

**NAPEROL INVESTMENTS LIMITED**

**ANNUAL REPORT 2019-20**

**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 Fortieth 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, 25th August, 2020 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, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. V. Sarma (DIN: 00025267) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**Special Business:**

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

“RESOLVED THAT Mr. Rajiv Arora (DIN: 08730235), who was appointed as an Additional Director of the Company w.e.f. 26th June, 2020, pursuant to the provisions of Section 161 of the Companies Act (“the Act”) and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and who is eligible for appointment as Director and in respect of whom the Company has received a notice under section 160 of the Act in writing from a member

proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

By Order of the Board of Directors  
For NAPEROL INVESTMENTS LIMITED

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

Mumbai, 26<sup>th</sup> June, 2020

**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) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto as '**Annexure I**'.
- c) The proxy form, attendance slip and route map to reach the venue are enclosed.

## **ANNEXURE I TO THE NOTICE**

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

### **Item No. 3**

#### **Mr. Rajiv Arora**

Mr. Rajiv Arora (DIN: 08730235) was appointed as an Additional Director on the Board of the Company w.e.f. 26th June, 2020 pursuant to the provisions of Section 161 of the Companies Act ("the Act") and Articles of Association of the Company and he holds office upto the date of this Annual General Meeting. The Board has approved the appointment of Mr. Arora as a Director of the Company liable to retire by rotation.

Mr. Arora is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a notice in writing from a member under Section 160(1) of the Act proposing the candidature of Mr. Arora for the office of Director of the Company.

Mr. Rajiv Arora, 57, is a Chemical Engineer (BE) from Birla Institute of Technology and Science Pilani and MBA (Marketing & Operations) from Indian Institute of Management, Bangalore.

Mr. Arora has vast experience of over 35 years, in different industries including a stint of 2 years in Germany. Prior to this, he was associated as President & Business Head with Sriram Axial Private Limited (DCM Shriram Group Company) since 2014. He has been associated with DCM Shriram Group since 2002 and prior to that, he had worked for 17 years with Companies like Ester Industries Limited, Ester Europe GmbH, SRF Ltd., Modipon Fibres Limited and Grasim Industries Limited.

Mr. Arora is designated as Chief Executive Officer & Whole-time Director of National Peroxide Limited, being the holding Company of the Company. Mr. Arora is not related to any of the other Directors. He does not hold any shares of the Company.

**Date of first Appointment on the Board:** 26<sup>th</sup> June, 2020.  
Number of Board Meeting attended for part of the year: None.

**Outside Directorship:** National Peroxide Limited

**Committee Membership:** Stakeholders' Relationship Committee of National Peroxide Limited.

ROUTE MAP FOR THE FORTIETH 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, 25<sup>th</sup> AUGUST, 2020 AT 10:00 A.M.**

Route Map to reach the Meeting Hall from Prabhadevi Railway Station.

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, 2020.

**1. FINANCIAL RESULTS:**

<b>Particulars</b>	(Rs. in lakh)	
	<b>31/03/2020</b>	<b>31/03/2019</b>
Revenue from operations	58.14	77.74
Total Expenses	1.82	2.53
<b>Profit before tax after exceptional items</b>	<b>56.32</b>	<b>75.21</b>
Tax	1.38	(1.15)
<b>Net Profit after Tax</b>	<b>54.94</b>	<b>76.36</b>

Note: The financial results for the year ended 31<sup>st</sup> March, 2020, are in compliance with the Indian Accounting Standards (Ind AS) and accordingly, the results for the previous year ended 31<sup>st</sup> March, 2019 have been restated.

**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, 2020.

**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 2019-20, Rs. 19.98 lakh have been transferred to General Reserve as compared to Rs. 4.99 lakh in the previous year. The Company has also transferred Rs. 39.96 lakh (previous year Rs. 9.99 lakh) 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 total revenue from operations was Rs. 58.14 lakh (2018-19: Rs. 77.74 lakh) against expenses of Rs. 1.82 lakh (2018-19: Rs. 2.53 lakh). The profit after tax was Rs. 54.94 lakh

(2018-19: Rs. 76.36 lakh). The Company has received Dividend Income of Rs. 55.42 lakh during the year (2018-19: Rs. 52.47 lakh).

