



National Peroxide Limited

Report  junction.com



Annual Report 2001-2002

(Registered — 16th March, 1954)

DIRECTORS (as on 29th May, 2002)

NUSLI N. WADIA	Chairman
P.V. KUPPUSWAMY	Vice-Chairman
H.C. BHAWAT	
B.L. PARANJAPE	
R.K. PITAMBER	
K.N. SUNTOOK	
NESS N. WADIA	
I.C. JAIN	Nominee Director
C. DE SLOOVER	
M. FRIESEWINKEL	
E. MIGNONAT	
D.B. ENGINEER	Alternate to E. MIGNONAT
S.R. LOHOKARE	Wholetime Director

BANKERS

STATE BANK OF INDIA
CANARA BANK
STATE BANK OF INDORE

SOLICITORS AND ADVOCATES

CRAWFORD BAYLEY & Co.

AUDITORS

S.B. BILLIMORIA & Co.
Chartered Accountants

REGISTERED OFFICE

NEVILLE HOUSE,
BALLARD ESTATE,
MUMBAI-400 001.

FACTORY

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

CONTENTS

Notice	2
Directors' Report	9
Auditors' Report	27
Balance Sheet	30
Profit & Loss Account	31
Schedules to the Balance Sheet	32
Schedules to the Profit and Loss Account	37
Notes to the Accounts	39
Cash Flow Statement	46
Consolidated Auditors' Report	49
Consolidated Balance Sheet	50
Consolidated Profit & Loss Account	51
Schedules to the Consolidated Balance Sheet	52
Schedules to the Consolidated Profit & Loss Account	56
Notes to the Consolidated Accounts	57
Consolidated Cash Flow Statement	61
Naperol Investments Limited	62
Wonderlene Investments Limited	75



NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of NATIONAL PEROXIDE LIMITED will be held at Patkar Hall, N. B. Thackersey Road, New Marine Lines, Mumbai 400 020 on Monday, 29th July, 2002 at 3.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Nusli N. Wadia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.V. Kuppaswamy who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. H.C. Bijawat who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. Christian De Sloover who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Messrs. S.B. Billimoria & Co., as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business :

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :

- (a) Article 2(1) of the Articles of Association shall include the following definitions at the appropriate places :

"Abridged Prospectus	"Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be prescribed."
"Derivative	"Derivative" has the same meaning as in clause (aa) of Section 2 of the Securities Contracts (Regulation) Act, 1956."
"Hybrid	"Hybrid" means any security which has the character of more than one type of security, including their derivatives."
"Information Memorandum	"Information Memorandum" means a process undertaken prior to the filing of a prospectus by which a demand for the securities proposed to be issued by the Company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document."
"Listed Public Companies	"Listed Public Companies" means a Public Company which has any of its securities listed in any recognized Stock Exchange."
"Officer	"Officer" includes any Director, Manager, or Secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act."



“Option in Securities

“Option in Securities” has the same meaning as in clause (d) of Section 2 of the Securities Contracts (Regulation) Act, 1956.”

“Postal Ballot

“Postal Ballot” has the same meaning as defined under Section 192A of the Act.”

“Securities

“Securities” means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes hybrids.”

- (b) In article 2(1) of the Articles of Association of the Company, the definition of “dividend” shall be altered as follows :

“Dividend

“Dividend” includes Interim Dividend and Bonus.”

- (c) In the existing Article 8(1), the words “and 88” be deleted.
 (d) Article 30(1) shall be substituted by the following new Article.

30(1) The Company shall have the power to purchase its own shares or other specified securities, subject to the procedure prescribed in the Act, out of its free reserves, the securities premium account or the proceeds of any shares or specified securities.

- (e) Article 57 shall be substituted with the following new Article.

(57) Any person who becomes a nominee (in accordance with the provisions of the Act) of the registered member of the company, and upon the production of such evidence as may be required by the Board may elect to either be registered as a holder of the shares or debentures as the case may be, or may make such transfer of the shares or debentures, as the case may be in accordance with the procedure prescribed under the Act from time to time thereof in force.

- (f) Article 58 of the Articles of Association of the Company shall be deleted.

- (g) After Article 71, the following Article will be inserted as Article 71A and 71B and shall read as follows :

“Nomination

71(A) (1) Every holder of share(s) in, or holder of debenture(s) of the Company, may under the Act at any time, nominate, in the prescribed manner, a person to whom his share(s) in, or debenture(s) of, the Company shall vest in the event of his death.

