

NAPEROL INVESTMENTS LIMITED

ANNUAL REPORT 2018-19

**NAPEROL INVESTMENTS LIMITED**

**NOTICE**

Registered Office:

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

Head Office:

C-1, Wadia International Centre,  
Pandurang Budhkar Marg, Worli, Mumbai - 400 025

(CIN: U65990MH1980PLC022589)

Email: [secretarial@naperol.com](mailto:secretarial@naperol.com)

Phone: 022-66620000; Fax: 022-66193421

**NOTICE** is hereby given that the Thirty-Ninth Annual General Meeting of the Members of **NAPEROL INVESTMENTS LIMITED** will be held at the Head Office of the Company at C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025, on Tuesday, 6<sup>th</sup> August, 2019 at 10:00 a.m. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. S. Kelkar (DIN: 00015883) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to pass 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. Nanubhai & Co. Chartered Accountants, (Firm Registration No. 106874W), 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 44<sup>th</sup> Annual General Meeting to be held in the Financial Year 2024-25, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them.”

By Order of the Board of Directors  
For NAPEROL INVESTMENTS LIMITED



(S. S. KELKAR)  
CHAIRMAN  
(DIN: 00015883)

Mumbai, 9<sup>th</sup> May, 2019

**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.

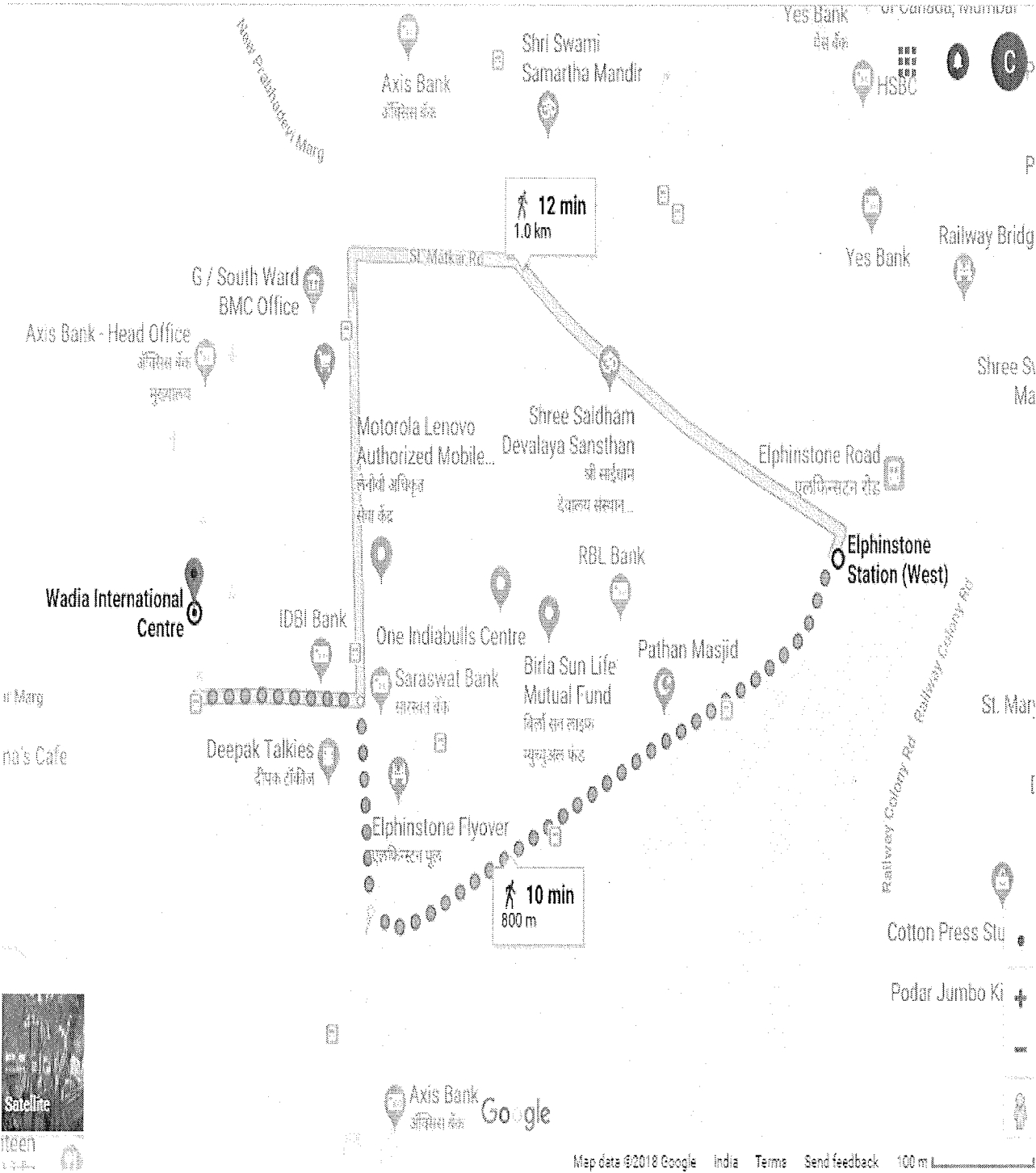
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- b) The proxy form, attendance slip and route map to reach the venue are enclosed.

ROUTE MAP FOR THE THIRTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NAPEROL INVESTMENTS LIMITED TO BE HELD AT C-1, WADIA INTERNATIONAL CENTRE, PANDURANG BUDHKAR MARG, WORLI, MUMBAI 400 025, ON TUESDAY, 6<sup>TH</sup> AUGUST, 2019 AT 10:00 A.M.

Route Map to reach the Meeting Hall from Elphinstone Railway Stations.

Landmark:



**NAPEROL INVESTMENTS LIMITED****DIRECTORS' REPORT TO THE MEMBERS**

The Directors take pleasure in presenting their Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

**1. FINANCIAL RESULTS:**

(Rs. in lakhs)

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Operating Profit for the year	49.94	49.01
Less: Provision for Tax	0.63	-
Profit after Tax	49.31	49.01
Add: Profit brought forward from previous year	267.78	233.47
Profit Available for Appropriation	317.09	282.48
Appropriations:		
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Transferred to General Reserve	4.99	4.90
Transferred to Regulated Reserve Fund (NBFC)	9.99	9.80
Balance carried to Balance Sheet	302.10	267.78
	317.09	282.48

**2. DIVIDEND:**

With a view to conserve resources of the Company, the Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2019.

**3. FIXED DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

**4. TRANSFER TO RESERVES:**

During the financial year 2018-19, Rs. 4.99 lakhs have been transferred to General Reserve as compared to Rs. 4.90 lakhs in the previous year. The Company has also transferred Rs. 9.99 lakhs (previous year Rs. 9.80 lakhs) to Special Reserve as required under section 45 IC of the Reserve Bank of India Act, 1954.

**5. STATE OF COMPANYS' AFFAIRS:**

During the year, the Company's income was Rs. 52.47 lakhs (2017-18: Rs. 49.88 lakhs) against expenses of Rs. 2.53 lakhs (2017-18: Rs. 0.87 lakhs). The profit after tax was Rs. 49.94 lakhs (2017-18: Rs. 46.01 lakhs). The accrued balance of Rs. 302.10 lakhs available for appropriation as on 31<sup>st</sup> March, 2019 was carried forward to the Balance Sheet.

The Company has received Dividend Income of Rs. 52.47 lakhs during the year (2017-18: Rs. 49.88 lakhs).

**6. MATERIAL CHANGES:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

**7. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company is a wholly owned subsidiary of National Peroxide Limited. During the year under review, the Company did not have any subsidiary, joint ventures or associate companies.

**8. DETAILS OF BOARD MEETINGS:**

6 (Six) meetings of the Board of Directors were held during the financial year 2018-19. They were held on 12<sup>th</sup> April, 2018; 21<sup>st</sup> May, 2018; 2<sup>nd</sup> August, 2018; 27<sup>th</sup> September, 2018, 24<sup>th</sup> October, 2018 and 24<sup>th</sup> January, 2019.