**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:**

During the year under review, Six meetings of the Board of Directors were held during the financial year 2019-20. They were held on 23<sup>rd</sup> April, 2019; 9<sup>th</sup> May, 2019; 23<sup>rd</sup> August, 2019; 4<sup>th</sup> November, 2019, 12<sup>th</sup> December, 2019 and 28<sup>th</sup> January, 2020.

**9. SHARE CAPITAL:**

The Authorised Share Capital of the Company was Rs. 50.00 lakh as on 31<sup>st</sup> March, 2020. During the year under review, there was no change in the Share Capital of the Company.

The paid-up Share Capital of the Company was Rs. 25.50 lakh as on 31<sup>st</sup> March, 2020. 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, the extract of Annual Return in 'Form MGT-9' is annexed as **Annexure - I** 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), had been appointed as the Statutory Auditors of the Company, from the conclusion of the 39<sup>th</sup> Annual General Meeting (AGM) held on 6<sup>th</sup> August, 2019 upto the conclusion of the 44<sup>th</sup> Annual General Meeting to be held in the Financial Year 2024-25. The remuneration payable to the Auditors shall be determined by the Board of Directors.

Pursuant to the Companies (Amendment) Act, 2017, which was notified on 7<sup>th</sup> May, 2018, the provision related to ratification of appointment of auditors by Members at every AGM has been done away with.

**13. AUDITORS' REPORT:**

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

**14. COST RECORDS AND AUDIT**

As per Companies (Cost Records and Audit) Rules, 2014, the Company is not required to maintain cost records.

**15. RELATED PARTY TRANSACTIONS:**

There were no related party transactions as per Section 188 of the Companies Act, 2013, during the year under review.



**16. 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.

**17. 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.

**18. DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. R. V. Sarma (DIN: 00025267) retires by rotation and being eligible, offers himself for re-appointment.

The Board of Directors had appointed Mr. Rajiv Arora (DIN: 08730235) as an Additional Director with effect from 26<sup>th</sup> June, 2020, with effect from the conclusion of the Board meeting. Mr. Rajiv Arora holds office upto the date of this Annual General Meeting and being eligible his candidature for appointment as Director of the Company.

Mr. Suresh Khurana (DIN: 06677496) who was appointed as a Director of the Company with effect from 15<sup>th</sup> December, 2017 has resigned as Director on 26<sup>th</sup> June, 2020 from the conclusion of the Board Meeting. The Board has placed on record its appreciation of the valuable contribution made by Mr. Khurana during his tenure as Director on the Board of the Company.

The necessary resolutions for the re-appointment of Mr. R. V. Sarma and appointment of Mr. Rajiv Arora have been included in the Notice convening the Fortieth Annual General Meeting. Requisite details have been provided in the explanatory statement of the Notice.

The Directors commend their appointment for the approval of the Members.

**19. 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.

**20. 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. 3 to the Financial Statements.

**21. DISCLOSURE RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has no employees and hence there is no information to be furnished under Sexual Harassment of Women and at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

**22. 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.

**23. 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.

**24. CORPORATE SOCIAL RESPONSIBILITY**

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

**25. 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.

**26. 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, 26<sup>th</sup> June, 2020

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

As on Financial Year ended March 31, 2020

[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:	6 <sup>th</sup> May, 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)

#### D. SHAREHOLDING PATTERN:

##### i. Category-Wise Shareholding:

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>A. Promoters</b>									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	25,500	25,500	100	-	25,500	25,500	100	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	25,500	25,500	100	-	25,500	25,500	100	-
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	25,500	25,500	100	-	25,500	25,500	100	-
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
2) Non-Institutions									
a) Bodies Corp.									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-

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 Audit of 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 March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.



## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information required under section 134(3) of the Act. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibilities for the Standalone Financial Statements**

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

In preparing the Standalone Financial Statements, 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 responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

A

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

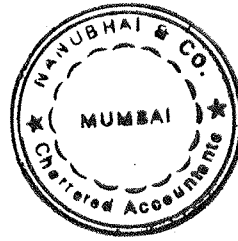
## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Standalone 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. 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 2020.
  - 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 2020.

CONT....

- iv. 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's Registration No. 106874W

A handwritten signature in black ink, appearing to read "A. Desai".

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

Mumbai, Dated: 26 June 2020

UDIN: 20043505AAAAAD5316

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Naperol Investments Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **NAPEROL INVESTMENTS LIMITED** (the "Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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 (the "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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

## Meaning of Internal Financial Controls over Financial Reporting

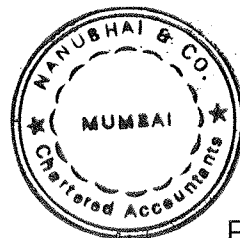
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the 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 March 31, 2020, based on the internal financial 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 ICAI.



