & small enterprises:		
Payable for goods purchased	1,251.62	*856.21*
Payable to Employees	314.02	*173.15*
Payable for other expenses	671.72	*776.67*
	2,237.36	*1,806.03*
	2,237.42	*1,806.09*
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)	1,000.00	*2,000.00*
Interest Accrued but not due on Borrowing	0.28	*0.84*
Advances from Customers	3.12	*5.43*
Deposits received from Customers	2.70	*2.70*
Statutory and Other dues	56.05	*51.73*
Interest Accrued on Other	25.00	*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*
Payable to Gratuity Fund (Refer to Note No. 29)	74.89	82.75
Unclaimed Dividends	38.40	*38.53*
	1,200.44	*2,221.25*
10. SHORT-TERM PROVISIONS		
Provision for employee benefits	163.07	*132.90*
Proposed Dividend (Refer to Note No. 37)	—	*574.70*
Tax on Dividend	—	*117.00*
Provision for Income Tax (Net of Advance Tax of ₹ Nil Lakhs [Previous Year: ₹ 0.41 Lakhs]	—	*1.20*
	163.07	*825.80*
FOOTNOTE:		
Amount remitted during the year in Foreign Currency on account of dividend	2016-17	*2015-16*
1. Number of Shareholders	2	*2*
2. Number of Shares held	1,494,000	*1,494,000*
3. Amount remitted (in ₹ Lakhs)	149.40	*74.70*
4. Year to which dividend relates	2015-16	*2014-15*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11. Property, Plant and Equipment

(₹ in Lakhs)

	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Opening as at 1-04-2016	Additions during the year	Deductions during the year	Closing as at 31-03-2017	Up to 1-04-2016	For the year	Deductions during the year	Up to 31-03-2017	As at 31-03-2017	*As at 31-03-2016*
TANGIBLE ASSETS:										
Land : Freehold	5.89	—	—	5.89	—	—	—	—	5.89	*5.89*
Previous Year	*5.89*	—	—	*5.89*	—	—	—	—	*5.89*	
Buildings	725.89	—	—	725.89	388.36	41.19	—	429.55	296.34	*337.53*
Previous Year	*725.89*	—	—	*725.89*	*347.14*	*41.22*	—	*388.36*	*337.53*	
Plant & Machinery	31,349.09	767.08	—	32,116.17	13,786.34	841.52	—	14,627.86	17,488.31	*17,562.75*
Previous Year	*31,278.54*	*70.55*	—	*31,349.09*	*12,942.68*	*843.66*	—	*13,786.34*	*17,562.75*	
Furniture & Fixtures	130.15	—	—	130.15	77.63	6.09	—	83.72	46.43	*52.52*
Previous Year	*79.30*	*50.85*	—	*130.15*	*70.12*	*7.51*	—	*77.63*	*52.52*	
Office Equipments	71.97	7.09	0.50	78.56	63.77	3.93	0.24	67.46	11.10	*8.20*
Previous Year	*67.42*	*4.55*	—	*71.97*	*60.56*	*3.21*	—	*63.77*	*8.20*	
TOTAL	32,282.99	774.17	0.50	33,056.66	14,316.10	892.73	0.24	15,208.59	17,848.07	*17,966.89*
Total Previous Year	*32,157.04*	*125.95*	—	*32,282.99*	*13,420.50*	*895.60*	—	*14,316.10*	*17,966.89*	

	₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
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 fully paid up in 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*
132 (Previous Year: 132) Equity Shares of ₹ 1 each fully paid up in Colgate Palmolive India Limited.....	*		*
233 (Previous Year: 233) Equity Shares of ₹ 1 each fully paid up in Jaykay Enterprises Limited.....	0.02		*0.02*
46 (Previous Year: 46) Equity Shares of ₹ 10 each fully paid up in J. K. Cement Limited.....	*		*
7 (Previous Year: 7) Equity Shares of ₹ 10 each fully paid up in ORG Infomatics Limited.....	*		*
4,665 (Previous Year: 4,665) Equity Shares of ₹ 2 each fully paid up in ICICI Bank Limited.....	0.51		*0.51*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
12 (Previous Year: 12) Equity Shares of ₹ 10 each fully paid up in GE Power India Limited	*		*
1 (Previous Year: 1) Equity Shares of ₹ 10 each fully paid up in UltraTech Cement Limited	*		*
		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*
DHFL Pramerica Short Maturity Fund Regular Plan Growth 903,524.210 (Previous Year: 903,524.210) Units of ₹ 10 each		193.00	*193.00*
Kotak Income Opportunity Fund Direct Plan-Growth 507,378.49 (Previous Year: NIL) Units of ₹ 10 each.		90.00	—
ICICI Equity Arbitrage Fund 325,456.929 (Previous Year: NIL) Units of ₹ 10 each		46.21	—
		569.50	*433.29*

