

## NAPEROL INVESTMENTS LIMITED

### DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present their Annual Report on the business and operations of the Company and the financial accounts for the year ended 31<sup>st</sup> March, 2014.

#### 1. FINANCIAL RESULTS

	For the year ended 31 <sup>st</sup> March, 2014 (Rupees in lac)	For the year ended 31 <sup>st</sup> March, 2013 (Rupees in lac)
Operating Profit for the year	133.97	64.51
Less : Provision for Tax	1.49	0.67
Profit after Tax	132.48	63.84
Add : Profit brought forward from previous year	45.01	0.34
Profit Available For Appropriation	<u>177.49</u>	<u>64.18</u>
Appropriations:		
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Transferred to General Reserve	13.40	6.39
Transferred to Regulated Reserve Fund (NBFC)	26.80	12.78
Balance carried to Balance Sheet	<u>137.29</u>	<u>45.01</u>
	<u>177.49</u>	<u>64.18</u>

#### 2. DIVIDEND

In order to conserve resources, the Board does not recommend any dividend for the year ended 31<sup>st</sup> March, 2014.

#### 3. FIXED DEPOSITS

No deposits from the Public were accepted and were outstanding with the Company during the year ended 31<sup>st</sup> March, 2014.

#### 4. DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. S. S. Kelkar retires by rotation and being eligible, offers himself for re-appointment.

Mr. Ashok Panjwani was appointed as Additional Director, w.e.f. 25<sup>th</sup> March, 2014. He holds office upto the date of the ensuing Annual General Meeting. A Notice has been received in writing from a member proposing his appointment as Director. Mr. Panjwani, with his experience and knowledge, would be an advantage to the Company.

Mr. D. N. Mehta resigned from the Board w.e.f. 25<sup>th</sup> March, 2014. The Board places on record its appreciation for the valuable contribution made by Mr. Mehta during his association with the Company as a Director.

#### 5. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have, in selection of the accounting policies, consulted the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2014;
- iii. that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that they have prepared the annual accounts on a going concern basis.

#### 6. DISCLOSURE OF PARTICULARS PERTAINING TO CONSERVATION OF ENERGY ETC.

The information to be provided pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable as your Company is engaged only in the business of investments.

#### 7. PARTICULARS OF EMPLOYEES

The Company had no employee of the category mentioned in Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### 8. AUDITORS

Members are requested to appoint M/s. Nanubhai & Co., Chartered Accountants, as Auditors for a term of five years i.e. from the conclusion of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in the year 2019, at remuneration to be fixed by the Board of Directors.

#### 9. INTERNAL AUDIT SYSTEM

There were insignificant transactions during the year under report. Therefore the Company does not deem it necessary to have an internal audit system.

#### 10. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY

M/s. Nilesh G. Shah were appointed to carry out Secretarial Audit as required u/s 383A of the Companies Act, 1956. The compliance certificate of the said Secretary in whole-time practice is attached to this report.

On behalf of the Board of Directors

(S. S. KELKAR)  
Chairman

Mumbai, 28<sup>th</sup> May, 2014

### COMPLIANCE CERTIFICATE

[under rule 3 of the Companies (Compliance Certificate) Rules, 2001]

To,

The Members  
Naperol Investments Limited  
MUMBAI.

We have examined the necessary registers, records, books and papers of **Naperol Investments Limited** ('the Company') as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder, and wherever required all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra, Mumbai.

However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.

3. The Company was deemed Public Limited Company under erstwhile section 43A (1) of the Companies Act, 1956 and has the minimum prescribed paid-up capital and its maximum number of members are two. As National Peroxide Limited holds 100% of the paid-up capital of the Company and since provisions of section 43A are deleted by the Companies (Amendment) Act, 2000, the Company is yet to increase number of shareholders to Seven and convert itself into a Public Limited within the meaning of Section 3(1)(iv) of the Act and to delete inconsistent clause(s) in the Articles of Association of the Company.
4. The Board of Directors duly met 5 (five) times for the meetings held on 05.04.2013, 14.05.2013, 14.08.2013, 08.11.2013 and 07.02.2014 respectively, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close and has not closed its Register of Members during the financial year under review and consequently compliance u/s 154 of the Act is not required.