For NANUBHAI & CO.  
Chartered Accountants  
Firm's Registration No.106874W

A handwritten signature in black ink, appearing to read "Abhay D. Desai".

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

Mumbai, Dated: 26 June 2020

UDIN: 20043505AAAAAD5316

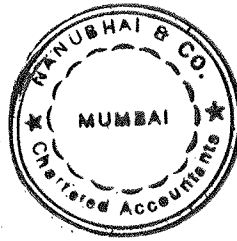
## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Naperol Investments Limited of even date)

- i. The Company does not have any Fixed Assets. Accordingly, reporting under clause 3 (i) of the Order is not applicable to the Company.
- ii. The Company is an Investment Company and does not hold any physical inventories. Accordingly, reporting under clause 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 Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit 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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.



- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the Company has not paid/provided managerial remuneration and therefore the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act are not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.



For NANUBHAI & CO.  
Chartered Accountants  
Firm's Registration No.106874W

A handwritten signature in black ink, appearing to read 'A Desai'.

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

Mumbai, Dated: 26 June 2020

UDIN: 20043505AAAAAD5316

**Naperol Investments Limited**  
**Balance Sheet as at March 31, 2020**

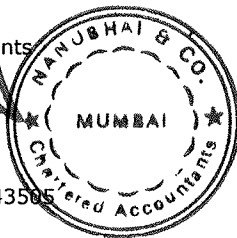
Rs. in lakhs

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Financial assets			
(i) Investments	3	31,608.95	55,913.30
<b>Total non-current assets</b>		<b>31,608.95</b>	<b>55,913.30</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalent	4	3.03	2.31
(b) Income tax assets (net)		-	0.46
<b>Total current assets</b>		<b>3.03</b>	<b>2.77</b>
<b>Total assets</b>		<b>31,611.98</b>	<b>55,916.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	5	25.50	25.50
(b) Other equity	6	31,564.86	55,869.36
<b>Total equity</b>		<b>31,590.36</b>	<b>55,894.86</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	7	4.43	19.60
<b>Total non-current liabilities</b>		<b>4.43</b>	<b>19.60</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues to micro and small enterprises	8	-	-
(b) total outstanding dues other than (i) (a) above		0.70	0.98
(b) Other current liabilities	9	0.02	-
(c) Income tax liabilities (net)		16.47	0.63
<b>Total current liabilities</b>		<b>17.19</b>	<b>1.61</b>
<b>Total liabilities</b>		<b>21.62</b>	<b>21.21</b>
<b>Total equity and liabilities</b>		<b>31,611.98</b>	<b>55,916.07</b>
<b>Basis of Preparation and Significant accounting policies.</b>	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. 043585



For and on behalf of the Board of Directors

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

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

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

Mumbai June 26, 2020

**Naperol Investments Limited**

**Statement of Profit and Loss for the year ended March 31, 2020**

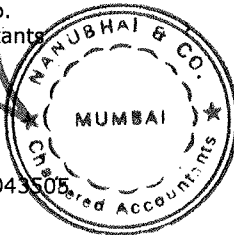
Rs. in lakhs

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>REVENUE</b>			
I Revenue from operations	10	58.14	77.74
<b>II Total Revenue (I)</b>		<b>58.14</b>	<b>77.74</b>
<b>III EXPENSES</b>			
Other expenses	11	1.82	2.53
<b>Total Expenses (III)</b>		<b>1.82</b>	<b>2.53</b>
<b>IV Profit/(loss) before tax (II- III)</b>		<b>56.32</b>	<b>75.21</b>
<b>V Tax Expense</b>			
Current tax	7	16.30	0.63
Deferred tax	7	(14.92)	(1.78)
<b>Total tax expense (V)</b>		<b>1.38</b>	<b>(1.15)</b>
<b>VI Profit/(loss) for the year (IV-V)</b>		<b>54.94</b>	<b>76.36</b>
<b>VII Other comprehensive income</b>		<b>(24,359.44)</b>	<b>4,992.14</b>
Items that will not be recycled to profit or loss			
(a) Changes in fair value of equity instruments at FVOCI		(24,359.69)	4,992.22
Income tax relating to these items		0.25	(0.08)
<b>VIII Total comprehensive income for the year (VI+VII)</b>		<b>(24,304.50)</b>	<b>5,068.50</b>
<b>IX Earnings per equity share</b>			
(1) Basic and diluted (amount in Rs.)	14	215.44	299.46
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