* Investments Value less than ₹ 1,000

Aggregate amount of Quoted Investments:		
Cost	215.53	*215.53*
Market Value	48,371.18	*21,901.12*
Aggregate Net Asset Value of units in Mutual Funds	444.56	*275.90*

13. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Capital Advances	—	*0.72*
Sundry Deposits	37.91	*239.50*
Prepaid Expenses	14.07	*15.19*
Advance Payment of Taxes [Net of provisions of ₹ 6,345.20 Lakhs (Previous Year : ₹ 8,552.35 Lakhs)]	142.26	*254.55*
MAT Credit entilement	—	*128.00*
	194.24	*637.96*

14. CURRENT INVESTMENTS

Investment in Mutual Fund:		
Unquoted (at cost or market value whichever is lower):		
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend 10,073,425.222 (Previous Year: Nil) Units of ₹ 10 each	1,015.43	—
SBI Premier Liquid Fund - Regular Plan - Daily Dividend 122,656.848 (Previous Year: Nil) Units of ₹ 1,000 each	1,230.55	—
JM Money Manager Fund - Super Plus Plan - Direct - Daily Dividend (479) 8,105,559.005 (Previous Year: 5,768,071.463) Units of ₹ 10 each	819.22	*578.44*
HDFC - Floating Rate Income Fund – Short Term Plan – Direct Plan – Wholesale Option – Growth Option 3,649,700.882 (Previous Year: Nil) Units of ₹ 10 each	1,020.41	—
Birla Sunlife Saving Fund – Growth – Direct Plan 289,221.350 (Previous Year: Nil) Units of ₹ 100 each	925.00	—
	5,010.61	*578.44*
Aggregate Net Asset Value of units in Mutual Funds	5,026.17	*578.75*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
15. INVENTORIES		
(At lower of Cost and Net Realisable Value)		
Raw Materials	387.53	*280.13*
Finished Goods	67.97	*578.78*
Stores, Spare Parts and Packing materials	655.22	*552.14*
	1,110.72	*1,411.05*
16. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment	32.10	*100.73*
Less: Provision for Doubtful Debts	—	*(100.73)*
	32.10	—
Others	3,284.69	*3,266.01*
	3,316.79	*3,266.01*
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents:		
Cash on hand	2.75	*1.33*
Balances With Banks :		
In Current Account	5.38	*36.19*
In Deposit Account having maturity less than 3 months	—	*89.48*
	8.13	*127.00*
Other Bank Balances:		
In Unpaid Dividend Account	38.40	*38.53*
	38.40	*38.53*
	46.53	*165.53*
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Intercorporate Deposits*	3,000.00	*4,400.00*
Advance to Gratuity Fund	—	*21.86*
Advance to Employees	0.50	*0.25*
Sundry Deposits	31.60	*34.90*
Balances with Excise, Customs, Sales tax etc.	2,749.44	*2,072.51*
Advance Payment of Taxes [Net of Provision of ₹ 2.56 Lakhs (Previous Year: ₹ Nil)]	0.42	—
Prepaid Expenses	66.64	*51.69*
Advance for Purchase of Materials	51.40	*31.89*
Advance for Expenses	59.65	*32.19*
	5,959.65	*6,645.29*

