

# National Peroxide Limited





# National Peroxide Limited

Annual Report 2003-2004

(Registered – 16th March, 1954)

## DIRECTORS (as on 12th May, 2004)

P. V. KUPPUSWAMY	Chairman
H. C. BIJAWAT	
R. K. PITAMBER	
K. N. SUNTOOK	
NESS N. WADIA	
C. DE SLOOVER	
E. MIGNONAT	
D. B. ENGINEER	Alternate to E. Mignonat
A. K. HIRJEE	
R. N. SETHNA	
A. L. CUMMING	
S. R. LOHOKARE	Wholtime 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.

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# National Peroxide Limited

## NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of NATIONAL PEROXIDE LIMITED will be held at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 on Thursday, 29<sup>th</sup> July, 2004 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 31<sup>st</sup> March, 2004 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 for the year ended 31<sup>st</sup> March, 2004.
3. To appoint a Director in place of Mr. K.N. Suntook who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.R. Lohokare who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. P.V. Kuppaswamy who retires by rotation and being eligible, offers himself for re-appointment.
6. 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:

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. R. N. Sethna be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Andrew L. Cumming be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

### 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 nos. 7 & 8 is annexed hereto.

- (c) The Share Transfer Books and the Register of Members of the Company will remain closed from Friday, 16<sup>th</sup> July, 2004 to Thursday, 29<sup>th</sup> July, 2004, both days inclusive.

- (d) The dividend as may be declared shall be payable to members of the Company, on or after 30<sup>th</sup> July, 2004, whose names appear:

- i) as Beneficial Owners as at the end of the business hours on 29<sup>th</sup> July, 2004, 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 29<sup>th</sup> July, 2004.

- (e) Members are requested to submit Bank Account particulars / ECS mandate, 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 15<sup>th</sup> July, 2004.

- (f) In terms of Section 205-C, read with Section 205-A of the Companies Act, 1956, 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 31<sup>st</sup> March, 1997; 31<sup>st</sup> March, 2001; 31<sup>st</sup> March, 2002 and 31<sup>st</sup> March, 2003 are advised to submit their claim to Sharex (India) Pvt. Ltd., at the address given below, quoting their folio numbers.

- (g) The unclaimed dividends for the year ended 31<sup>st</sup> 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, 2<sup>nd</sup> Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli (E), Mumbai- 400 033.

- (h) In terms of Section 109A of the Companies Act, 1956, every holder of shares/ debentures in a Company, may at any time, nominate in the prescribed manner, a person to whom his/her shares/debentures in the Company shall vest, in the event of his/her death. Members, who wish to avail of this facility, may fill the prescribed Form No.2B and forward the same to Sharex (India) Pvt. Ltd., at their address given below. The prescribed Form No.2B can be obtained from the Company or from Sharex (India) Pvt. Ltd.

- (i) Members are requested to notify immediately any change of address to the Company's Share Transfer Agents, Sharex (India) Pvt. Ltd. at the following address:

17/B, Dena Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai - 400 001.  
Tel: 2270 2485 / 2264 1376

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- (j) Members/ Proxies should bring the Attendance Slip sent herein duly filled in for attending the Meeting.
- (k) Members are requested to bring their copy of the Annual Report to the Meeting.
- (l) As required in terms of Paragraph VI(A) of Clause 49 of the Listing Agreement, the details of the Directors being appointed / re-appointed are furnished below:

1. **Mr. K. N. Suntook:**

Mr. K. N. Suntook, 68, is a B. A., LL.B. (Advocate), FCS. He was inducted on the Board in July 1984. He has 40 years experience, as a Senior Executive and ultimately Director in some Tata Group Companies, specializing in general management, finance, human resource development and planning.

Mr. Suntook also has vast experience in international business.

**Other Directorships:** Tata Investment Corp. Ltd.; Trent Ltd.; Associated Building Co. Ltd. (Chairman); Tata McGraw-Hill Publishing Co. Ltd.