## NAPEROL INVESTMENTS LIMITED

6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 14th August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the financial year under review.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in Section 295 of the Act or Section 185 of the Companies Act, 2013, which was applicable for the part of the year during the financial year under review.
9. The Company has not entered into any Contracts in violation of the provision of Section 297 of the Act during the financial year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There are no appointments or contracts in respect of holding an office or place of profit within the meaning of Section 314 of the Act and accordingly the Company was not required to obtain any approval from the Board of Directors, Members and the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. During the financial year under review:
  - (i) there was no allotment/transfer/transmission of securities;
  - (ii) not declared any dividend during the financial year under review and was therefore not required to deposit any amount as unpaid dividend in a separate Bank Account;
  - (iii) not declared any dividend during the financial year under review and hence the Company was not required to pay/post warrants to any members of the Company;
  - (iv) there are no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and are required to be transferred to Investor Education and Protection Fund;
  - (v) the Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was appointment of additional director which was made in due compliance of the Provisions of the Act. There was no other appointment of Alternate Directors and Directors to fill casual vacancies, during the financial year under review.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities as prescribed under the various provisions of the Act and the rules made thereunder.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any preference shares/debentures and consequently there is no redemption of preference shares/debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of the shares during the financial year under review.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.
24. The Company has not borrowed any amount from directors, public financial institutions, banks and others during the financial year under review, in violation of provisions of Section 293(1)(d) of the Act or Section 180(1)(c) of the Companies Act, 2013, which was applicable for the part of the year.
25. The Company has not made any loans or given guarantees or provided securities during the year under review. It may be noted that the Company has made investments in other bodies corporate and has made necessary entries in the register kept for the purpose. However, it may be noted that the principal business of the Company being acquisition of shares, stock, debentures and other securities, the Company is covered under the exemption provided under Section 372A(8)(a)(ii) of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered any provisions of its Articles of Association during the financial year under review.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year.
32. As explained to us, the Company has not received any amount as security from its employees during the financial year under certification in terms of the provisions of section 417(1) of the Act.
33. The Company has no outstanding amount to be deposited with prescribed authorities under the provisions of Section 418 of the Act.

For Nilesh Shah & Associates  
Company Secretaries

(HETAL SHAH)

Partner (ACS - 24998)

C.P. No.: 8964

Place: Mumbai  
Date: 28th May, 2014

### Annexure A

Sr. No.	Registers maintained by the Company	Under Section
1.	Register of Members	150
2.	Minutes Books of the proceedings of the Meetings of the Board of Directors and of the Members	193
3.	Register of contracts, companies and firms in which directors are interested	301
4.	Register of Directors, Managers and Secretary	303
5.	Register of Directors Shareholding	307
6.	Register of Charges	143
7.	Register of Investments, Loans, etc.	372A
8.	Register of Directors Attendance	Voluntary
9.	Register of Share Transfer	Voluntary
10.	Register of Share Application and Allotment.	Voluntary

### Annexure B

Sr. No.	Form No./Return	Filed Under Section	Purpose	Date of Filing and SRN
1.	Form No. 66 (Compliance Certificate) Dtd: 31.03.2013	383A	As per Companies (Compliance Certificate) Rules, 2001	Q10790947 04.09.2013
2.	Form No. 20B (Annual Return) Dtd: 14.08.2013	159, 160, 161	As per requirement of the Act.	Q13133665 11.10.2013
3.	Form No. 23AC /23ACA (Annual Accounts) Dtd: 31.03.2013	210	As per requirement of the Act.	Q11003993 11.09.2013
4.	Form No. 32 Dtd: 25.03.2014	303(2) / 161 of the CA, 2013	Appointment of Mr. Ashok Panjwani as Additional Director and Cessation of Mr. D. N. Mehta as Director	C00632778 25.03.2014

For Nilesh Shah & Associates  
Company Secretaries

(HETAL SHAH)