* [The Company has given Intercorporate Deposits (ICD) for general business purposes to Archway Investments Ltd. ₹ NIL (Previous Year: ₹ 1,400 Lakhs) and Macrofil Investment Ltd. ₹ 3,000 Lakhs (Previous Year: ₹ 3,000 Lakhs). The interest rate of the said ICDs 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*
Interest Accrued but not due on sundry deposits	37.43	*16.21*
Other Receivables	56.26	—
	93.69	*17.66*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
20. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) CONTINGENT LIABILITY:		
In respect of matters which are contested by the Company		
(a) Income Tax demand	—	*128.32*
(b) Sales Tax demand	287.18	—
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*
(b) Other Commitment		
The Company has entered into a long term agreement with GAIL (India) Limited (GAIL) for purchase of Natural Gas. The agreement is valid till 30th April, 2028. As per the said agreement, the Company under 'Take or Pay obligation' clause has to make payment for a fixed quantity of gas on an annual basis, whether used or not. GAIL has the discretion to waive off the Take or Pay charges. A request for supply of Make Up gas can be made by the Company corresponding to Take or Pay deficiencies which are outstanding and for which the Company would pay to GAIL at the time of annual programme.		
(c) Refer to Note No. 33 regarding lease commitment		

	₹ in Lakhs	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
21. REVENUE FROM OPERATIONS			
SALE OF PRODUCTS:			
Hydrogen Peroxide	28,190.73		*25,347.72*
Hydrogen Gas	266.25		*687.52*
GROSS TOTAL	28,456.98		*26,035.24*
Less: Excise duty	2,927.00		*2,694.62*
TOTAL		25,529.98	*23,340.62*
Dividend on Non Trade Investments (Long-term) from Investments activities		46.04	*45.63*
OTHER OPERATING REVENUE:			
Sale of Scrap		13.66	*9.91*
Discount received		2.00	*2.96*
		25,591.68	*23,399.12*
22. OTHER INCOME			
Interest income from Banks on Fixed Deposits		0.19	*4.25*
Interest income from Intercorporate Deposits		459.74	*656.25*
Other Interest income		8.79	*16.21*
Dividends (Long Term)			
On Trade Investments	19.97		*24.44*
On Non-Trade Investments	0.34		*0.28*
On Other Investments (Dividends Current)	101.18		*26.97*
		121.49	*51.69*
Profit on Sale of Current Investments		6.08	—
Foreign Exchange Fluctuation (Net)		7.16	—
Profit on Sale of Property, Plant and Equipment		0.16	—
Trade Payables Written Back		—	*83.59*
		603.61	*811.99*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
23. COST OF RAW MATERIAL CONSUMED		
Opening Stock	280.13	*494.68*
Add: Purchases	6,065.97	*7,804.33*
	6,346.10	*8,299.01*
Less: Closing Stock	387.53	*280.13*
Cost of material consumed	5,958.57	*8,018.88*
Material consumed comprises of:		
Natural Gas	3,793.31	*5,609.05*
Solvents and Chemicals	1,360.86	*1,609.34*
Others	804.40	*800.49*
	5,958.57	*8,018.88*
24. CHANGES IN INVENTORY OF FINISHED GOODS		
OPENING BALANCE:		
Hydrogen Peroxide	578.78	*540.51*
CLOSING BALANCE:		
Hydrogen Peroxide	67.97	*578.78*
Net Decrease/(Increase) in Inventories	510.81	*(38.27)*
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Other Benefits	1,808.33	*1,485.96*
Contributions to Provident and Other Funds (Refer to Note No. 29)	220.16	*219.84*
Workmen and Staff Welfare Expenses	277.36	*231.62*
	2,305.85	*1,937.42*
26. FINANCE COSTS		
Interest on Borrowings	186.78	*521.60*
Other Interest	26.71	*15.00*
OTHER BORROWING COST:		
Discounting Charges	—	*1.90*
	213.49	*538.50*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	₹ in Lakhs	2016-2017 ₹ in Lakhs	*2015-2016 ₹ in Lakhs*
27. OTHER EXPENSES			
MANUFACTURING, ADMINISTRATION AND SELLING EXPENSES:			
Excise Duty (Relating to Closing Stock)	(66.30)		*27.88*
Insurance	40.45		*44.09*
Rent	44.92		*45.47*
Rates and Taxes	37.11		*33.58*