**Committee Memberships:** Tata Investment Corp. Ltd. (Audit Committee - Chairman; Remuneration Committee - Chairman); Trent Ltd. (Audit Committee).

2. **Mr. S. R. Lohokare:**

Mr. S.R. Lohokare, 53, is a B.Tech. (Hons) in Chemical Engineering from the Indian Institute of Technology, Mumbai. He is also a PGDIM and a Master of Financial Management from Bombay University. Mr. Lohokare has over 31 years' experience in the Chemical Industry. He is presently the Wholtime Director of National Peroxide Limited and Citurgia Biochemicals Limited.

He started his career with The Associated Cement Companies Limited (ACC) where he worked for over 14 years. Thereafter, he worked for Indian Petrochemicals Corporation Limited and Deepak Nitrite Limited for 5 and 4 years respectively. He joined National Peroxide Limited in April 1997 as Vice-President (Technical) and was promoted as Wholtime Director on 1<sup>st</sup> May, 1998 and as a Wholtime Director of Citurgia Biochemicals Limited on 1<sup>st</sup> August, 2002.

Mr. Lohokare is a recipient of the President's Silver Medal for standing 1<sup>st</sup> amongst Chemical Engineering students and is also a recipient of the Indian Institute of Chemical Engineers Award for Excellence in Process Development and Product Design in 1986 instituted by Indian Explosives Limited.

He is also a recipient of the Best Chief Executive Gold Award sponsored by Lal Bahadur Shastri Memorial National Award for Excellence in Indian Industries, in 2000 and 2002.

**Other Directorships:** Citurgia Biochemicals Ltd. (Wholtime Director); Naperol Investments Ltd.; National Peroxide Employees' Welfare Co. Ltd.; Wonderlene Investments Ltd.; Himgiri Trading & Agencies Ltd.; Sodality Investments Ltd..

**Committee Memberships:** National Peroxide Ltd. (Share Transfer / Shareholders' Grievance Committee); Citurgia Biochemicals Ltd. (Share Transfer / Shareholders' Grievance Committee).

3. **Mr. P. V. Kuppuswamy:**

Mr. P.V. Kuppuswamy, 60, is a B.Sc. (Chem.), and B.Sc. (Chem.Engg.) with Post Graduate Diploma of Indian Institute of Petroleum (Petroleum Refining & Petrochemicals) and has been with The Bombay Dyeing & Manufacturing Co. Ltd. for over 25 years in various Management positions involving Project Implementation, Manufacturing, Commercial, Marketing and Total Business Management, besides having previous experience of over 11 years in large Petrochemical Complex in functions relating to Technical Services, Production and Projects. Since August 1994, he has been on the Board of Bombay Dyeing with Executive responsibilities. He joined the Board of National Peroxide Ltd. as a non-Executive Director in July 1998 and has been the Vice-Chairman during June 2000 – August 2002 and is now the Chairman effective September 3, 2002.

**Other Directorships:** The Bombay Dyeing & Mfg. Co. Ltd. (Jt. Managing Director); Citurgia Biochemicals Ltd. (Chairman); Macrofil Investments Ltd.

**Committee Memberships:** National Peroxide Ltd. (Audit Committee; Remuneration Committee; Share Transfer / Shareholders' Grievance Committee); Citurgia Biochemicals Ltd. (Audit Committee; Remuneration Committee; Share Transfer / Shareholders' Grievance Committee).

4. **Mr. R. N. Sethna:**

Mr. R. N. Sethna, 71, is a Solicitor and Advocate of about 46 years' standing. He was inducted on the Board in October 2003. He is the Senior Partner of M/s. Maneksha & Sethna. He is also a Notary, Greater Mumbai. His areas of specialization are commercial law, corporate law, tax law, banking law, real estate law, inheritance and succession law, foreign exchange law etc.

**Other Directorships:** The Great Eastern Shipping Co. Ltd.; Pudumjee Pulp & Paper Mills Ltd.; Modern Mills Ltd.; Citurgia Biochemicals Ltd.; Chalet Hotels Ltd.; HSBC Agency (India) Pvt. Ltd.