**9. SHARE CAPITAL:**

The paid-up Equity Share Capital of the Company was Rs. 25.50 lakhs as on 31<sup>st</sup> March, 2019. During the year under review, there was no change in the Share Capital of the Company.

**10. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, extract of Annual Return in Form MGT-9 is annexed as **Annexure – A** to this Report.

**11. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures.
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period.
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a 'going concern' basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

**12. STATUTORY AUDITORS:**

M/s. Nanubhai & Co. Chartered Accountants, (Firm Registration No. 106874W), have been appointed as the Statutory Auditors of the Company, from the conclusion of 39<sup>th</sup> Annual General Meeting to be held on August 6, 2019 upto the conclusion of the 44<sup>th</sup> Annual General Meeting.

The necessary resolution for the appointment of Auditors have been included in the Notice convening the Thirty-Ninth Annual General Meeting.

**13. AUDITORS' REPORT:**

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

**14. RELATED PARTY TRANSACTIONS:**

There were no related party transactions as per Section 188 of the Companies Act, 2013, during financial year 2018-19.

**15. RISK MANAGEMENT:**

Given the asset base and the portfolio of investments made by the Company, the Board is of the opinion that there are no major risks affecting the existence of the Company.

**16. NON - BANKING FINANCIAL COMPANY:**

The Company has been issued the Certificate of Registration to carry on the business as a Non-Banking Financial Institution by the Reserve Bank of India on 6<sup>th</sup> March, 1988.

**17. DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. S. S. Kelkar (DIN: 00015883) retires by rotation and being eligible, offers himself for re-appointment.

The necessary resolutions for the re-appointment of Mr. S. S. Kelkar have been included in the Notice convening the Thirty-Ninth Annual General Meeting. Requisite details have been provided in the explanatory statement of the Notice.

The Directors commend their appointment for approval of the Members.

**18. PARTICULARS OF EMPLOYEES:**

The Company has no employees and hence there is no information to be furnished as required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the year under review, the Company did not grant any loans or provide any guarantees as per the provisions of Section 186 of the



Companies Act, 2013. Details of Investments are given in Note No. 6 to the Financial Statements.

**20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is not applicable as your Company is engaged only in investments.

**22. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

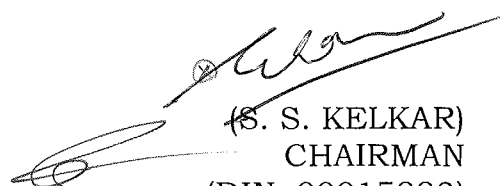
**23. INTERNAL FINANCIAL CONTROLS**

The Company has laid down internal financial controls for ensuring proper maintenance, accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statement and such internal financial controls are adequate and ensure that financial statement presents a true and fair view and is correct and in compliance with applicable laws.

**24. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

On behalf of the Board of Directors

  
(S. S. KELKAR)  
CHAIRMAN  
(DIN: 00015883)

Mumbai, 9<sup>th</sup> May, 2019

**Annexure A to the Directors' Report****FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**A. REGISTRATION AND OTHER DETAILS:**

CIN:	U65990MH1980PLC022589
Registration Date:	06.05.1980
Name of the Company:	Naperol Investments Limited
Category of the Company	Company Limited by Shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered Office and Contact Details:	Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001 Tel: 022-66620000
Whether Listed Company	No
Name, Address and Contact Details of Registrar and Transfer Agent, if any	NA

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Financial Services (Investments)	6499	100

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	National Peroxide Limited	L24299MH1954PLC009254	Holding	100	2(46)



i. Category-Wise Shareholding: Contd.

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)									
i. Clearing Members	-	-	-	-	-	-	-	-	-
ii. NRI	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	25,500	25,500	100	-	25,500	25,500	100	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	National Peroxide Limited	25,500	100	-	25,500	100	-	0.00
	<b>Total</b>	<b>25,500</b>	<b>100</b>	<b>-</b>	<b>25,500</b>	<b>100</b>	<b>-</b>	<b>0.00</b>

- iii. *Change in Promoters' Shareholding: No change during the year.*
- iv. *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable*
- v. *Shareholding of Directors and Key Managerial Personnel: None*

**E. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

**F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL**

**G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Independent Auditor's Report**  
**To the Members of Naperol Investments Limited**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Naperol Investments Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, (statement of changes in equity) and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing these, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
  
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which could impact its financial position in its Financial Statements;



- ii. the Company does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses hence no provision is required in the financial Statements;
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. Based on audit procedures and representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management

As required by "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", we further report that:

- i. The Company is engaged in the business of non-banking financial institution and the Company has obtained a Certificate of Registration ('CoR') from the Bank.
- ii. The Company is entitled to continue to hold such CoR in terms of its asset / income pattern as on 31 March 2019.
- iii. The Board of Directors of the Company has passed a resolution for non- acceptance of any public deposits and accordingly the Company has not accepted any public deposits during the year ended on 31 March 2019.
- iii. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

for **Nanubhai & Co.**  
*Chartered Accountants*  
Firm registration number: 106874W



**Abhay D. Desai**

*Partner*

Membership number: 043505

Mumbai: 9<sup>th</sup> May 2019





## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2019, we report that:

- (i) The Company does not have any Fixed Assets and hence the requirement of clause (i) of paragraph 3 of the said Order is not applicable to the Company.
- (ii) The Company is an Investment Company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year covered under Section 73 to Section 76 of the Act, and any other relevant provisions of the Act, and the rules framed thereunder in respect of acceptance of deposits from the public. Further, according to the information and explanations given to us, the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not passed any order on the Company in respect of the aforesaid deposits. Hence, the provision of clause (v) of the paragraph 3 of the said Order is not applicable to the Company.
- (vi) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
 (b) According to the information and explanations given to us, generally no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



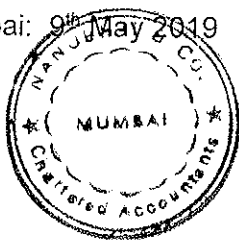
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration and accordingly the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act are not applicable. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **Nanubhai & Co.**  
Chartered Accountants  
Firm registration number: 106874W



**Abhay D. Desai**  
Partner  
Membership number: 043505

Mumbai: 9<sup>th</sup> May 2019



## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Naperol Investments Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Nanubhai & Co.**

*Chartered Accountants*

Firm registration number: 106874W

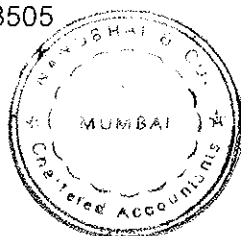


**Abhay D. Desai**

*Partner*

Membership number: 043505

Mumbai: 9<sup>th</sup> May 2019



The Board of Directors  
Naperol Investments Limited

**Report on Special Purpose Indian Accounting Standards (IND AS)  
Financial Statements**

1. This report is issued in accordance with the terms of our letter of engagement dated 4 April 2019.
2. We have audited the accompanying special purpose financial statements of Naperol Investments Limited (the "Company") which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the special purpose IND AS Financial  
Statements**

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors

consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

7. Based on our audit, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b. The Balance Sheet and Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, the state of affairs of the Company as 31 March 2019;
    - (ii) in the case of the Statement of Profit and Loss (including other comprehensive income), the profit for the year ended on that date;
    - (iii) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter – Basis of Preparation**

8. We draw attention to Note 2 to the special Purpose Financial Statements, which describe the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of special purpose financial statements for the purposes for which those have been prepared.

Our opinion is not qualified in respect of this matter.



**Other Matters**

9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose of consolidation with Holding Company 'National Peroxide Limited' in accordance with group accounting policies pursuant to the requirement of Ind AS 110 'Consolidated Financial Statements'.

Our opinion is not modified in respect of this matter.