Commission and Discount	28.94		*31.15*
Packing and Containers	1,962.34		*2,219.81*
Power, Fuel and Water	3,020.10		*3,291.97*
Stores and Spare Parts Consumed	669.81		*340.26*
Repairs and Maintenance – Buildings	4.29		*2.12*
Repairs and Maintenance – Machinery	704.80		*425.51*
Freight Outward	2,293.51		*2,263.93*
Legal & Professional Fees	332.79		*125.45*
Sundry Expenses	870.59		*730.43*
		9,943.35	*9,581.65*
AUDITORS' REMUNERATION:			
(i) Audit Fees	10.05		*10.00*
(ii) Other Matters	8.54		*6.52*
		18.59	*16.52*
Foreign Exchange Fluctuation (Net)		—	*9.17*
Bad Debts	100.73		*1.05*
Less: Adjust against Provision for Doubtful Debts	(100.73)		—
		—	*1.05*
Provision for Doubtful Debts		—	*100.73*
Expenditure on Corporate Social Responsibility		74.05	*94.06*
Commission to Non Executive Directors	65.16		*33.35*
Less: Reversal of previous year excess commission to Non Executive Directors	(10.01)		—
		55.15	*33.35*
Directors Sitting Fees		16.27	*11.74*
		10,107.41	*9,848.27*
28. EXCEPTIONAL ITEM			
Refund received from Maharashtra State Electricity Distribution Co. Ltd. towards tariff difference between continuous supply and non-continuous supply for the period October 2013 to July 2015		(414.19)	—
Provision for expected loss on reduction in net realisable value of Capital Work in Progress		20.86	*91.53*
		(393.33)	*91.53*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2016-17 ₹ in Lakhs	*2015-16 ₹ 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	94.11	*87.18*
(ii) Superannuation Fund	51.16	*49.91*
	145.27	*137.09*
(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	987.38	*847.16*
(ii) Fair value of plan assets	(912.49)	*(764.41)*
Amounts in the Balance Sheet		
Liabilities (Refer to Note No. 9)	(74.89)	*(82.75)*
The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:		
(i) Current service cost	32.98	*32.72*
(ii) Interest on obligation	57.26	*60.00*
(iii) Expected return on plan assets	(53.39)	*(46.66)*
(iv) Net actuarial losses/(gains) recognised in year	(44.71)	*(136.64)*
(v) Past service cost	—	—
(vi) Expenses recognized in the Consolidated Statement of Profit and Loss (Refer to Note No. 25)	(7.86)	*(90.58)*
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	847.16	*821.50*
(ii) Service cost	32.98	*32.72*
(iii) Interest cost	57.26	*60.00*
(iv) Actuarial losses/(gains)	58.39	*46.08*
(v) Past service cost	—	—
(vi) Benefits paid	(8.41)	*(113.14)*
(vii) Closing defined benefit obligation	987.38	*847.16*
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	764.41	*648.17*
(ii) Expected return	53.39	*46.66*
(iii) Actuarial (losses)/gains	103.10	*182.72*
(iv) Contribution by employer	—	—
(v) Benefits paid	(8.41)	*(113.14)*
(vi) Closing fair value of plan assets	912.49	*764.41*
The major categories of plan assets as a percentage of total plan assets are as follows:		
Category of Assets	2016-17	*2015-16*
(i) Government of India Securities	29%	*17%*
(ii) Corporate Bonds	46%	*67%*
(iii) Special Deposit Scheme	11%	*14%*
(iv) Others	14%	*2%*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2016-17	*2015-16*
Principal actuarial assumptions at the Balance Sheet date are as follows:		
(i) Discount rate at 31st March	7.10% p.a.	*7.75% p.a.*
(ii) Expected return on plan assets at 31st March	7.50% 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.

	2012-13 (₹ in Lakhs)	*2013-14 (₹ in Lakhs)*	*2014-15 (₹ in Lakhs)*	*2015-16 (₹ in Lakhs)*	*2016-17 (₹ in Lakhs)*
Defined Benefit Obligation	*592.46*	*653.16*	*821.50*	*847.16*	*987.38*
Plan Assets	*501.67*	*609.66*	*648.17*	*764.41*	*912.49*
Surplus/(Deficit)	*(90.78)*	*(43.50)*	*(173.33)*	*(82.75)*	*(74.89)*
Experience Adjustment on Plan Liabilities	*58.30*	*67.69*	*110.46*	*36.62*	*32.76*
Experience Adjustment on Plan Assets	*10.40*	*11.69*	*22.09*	*182.72*	*103.10*