**Committee Memberships:** The Great Eastern Shipping Co. Ltd. (Audit Committee; Remuneration Committee); Pudumjee Pulp & Paper Mills Ltd. (Remuneration Committee); Modern Mills Ltd. (Shareholders' and Investors' Grievance Committee); Citurgia Biochemicals Ltd. (Audit Committee-Chairman; Remuneration Committee); National Peroxide Ltd. (Audit Committee - Chairman).

5. **Mr. Andrew L. Cumming:**

Mr. Andrew L. Cumming, 46, was inducted on the Company's Board on May 12, 2004. He was educated





## National Peroxide Limited

in England and has a degree in chemistry and is a member of The Royal Society of Chemistry.

He is currently the Managing Director of Peroxythai Limited in Thailand.

Following several years post-graduate technical experience, he joined Solvay Interlox in 1986 and has held management posts in UK, Singapore and Brussels before taking his current position in Thailand. The majority of his career with Solvay has been within the Hydrogen Peroxide business. He has extensive experience of international marketing and business management within the Peroxygens industry, particularly in the Asia/Pacific region.

**Other Directorships:** Peroxythai Limited, Thailand (Managing Director).

**Committee Memberships:** Nil

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

MEHUL R. SHAH  
Company Secretary

*Registered Office :*

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

Mumbai, 12th May, 2004

## ANNEXURE TO THE NOTICE

### Explanatory Statement as required under Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out the material facts relating to the business mentioned at Item Nos. 7 & 8 of the accompanying Notice of the Annual General Meeting dated 12<sup>th</sup> May, 2004:

#### Item No. 7

Mr. R. N. Sethna was appointed as an Additional Director on the Board of the Company with effect from 30<sup>th</sup> October, 2003, pursuant to Section 260 of the Companies Act, 1956 ("the Act"), read with Article 137 of the Articles of Association of the Company. Mr. Sethna holds office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from a Member, proposing Mr. Sethna as a Director of the Company along with a deposit of Rs. 500/- which will be refunded to such Member, if Mr. Sethna is elected as a Director.

The services of Mr. Sethna will be useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company.

None of the Directors other than Mr. Sethna may be considered to be concerned or interested in the said appointment, at item no.7.

#### Item No. 8

Mr. Andrew L. Cumming was appointed as an Additional Director on the Board of the Company with effect from 12<sup>th</sup> May, 2004, pursuant to Section 260 of the Companies Act, 1956 ("the Act"), read with Article 137 of the Articles of Association of the Company. Mr. Cumming holds office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from a Member, proposing Mr. Cumming as a Director of the Company along with a deposit of Rs. 500/- which will be refunded to such Member, if Mr. Cumming is elected as a Director.

The services of Mr. Cumming will be useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company.

None of the Directors other than Mr. Cumming may be considered to be concerned or interested in the said appointment, at item no.8.

By Order of the Board of Directors  
For NATIONAL PEROXIDE LIMITED

MEHUL R. SHAH  
Company Secretary

*Registered Office :*

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

Mumbai, 12th May, 2004

## Annual Report 2003-2004

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors hereby present their Report on the business and operations of the Company and the Financial Accounts for the year ended 31<sup>st</sup> March, 2004.