Partner (ACS - 24998)

C.P. No.: 8964

Place: Mumbai  
Date: 28th May, 2014

# NAPEROL INVESTMENTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NAPEROL INVESTMENTS LIMITED

We have audited the accompanying financial statements of **NAPEROL INVESTMENTS LIMITED** (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility For The Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- In respect of its fixed assets:  
The Company does not have any Fixed Assets and therefore the requirements of clause (i) of paragraph 4 of the Order are not applicable.
- In respect of its inventories:  
The Company does not have any Inventories and therefore the requirements of clause (ii) of paragraph 4 of the Order are not applicable.
- In respect of the loans, secured or unsecured, the Company has not granted or taken any loans, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 (the Act). Consequently, the requirements of clause (iii) of paragraph 4 of the Order are not applicable.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purpose of conducting its investment activities. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- In respect of the contracts or arrangements referred to in Section 301 of the Act, based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions with related parties and therefore no particulars of contracts or arrangements referred to in Section 301 of the Act are given.
- According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year as per Section 58A, Section 58AA and any other relevant provisions of the Act, and the rules framed there under 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. Therefore, the provisions of clause (vi) of the paragraph 4 of the Order are not applicable to the Company.
- The Company does not have an Internal Audit System. According to the information and explanations given to us, having regard to the size of the Company and the nature of its business, the Management does not consider it necessary to have an internal audit system for the Company.
- According to the information and explanations given to us, the maintenance of cost records as per the Companies (Cost Accounting Records) Rules, 2011 has not been prescribed by the Central Government under Section 209(1)(d) of the Act, in respect of the Company's nature of business and activities.
- In respect of statutory dues:
  - According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.

- In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - 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.
  - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
- As required by "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", we further report that:
  - 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.
  - The Company is entitled to continue to hold such CoR in terms of its asset / income pattern as on 31st March 2014.
  - The Board of Directors of the Company has passed a resolution for non- acceptance of any public deposits.
  - The Company has not accepted any public deposits during the year ended on 31st March 2014.
  - 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  
(Registration No. 106874W)

Abhay D. Desai  
Partner  
Membership No. 43505

Mumbai, 28th May, 2014

- According to the information and explanations given to us, there are no amounts of disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
- The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
  - Based on the records examined by us and the information and explanations given to us, the Company has no borrowings from banks / financial institution and therefore the provisions of clause (ix) of paragraph 4 of the Order are not applicable to the Company.
  - In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and any other securities.
  - In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the paragraph 4 of the Order are not applicable to the Company.
  - In our opinion and according to the explanations given to us and based on the information available, the Company is not a dealer or trader in shares, securities, debentures and other investments. In respect of investments made by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made. All shares, securities, debentures and other investments have been held by the Company in its own name.
  - According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any banks and financial institutions.
  - On the basis of the records examined by us and the representation made by the management, no term loans have been obtained during the year.
  - According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, there are no funds raised on short-term basis that have been used for long term investment.
  - The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
  - On the basis of records and documents examined by us, the Company has not issued debentures during the year.
  - The Company has not raised any monies by way of public issues during the year.
  - In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For NANUBHAI & CO.  
Chartered Accountants  
(Registration No. 106874W)

Abhay D. Desai  
Partner  
Membership No. 43505

Mumbai, 28th May, 2014



# National Peroxide Limited

## NAPEROL INVESTMENTS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	₹ in Lakhs	₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
<b>(A) EQUITIES AND LIABILITIES :</b>				
1				
SHAREHOLDERS' FUNDS				
(a)	2	25.50		25.50
(b)	3	307.93		175.44
			333.43	200.94
2 CURRENT LIABILITIES				
(a)	4	0.49		0.42
(b)	5	1.15		0.69
			1.64	1.11
	TOTAL		335.07	202.05
<b>(B) ASSETS :</b>				
1				
NON-CURRENT ASSETS				
Non-current Investments	6		331.46	198.46
2 CURRENT ASSETS				
Cash and Cash Equivalent	7	3.61		3.59
			3.61	3.59
	TOTAL		335.07	202.05