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 2017-18 is ₹ 74.89 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:

	2016-17 ₹ in Lakhs	*2015-16 ₹ in Lakhs*
(i) Present value of funded obligations	80.69	*74.46*
(ii) Fair value of plan assets	—	—
Amounts in the Balance Sheet		
Liabilities	80.69	*74.46*
The amounts recognised in the Consolidated Statement of Profit and Loss are as follows:		
(i) Current service cost	1.98	*1.84*
(ii) Interest on Defined benefit obligation	5.41	*5.38*
(iii) Expected return on plan assets	—	—
(iv) Net actuarial losses/(gains) recognised in year	6.76	*1.82*
(v) Past service cost	—	—
(vi) Expenses recognized in the Consolidated Statement of Profit and Loss	14.15	*9.04*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2016-17 ₹ in Lakhs	*2015-16 ₹ 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	74.46	*72.50*
(ii) Service cost	1.98	*1.84*
(iii) Interest cost	5.41	*5.38*
(iv) Actuarial losses/(gains)	6.76	*1.82*
(v) Past service cost	—	—
(vi) Benefits paid	(7.92)	*(7.08)*
(vii) Closing defined benefit obligation	80.69	*74.46*
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	7.92	*7.08*
(v) Benefits paid	(7.92)	*(7.08)*
(vi) Closing fair value of plan assets	—	—

Principal actuarial assumptions at the Balance Sheet date are as follows:	2016-17	*2015-16*
(i) Discount rate at 31st March	7.10% p.a.	*7.75% 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:	2016-17 ₹ in Lakhs	*2015-16 ₹ in Lakhs*
Defined Benefit Obligation	80.69	*74.46*
Plan Assets	—	—
Surplus/(Deficit)	(80.69)	*(74.46)*
Experience Adjustment on Plan Liabilities	4.05	*1.02*
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	2016-17 ₹ in Lakhs	*2015-16 ₹ in Lakhs*
Mr. S. R. Lohokare	Managing Director	Remuneration for the year	255.49	*228.26*
		Remuneration payable	6.32	*5.42*

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.

Information about Primary Business Segments	2016-17 ₹ in Lakhs	*2015-16 ₹ in Lakhs*
1. SEGMENT REVENUE		
Peroxygen	25,545.64	*23,353.49*
Others	46.04	*45.63*
Unallocated	603.61	*811.99*
Total Revenue	26,195.29	*24,211.11*
2. SEGMENT RESULTS (Profit before Tax)		
Peroxygen	6,164.46	*2,600.81*
Others	45.18	*44.88*
Unallocated:		
Interest Paid	(213.49)	*(538.50)*
Other Income	603.61	*811.99*
	390.12	*273.49*
Profit before Taxes	6,599.76	*2,919.18*
Less: Provision for taxes	(1,768.78)	*(1,074.29)*
Profit after Taxes	4,830.98	*1,844.89*
3. OTHER INFORMATION		
(i) SEGMENT ASSETS:		
Peroxygen	25,554.01	*25,524.97*
Others	471.42	*336.08*
Unallocated	8,292.55	*5,569.96*
Total	34,317.98	*31,431.01*
(ii) SEGMENT LIABILITIES:		
Peroxygen	2,815.86	*2,304.38*
Others	0.43	*1.73*
Unallocated	4,271.17	*6,725.36*
Total	7,087.46	*9,031.47*
(iii) CAPITAL EXPENDITURE INCURRED:		
Peroxygen	677.86	*129.11*
Others	—	—
Unallocated	—	—
Total	677.86	*129.11*
(iv) DEPRECIATION:		
Peroxygen	892.73	*895.60*
Others	—	—
Unallocated	—	—
Total	892.73	*895.60*
(v) NON CASH EXPENDITURE OTHER THAN DEPRECIATION:		
Peroxygen	102.30	*100.22*
Others	—	—
Unallocated	—	—
Total	102.30	*100.22*

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

32. Earning Per Share:

		2016-17	*2015-16*
a.	Profit for the year (₹ in lakhs)	4,830.98	*1,844.89*
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 ₹)	84.06	*32.10*