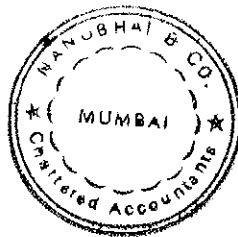
10. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. We neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For **Nanubhai & Co**  
**Chartered Accountants**  
Firm Registration No.: 106874W



**Abhay D. Desai**  
(Partner)  
Membership No. 043505

Place: Mumbai  
Date: 9 May 2019



**NAPEROL INVESTMENTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

			As at	March
			31, 2018	Rupees
			Rupees	in Lakhs
(A) EQUITY AND LIABILITIES :	Note No.	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	2	25.50		25.50
(b) Reserves and Surplus	3	544.21		494.90
			569.71	520.40
<b>2. NON-CURRENT LIABILITIES</b>				
(a) Long-Term Borrowings		-	-	-
(b) Deferred Tax Liabilities (Net)		-	-	-
(c) Other Long-Term Liabilities		-	-	-
(d) Long-Term Provisions		-	-	-
<b>3. CURRENT LIABILITIES</b>				
(a) Short-Term Borrowings		-	-	-
(b) Trade Payables	4	0.95		0.90
(c) Other Current Liabilities	5	0.17		-
(d) Short-Term Provisions		-	-	-
			1.12	0.90
<b>TOTAL</b>			<b>570.83</b>	<b>521.30</b>
<b>(B) ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment				
(i) Tangible assets		-	-	-
(ii) Capital Work-in-Progress		-	-	-
(b) Non-current Investments	6	568.52		517.42
(c) Long-Term Loans and Advances		-	-	-
			568.52	517.42
<b>2. CURRENT ASSETS</b>				
(a) Trade Receivables		-	-	-
(b) Cash and Cash Equivalent	7	2.31		3.42
(c) Short-Term Loans and Advances		-	-	-
(d) Other Current Assets	8	-		0.46
			2.31	3.88
<b>TOTAL</b>			<b>570.83</b>	<b>521.30</b>

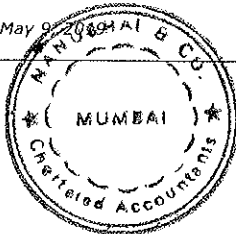
See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our report of even date  
For Nanubhai & Co.  
Chartered Accountants  
Firm Registration No. 106874W




Abhay D. Desai  
Partner  
Membership No. 043505


Mumbai, May 9, 2019



For and on behalf of the Board of Directors

  
S. S. Kerkar  
Director  
DIN : 00015883

  
Suresh Khurana  
Director  
DIN : 06677496

  
R. V. Sarma  
Director  
DIN : 00025267





**NAPEROL INVESTMENTS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

			<i>As at March 31, 2018</i>
	Note No.	Rupees in Lakhs	Rupees in Lakhs Rupees in Lakhs
I. Revenue from Operations	9		52.47 49.88
II. Total Revenue			<b>52.47</b> <b>49.88</b>
III. Expenses:			
Other expenses:			
Auditors' Remuneration:			
Audit Fees		0.50	0.34
Taxation Matters		-	0.11
Other Matters		1.24	-
Legal & Professional Charges			1.74 0.45
Membership & Subscription			0.38 0.33
General Expenses			- 0.06 0.41 0.03
<b>Total Expenses</b>			<b>2.53</b> <b>0.87</b>
IV. Profit before tax (II - III)			<b>49.94</b> <b>49.01</b>
V. Tax expense:			
- Current tax			-
- Provision for Tax Relating to Prior Years			0.63 -
VI. Profit for the year (IV - V)			<b>49.31</b> <b>49.01</b>
VII. Earnings per equity share - Basic and Diluted (in Rs.) (Face Value: Rs. 100)	12		<b>193.37</b> <b>192.19</b>

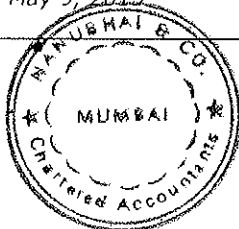
See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our report of even date  
For Nanubhai & Co.  
Chartered Accountants  
Firm Registration No. 106874W



Abhay D. Desai  
Partner  
Membership No. 043505

Mumbai, May 9, 2019



For and on behalf of the Board of Directors



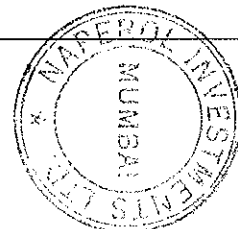
**S. S. Kelkar**  
Director  
DIN : 00015883



**Suresh Khurana**  
Director  
DIN : 06677496



**R. V. Sarma**  
Director  
DIN : 00025267



**NAPEROL INVESTMENTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

	2017-2018	
	Rupees in Lakhs	Rupees in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	49.94	49.01
<b>Adjustments for:</b>		
Interest income	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>49.94</b>	<b>49.01</b>
<b>Adjustments for:</b>		
Increase / (Decrease) in Trade Payables and Other Payable	0.06	0.45
<b>Cash generated from operations</b>	<b>50.00</b>	<b>49.46</b>
Less: Taxes paid	-	(0.04)
<b>Net Cash from Operating Activities (A)</b>	<b>50.00</b>	<b>49.42</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	-	-
Purchase of Investments in Mutual Fund	(51.11)	(49.75)
Sales of Investments in Mutual Fund.	-	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(51.11)</b>	<b>(49.75)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend and Tax on Dividend paid	-	-
<b>Net Cash used in Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net (Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(1.11)</b>	<b>(0.33)</b>
Cash and Cash Equivalents -Opening balance - As per Note No. 7	3.42	3.75
Cash and Cash Equivalents -Closing balance - As per Note No. 7	2.31	3.42

See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Nanubhai & Co.  
Chartered Accountants  
Firm Registration No. 106874W

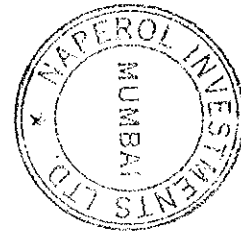
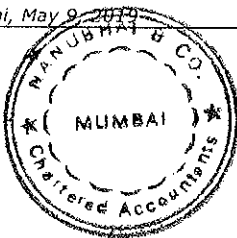
*S. S. Kelkar*  
S. S. Kelkar  
Director  
DIN : 00015883

*Suresh Khurana*  
Suresh Khurana  
Director  
DIN : 06677496

*Abhay D. Desai*  
Abhay D. Desai  
Partner  
Membership No. 043505

*R. V. Sarma*  
R. V. Sarma  
Director  
DIN : 00025267

Mumbai, May 9, 2019



**NAPEROL INVESTMENTS LIMITED**

**Notes to the Financial Statements**

**Company Overview**

Naperol Investments Limited (the Company), a wholly owned subsidiary of National Peroxide Limited. The Company, incorporated on May 06, 1980, is a registered Non Banking Financial Company as provided by Section 45 - IA of the Reserve Bank of India Act, 1934. The Company is engaged in the business of long term investment and corporate lending.

**1. Significant Accounting Policies :**

**(a) Basis of accounting and preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**(b) Use of Estimates :**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

**(c) Investments :**

Long-term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary.  
Current investments are carried at lower of cost and quoted / fair value, computed category wise.

**(d) Dividend/ Interest:**

Dividends are accounted as and when the right to receive payment is established.  
Interest is accounted on accrual basis. Income from interest is recognised on a time basis determined by the amount outstanding and the rate applicable.

**(e) Taxes on Income :**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.  
Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.  
Minimum Alternative Tax (MAT) credit is recognised as an asset on the basis of the considerations that there being a convincing evidence of realisation of the asset and in the year in which the MAT credit becomes eligible to be recognised, the said asset is created by way of credit to the profit and loss account.

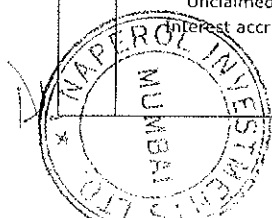
**(f) Current / Non-Current :**

All assets and liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.



