

**BLACK ROSE
INDUSTRIES LIMITED**

**19TH ANNUAL REPORT
2008-2009**

BOARD OF DIRECTORS:

SHRI ATMARAM JATIA	DIRECTOR
SHRI BASANT TODI	DIRECTOR
SHRI ANUP JATIA	EXECUTIVE DIRECTOR
SHRI SHIVHARI HALAN	DIRECTOR
SHRI BASANT KUMAR GOENKA	DIRECTOR

REGISTERED OFFICE:

145-A, MITTAL TOWER,
NARIMAN POINT,
MUMBAI - 400 021
FAX - 22873022 EMAIL - mail@texbrex.com

WORKS:

SHREE LAXMI CO-OP INDUSTRIAL ESTATE LTD.,
PLOT NO. 11 TO 18,
HATKANANGALE,
DIST, KOLHAPUR,
MAHARASHTRA

REGISTRAR & SHARE TRANSFER AGENT:

SATELLITE CORPORATE SERVICES PVT. LTD.
B-302, SONY APARTMENT,
OPP. ST. JUDE'S HIGH SCHOOL,
OFF. ANDHERI KURLA ROAD,
JARIMARI, SAKINAKA, MUMBAI - 400 072.
TEL - 28520461,28520462, FAX - 28511809
EMAIL - service@satellitecorporate.com

AUDITORS:

KARNAVAT & CO.
KITAB MAHAL
192, DR. D.N. ROAD
MUMBAI - 400001.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of BLACK ROSE INDUSTRIES LIMITED will be held on Friday, August 28, 2009 at 11.30 a.m. at Kilachand Conference Room, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2009 and Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Basant Kumar Goenka who retires by rotation and being eligible, offers himself for re – appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking the businesses specified in sub – clause no. 73 of Clause III (C) (Other Objects) of the Memorandum of Association of the Company.”

**By order of the Board
For Black Rose Industries Limited**

**ANUP JATIA
EXECUTIVE DIRECTOR**

Place: Mumbai
Dated: June 26, 2009

REGISTERED OFFICE:

145 – A, Mittal Tower,
Nariman Point, Mumbai – 400021.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty – eight hours) before the time fixed for holding the meeting.

BLACK ROSE INDUSTRIES LIMITED

3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business at item no.4 of the notice is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain close from 25th August, 2009 to 28th August, 2009 (both days inclusive).
5. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders are requested to bring the same along with them.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 ITEM NO. 4 OF THE NOTICE

Your Company proposes to commence activities pertaining to generate, supply, produce, buy, sell, other otherwise deal in utilise wind energy. The said business activities are covered under sub – clause no. 73 of Clause III (C) (Other Objects). However, before undertaking such business activities, it would be necessary to obtain approval from the Company's Members for commencing the business activities as specified earlier. The Company, therefore, is seeking the approval and consent of the shareholders under Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 for the commencement of new business set out in the resolution.

The above resolution is recommended for your approval.

None of the Directors of the Company shall be deemed to be concerned or interested in the aforesaid resolution.

**By order of the Board
For Black Rose Industries Limited**

Place: Mumbai
Dated: June 26, 2009

**ANUP JATIA
EXECUTIVE DIRECTOR**

Additional Information pursuant to clause 49 VI A of the listing agreement Profile of the Director seeking reappointment

- | | | |
|--|---|--|
| 1. Name | : | Mr. Basant Kumar Goenka |
| Qualification | : | B.Com (Hons.), DSM, NIIT, LA (QMI – affiliated to the IRCA, U.K.) |
| Expertise in functional area | : | Finance and Management. |
| Other Directorships | : | Accent Industries Limited
Bharat Produce Company Limited
Hindustan Wire Products Limited |
| Membership of other Board Committees. | : | NIL |

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Annual Report on the operations of the company, together with the audited financial accounts for the year ended March 31, 2009.

Financial Results

Particulars	Rs. In Lacs	
	Year ended 31.03.2009	Year ended 31.03.2008
Sales, Exports entitlements and other income	4,115.25	3,267.59
Profit before Depreciation and Tax (PBDT)	64.75	205.36
Less: Depreciation	20.58	16.47
Profit before Tax	44.17	188.89
Less: Provision for Tax		
- Current	4.62	21.50
- Deferred	(6.13)	56.12
- Wealth Tax	0.05	-
- Fringe Benefit Tax	3.18	1.64
Profit after Tax	42.45	109.62
Add: Profit Brought forward	140.06	130.13
Less: Adjustment for Deferred Tax of earlier year	-	99.69
Balance carried to Balance Sheet	182.51	140.06

Operations:

The year 2008 – 2009 was the year of industrial recession, low credit off take and sluggish business growth. Against the backdrop of these adverse features, the performance of your company was remarkable. You will be pleased to note that the total turnover of the company for the year ended March 31, 2009 amounted to Rs. 4,115.25 lacs as against Rs. 3,267.59 lacs in the previous year. The chemical and textile segments have shown significant improvement. Net profit before tax for the financial year has decreased substantially from Rs. 188.89 lacs to Rs. 44.17 lacs mainly on account of sudden and steep depreciation of Indian rupee resulting into exchange fluctuation loss of Rs. 273.36 lacs.