(2) Where the share(s) in, or debenture(s) of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the share(s), or debenture(s) of the Company shall vest in the event of death of all the joint holders.

(3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, or debenture(s) of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the share(s) in, or debenture(s) of the Company, the nominee shall, on the death of the shareholder or holder of the debentures of the Company or as the case may be on death of the joint holders become entitled to all the rights in the share(s) or debenture(s) of the Company or as the case may be, all the joint holders, in relation to such share(s) in or debenture(s) of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the holder of the share(s) or holder of debenture(s) to make a nomination to appoint, in the prescribed manner, any person to become entitled to share(s) in or debenture(s) of the Company, in the event of his death, during the minority.

“Transmission through Nomination

71(B) (1) Notwithstanding anything contained in these Articles any person who becomes a nominee by virtue of the provisions of Article 71A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, either elect:



- a) To register himself as holder of the share(s) or debenture(s) as the case may be;
- b) To make such transfer of the share(s) or debenture(s) as the case may be as the deceased shareholder or debenture holder as the case may be could have made.
- (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) or debenture(s) himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder as the case may be.
- (4) A person being a nominee becoming entitled to a share(s) or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) or debenture(s) except that he shall not before being registered a member in respect of his share(s) or debenture(s) be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company :
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) or debenture(s), until the requirements of the notice have been complied with.
- (h) After Article 113 the following Article will be inserted as Article 113A and shall read as follows :
- “Postal Ballot
- 113A The Company may pursuant to the provision of Section 192A of the Companies Act, 1956 and in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, including any statutory modification for the time being in force or re-enactment thereof or any amendments made thereto from time to time and in case of Resolutions as the Central Government may notify from time to time to be conducted only by Postal Ballot shall get the said Resolution passed by means of a Postal Ballot instead of transacting the business in the General Meeting of the Company.
- (i) In Article 148, the existing clause be renumbered as (1) and hereafter the following clause (2) be inserted :
- (2) A Director who is also a director of a public company which has not filed the annual accounts and annual returns for continuous three financial years commencing on and after the first day of April, 1999; or has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more shall be disqualified from continuing as a Director and such directorship shall be deemed to be void.
- (j) In the existing Article 148 wherever the words “twenty companies” appear to be substituted by the words “fifteen companies or such other number of companies as may be specified by the Companies Act 1956 or such other law, rules or regulations from time to time in force.”
- (k) In the existing Article 154(1), the following sub-clause (aa) shall be inserted after the existing sub-clause (a) :
- (aa) The power to authorize the buy-back of the Company’s shares or other specified securities, in accordance with the procedure prescribed under the Act.
- (l) In the existing Article 268 and Article 269 wherever the words “forty two days” appear, to be substituted by the words “thirty days or such other period as may be specified by the Companies Act, 1956, or such other law, rules or regulations from time to time in force.”



(m) After Article 268, the following Article will be inserted as Article 268A and shall read as follows :

“Payment of Dividend

268A The amount of Dividend including Interim Dividend shall be deposited in a separate bank account within five days from the date of declaration of such dividend.”

(n) Article 269(3) shall be substituted by the following new Article.

269(3) Any money transferred to the unpaid Dividend Account of the Company which remains Unpaid or Unclaimed for a period of seven years or such other period as may be specified by the Companies Act 1956 or such other law, rules or regulations from time to time in force, from the date of such transfer, shall be transferred by the Company to the “Investor Education and Protection Fund”, established under sub-section (1) of section 205C of the Act.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER. The instruments appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (b) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Item No. 8 is annexed hereto.
- (c) The Share Transfer Books and the Register of Members of the Company will remain closed from Friday, 19th July, 2002 to Monday, 29th July, 2002, both days inclusive.
- (d) The dividend as may be declared shall be payable to members of the Company, on or after 1st August, 2002, whose names appear:
 - (i) as Beneficial Owners as at the end of the business hours on 29th July, 2002, as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., in respect of the shares held in electronic form; and
 - (ii) as members on the Register of Members of the Company as on 29th July, 2002.
- (e) Members are requested to submit Bank Account particulars/ECS mandate form (provided in this Annual Report), if not already done so, to Sharex (India) Pvt. Ltd., at their address given below, quoting their folio numbers. The aforesaid information should reach Sharex (India) Pvt. Ltd. on or before 19th July, 2002.
- (f) In terms of Section 205-C introduced by the Companies (Amendment) Act, 1999, read with Section 205-A of the Companies Act, 1956, as amended, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrants for the Financial Years ended 31st March, 1995; 31st March 1996; 31st March, 1997 and 31st March, 2001 are advised to submit their claim to Sharex (India) Pvt. Ltd., at their address given below, quoting their folio numbers.
- (g) The unclaimed dividends for the year ended 31st March, 1994 and previous years, declared by the Company have been transferred to the general revenue account of the Central Government in terms of Section 205(A) of the Companies Act, 1956. Shareholders who have not encashed their dividend warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli (E), Mumbai - 400 033.
- (h) Members are requested to notify immediately any change of address to the Company's Share Transfer Agents, Sharex (India) Pvt. Ltd. (earlier known as HAMCO Share Registry Pvt. Ltd.) at the following address :