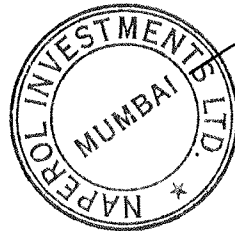
*Abhay D. Desai*  
Abhay D. Desai  
Partner  
Membership No. 043505



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

Mumbai June 26, 2020

**Naperol Investments Limited**  
**Statement of changes in equity for the year ended March 31, 2020**

Particulars	Rs. in lakhs
<b>A. Equity share capital</b>	
As at April 1, 2018	25.50
Changes in equity share capital	-
As at March 31, 2019	25.50
Changes in equity share capital	-
As at March 31, 2020	25.50

**B. Other equity**

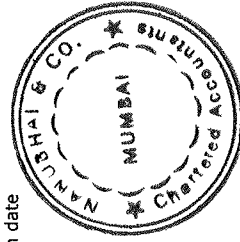
Particulars	General reserve	Capital redemption reserve	Special reserve under section 451C of RBI Act, 1934	Retained earnings	Item of other comprehensive income		Total
					Equity instrument through other comprehensive income	Income	
<b>Balance at April 1, 2018</b>	82.80	0.02	144.30	373.64	50,200.10	50,800.86	
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	
Profit for the year	-	-	-	54.94	-	54.94	
Other comprehensive income for the year, net of income tax	-	-	-	-	(24,359.44)	(24,359.44)	
Total comprehensive income for the year	-	-	-	54.94	(24,359.44)	(24,304.50)	
Transfer from retained earnings	19.98	-	39.96	(59.94)	-	-	
<b>Balance at March 31, 2020</b>	107.77	0.02	194.25	430.02	30,832.80	31,564.86	

Rs. in lakhs

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

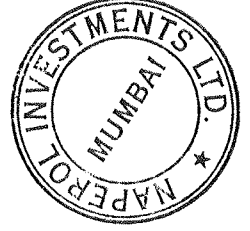


For and on behalf of the Board of Directors

S.S. Kelkar  
Director  
DIN : 00015883

S. Khurana  
Director  
DIN : 06677496

R. V. Sarma  
Director  
DIN : 00025267



Mumbai June 26, 2020

**Naperol Investments Limited**  
**Cash Flow statement for the year ended March 31, 2020**

Rs. in lakhs

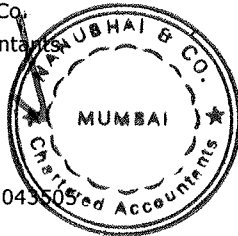
Particulars	For year ended March 31, 2020	For year ended March 31, 2019
<b>(i) Cash flows from operating activities</b>		
Profit before tax	56.32	75.21
<b>Adjustments for:</b>		
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	(2.71)	(25.27)
Operating profit before working capital changes	53.60	49.94
<b>Movements in working capital:</b>		
Increase in trade payable	(0.28)	0.12
Increase/(decrease) in other liabilities	0.02	(0.05)
Cash generated from operations	53.34	50.01
Income taxes paid	-	-
<b>Net cash generated by operating activities</b>	<b>53.34</b>	<b>50.01</b>
<b>(ii) Cash flows from investing activities</b>		
Purchase of Investments	(1,359.03)	(51.12)
Proceeds from sale of Investments	1,306.40	-
<b>Net cash used in investing activities</b>	<b>(52.62)</b>	<b>(51.12)</b>
<b>Net increase in cash and cash equivalents</b>	<b>0.72</b>	<b>(1.11)</b>
Cash and cash equivalents at the beginning of the year	2.31	3.42
<b>Cash and cash equivalents at the end of the year</b>	<b>3.03</b>	<b>2.31</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



For and on behalf of the Board of Directors

*S.S. Ketkar*  
S.S. Ketkar  
Director  
DIN : 00015883

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

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



Mumbai June 26, 2020

## **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 is 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.

#### **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)**

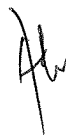
Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss. Dividend income from these financial assets is included in other income 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 assets 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 are classified as either financial liabilities 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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

#### Subsequent measurement of financial liabilities

All the 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 is 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 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 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expenses 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 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 that 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.