**NAPEROL INVESTMENTS LIMITED**  
**Notes to the Financial Statements (Contd.)**

		As at	As at
		31.03.2019	31.03.2018
		Rupees	Rupees
		in Lakhs	in Lakhs
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	49,982 (Previous Year - 49,982) Equity Shares of Rs. 100/- each	49.98	49.98
	18.11% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	0.02	0.02
		<b>50.00</b>	<b>50.00</b>
	<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
	25,500 (Previous Year - 25,500) Equity Shares of Rs. 100/- each	25.50	25.50
	<p>The Company has only one class of equity shares having a par value of Rs. 100/- . Each holder of equity shares is entitled to one vote per share.</p> <p>The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p> <p>In last 5 years, no classes of shares has been issued, bought back and bonus issued by the Company.</p> <p><b>Details of shareholders holding more than 5% shares in the Company</b>  All the above equity shares are held by National Peroxide Limited, the Holding Company, jointly with its Nominees</p>		
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
	<b>CAPITAL REDEMPTION RESERVE</b>		
	Balance as per last balance sheet	0.02	0.02
	Add:- Transfer from Statement of Profit and Loss.....	-	-
			0.02
	<b>GENERAL RESERVE</b>		
	Balance as per last balance sheet	82.80	77.90
	Add:- Transfer from Statement of Profit and Loss	4.99	4.90
			82.80
	<b>SPECIAL RESERVE UNDER SECTION 45 IC OF THE RESERVE BANK OF INDIA ACT, 1934</b>		
	Balance as per last balance sheet	144.31	134.50
	Add:- Transfer from Statement of Profit and Loss	9.99	9.80
			144.30
	<b>SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>		
	Opening Balance	267.78	233.47
	Add:- Profit for the year	49.31	49.01
	Amount available for appropriation	317.09	282.48
	Less:- Transfer to General Reserve	4.99	4.90
	Less:- Transfer to Special Reserve Under Section 45 IC of the Reserve Bank of India Act, 1934	9.99	9.80
			267.78
		302.10	267.78
		<b>544.21</b>	<b>494.90</b>
<b>4</b>	<b>Trade Payables</b>		
	Other payables	0.95	0.90
		<b>0.95</b>	<b>0.90</b>
<b>5</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Sundry Deposits .....	-	-
	Statutory and Other dues.....	0.17	-
	Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due:		
	Unclaimed Dividends .....	-	-
	Interest accrued but not due on loan from Subsidiary.....	-	-
		<b>0.17</b>	<b>-</b>



**NAPEROL INVESTMENTS LIMITED**  
Notes to the Financial Statements (Contd.)

**6 NON CURRENT INVESTMENTS**

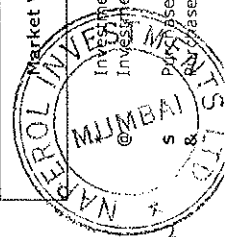
Sr. No.	Name of the Company	Face Value (Rs.)	Opening Stock (1-4-2018)		Purchases/Adjustments		Sales/Conversion		Closing Stock (31-03-2019)	
			Quantity Nos.	Value (Rs. In Lakhs)	Quantity Nos.	Value (Rs. In Lakhs)	Quantity Nos.	Value (Rs. In Lakhs)	Quantity Nos.	Value (Rs. In Lakhs)
1	<u>Shares (Long-term Quoted): (Fully paid-up)</u> The Bombay Dyeing & Manufacturing Company Limited	2	406,200	24.60	-	-	-	-	406,200	24.60
2	The Bombay Burmah Trading Corporation Limited	2	4,208,400	88.14	-	-	-	-	4,208,400	88.14
3	Larsen and Toubro Limited	2	18	*	-	-	-	-	18	*
4	Technojel Consultants Limited	10	3,000	0.31	-	-	-	-	3,000	0.31
5	ABB Limited	2	60	*	-	-	-	-	60	*
6	Tata Chemicals Limited @	10	56	0.02	-	-	-	-	56	0.02
7	Finolex Cables Limited @	2	50	*	-	-	-	-	50	*
8	ACC Limited	10	300	0.09	-	-	-	-	300	0.09
9	Colgate Palmolive India Limited	1	132	*	-	-	-	-	132	*
10	Jaykay Enterprises Limited	1	233	0.02	-	-	-	-	233	0.02
11	J.K.Cement Limited	10	46	*	-	-	-	-	46	*
12	ORG Informatics Limited	10	7	*	-	-	-	-	7	*
13	ICICI Bank Limited	2	5,131	0.51	-	-	-	-	5,131	0.51
14	GE Power India Limited	10	12	*	-	-	-	-	12	*
15	UltraTech Cement Limited	10	1	0.01	-	-	-	-	1	0.01
				<b>113.70</b>						<b>113.70</b>
1	<u>Shares (Long-term Unquoted): (Fully paid-up)</u> B. R. T. Limited	100	1,000	1.37	-	-	-	-	1,000	1.37
				<b>1.37</b>						<b>1.37</b>
1	<u>Units (Long-term Quoted): (Fully paid-up)</u> Kotak Bond Scheme Plan - A Growth	10	71,668	23.00	-	-	-	-	71,668	23.00
2	DHFL Pramerica Short Maturity Fund - Growth	10	903,524	193.00	-	-	-	-	903,524	193.00
3	Kotak Income Opp. Fund Direct Plan - Growth	10	507,378	90.00	-	-	-	-	507,378	90.00
4	ICICI Equity Arbitrage Fund *	10	349,782	49.74	19,462.96	2.81	-	-	369,245.38	52.55
5	SBI Premier Liquid Fund Direct Plan DDR *	-	4,607	46.22	4,814.08	48.30	-	-	9,420.935	94.52
				<b>401.96</b>		<b>51.10</b>				<b>453.06</b>
1	<u>Debentures (Long-term Unquoted): (Fully paid-up)</u> Zero% Unsecured Fully Convertible Debentures in Sunflower Investments and Textiles Private Limited	100	393	0.39	-	-	-	-	393	0.39
				<b>0.39</b>						<b>0.39</b>
	<b>GRAND TOTAL</b>			<b>517.42</b>		<b>51.10</b>				<b>568.53</b>

Market Value of Quoted Shares & Units

55,913.46

Previous Year

50,844.69



Investments Value less than Rs. 1,000  
Investments held in Physical Form  
Units include 19,462.96 units received under dividend reinvestments  
Units include 4814.08 units received under dividend reinvestments

**NAPEROL INVESTMENTS LIMITED**  
**Notes to the Financial Statements (Contd.)**

7	CASH AND CASH EQUIVALENTS	As at 31.03.2019	As at 31.03.2018
		Rupees in Lakhs	Rupees in Lakhs
	Cash and Cash Equivalents		
	Cash on hand	0.25	0.26
	Balances With Scheduled Banks		
	- on Current Account	2.06	3.16
		<b>2.31</b>	<b>3.42</b>
8	OTHER CURRENT ASSETS	As at 31.03.2019	As at 31.03.2018
		Rupees in Lakhs	Rupees in Lakhs
	Income Tax Paid, net of Provision for Tax	-	0.46
		<b>-</b>	<b>0.46</b>
9	REVENUE FROM OPERATIONS	2018-2019	2017-2018
		Rupees in Lakhs	Rupees in Lakhs
	Dividend Income	52.47	49.88
	Interest Income	-	-
		<b>52.47</b>	<b>49.88</b>