17/B, Dena Bank Building
2nd Floor, Horniman Circle
Fort, Mumbai - 400 001.
Tel: 270 2485/264 1376



- (i) Members desiring any information or clarification as regards the Accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to reply at the Meeting.
- (j) Members/Proxies should bring the Attendance Slip sent herein duly filled in for attending the Meeting.
- (k) Members are requested to bring the copy of the Annual Report to the Meeting.
- (l) The dividend will be taxable in the hands of the recipient in accordance with the Finance Act, 2002 and the Company will be obliged to deduct income-tax at source from the dividend where dividend amount exceeds Rs. 1000/-. No income-tax will be deducted at source from dividend payable to individual resident shareholders if Form 15G, in duplicate, is submitted to the Company/Registrars by 19th July, 2002.
- (m) As required in terms of Paragraph VI(A) of Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for re-appointment are furnished below :

1. Mr. Nusli N. Wadia :

Mr. Nusli N. Wadia, 58, was inducted on the Company's Board in 1977 and is the Chairman of the Company since September 1996.

Mr. Wadia has contributed actively in deliberations of various organizations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Millowners' Association (MOA), Associated Chambers of Commerce & Industry of India etc. He is the former Chairman of TEXPROCIL and also of MOA.

Mr. Wadia has been continuously appointed on the Prime Minister's Council on Trade & Industry since 1998. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian industry and on the Special Subject Group on Disinvestment.

Mr. Wadia has made a name for himself also in public affairs and has been actively associated with leading charitable institutions. He is also on the Managing Committee of the Nehru Centre, Mumbai.

Outside Directorship : The Bombay Dyeing & Mfg. Co. Ltd. (Chairman), The Bombay Burmah Trading Corporation Ltd. (Chairman), Citurgia Bio-chemicals Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Wadia BSN Ltd. (Chairman), Nowrosjee Wadia & Sons Ltd. (Chairman & Managing Director), Gherzi Eastern Ltd., Tata Iron & Steel Co. Ltd., Tata Chemicals Ltd., Tata Engineering & Locomotive Co. Ltd. (TELCO), Atul Ltd. and 4 foreign companies.

Committee Membership : Remuneration Committees of the Boards of The Bombay Dyeing & Mfg. Co. Ltd., TELCO (Chairman) and Britannia Industries Ltd.

2. Mr. P.V. Kuppaswamy :

Mr. P.V. Kuppaswamy, 58, was appointed as a Director in 1998 and is the Vice-Chairman of the Company since 2000. He holds B.Sc. (Chem.) and B.Sc. (Chem. Engg.) degrees and a Post-Graduate Diploma of Indian Institute of Petroleum (Petroleum Refining & Petrochemicals).

He has been for more than 22 years in Bombay Dyeing in various management positions involving Project implementation, Manufacturing, Commercial Marketing and Total Business Management. Prior to this he was, for more than 11 years, in a large Petrochemical Complex responsible for functions relating to Technical Services, Production and Projects.

Outside Directorship : The Bombay Dyeing & Mfg. Co. Ltd. (Jt. Managing Director); Citurgia Biochemicals Ltd. (Vice Chairman); Pentafil Investments Ltd.; Jasper Investments Ltd. (Chairman).

Committee Directorship : Audit Committee, Remuneration Committee, Share Transfer and Shareholders'/Investors' Grievance Committee, of the Board of National Peroxide Ltd.; Audit Committee, Remuneration Committee, Share Transfer and Shareholders'/Investors' Grievance Committee, of the Board of Citurgia Biochemicals Ltd.