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 31.03.2017 ₹ in Lakhs	*As at 31.03.2016 ₹ in Lakhs*
(a)	Total of minimum lease payments for a period:		
	– Not later than one year	18.19	*17.34*
	– Later than one year but not later than five years	14.30	*21.93*
	– Later than five years	—	—
(b)	Lease payments recognised in the Consolidated Statement of Profit and Loss for the year	19.61	*17.91*

34. Unhedged Foreign Currency Exposures:

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

Particulars	2016-17		*2015-16*	
	(₹ in Lakhs)	(Fx in Lakhs)	*(₹ in Lakhs)*	*(Fx in Lakhs)*
Import of goods	139.20	USD 2.15	—	—
Other	9.71	GBP 0.12	—	—

Note : Fx = Foreign Currency; USD = US Dollar; GBP = Great Britain Pound

35. 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)
	2016-17			
Parent	98.36%	26,784.60	99.04%	4,784.84
Indian Subsidiary	1.64%	445.92	0.96%	46.14
Total	100.00%	27,230.52	100.00%	4,830.98
	2015-16			
Parent	*98.22%*	*21,999.76*	*97.41%*	*1,797.08*
Indian Subsidiary	*1.78%*	*399.78*	*2.59%*	*47.81*
Total	*100.00%*	*22,399.54*	*100.00%*	*1,844.89*

36. During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017 on the details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in Lakhs

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hands as on November 8, 2016	4.01	0.37	4.38
Add: Permitted receipts	0.20	10.70	10.90
Less: Permitted payments	—	7.77	7.77
Less: Amount deposited in banks	4.21	—	4.21
Closing cash in hands as on December 30, 2016.....	—	3.30	3.30

37. Proposed Dividend on Equity Shares :

Particulars	2016-17 ₹ in Lakhs
Final cash dividend for the year ended on March 31, 2017: ₹ 34 per Equity share of ₹ 10/- each	1,953.98
Dividend distribution tax (DDT) on proposed dividend	397.79
Total	2,351.77

38. 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. J. CHAUHAN
Chief Financial Officer

SEEMA JAGNANI
Company Secretary

R. BATRA
N. P. GHANEKAR
S. RAGOTHAMAN
MINNIE BODHANWALA
— *Directors*

Mumbai, 23rd May, 2017

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, 2017

(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. 1st April, 2016 to 31st March, 2017
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	445.89
6.	Total assets	471.84
7.	Total Liabilities (Excluding Share Capital and Reserves and Surplus)	0.45
8.	Investments	467.67
9.	Turnover	46.23
10.	Profit before taxation	45.37
11.	Provision for taxation	(0.77)
12.	Profit after taxation	46.14
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. J. CHAUHAN, *Chief Financial Officer*
SEEMA JAGNANI, *Company Secretary*
R. BATRA, N. P. GHANEKAR, S. RAGOTHAMAN, MINNIE BODHANWALA — *Directors*

Mumbai, 23rd May, 2017

TEN YEAR STANDALONE FINANCIAL STATISTICS

(₹ in Lakhs)

As at/Year ended 31st March	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	**2016-17**
Assets Employed :										
Fixed Assets less Depreciation & CWIP	9206.44	8820.20	8416.42	10275.99	12040.29	11356.33	15754.51	19134.48	18275.78	**18016.25**
Investments	127.33	127.33	127.33	2177.42	2398.01	5860.87	1029.44	958.59	705.77	**5137.94**
Net Current Assets	932.89	944.60	761.57	2544.18	2332.92	1611.85	4747.48	8138.38	6558.58	**6922.70**
Miscellaneous Expenditure	27.20	18.49	9.17	2.07	—	—	—	—	—	**0.00**
Loans & Advances (Net)	—	—	—	—	157.40	785.43	1285.49	712.53	438.92	**(84.79)**
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	4950.51	6342.72	7290.45	12301.29	14252.14	17230.44	20083.71	20319.68	21425.06	**26209.90**
Loan Funds	3453.49	1649.41	144.84	885.17	526.43	102.65	403.79	5299.44	1033.10	**105.33**
Deferred Tax Liability	1315.16	1343.79	1304.50	1238.50	1575.35	1706.69	1754.72	2750.16	2946.19	**3102.17**
Profits & Appropriations :										
Sales & other Income	11032.49	13602.64	12250.66	18487.70	15616.72	21731.46	24062.71	20266.14	24161.23	**26149.06**
Manufacturing Expenses	8237.21	9366.14	8886.62	8976.64	10685.44	14552.51	17229.76	17435.73	19857.08	**18488.45**
Interest	339.04	300.22	127.40	75.84	40.75	34.72	21.65	468.40	538.50	**213.49**
Depreciation	784.60	820.73	830.83	840.96	1002.19	1100.23	973.44	721.31	895.60	**892.73**
Profit Before Tax	1671.64	3115.55	2405.81	8594.26	3888.34	6044.00	5837.86	1640.70	2870.05	**6554.39**
Taxation	593.76	1050.97	785.71	2801.99	1140.22	2063.34	1976.03	1017.21	1072.97	**1769.55**
Profit After Tax	1077.88	2064.58	1620.10	5792.27	2748.12	3980.66	3861.83	623.49	1797.08	**4784.84**
Dividend :										
– Amount	459.76	574.70	574.70	689.64	689.64	862.05	862.05	287.35	574.70	**1953.98**
– Percentage	80%	100%	100%	120%	120%	150%	150%	50%	100%	**340%**
Earning Per Share (EPS) (₹)	18.76	35.92	28.19	100.79	47.82	69.26	67.20	10.85	31.27	**83.26**