**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 significant 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, 2020**

**Note 3 : Investments (Non-current)**

Particular	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
<b>Measured at fair value through other comprehensive income</b>				
(a) Investments in equity instruments				
Quoted, fully paid up				
The Bombay Dyeing & Manufacturing Company Limited	4,06,200	186.04	4,06,200	548.17
The Bombay Burmah Trading Corporation Limited	42,78,533	31,340.25	42,08,400	54,679.74
Larsen and Toubro Limited	18	0.15	18	0.25
Technojel Consultants Limited	3,000	1.60	3,000	1.60
ABB Limited	60	0.56	60	0.79
Tata Chemicals Limited	56	0.13	56	0.33
Finolex Cables Limited	50	0.10	50	0.24
ACC Limited	300	2.91	300	5.00
Colgate Palmolive India Limited	132	1.65	132	1.66
Jaykay Enterprises Ltd	233	0.01	233	0.01
J.K.Cement Ltd.	46	0.43	46	0.40
ORG Infomatics Ltd.	7	0.00	7	-
ICICI Bank Ltd.	5,131	16.61	5,131	20.55
GE Power India Limited (formerly known as Alstom Projects India Limited)	12	0.06	12	0.10
Ultratech Cement Ltd.	1	0.03	1	0.04
Unquoted, fully paid up				
B. R. T. Limited	1,000	15.60	1,000	15.04
Other equity investment (Unquoted fully paid up)				
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) Investments in Mutual Funds (Unquoted)				
Kotak Bond Scheme Plan - A Growth	-	-	71,667.61	36.42
DHFL Pramerica Short Maturity Fund _Growth	-	-	9,03,524.21	302.99
Kotak Income Opp. Fund Direct Plan-Growth	-	-	5,07,378.49	109.28
ICICI Equity Arbitrage Fund	-	-	3,69,245.38	53.33
SBI Premier Liquid Fund Direct Plan DDR	-	-	9,420.94	94.52
<b>Total</b>		<b>31,608.95</b>		<b>55,913.30</b>
Of the above				
Aggregate amount of quoted investments		31,550.52		55,258.88
Aggregate market value of quoted investments		31,550.52		55,258.88
Aggregate amount of unquoted investments		58.43		654.42

*(Handwritten signatures)*

**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**Note 4: Cash and cash equivalents**

Rs. in lakhs

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Cash and cash equivalents</b>		
Cash on hand	0.22	0.25
Balances in scheduled banks in current account	2.81	2.06
<b>Total</b>	<b>3.03</b>	<b>2.31</b>

**Note 5 : Equity share capital**

Rs. in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
National Peroxide Limited, holding company	25,500	100.00%	25,500	100.00%

**Note No 6 : Other equity**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
General reserve	107.77	87.79
Capital redemption reserve	0.02	0.02
Special reserve under section 45IC of RBI Act, 1934	194.25	154.29
Retained earnings	430.02	435.02
Equity instrument through other comprehensive income	30,832.80	55,192.24
<b>Total</b>	<b>31,564.86</b>	<b>55,869.36</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.



**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**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, 2020	For the year ended March 31, 2019
<b>Income tax expense</b>		
<i>a) Income tax recognised in statement of profit and loss</i>		
Current tax	16.30	-
Adjustments for current tax of prior periods	-	0.63
<b>Total current tax expense</b>	<b>16.30</b>	<b>0.63</b>
<i>Deferred tax</i>		
(Decrease)/Increase in Deferred Tax Liabilities	(14.92)	(1.78)
<b>Total income tax expense</b>	<b>(14.92)</b>	<b>(1.78)</b>
<i>b) Income tax recognised in other comprehensive income</i>		
<i>Deferred tax</i>		
(Decrease)/Increase in Deferred Tax Liabilities	(0.25)	0.08
<b>Total income tax expense</b>	<b>(0.25)</b>	<b>0.08</b>

**Deferred tax balances**

Rs. in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	4.43	19.60
Less: deferred tax assets	-	-
<b>Net deferred tax liability/ (Assets)</b>	<b>4.43</b>	<b>19.60</b>

**Movement of Deferred Tax**

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2020:

Rs. in lakhs

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
<u>Deferred tax liabilities in relation to:</u>				
Financial asset measured at FVTPL	14.92	(14.92)	-	-
Financial asset measured at FVOCI	4.68	-	(0.25)	4.43
<b>Total deferred tax liabilities</b>	<b>19.60</b>	<b>(14.92)</b>	<b>(0.25)</b>	<b>4.43</b>