(Registered — 16th March, 1954)

DIRECTORS (as on 29th May, 2002)NUSLI N. WADIA *Chairman*P.V. KUPPUSWAMY *Vice-Chairman*

H.C. BLAWAT

B.L. PARANIAPÉ

R.K. PITAMBER

K.N. SUNTOOK

NESS N. WADIA

I.C. JAIN *Nominee Director*

C. DE SLOOVER

M. FRIESEWINKEL

E. MIGNONAT

D.B. ENGINEER *Alternate to E. MIGNONAT*S.R. LOHOKARE *Wholetime Director***BANKERS**

STATE BANK OF INDIA

CANARA BANK

STATE BANK OF INDORE

SOLICITORS AND ADVOCATES

CRAWFORD BAYLEY & Co.

AUDITORS

S.B. BILLIMORIA & Co.

*Chartered Accountants***REGISTERED OFFICE**

NEVILLE HOUSE,

BALLARD ESTATE,

MUMBAI-400 001.

FACTORY

N.R.C. ROAD, P.O. ATALI,

VIA. MOHONE,

KALYAN-421 102,

DIST. THANE,

MAHARASHTRA.

CONTENTS

Notice	2
Directors' Report	9
Auditors' Report	27
Balance Sheet	30
Profit & Loss Account	31
Schedules to the Balance Sheet	32
Schedules to the Profit and Loss Account	37
Notes to the Accounts	39
Cash Flow Statement	46
Consolidated Auditors' Report	49
Consolidated Balance Sheet	50
Consolidated Profit & Loss Account	51
Schedules to the Consolidated Balance Sheet	52
Schedules to the Consolidated Profit & Loss Account	56
Notes to the Consolidated Accounts	57
Consolidated Cash Flow Statement	61
Naperol Investments Limited	62
Wonderlene Investments Limited	75



NOTICE

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of NATIONAL PEROXIDE LIMITED will be held at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 on Monday, 29th July, 2002 at 3.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Nusli N. Wadia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.V. Kuppaswamy who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. H.C. Bijawat who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. Christian De Sloover who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Messrs. S.B. Billimoria & Co., as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business :

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :

- (a) Article 2(1) of the Articles of Association shall include the following definitions at the appropriate places :

"Abridged Prospectus	"Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be prescribed."
"Derivative	"Derivative" has the same meaning as in clause (aa) of Section 2 of the Securities Contracts (Regulation) Act, 1956."
"Hybrid	"Hybrid" means any security which has the character of more than one type of security, including their derivatives."
"Information Memorandum	"Information Memorandum" means a process undertaken prior to the filing of a prospectus by which a demand for the securities proposed to be issued by the Company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document."
"Listed Public Companies	"Listed Public Companies" means a Public Company which has any of its securities listed in any recognized Stock Exchange."
"Officer	"Officer" includes any Director, Manager, or Secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act."



- (a) To be registered himself as holder of the share(s) or debenture(s) as the case may be; or
 - (b) To make such transfer of the share(s) or debenture(s) as the case may be as the deceased shareholder or debenture holder as the case may be could have made.
- (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) or debenture(s) himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder as the case may be.
- (4) A person being a nominee becoming entitled to a share(s) or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) or debenture(s) except that he shall not before being registered a member in respect of his share(s) or debenture(s) be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company :
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) or debenture(s), until the requirements of the notice have been complied with.
- (h) After Article 113 the following Article will be inserted as Article 113A and shall read as follows :
- “Postal Ballot
- 113A The Company may pursuant to the provision of Section 192A of the Companies Act, 1956 and in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, including any statutory modification for the time being in force or re-enactment thereof or any amendments made thereto from time to time and in case of Resolutions as the Central Government may notify from time to time to be conducted only by Postal Ballot shall get the said Resolution passed by means of a Postal Ballot instead of transacting the business in the General Meeting of the Company.
- (i) In Article 148, the existing clause be renumbered as (1) and hereafter the following clause (2) be inserted :
- (2) A Director who is also a director of a public company which has not filed the annual accounts and annual returns for continuous three financial years commencing on and after the first day of April, 1999; or has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more shall be disqualified from continuing as a Director and such directorship shall be deemed to be void.
- (j) In the existing Article 148 wherever the words “twenty companies” appear to be substituted by the words “fifteen companies or such other number of companies as may be specified by the Companies Act 1956 or such other law, rules or regulations from time to time in force.”
- (k) In the existing Article 154(1), the following sub-clause (aa) shall be inserted after the existing sub-clause (a) :
- (aa) The power to authorize the buy-back of the Company’s shares or other specified securities, in accordance with the procedure prescribed under the Act.
- (l) In the existing Article 268 and Article 269 wherever the words “forty two days” appear, to be substituted by the words “thirty days or such other period as may be specified by the Companies Act, 1956, or such other law, rules or regulations from time to time in force.”