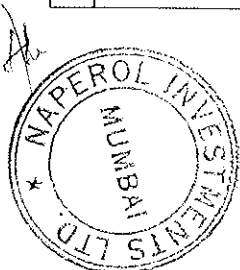
10	Additional information pursuant to Part II of Schedule III to the Companies Act, 2013 has not been furnished as the same is not applicable.		
11	<b>Related Party Disclosures</b> There being no transactions with Related Party (holding company National Peroxide Limited) during the year, hence no disclosures, as required by AS-18, "Related Party Disclosures".		
12	<b>Earnings per Share of face value of Rs. 100 each</b>		
		<u>2018-2019</u>	<u>2017-2018</u>
	Net profit for the year (Rs. In Lakhs)	49.31	49.01
	Number of ordinary shares	25,500	25,500
	Face Value of Equity Share (Rs.)	100.00	100.00
	Basic & Diluted Earnings per Share (Rs.)	193.37	192.19
13	<b>Segment Information:</b> The Company operates in a single reportable business segment viz. Investment and also it operates in a single geographic segment viz India. Therefore, information required by the Accounting Standard on "Segment Reporting" (AS) - 17 has not been disclosed.		
14	<b>Schedule of Balance Sheet of a Non Banking Financial Company as required in terms of Paragraph 9BB of Non Banking Companies Prudential Norms (Reserve Bank) Directions, 1998.</b> The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DNBS.193 DG(VL) - 2007 dated February 22, 2007.		
	<b>Schedule to the Balance Sheet of a non-deposit taking non-banking financial company</b> (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)		
	<b>Particulars Liabilities side :</b>	<b>Amount outstanding</b>	<b>Rs. in Lakhs Amount overdue</b>
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Nil	Nil
	(a) Debentures : Secured	-	-
	: Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	Working Capital from Banks		
	Unsecured Loan from Banks		
	* Please see Note 1 below		
		<b>Rs. in Lakhs Amount outstanding</b>	
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
	(a) Secured	-	
	(b) Unsecured	-	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	Nil	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	
	(b) Operating lease	-	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	
	(b) Repossessed Assets	-	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	



NAPEROL INVESTMENTS LIMITED

Notes to the Financial Statements (Contd.)

Particulars Assets side :	Rs. in Lakhs		
	Amount outstanding		
(4) Break-up of Investments : (Included in Stock-in-Trade)			
Current Investments :			
1 Quoted :			
(i) Shares : (a) Equity		-	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Others (please specify)		-	
2 Unquoted :			
(i) Shares : (a) Equity		-	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Others (please specify)		-	
Long Term investments :			
1 Quoted :			
(i) Shares : (a) Equity		113.70	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		453.06	
(iv) Government Securities		-	
(v) Others (please specify)		-	
2. Unquoted :			
(i) Shares : (a) Equity		1.37	
(b) Preference		-	
(ii) Debentures and Bonds		0.39	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Others (please specify)		-	
Fixed Deposits with banks			
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
Please see Note 2 below			
Category	Amount net of provisions		Rs. in Lakhs
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties (Holding Company)	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Please see note 3 below			
Category	Market Value / Breakup or fair value or NAV	Book Value (Net of Provisions)	Rs. in Lakhs
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	55,287.38	50,302.05	*
2. Other than related parties	626.08	542.64	
Total	55,913.46	50,844.69	*
* Includes cost of unquoted securities Rs. 1.37 lakhs			
** As per Accounting Standard of ICAI (Please see Note No. 3)			





**NAPEROL INVESTMENTS LIMITED**  
**Notes to the Financial Statements (Contd.)**

(7) Other information	Rs. in Lakhs Amount
<b>Particulars</b>	
(i) Gross Non-Performing Assets	Nil
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	Nil
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	Nil
<b>Notes:</b>	
i As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.	
ii Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007	
iii All Accounting Standards as notified under the Companies (Accounting Standard) Rules, 2006 and Guidance Notes issued by Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.	
15	Based on the information received by the Company from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) there are no amounts due to such vendors during the year and as at the year end. Therefore, disclosures required under the Act have not been given.
16	Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification / disclosure / presentation.

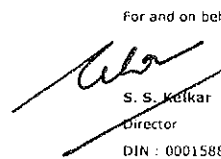
**Signatures to Notes 1 to 16**

As per our Report of even date  
For Nanubhai & Co.  
Chartered Accountants  
Firm Registration No. 106874W




Abhay D. Desai  
Partner  
Membership No. 043505


For and on behalf of Board of Directors



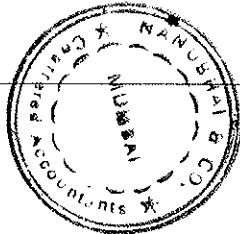
S. S. Kelkar  
Director  
DIN : 00015883



Suresh Khurana  
Director  
DIN : 06677496



R. V. Sarma  
Director  
DIN : 00025267



Naperol Investments Limited  
Balance Sheet as at March 31, 2019

Rs. in lakhs

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Financial assets			
(i) Investments	3	55,913.30	50,844.69
<b>Total non-current assets</b>		55,913.30	50,844.69
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalent	4	2.31	3.42
(b) Income tax assets (net)		0.46	0.46
<b>Total current assets</b>		2.77	3.88
<b>Total assets</b>		<b>55,916.07</b>	<b>50,848.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	5	25.50	25.50
(b) Other equity	6	55,869.36	50,800.86
<b>Total equity</b>		55,894.86	50,826.36
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	7	19.60	21.30
<b>Total non - current liabilities</b>		19.60	21.30
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	8		
(a) total outstanding dues to micro and small enterprises		-	-
(b) total outstanding dues other than (i) (a) above		0.98	0.86
(b) Other current liabilities	9	-	0.05
(c) Income tax liabilities (net)		0.63	-
<b>Total current liabilities</b>		1.61	0.91
<b>Total liabilities</b>		21.21	22.21
<b>Total equity and liabilities</b>		<b>55,916.07</b>	<b>50,848.57</b>
Basis of Preparation and Significant accounting policies.	2		

The above balance sheet should be read in conjunction with the accompanying notes


For Nanubhai & Co.  
Chartered Accountants

  
Abhay D. Desai  
Partner  
Membership No. 043505




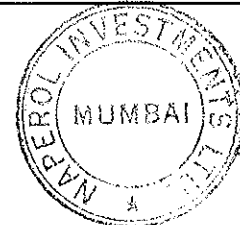
Mumbai May 9, 2019

For and on behalf of the Board of Directors

  
S.S. Kelkar  
Director  
DIN : 00015883

  
S. Khurana  
Director  
DIN : 06677496

  
R.V. Sarma  
Director  
DIN : 00025267



Naperol Investments Limited

Statement of Profit and Loss for the year ended March 31, 2019

Rs. in lakhs

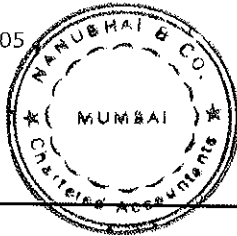
Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>REVENUE</b>			
I Revenue from operations	10	77.74	75.73
<b>II Total Revenue (I)</b>		<b>77.74</b>	<b>75.73</b>
<b>III EXPENSES</b>			
Other expenses	11	2.53	0.87
<b>Total Expenses (III)</b>		<b>2.53</b>	<b>0.87</b>
<b>IV Profit/(loss) before tax (II- III)</b>		<b>75.21</b>	<b>74.86</b>
<b>V Tax Expense</b>			
Current tax	7	0.63	-
Deferred tax	7	(1.78)	2.82
<b>Total tax expense (V)</b>		<b>(1.15)</b>	<b>2.82</b>
<b>VI Profit/(loss) for the year (IV-V)</b>		<b>76.36</b>	<b>72.04</b>
<b>VII Other comprehensive income</b>		<b>4,992.14</b>	<b>13,990.65</b>
Items that will not be recycled to profit or loss			
(a) Changes in fair value of equity instruments at FVOCI		4,992.22	13,995.25
Income tax relating to these items		(0.08)	(4.60)
<b>VIII Total comprehensive income for the year (VI+VII)</b>		<b>5,068.50</b>	<b>14,062.69</b>
<b>IX Earnings per equity share</b>			
(1) Basic and diluted (amount in Rs.)	14	299.46	282.51
Basis of Preparation and Significant accounting policies.	2		