**Movement of Deferred Tax**

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

Rs. in lakhs

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
<u>Deferred tax liabilities in relation to:</u>				
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>

*[Handwritten signatures]*

**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, 2020	For the year ended 31 March, 2019
Profit before tax	56.32	75.21
Enacted tax rate in India#	25.17%	26.01%
<b>Income Tax using the Company's domestic Tax rate</b>	<b>14.17</b>	<b>19.56</b>
<u>Effect of:</u>		
Expenses that are not deductible in determining taxable profit		
Income that is not taxable in determining taxable profit	(13.49)	(12.99)
Income taxable at different rate	(0.40)	(3.94)
Charge of current tax of prior period	-	0.63
Others	1.10	(4.41)
<b>Income tax expense recognised in profit or loss</b>	<b>1.38</b>	<b>(1.15)</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**

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade payables: micro and small enterprises		
Trade payables: other payables	0.70	0.98
Trade payables to related parties		
<b>Total</b>	<b>0.70</b>	<b>0.98</b>

**Note 9 : Other Current Liabilities**

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
Withholding tax payable	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>



**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**Note 10 : Revenue from operations**

Rs. in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend income	55.42	52.47
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	2.71	25.27
<b>Total</b>	<b>58.14</b>	<b>77.74</b>

**Note 11 : Other expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and professional fee	0.47	0.38
Membership and subscription	0.06	-
Sundry expenses	0.15	0.42
Auditors remuneration		
as auditors	0.71	0.50
for other services	0.43	1.23
<b>Total</b>	<b>1.82</b>	<b>2.53</b>

**Naperol Investments Limited****Notes to the financial statements for the year ended March 31, 2020****Note 12 : Financial Risk Management and Capital Management****Financial Risk Management Framework**

The Company's activities exposes 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 analysis 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, 2020 would increase/decrease by Rs. 3160.84.39 lakhs (for the year ended March 31, 2019: increase/decrease by Rs. 5527.39 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, 2020				
Trade payables	0.70	0.70	-	0.70
As at March 31, 2019				
Trade payables	0.98	0.98	-	0.98

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 2020 is Rs. 3.03 lakhs (31 March 2019: Rs 598.85 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 of NBFC rules under RBI Act, 1934. The Company is a zero debt company with no long-term borrowings as at March 31, 2020 and as at March 31, 2019.

## Note 13 : Fair Value Measurement

### Categories of financial instruments

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>		
<u>Measured at Amortised Cost</u>		
- Cash and cash equivalents	3.03	2.31
<u>Measured at fair value through profit and loss (FVTPL)</u>		
- Investments in mutual funds	-	596.54
<u>Measured at fair value through other comprehensive income (FVTOCI)</u>		
- Investment in equity instruments designated at FVTOCI	31,566.12	55,273.93
- Investment in other equity instruments designated at FVTOCI	42.84	42.84
<b>Financial liabilities</b>		
<u>Measured at Amortised Cost</u>		
- Trade payable	0.70	0.98

### (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	Rs. in lakhs		Fair value
	Fair value as at		
	March 31, 2020	March 31, 2019	
Financial assets at fair value through profit or loss- Mutual funds	-	596.54	Level 1
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment	31,550.53	55,258.88	Level 1
Financial assets at fair value through other comprehensive income (FVTOCI) - Equity investment	15.60	15.04	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 level 3



**Naperol Investments Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**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, 2020	Year ended 31 March, 2019
Profit / (loss) for the year attributable to owners of the Company - earnings used in calculation of basis and diluted earning per share	54.94	76.36
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.)	215.44	299.46

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 of business 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 17 : Impact of Covid -19 Pandemic**

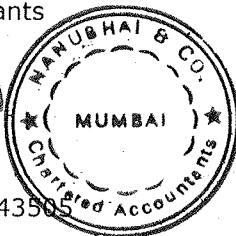
The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The Company has also evaluated the impact of the same on the aforementioned risks i.e. liquidity risk, market risk and interest risk and does not foresee any material impact on account of the same.

**Note 18 : Authorisation of financial statements**

The financial statements were authorised for issue by the Directors on June 26, 2020

For Nanubhai & Co.  
Chartered Accountants

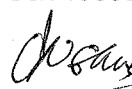
  
 Abhay D. Desai  
 Partner  
 Membership No. 043505



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



Mumbai June 26, 2020