**1. FINANCIAL RESULTS**

	For the year ended 31 <sup>st</sup> March, 2004 Rs. in lacs	For the year ended 31 <sup>st</sup> March, 2003 Rs. in lacs
Gross Turnover (net of excise) .....	5837.32	5338.80
Profit before Interest & Depreciation .....	1724.77	1411.22
Profit from Property Development .....	—	17.27
Total Profit .....	1724.77	1428.49
Interest .....	82.15	225.46
Profit before Depreciation .....	1642.62	1203.03
Depreciation .....	490.23	499.72
Profit before Tax .....	1152.39	703.31
Tax – Current .....	88.00	56.00
– Deferred .....	322.00	290.00
Profit after Tax .....	742.39	357.31
Transferred from Investment Allowance Reserve .....	75.00	240.00
	817.39	597.31
Balance brought forward from previous year .....	1302.89	845.31
AMOUNT AVAILABLE FOR APPROPRIATIONS .....	2120.28	1442.62
Appropriations:		
Proposed Dividend .....	149.42	91.95
Corporate Dividend Tax .....	19.15	11.78
Transfer to General Reserve .....	75.00	36.00
Balance carried to Balance Sheet .....	1876.71	1302.89
	2120.28	1442.62

The financial results for the year under review show continued improved performance in the Company's Peroxygens business. The major highlights of the performance are as under :

- The interest cost during the year was reduced from Rs.225.46 lacs to Rs. 82.15 lacs as a result of substantial part of the borrowings in FCNR(B), prepayment of high interest fixed deposits and timely repayment of term loans.
- During the year, there was a significant growth of almost 12% in the sales volume of Hydrogen Peroxide.
- The plant produced well in excess of the rated capacity for the first time. The production in each month was higher as compared to the corresponding month of each of the previous years.

**2. DIVIDEND**

The Directors recommend the payment of a dividend of Rs. 65/- per share for the year ended 31<sup>st</sup> March, 2004 (including Rs.25/- per equity share as a special one time dividend, this being the Golden Jubilee year of the Company), if approved by the Members at the Annual General Meeting.

**3. ACCOUNTS**

The current year's operations have resulted in a profit before depreciation of Rs.1642.62 lacs after absorbing the interest burden of Rs.82.15 lacs. The profit before depreciation in the previous year was Rs.1203.03 lacs. There is a net profit of Rs.742.39 lacs as compared to net profit of Rs.357.31 lacs in the previous year, mainly due to improved performance of the Peroxygens division.

**4. OPERATIONS OF PEROXYGENS DIVISION**

As a result of the extensive modifications made to the plant and improvements in operating procedures, the plant was able to produce in excess of the rated capacity for the first time. Significant economies were achieved in the consumption of raw materials, chemicals and utilities leading to reduction in cost of production.



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During the year the plant was upgraded in several areas such as instrumentation, utilities, packaging equipment and process control equipments. As a result, operational efficiencies have improved significantly. Better customer service has also been provided leading to enhanced customer satisfaction. The obsolescence in major areas has been addressed.

During the year under review, sales of Hydrogen Peroxide in the domestic market showed a substantial growth over the previous year. However, the prices continued to drop marginally during the year due to intense domestic competition. In spite of stiff competition, your Company continues to maintain its prime position in the market and hold 40% market share.

The customs duty was reduced by 5% to 20% on January 9, 2004. SAD of 4% was also abolished. As a result of lower price protection, there will be some pressure on the domestic price.

During the year, in the pulp and paper industry, there was consolidation and amalgamation as a result of which significant growth in future is foreseen. Due to better realization from writing and printing, the newsprint plants are being modified so as to also produce writing and printing paper and make the sales mix flexible, which will result in consequential increase in the consumption of Hydrogen Peroxide.

Because of good quality of Indian textiles, there was a significant growth in exports during the year leading to consequential increase in the consumption of Hydrogen Peroxide.

Industrial relations continued to be cordial during the year.

### 5. SAFETY & ENVIRONMENT

The Company continues to maintain a good safety record and has worked for 2440 days without Lost Time Injury as on 31<sup>st</sup> March, 2004. Environmental pollution standards of the Maharashtra State Pollution Control Board were consistently met during the year.

### 6. INSURANCE

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

### 7. FIXED DEPOSITS

The Company has stopped acceptance of fresh deposits and renewal of existing deposits from December 2002. The Company has also prepaid outstanding deposits from the public and shareholders during 2003-04. Deposits aggregating to Rs.3.70 lacs, relating to 30 depositors, have remained unclaimed as on 31<sup>st</sup> March, 2004, despite reminders.