Notes:

1. Reserves & Surplus includes revaluation reserve.
2. Sales and other Income include excise duty, sale of Assets etc.
3. Dividend amount does not include Corporate Dividend Tax.

NOTES

National Peroxide Limited

Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400 001
Head Office: C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025
(CIN: L24299MH1954PLC009254)
Email: secretarial@naperol.com • Website: www.naperol.com
Phone: 022-66620000 • Fax: 022-66193421

ATTENDANCE SLIP

63RD ANNUAL GENERAL MEETING — 9th August, 2017

Name and Address of the Member :

Name of Joint Holder(s) :

DP ID & Client ID / Folio No. :

No. of shares held :

I certify that I am a registered Member / Proxy for the registered Member of the Company. I hereby record my presence at the 63rd Annual General Meeting of the Company at Sunville Banquet & Conference Rooms, 9, Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai 400 018 on Wednesday, 9th August, 2017 at 4.00 p.m.

Name of Member/Proxy

Signature of Member/Proxy

NOTE:

1) Members/Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.
2) Members attending the meeting are requested to bring their copy of the Annual Report with them.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	PAN / Sequence No.

NOTE: Please read the complete instructions given under Note No. (q) on Voting through Electronic Means to the Notice of Annual General Meeting. The voting time starts from 6th August, 2017 (9.00 a.m.) and ends on 8th August, 2017 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

Attendance slip.indd 1 Please check thoroughly. Vakils will not be responsible for errors not noted on this proof. 7/7/2017 6:39:37 PM

National Peroxide Limited

Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001
Head Office: C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025
(CIN: 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 63rd Annual General Meeting of the Company to be held on Wednesday, 9th August, 2017 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*	
Ordinary Business		For	Against
1	Adoption of the Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the financial year ended on 31st March, 2017, and the Reports of the Board of Directors and Auditors thereon		
2	Declaration of Dividend for the financial year ended 31st March, 2017		
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. Price Waterhouse, Chartered Accountants LLP, as Statutory Auditors of the Company		
Special Business			
5	Approval of the Remuneration of the Cost Auditors, M/s. D. C. Dave & Co.		
6	Re-appointment of Mr. S. R. Lohokare as Managing Director		

Signed this _____ day of _____ 2017.

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 SAFETY COUNCIL OF INDIA

GREEN TRIANGLE FOR SAFETY

SAFETY AWARDS - 2015

Manufacturing Sector

Group-B: Manufacturing Chemicals & Chemical Products, Manufacture of pharmaceuticals, medicinal chemical and botanical products

CERTIFICATE OF APPRECIATION

This Certificate is awarded to

National Peroxide Ltd.
Vadavli, Kalyan, Maharashtra

in recognition of appreciable achievement in Occupational Safety & Health during the Assessment Period of three years - 2012 to 2014

Vinod Sant

V. B. SANT
DIRECTOR GENERAL

Navi Mumbai: 6 April, 2016

National Peroxide Limited

Registered Office:

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

vakils