The above statement of profit and loss should be read in conjunction with the accompanying notes

As per our report of even date  
For Nanubhai & Co.  
Chartered Accountants

*A Desai*

Abhay D. Desai  
Partner  
Membership No. 043505



Mumbai May 9, 2019

For and on behalf of the Board of Directors

*S.S. Kelkar*  
S.S. Kelkar  
Director  
DIN :00015883

*S. Khurana*  
S. Khurana  
Director  
DIN :06677496

*R.V. Sarma*  
R. V. Sarma  
Director  
DIN : 00025267



Naperol Investments Limited  
Statement of changes in equity for the year ended March 31, 2019

Particulars	Rs. in lakhs
<b>A. Equity share capital</b>	
As at April 1, 2017	25.50
Changes in equity share capital	-
<b>As at March 31, 2018</b>	25.50
Changes in equity share capital	-
<b>As at March 31, 2019</b>	25.50

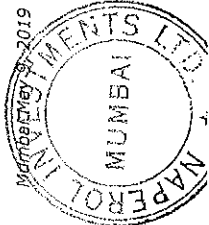
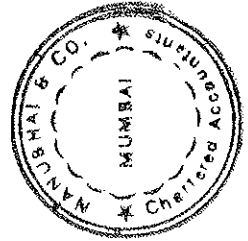
**B. Other equity**

Particulars	General reserve	Capital redemption reserve	Special reserve under section 45IC of RBI Act, 1934	Retained earnings	Item of other comprehensive income		Total
					Equity instrument through other comprehensive income	Income	
<b>Balance at April 1, 2017</b>	77.90	0.02	134.50	316.30	36,209.45	-	36,738.17
Profit for the year	-	-	-	72.04	-	-	72.04
Other comprehensive income for the year, net of income tax	-	-	-	-	-	13,990.65	13,990.65
Total comprehensive income for the year	-	-	-	72.04	-	13,990.65	14,062.69
Transfer from retained earnings	4.90	-	9.80	(14.70)	-	-	-
<b>Balance at March 31, 2018</b>	82.80	0.02	144.30	373.64	50,200.10	-	50,800.86
Profit for the year	-	-	-	76.36	-	-	76.36
Other comprehensive income for the year, net of income tax	-	-	-	-	-	4,992.14	4,992.14
Total comprehensive income for the year	-	-	-	76.36	-	4,992.14	5,068.50
Transfer from retained earnings	4.99	-	9.99	(14.98)	-	-	-
<b>Balance at March 31, 2019</b>	87.79	0.02	154.29	435.02	55,192.24	-	55,869.36

The above statement of equity should be read in conjunction with the accompanying notes.

As per our report of even date  
For Nanubhai & Co.  
Chartered Accountants

Abhav D. Desai  
Partner  
Membership No. 043505



For and on behalf of the Board of Directors

S. S. Kelkar  
Director  
DIN : 00015883

R. V. Sarma  
Director  
DIN : 00025267

AK

**Naperol Investments Limited**  
**Cash Flow statement for the year ended March 31, 2019**

Rs. in lakhs

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>(i) Cash flows from operating activities</b>		
Profit before tax	75.21	74.86
<b>Adjustments for:</b>		
Net gain on financial assets measured at fair value	(25.27)	(25.85)
Operating profit before working capital changes	49.94	49.01
<b>Movements in working capital:</b>		
Increase in trade payable	0.12	0.37
Increase/(decrease) in other liabilities	(0.05)	0.05
Cash generated from operations	50.01	49.43
Income taxes paid	-	(0.04)
<b>Net cash generated by operating activities</b>	<b>50.01</b>	<b>49.39</b>
<b>(ii) Cash flows from investing activities</b>		
Purchase of Investments	(51.12)	(49.72)
<b>Net cash used in investing activities</b>	<b>(51.12)</b>	<b>(49.72)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1.11)</b>	<b>(0.33)</b>
Cash and cash equivalents at the beginning of the year	3.42	3.75
<b>Cash and cash equivalents at the end of the year</b>	<b>2.31</b>	<b>3.42</b>

The above statement of cash flow should be read in conjunction with the accompanying notes

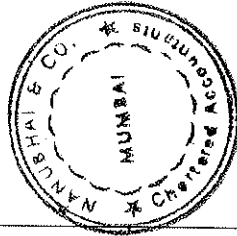
As per our report of even date

For Nanubhai & Co.

Chartered Accountants



Abhay D. Desai  
 Partner  
 Membership No. 043505



Mumbai May 9, 2019

For and on behalf of the Board of Directors



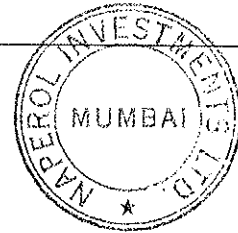
S.S. Kelkar  
 Director  
 DIN :00015883



S. Khurana  
 Director  
 DIN :06677496



R. V. Sarma  
 Director  
 DIN : 00025267




## Naperol Investments Limited

### 1. General information

Naperol Investments Limited (the "Company") is a wholly owned subsidiary of National Peroxide Limited. The Company is incorporated on May 06, 1980 as a registered Non Banking Financial Company ("NBFC") as provided by Section 45 - IA of the Reserve Bank of India ("RBI") Act, 1934. The Company is engaged in the business of long term investment and corporate lending having its registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

### 2. Significant accounting policies

#### Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

These financial statements are not the first financial statements of the Company in accordance with Ind AS. These financial statements are prepared for the limited purpose to prepare consolidated financial statement of Company's parent company under Ind AS.

#### Basis of preparation & presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Classification and subsequent measurement of financial assets

The classification of a financial asset depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

#### Financial assets measured at amortised Cost

Financial assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### Financial assets measured at fair value through other comprehensive Income (FVTOCI)

Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to profit or loss.

#### Financial assets measured at fair Value through profit or loss (FVTPL)

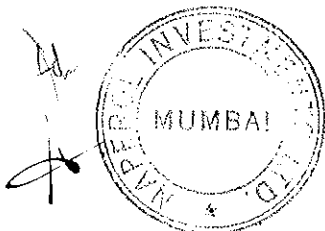
Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss. Dividend income from these financial assets is included in other income once the Company's right to receive the dividend is established and it is probable that the economic benefits associated with the dividend will flow to the entity.

#### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividends on these investments in equity instruments are recognised in the statement of profit and loss. All the equity instruments held by the Company are measured at FVTOCI.

#### Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. The recognition of impairment losses is based on the level of increase in credit risk of a financial asset.



#### Derecognition of financial asset

A financial asset is derecognised only when the company has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

#### Financial liabilities and equity instruments

An instrument issued by a company is classified as either a financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments is directly reduced from equity.

#### Subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. Company does not owe any financial liabilities which are held for trading.

#### Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability) is primarily derecognised when, and only when, the obligation under the liability is discharged or cancelled or expires.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/ interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **Income taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises of current tax and deferred tax.

#### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In that case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

#### Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the balance sheet date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

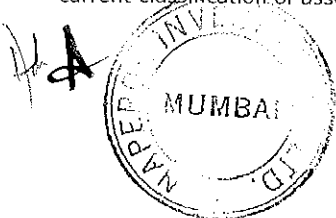
#### **Earnings per share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Schedule III to the act. The company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.



### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Revenue recognition**

#### **Dividend Income**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### **Provisions and contingencies**

Provisions are recognized when there is a present obligation (legal and constructive) as a result of a past event, it is probable that cash outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate can be made of the amount of the obligation. When a provision is measured using cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the ability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. A Contingent asset is disclosed, where an inflow of economic benefits is probable.

### **New and amended standards adopted by the Company**

The Company has applied following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers

The Company has elected to adopt Ind AS 115 using the modified retrospective method. The adoption of Ind AS 115 did not have any significant impact on the financial statements

- Amendment to Ind AS 12, Income Taxes

This amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### **Standards issued but not effective**

- Ind AS 116 – Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

The Company does not have any lease arrangement, therefore it expect no impact on the financial statement

- Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' - The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

These amendment is not expected to have any material impact on the financial statements.