### 8. DIRECTORS

Mr. D.B. Engineer ceased to be Alternate Director to Mr. Eric Mignonat with effect from 21<sup>st</sup> July, 2003, since the latter had come to India. Mr. D.B. Engineer was subsequently appointed as Alternate Director to Mr. Eric Mignonat with effect from 24<sup>th</sup> July, 2003.

Mr. R.N. Sethna was appointed as an Additional Director on 30<sup>th</sup> October, 2003. He holds office upto the date of the ensuing Annual General Meeting. A Notice has been received in writing from a member proposing his appointment as a Director. Mr. Sethna's experience as a Solicitor and Advocate would be an advantage to the Company.

Mr. Andrew L. Cumming was appointed as an Additional Director on 12<sup>th</sup> May, 2004. He holds office upto the date of the ensuing Annual General Meeting. A Notice has been received in writing from a member proposing his appointment as a Director. Mr. Cumming, with his experience and knowledge in the concerned field, would be an advantage to the Company.

Mr. K.N. Suntook, Mr. S.R. Lohokare and Mr. P.V. Kuppaswamy retire by rotation and being eligible, offer themselves for re-appointment.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that -

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. 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 31<sup>st</sup> March, 2004 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2004;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the 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 fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

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**10. DEMATERIALIZATION OF SHARES**

As directed by the Securities & Exchange Board of India, your Company's shares have been included in the list for trading in the compulsory dematerialization segment, with effect from 28<sup>th</sup> May, 2001.

31.75% of the outstanding Equity shares have been dematerialised upto 31<sup>st</sup> March, 2004.

**11. CORPORATE GOVERNANCE**

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance in terms of Clause 49 to the Listing Agreement with the Stock Exchange, Mumbai are complied with.

A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance, which is annexed to the Directors' Report.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed.

**13. SUBSIDIARY COMPANIES**

As required under Section 212 of the Companies Act, 1956, the accounts of Naperol Investments Limited, wholly-owned subsidiary of the Company, are appended.

Wonderlene Investments Limited (Wonderlene), also a wholly-owned subsidiary of the Company, had not been carrying on any business activity for many years. Since its paid-up share capital was only Rs.6,898/-, in terms of Section 3(4) read with Section 3(5) of the Companies Act, 1956 (the Act), Wonderlene would be deemed to be a defunct Company within the meaning of section 560 of the Act with effect from 13<sup>th</sup> December, 2002 and the Registrar of Companies (ROC) was required to strike off its name from the register.

Accordingly, Wonderlene had made, in November 2003, an application after due compliance with all the requisite requirements, under the Simplified Exit Scheme introduced by the Department of Company Affairs, which provided for simplified procedures to be adopted by the company as well as the ROC for striking off the name of a defunct company. In view of the above circumstances, the accounts of Wonderlene have not been appended.

**14. CONSOLIDATED FINANCIAL STATEMENTS**

As required by Accounting Standard 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements are annexed.

**15. PARTICULARS OF EMPLOYEES**

The information in terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, which forms part of this Report, is appended.

**16. AUDITORS**

The members are requested to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration.

On behalf of the Board of Directors

P.V. KUPPUSWAMY  
Chairman

Mumbai, 12th May, 2004





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Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### A. CONSERVATION OF ENERGY

#### (a) Measures taken :

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

- Installed new 2 x40 KVA UPS system in place of existing 2 x120 KVA UPS system for plant DCS & instrumentation loads to utilise at optimum capacity and achieved reduction in specific power consumption.
- Installed new energy efficient pump to utilise at optimum available capacity & meeting C.W. demand with single pump & achieved reduction in specific power consumption.
- Replaced fly wheel module & installed 0-50-100% loading and unloading facility on process air compressor to optimise power consumption.
- Installed new energy efficient bare air compressor unit for stand instrument air compressor unit & achieved reduction in specific power consumption.
- Replaced tubes/ fittings with low power energy efficient tubes/ chokes/ fittings. Also, rewired & re-arranged lighting circuits for meeting minimum requirements.
- Replaced fan cooled condenser with water cooled condenser for improving AHU compressor efficiency & reduced power consumption.
- Installed Microprocessor based Auto controller unit for AHU compressor circuit to optimise power consumption.
- Replaced higher RPM motor with low RPM for chilled water pump to optimise flow, head & power consumption.