See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our Report of even date

For Nanubhai & Co.  
Chartered Accountants

Abhay D. Desai  
Partner

Mumbai, 28th May, 2014

For and on behalf of the Board of Directors

S. S. KELKAR

S. R. LOHOKARE

A. T. PANJWANI

Directors

Mumbai, 28th May, 2014

**NAPEROL INVESTMENTS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	₹ in Lakhs	₹ in Lakhs	2012-2013 ₹ in Lakhs
<b>I. Revenue from Operations</b> .....	8		134.70	64.71
<b>II. Total Revenue</b> .....			<u>134.70</u>	<u>64.71</u>
<b>III. Expenses :</b>				
Changes in Inventories .....			—	(0.33)
Other Expenses:				
Auditors' Remuneration:				
Audit Fees .....		0.30		0.32
Other Matters .....		0.15		0.10
			<u>0.45</u>	<u>0.42</u>
Legal & Professional Charges.....			0.25	0.10
General Expenses .....			0.03	0.02
<b>Total Expenses</b> .....			<u>0.73</u>	<u>0.20</u>
<b>IV. Profit before tax (II - III)</b> .....			133.97	64.51
<b>V. Tax Expense:</b>				
— Current tax .....			1.15	0.67
— Short Provision for Tax of prior year.....			0.34	—
<b>VI. Profit for the year (IV - V)</b> .....			<u>132.48</u>	<u>63.84</u>
<b>VII. Earnings per equity share - Basic and Diluted (₹)</b> .....	11		519.54	250.35
(Face Value ₹ - 100)				

See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our Report of even date

For Nanubhai & Co.  
Chartered Accountants

Abhay D. Desai  
Partner

Mumbai, 28th May, 2014

For and on behalf of the Board of Directors

S. S. KELKAR

S. R. LOHOKARE

A. T. PANJWANI

} Directors

Mumbai, 28th May, 2014



**NAPEROL INVESTMENTS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-2014 ₹ in Lakhs	2012-2013 ₹ in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax .....	133.97	64.51
<b>Operating Profit before Working Capital Changes .....</b>	<b>133.97</b>	<b>64.51</b>
<b>Adjustments for</b>		
(Increase)/Decrease in Short term Loans & Advances .....	—	0.01
(Increase)/Decrease in Other current assets.....	—	2.30
(Increase)/Decrease in Investments .....	(133.00)	(83.33)
Increase/(Decrease) in Trade Payables.....	0.07	(0.07)
<b>Cash generated from operations.....</b>	<b>1.05</b>	<b>(16.58)</b>
Less: Taxes paid .....	(1.03)	(0.68)
<b>Net Cash flow from Operating Activities (A) .....</b>	<b>0.02</b>	<b>(17.26)</b>
<b>B NET CASH FLOW FROM INVESTING ACTIVITIES: (B) .....</b>	<b>—</b>	<b>—</b>
<b>C NET CASH USED IN FINANCING ACTIVITIES:</b>		
Dividend and Tax on Dividend paid.....	—	(44.46)
<b>Net Cash used in Financing Activities (C) .....</b>	<b>—</b>	<b>(44.46)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C) .....</b>	<b>0.02</b>	<b>(61.72)</b>
Cash and Cash Equivalents - Opening balance as at 01-04-2013 - As per Note No. 7.....	3.59	65.31
Cash and Cash Equivalents - Closing balance as at 31-03-2014 - As per Note No. 7 .....	3.61	3.59

See Significant Accounting Policies and accompanying Notes to the Financial Statements

As per our Report of even date

For Nanubhai & Co.  
Chartered Accountants

Abhay D. Desai  
Partner

Mumbai, 28th May, 2014

For and on behalf of the Board of Directors

S. S. KELKAR

S. R. LOHOKARE

A. T. PANJWANI

} Directors

Mumbai, 28th May, 2014

**NAPEROL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Company Overview**

NAPEROL Investments Limited (the Company) is 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 lending business of long term investment and corporate.