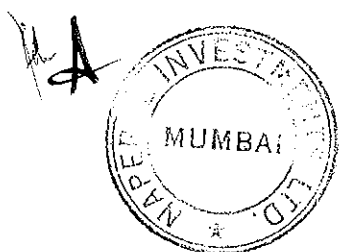
- Ind AS 12, 'Income Taxes' - The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

These amendment is not expected to have any material impact on the financial statements.

### **Critical estimates and judgements**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised respectively. Following are considered to be signification estimates:

- (a) Impairment of financial asset (refer accounting policies above)
- (b) Estimation of provisions and contingent liabilities (refer accounting policies above)





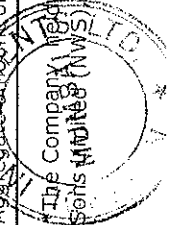
Naperol Investments Limited

Notes to the financial statements for the year ended March 31, 2019

Note 3 : Investments (Non-current)

Particular	Rs. in lakhs			
	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
<b>Measured at fair value through other comprehensive income</b>				
(a) <u>Investments in equity instruments</u>				
<u>Quoted, fully paid up</u>				
The Bombay Dyeing & Manufacturing Company Limited	406,200	548.17	406,200	971.02
The Bombay Burmah Trading Corporation Limited	4,208,400	54,679.74	4,208,400	49,271.94
Larsen and Toubro Limited	18	0.25	18	0.16
Technojit Consultants Limited	3,000	1.60	3,000	1.60
ABB Limited	60	0.79	60	0.78
Tata Chemicals Limited	56	0.33	56	0.38
Finolex Cables Limited	50	0.24	50	0.34
ACC Limited	300	5.00	300	4.52
Colgate Palmolive India Limited	132	1.66	132	1.40
Jaykay Enterprises Ltd	233	0.01	233	0.01
J.K.Cement Ltd.	46	0.40	46	0.47
ORG Informatics Ltd.	7	-	7	-
ICICI Bank Ltd.	5,131	20.55	5,131	14.28
GE Power India Limited (formerly known as Alstom Projects India Limited)	12	0.10	12	0.11
Ultratech Cement Ltd.	1	0.04	1	0.04
<u>Unquoted, fully paid up</u>				
B. R. T. Limited	1,000	15.04	1,000	14.64
<u>Other equity investment (Unquoted, fully paid up)</u>				
0% Unsecured Fully Convertible Debentures in Nowrosjee Wadia and Sons Limited*	393	42.84	393	42.84
<b>Measured at fair value through other profit and loss</b>				
(b) <u>Investments in Mutual Funds (Unquoted)</u>				
Kotak Bond Scheme Plan - A Growth	71,667.61	36.42	71,667.61	34.09
DHFL Pramerica Short Maturity Fund _Growth	903,524.21	302.99	903,524.21	287.48
Kotak Income Opp. Fund Direct Plan-Growth	507,378.49	109.28	507,378.49	101.85
ICICI Equity Arbitrage Fund	369,245.38	53.33	349,782.42	50.52
SBI Premier Liquid Fund Direct Plan DDR	9,420.94	94.52	4,606.86	46.22
<b>Total</b>		<b>55,913.30</b>		<b>50,844.69</b>
Of the above				
Aggregate amount of quoted investments		55,258.88		50,267.05
Aggregate market value of quoted investments		55,258.88		50,267.05
Aggregate amount of unquoted investments		654.42		577.64

\*The Company held these investments in 'Sunflower Investments and Textiles Limited' (Sunflower). Pursuant to the merger of Sunflower into Nowrosjee Wadia and Sons Limited (NWS) in the previous year, these debentures in Sunflower were cancelled and NWS had issued debentures to the Company.



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Naperol Investments Limited  
Notes to the financial statements for the year ended March 31, 2019

Note 4: Cash and cash equivalents

Rs. in lakhs

Particulars	Rs. in lakhs	
	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>		
Cash on hand	0.25	0.26
Balances in scheduled banks in current account	2.06	3.16
<b>Total</b>	<b>2.31</b>	<b>3.42</b>

Note 5 : Equity share capital

Rs. in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
Equity shares of Rs. 100/- each	49,982	49.98	49,982	49.98
18.11% Non-Cumulative Redeemable Preference Shares	18	0.02	18	0.02
<b>Issued, subscribed and fully paid</b>				
Equity shares of Rs. 100/- each	25,500	25.50	25,500	25.50
<b>Total</b>	<b>25,500</b>	<b>25.50</b>	<b>25,500</b>	<b>25.50</b>

The Company has only one class of equity shares having a par value of Rs. 100/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

In last 5 years, no classes of shares has been issued, bought back and bonus issued by the Company.

Movement in equity share capital

Rs. in lakhs

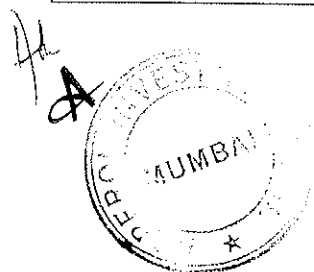
Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Opening balance	25,500	25.50	25,500	25.50
Changes during the year	-	-	-	-
<b>Closing balance</b>	<b>25,500</b>	<b>25.50</b>	<b>25,500</b>	<b>25.50</b>

Details of shareholders holding more than 5% of total equity shares of the company:

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
National Peroxide Limited, holding company	25,500	100.00%	25,500	100.00%

Note No 6 : Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve	87.79	82.80
Capital redemption reserve	0.02	0.02
Special reserve under section 45IC of RBI Act, 1934	154.29	144.30
Retained earnings	435.02	373.64
Equity instrument through other comprehensive income	55,192.24	50,200.10
<b>Total</b>	<b>55,869.36</b>	<b>50,800.86</b>



**General reserve**

This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve**

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction/ buyback in earlier years.

**Special reserve under section 45IC of RBI Act, 1934**

Under section 45 (IC) of Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum based on the provisions of the said Act.

**Retained Earnings**

This represent the surplus/ (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

**Equity instrument through other comprehensive income**

This reserve represents the cumulative gains and losses arising on the measurement of equity instruments at fair value through other comprehensive income, net of tax amounts. This reserve is reclassified to retained earnings when relevant assets have been disposed off.

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**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 7 : Income Tax Expense**

This note provides an analysis of the group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Particulars	Rs. in lakhs	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income tax expense</b>		
<i>a) Income tax recognised in statement of profit and loss</i>		
Current tax	-	-
Adjustments for current tax of prior periods	0.63	-
<b>Total current tax expense</b>	<b>0.63</b>	<b>-</b>
<i>Deferred tax</i>		
(Decrease)/Increase in Deferred Tax Liabilities	(1.78)	2.82
<b>Total income tax expense</b>	<b>(1.78)</b>	<b>2.82</b>
<i>b) Income tax recognised in other comprehensive income</i>		
<i>Deferred tax</i>		
(Decrease)/Increase in Deferred Tax Liabilities	0.08	4.60
<b>Total income tax expense</b>	<b>0.08</b>	<b>4.60</b>

Particulars	Rs. in lakhs	
	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	19.60	21.30
Less: deferred tax assets	-	-
<b>Net deferred tax liability</b>	<b>19.60</b>	<b>21.30</b>

**Movement of Deferred Tax**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2019:

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Rs. in lakhs
				Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at FVTPL	16.70	(1.78)	-	14.92
Financial asset measured at FVOCI	4.60	-	0.08	4.68
<b>Total deferred tax liabilities</b>	<b>21.30</b>	<b>(1.78)</b>	<b>0.08</b>	<b>19.60</b>

