

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.



(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

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



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- (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). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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.



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- 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/



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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. Lohokare 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