**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 notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/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) Revenue Recognition :

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 Revised Schedule VI of the Companies Act, 1956. 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.

**2. SHARE CAPITAL****AUTHORISED**

	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
49,982 (Previous Year: 49,982) Equity Shares of ₹ 100/- each .....	49.98	49.98
18,11% Non-Cumulative Redeemable Preference shares of ₹ 100/- each .....	0.02	0.02
	<u>50.00</u>	<u>50.00</u>

**ISSUED, SUBSCRIBED AND PAID UP**

25,500 (Previous Year: 25,500) Equity shares of ₹ 100/- each .....	<u>25.50</u>	<u>25.50</u>
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The Company has only one class of equity shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share.



**NAPEROL INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

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.

**Details of shareholders holding more than 5% shares in the Company**

All the above equity shares are held by National Peroxide Limited, the Holding Company, jointly with its Nominees

	₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
<b>3. 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	0.02
<b>GENERAL RESERVE</b>			
Balance as per last balance sheet .....	50.57		44.18
Add:- Transfer from Statement of Profit and Loss .....	13.40		6.39
		63.97	50.57
<b>SPECIAL RESERVE UNDER SECTION 45 IC OF THE RESERVE BANK OF INDIA ACT, 1934</b>			
Balance as per last balance sheet .....	79.85		67.07
Add:- Transfer from Statement of Profit and Loss .....	26.80		12.78
		106.65	79.85
<b>SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>			
Opening Balance .....	45.01		0.34
Add:- Profit for the year.....	132.48		63.84
Amount available for appropriation.....	177.49		64.18
Less:- Proposed Dividend.....	—		—
Less:- Tax on Dividend .....	—		—
Less:- Transfer to General Reserve.....	13.40		6.39
Less:- Transfer to Special Reserve Under Section 45 IC of the Reserve Bank of India Act, 1934.....	26.80		12.78
		137.29	45.01
		307.93	175.44
<b>4. OTHER CURRENT LIABILITIES</b>			
Other payables.....		0.49	0.42
		0.49	0.42
<b>5. SHORT-TERM PROVISIONS</b>			
Proposed Dividend:			
Proposed Dividend.....		—	—
Tax on Dividend .....		—	—
Provision for Income Tax (net of Advance Tax) .....		1.15	0.69
		1.15	0.69



## NAPEROL INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### 6. NON CURRENT INVESTMENTS

Sr. No.	Name of the Company	Face Value (₹)	Opening Stock (1-4-2013)		Purchases/ Adjustments		Sales/Conversion		Closing Stock (31-3-2014)	
			Quantity Nos.	Value (₹) in Lakhs	Quantity Nos.	Value (₹) in Lakhs	Quantity Nos.	Value (₹) in Lakhs	Quantity Nos.	Value (₹) in Lakhs
<b>Shares (Long-term Quoted): (Fully paid-up)</b>										
1.	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	8	0.00	—	—	—	—	8	0.00
4.	Technojet Consultants Limited	10	3,000	0.31	—	—	—	—	3,000	0.31
5.	ABB Limited	2	60	0.00	—	—	—	—	60	0.00
6.	Tata Chemicals Limited	10	56	0.02	—	—	—	—	56	0.02
7.	Finolex Cables Limited	2	50	0.00	—	—	—	—	50	0.00
8.	ACC Limited	10	300	0.09	—	—	—	—	300	0.09
9.	Colgate Palmolive India Limited	1	66	0.00	—	—	—	—	66	0.00
10.	Jaykay Enterprises Ltd.	1	233	0.02	—	—	—	—	233	0.02
11.	J. K. Cement Limited	10	46	0.00	—	—	—	—	46	0.00
12.	ORG Infomatics Limited	10	7	0.00	—	—	—	—	7	0.00
13.	ICICI Bank Limited	10	933	0.51	—	—	—	—	933	0.51
14.	ALSTOM Project India Limited	10	12	0.00	—	—	—	—	12	0.00
15.	UltraTech Cement Limited	10	1	0.00	—	—	—	—	1	0.00
				<b>113.70</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>113.70</b>
<b>Shares (Long-term Unquoted): (Fully paid-up)</b>										
1.	B. R. T. Limited	100	1,000	1.37	—	—	—	—	1,000	1.37
				<b>1.37</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>1.37</b>
<b>Units (Long-term Quoted): (Fully paid-up)</b>										
1.	Birla Sunlife Dynamic Bond Fund Growth	10	318,478	60.00	—	—	318,478	60	0	0.00
2.	Kotak Bond Scheme Plan A - Growth	10	71,668	23.00	—	—	—	—	71,668	23.00
3.	DWS Short Maturity Fund Regular Plan - Growth	10	—	—	903,524	193.00	—	—	903,524	193.00
				<b>83.00</b>		<b>193.00</b>		<b>60.00</b>		<b>216.00</b>
<b>Debentures (Long-term Unquoted): (Fully paid-up)</b>										
1.	Zero% Unsecured Fully Convertible Debentures in Sunflower Investments and Textiles Private Limited	100	393	0.39	—	—	—	—	393	0.39
				<b>0.39</b>		<b>—</b>		<b>—</b>		<b>0.39</b>
<b>GRAND TOTAL</b>				<b>198.46</b>		<b>193.00</b>		<b>60.00</b>		<b>331.46</b>