Your directors are optimistic about better performance in the current year.

Dividend:

In order to preserve funds for the business operations, your Directors do not recommend any dividend for the financial year 2008 – 2009.

BLACK ROSE INDUSTRIES LIMITED

Corporate Governance

In view of the fact that the total paid up equity share capital of the Company is below the threshold limits, the provisions of Clause 49 of the listing agreement with respect to Corporate Governance are not applicable. However, your company believes in transparency and continues to follow the best of the corporate governance standards in the industry.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Basant Kumar Goenka shall retire by rotation at the forthcoming Annual General Meeting and is eligible for re – appointment.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 your directors to the best of their knowledge and belief confirm that:

- i) in preparation of annual accounts the applicable standards have been followed.
- ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2009 and the profit of the company for the year ended on that date.
- iii) they have taken appropriate and sufficient care for the maintenance and adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- iv) they have prepared the attached Statement of Accounts for the year ended March 31, 2009 on a going concern basis.

Fixed Deposits

During the year under review, the company had neither accepted nor renewed any deposit from public within the meaning of Section 58A of the Companies Act, 1956.

Auditors

M/s. Karnavat & Company, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re – appointment. The retiring Auditors have furnished a certificate of their eligibility for re – appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

Auditors' Comments

The observation made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo:

Particulars as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are set out in the Annexure to this report.

Particulars of Employees

Statement containing particulars of employees as requires under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

Acknowledgement

Your Directors greatly value the support and co – operation received during the year from the Company's Bankers, Statutory Authorities and all organisations connected with its business. Your Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the year under review.

For and on behalf of the Board

Place: Mumbai

Dated: June 26, 2009

BASANT TODI

Director

ANUP JATIA

Director

BLACK ROSE INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A) Conservation of Energy:

a) Energy conservation measures taken

Review of the energy consumed is done on frequent intervals and suitable measures are taken to ensure conservation of energy to the extent possible.

b) Additional investment and proposals for reduction of consumption of energy

Nil

c) Impact of the measure at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods

Overall savings in cost of synergies, thereby saving in cost of production.

d) Total energy consumption and energy consumption per unit of production as per Form A given below :

Form A

	Year Ended 31.03.2009	Year Ended 31.03.2008
A. Power and Fuel Consumption		
1. Electricity		
a) Purchase Units	66,620	61,618
Total Amount (Rs. In Lacs)	3.16	3.22
Rate / Unit	4.75	5.23
b) Own generation	NIL	NIL
2. Coal (<i>specify quality and where used</i>)	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Others / Internal Generation	NIL	NIL

Technology Absorption:

Efforts made in technology Absorption is given as per Form B thereout:

Form B

RESEARCH & DEVELOPMENT

Development activities of the Company are directed towards energy conservation, waste recycling, pollution control and quality improvement.

- | | |
|--|-----------------|
| 1. Areas in which R&D carried out by the Company | Not Applicable. |
| 2. Benefits derived as a result of the above R&D | Not Applicable |

3. Future plan of action Not Applicable
4. Expenditure on R&D
- | | | |
|--|---|----------------|
| (a) Capital | } | |
| (b) Recurring | } | |
| (c) Total | } | Not Applicable |
| (d) Total R&D expenditure as a percentage
of total turnover | } | |

B) Technology absorption and innovation

1. Efforts, in brief, made towards technology absorption and innovation and benefits derived :

Our technical people have been attending various seminars and workshops being organized by various institutions. As a result of the efforts taken, the Company has derived following benefits:

- a) Productivity improvement due to process improvement.
- b) Cost reduction and competitive pricing.
- c) Increased market share.