**Movement of Deferred Tax**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2018:

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Rs. in lakhs
				Closing balance
Deferred tax liabilities in relation to:				
Financial asset measured at FVTPL	13.88	2.82	-	16.70
Financial asset measured at FVOCI	-	-	4.60	4.60
<b>Total deferred tax liabilities</b>	<b>13.88</b>	<b>2.82</b>	<b>4.60</b>	<b>21.30</b>



**Reconciliation of income tax expenses with accounting profit**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	Rs. in lakhs	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before tax	75.21	74.86
Enacted tax rate in India#	26.01%	26.01%
<b>Income Tax using the Company's domestic Tax rate</b>	<b>19.56</b>	<b>19.47</b>
Effect of:		
Expenses that are not deductible in determining taxable profit		
Income that is not taxable in determining taxable profit	(12.99)	(12.75)
Income taxable at different rate	(3.94)	(3.99)
Charge of current tax of prior period	0.63	-
Others	(4.41)	0.09
<b>Income tax expense recognised in profit or loss</b>	<b>(1.15)</b>	<b>2.82</b>

# The tax rate used for the reconciliations above is the corporate tax rate (including applicable surcharge and cess) payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

**Note 8 : Trade Payables**

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables: micro and small enterprises		
Trade payables: other payables	0.98	0.86
Trade payables to related parties		
<b>Total</b>	<b>0.98</b>	<b>0.86</b>

**Note 9 : Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Others	-	0.05
<b>Total</b>	<b>-</b>	<b>0.05</b>



**Naperol Investments Limited**

**Notes to the financial statements for the year ended March 31, 2019**

**Note 10 : Revenue from operations**

Rs. in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	52.47	49.88
Net gain on financial asset measured at fair value	25.27	25.85
<b>Total</b>	<b>77.74</b>	<b>75.73</b>

**Note 11 : Other expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal and professional fee	0.38	0.33
Membership and subscription	-	0.06
Sundry expenses	0.42	0.03
Auditors remuneration		
as auditors	0.50	0.34
for other services	1.23	0.11
<b>Total</b>	<b>2.53</b>	<b>0.87</b>

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**Naperol Investments Limited**

Notes to the financial statements for the year ended March 31, 2019

**Note 12 : Financial Risk Management and Capital Management****Financial Risk Management Framework**

The Company's activities expose it to a variety of financial risks: market risk (price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Company's financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze and monitor the risks and to set appropriate risk limits and controls.

**Price risks**

The Company is exposed to equity price risks arising from equity investments. These investments are subject to changes in the market price of securities. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. The portfolio of equity instruments is maintained and analyses in accordance with the risk framework set under Risk Management policies.

Equity price sensitivity analysis

If equity prices had been 10% higher/lower, other comprehensive income before tax for the year ended March 31, 2019 would increase/decrease by Rs. 5527.39 lakhs (for the year ended March 31, 2018: increase/decrease by Rs. 5028.17 lakhs) as a result of the changes in fair value of shares measured at FVTOCI.

**Credit risk**Exposures to credit risk:

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. It arises from deposits with banks and financial institutions and mutual funds investment.

Credit risk management:

The credit risk on cash and cash equivalents, deposits with banks and investments in mutual fund is limited because the counterparties are banks or financial institutions with high credit-ratings assigned by credit-rating agencies.

The Company has not recognised a loss allowance provision for any of its financial assets.

**Liquidity risk**

Liquidity risk is the risk that the company will fail in meeting its obligations to pay its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a positive cash balance throughout the year. Internal accruals provides the funds to service the financial liabilities on a day-to-day basis. Cash which is not needed in the operating activities of the Company is invested in interest bearing securities and highly marketable liquid funds.

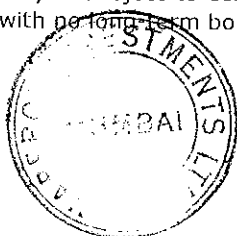
The following table analyzes the maturity profile of the Company's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows and therefore may not reconcile with the financial liabilities presented in balance sheet. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Less than 1 year	more than 1 year	Total
As at March 31, 2019				
Trade payables	0.98	0.98	-	0.98
As at March 31, 2018				
Trade payables	0.86	0.86	-	0.86

The Company covers its liabilities out of operating cash flow generated, liquidity reserves in form of cash and cash equivalents and short term mutual funds as at 31 March 2019 is Rs. 598.85 lakhs (31 March 2018: Rs 523.58 lakhs).

**Capital Management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain a capital structure suitable to optimize the cost of capital. In order to maintain or adjust the capital structure, the Company may return capital to the shareholders, issue new shares, or sell assets. The capital structure of the Company consists of equity of the Company. The Company is subject to certain capital requirements NBFC rules under RBI Act, 1934. The Company is a zero debt company with no long term borrowings as at March 31, 2019 and as at March 31, 2018.



**Note 13 : Fair Value Measurement**

**Categories of financial instruments**

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<u>Measured at Amortised Cost</u>		
- Cash and cash equivalents	2.31	3.42
<u>Measured at fair value through profit and loss (FVTPL)</u>		
- Investments in mutual funds	596.54	520.16
<u>Measured at fair value through other comprehensive income (FVTOCI)</u>		
- Investment in equity instruments designated at FVTOCI	55,273.92	50,281.68
- Investment in other equity instruments designated at FVTOCI	42.84	42.84
<b>Financial liabilities</b>		
<u>Measured at Amortised Cost</u>		
- Trade payable	0.98	0.86

(i) Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value
	March 31, 2019	March 31, 2018	
Financial assets at fair value through profit or loss- Mutual funds	596.54	520.16	Level 1
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment	55,258.88	50,267.04	Level 1
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment	15.04	14.64	Level 3
Financial assets at fair value through other comprehensive income - Convertible debentures (equity instruments)	42.84	42.84	Level 3

The carrying amount of cash and cash equivalents and trade payables are considered to be the same as their fair values, due to their short-term nature.

**Level 1 :** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Valuation technique used to determine fair value**

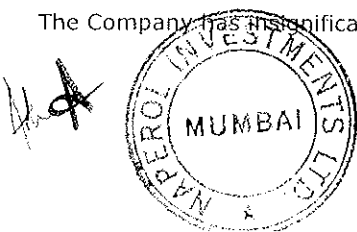
Specific valuation techniques used to value financial instruments include:

The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

The fair value of equity instrument which are not traded in the stock exchanges is valued using net assets value of respective equity share.

The fair value of convertible debenture (in the nature of equity) is valued using net assets value of respective equity share.

The Company has insignificant financial instruments at level3





**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2019**

**Note 14 : Earning per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Rs. in lakhs except otherwise stated

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit / (loss) for the year attributable to owners of the Company - earnings used in calculation of basis and diluted earning per share	76.36	72.04
Weighted average number of equity shares (Numbers)	25,500.00	25,500.00
Face value per share (Rs.)	100.00	100.00
Earnings per share from continuing operations - Basic and diluted (Rs.)	299.46	282.51

Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

**Note 15 : Operating segment**

Information reported to the chief operating decision maker (CODM), consisting of Board of Directors, for the purposes of resource allocation and assessment of segment performance focuses on only one type business of i.e. investment activity. Also it operates significantly in a single geographic segment viz. India. Therefore, information required by the Indian Accounting Standard on "Segment Reporting" (Ind AS) - 108 are not applicable.

Company does not own any non-current asset located outside India. Company does not have any customer.

**Note 16 : Related party disclosures**

(a) Parent entity :- National Peroxide Limited

(b) Ultimate controlling party:- Ben Nevis Investments Limited

Company does not have any transactions or balances with its related parties.

**Note 16 : Authorisation of financial statements**

The financial statements were authorised for issue by the directors on May 9, 2019

For Nanubhai & Co.  
Chartered Accountants



**Abhay D. Desai**  
Partner  
Membership No. 043505



Mumbai May 9, 2019

For and on behalf of the Board of Directors



**S.S. Kelkar**  
Director  
DIN :00015883



**S. Khurana**  
Director  
DIN :06677496



**R.V. Sarma**  
Director  
DIN : 00025267