<b>Market Value of Quoted Shares &amp; Units</b>	<b>4,560.40</b>
<b>Previous Year</b>	<b>5,210.98</b>



## NAPEROL INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents		
Cash on hand.....	0.12	0.15
Balances With Scheduled Banks :		
- on Current Account .....	3.49	3.44
	3.61	3.59
	2013-2014	2012-2013

### 8. REVENUE FROM OPERATIONS

Dividend Income.....	130.62	61.11
Profit on sale of Investments.....	4.08	3.60
	134.70	64.71
	2013-2014	2012-2013

9. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 has not been furnished as the same is not applicable.

### 10. Related Party Disclosures

There being no transactions with Related Parties (holding company National Peroxide Limited) during the year, hence no disclosures, as required by AS-18, "Related Party Disclosures".

### 11. Earnings per share of face value of ₹ 100 each

	2013-2014	2012-2013
Net profit for the year (₹ In Lakhs).....	132.48	63.28
Number of ordinary shares.....	25,500	25,500
Face Value of Equity Share (₹).....	100	100
Basic & Diluted Earnings per Share (₹).....	519.54	248.16

### 12. Segment Information:

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.

13. 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.

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.

#### **Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**

[as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

	₹ in Lakhs Amount outstanding	Amount overdue
<b>Particulars Liabilities side:</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*)	—	—

**NAPEROL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

<b>Particulars Liabilities side:</b>	₹ in Lakhs Amount outstanding	Amount overdue
(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>Particulars Assets side:</b>	Amount outstanding	
(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		—
(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)		—



## NAPEROL INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Contd.)

₹ in Lakhs  
Amount outstanding

Long Term investments :

1. Quoted :

(i) Shares : (a) Equity	113.70
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	216.00
(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		Total
	Secured	Unsecured	
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	Book Value (Net of Provisions)
	1. Related Parties **	Nil
(a) Subsidiaries	—	—
(b) Companies in the same group	—	—
(c) Other related parties	—	—
2. Other than related parties	4,560	331.46*
Total	4,560	331.46*

\* Includes cost of unquoted securities ₹ 1.37 Lakhs

\*\* As per Accounting Standard of ICAI (Please see Note No. 13)

**NAPEROL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	₹ in Lakhs Amount
(7) Other information	
Particulars	
(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

**Notes:**

- 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.

**14.** 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.

**15.** 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 15

As per our Report of even date

For Nanubhai & Co.  
Chartered Accountants

Abhay D. Desai  
Partner

Mumbai, 28th May, 2014

For and on behalf of the Board of Directors

S. S. KELKAR

S. R. LOHOKARE

A. T. PANJWANI

} Directors

Mumbai, 28th May, 2014