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

(b) Additional Investments & Improvements: Total expenditure of Rs.11.00 lacs was incurred during the year on various energy conservation measures.

(c) Impact of (a) and (b) :

Results from various measures taken were seen during the year.

(d) Total energy consumption & energy consumption per unit of production:

### FORM A

#### A. POWER AND FUEL CONSUMPTION

PEROXYGEN DIVISION  
2003-04                      2002-03

##### 1. Electricity

a. Purchased Units (KWH)	15915000	14920450
Total Amount (Rs. lacs)	571.18	538.37
Rate/Unit (Rs/KWH)	3.59	3.61
b. Own Generation		
(i) Through diesel generator		
Units (KWH)	17,079	30,588
Units/litre of diesel oil (KWH)	2.34	2.45
Cost/Unit of diesel	9.09	7.88
(ii) Through steam turbine/ generator		Not Applicable

##### 2. Coal :

Not Applicable

##### 3. Furnace Oil

Quantity (KL)	1467.79	1399.81
Total amount (Rs. lacs)	162.81	158.79
Average rate (Rs.)	11092.21	11343.68

##### 4. Other / Internal Generation

Not Applicable

#### B. CONSUMPTION PER UNIT OF PRODUCTION

1. Electricity (KWH/MT)	480.83	521.05
2. Furnace Oil (KG/MT)	41.77	46.12*

\*Figures for the previous year have been recast on the basis of Furnace Oil instead of LSHS.

**B. TECHNOLOGY ABSORPTION****FORM B****I. Research and Development****1. Specific Areas :**

The Company's developmental efforts are in the following areas:-

- (a) Usage of Hydrogen Peroxide in manufacturing new value added products viz. Naperol BD.
- (b) Process improvements in Hydrogen Peroxide and Sodium Perborate manufacture.

**2. Benefits Derived :**

- (a) Hydrogen Peroxide is widely accepted as a safe material for treatment of industrial effluents.
- (b) Some process changes have been effected to improve the process for manufacture of Hydrogen Peroxide and Sodium Perborate. As a result, the Hydrogen Peroxide plant is able to produce well beyond its nameplate capacity.

**3. Plan of Action :**

During the next few years, thrust will be primarily on:

- (a) Increased usage of Hydrogen Peroxide in industrial effluent treatment, particularly to reduce toxicity of effluent.
- (b) More application of peroxygen derivative in food and beverage industry.
- (c) Suitable process modifications to reduce cost of manufacture and yield.

**4. Expenditure on R&D :**

- (a) Capital expenditure : NIL
- (b) Recurring expenditure : NIL
- (c) Total Expenses : NIL
- (d) Total as % of turnover : NIL

**II. Technology Absorption, Adaptation and Innovation****1. Efforts made :**

- Optimisation of reversion section;
- Upgradation of laboratory instruments;
- Installation of automated packing system.

**2. Benefits derived :**

- Improved quality of Working Solution;
- Improved quality of product provided to customers with significantly reduced quality complaints.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO****(a) Activities relating to exports :**

During 2003-2004, the Company exported 61 MT of Hydrogen Peroxide amounting to Rs.14.31 lacs.

**(b) Total foreign exchange used and earned :**

- Export sales (FOB) : Rs.14.31 lacs
- Foreign exchange outgo (includes raw materials, spare parts, capital goods and other expenditure in foreign currency including dividends) : Rs.255.04 lacs

On behalf of the Board of Directors

P.V. KUPPUSWAMY  
Chairman

Mumbai, 12th May, 2004