2. Information regarding technology imported during last 5 years - Not applicable

C. Foreign Exchange Earnings and Outgo:

- | | | |
|-----------------------------|---|-----------------|
| (a) Foreign exchange out go | : | Rs. 267,095,958 |
| (b) Foreign exchange earned | : | Rs. 60,396,112 |

For and on behalf of the Board

Place: Mumbai
Dated: June 26, 2009

BASANT TODI
Director

ANUP JATIA
Director

BLACK ROSE INDUSTRIES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF BLACK ROSE INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **BLACK ROSE INDUSTRIES LIMITED** as at **31ST March 2009** and also the Profit and Loss Account of the company for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'order'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We have to further report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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;
 - iii) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed

as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at **31st March 2009**;
 - (b) in the case of the Profit and Loss Account, of the **Profit** for the year ended on that date; and
 - (c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For and on behalf of
KARNAVAT & CO
Chartered Accountants

192, Dr. D.N. Road
Mumbai-400001
Dated: 26-06-2009

(KRISHNA KARUNDIA)
Partner
Membership No. 36681

BLACK ROSE INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of assets. No material discrepancies were noticed on such verification.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) (a) The Company has not granted any loans secured or unsecured to Companies, Firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(b), iii(c), iii(d) of Paragraph 4 are not applicable to the Company.
- (b) During the year the Company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 10,13,923/- and the balance at the end of the year is Rs. NIL/- (Previous year Rs. Nil)
- (c) In respect of the said loan the rate of interest and other terms and conditions of loans taken by the company are prima facie not prejudicial to the interest of the company.
- (d) The payment of the principal amount and interest are also regular.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
- v) (a) 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 the particulars of contracts or arrangements that need to be

entered into the register maintained under section 301 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public to which provisions of Sections 58 A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 are applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2009 for a period of more than six months from the date they became payable except for arrears of Central Sales tax dues amounting to Rs. 2,56,368/- pertaining to financial year 2006-07 determined in the current financial year.
- (c) According to the records of the company, sales tax, income tax, customs tax/wealth-tax, excise duty/cess that have not been deposited on account of any dispute are given below.

Name of the Statute	Nature of the dues	Year	Amount (net of deposit)	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax Demand	2005-2006	Rs. 1,54,218/-	C.I.T. (Appeals)

BLACK ROSE INDUSTRIES LIMITED

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institution and bank.
- xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a nidhi/mutual benefit/society therefore paragraph 4(xiii) of the said order is not applicable.
- xiv) During the period covered by our audit report, the company is not dealing or trading in shares, securities, debentures and other investments; hence paragraph 4 (xiv) of the order is not applicable.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institution.
- xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on the overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis, which have been used for long term investments.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the period covered by our audit report, the company has not issued debentures and therefore paragraph 4 (xix) of the said order is not applicable.
- xx) During the period covered by our audit report, the company has not raised money by Public Issues and therefore paragraph 4 (xx) of the said order is not applicable.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of
KARNAVAT & CO
Chartered Accountants

192, Dr. D.N. Road
Mumbai-400001
Dated: 26-06-2009

(KRISHNA KARUNDIA)
Partner
Membership No. 36681

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	1	19,360,000	19,360,000
Reserves & Surplus	2	41,850,747	37,606,130
LOAN FUNDS:			
Secured Loans	3	37,063,265	23,720,125
Unsecured Loans	4	6,104,445	7,118,368
DEFERRED TAX LIABILITY		1,859,444	2,472,289
		<u>106,237,901</u>	<u>90,276,912</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
	5		
Gross Block		39,204,935	44,091,339
Less : Depreciation		<u>20,734,591</u>	<u>23,559,751</u>
Net Block		18,470,344	20,531,588
INVESTMENTS	6	-	1,500,000
CURRENT ASSETS, LOANS AND ADVANCES			
	7		
Inventories		79,361,731	94,589,981
Sundry Debtors		57,532,777	56,896,728
Cash and Bank Balances		3,423,856	1,440,010
Other Current Assets		1,681,568	1,391,957
Loans and Advances		<u>50,525,751</u>	<u>40,864,035</u>
		192,525,683	195,182,711
Less : Current Liabilities and Provisions	8	104,758,126	126,937,387
Net Current Assets		<u>87,767,557</u>	<u>68,245,324</u>
		<u>106,237,901</u>	<u>90,276,912</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As per our report of even date
For KARNAVAT & CO.
Chartered Accountants

KRISHNA KARUNDIA
Partner
Membership No. 36681

Place: Mumbai
Date: 26th June, 2009

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For and on behalf of the Board

BASANT TODI
DIRECTOR

ANUP JATIA
EXECUTIVE DIRECTOR

C.P. VYAS
COMPANY SECRETARY

Place: Mumbai
Date: 26th June, 2009

BLACK ROSE INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	YEAR ENDED 31.3.2009 Rs.	YEAR ENDED 31.3.2008 Rs.
INCOME			
Sales and Job Charges	9	402,124,646	316,661,684
Insurance claim received		-	105,820
Export Incentives and Benefits		2,324,656	820,563
Other Income	10	7,075,313	3,028,409
Exchange Fluctuation Gain		-	6,142,445
TOTAL		411,524,615	326,758,921
EXPENDITURE			
Raw Material Consumed	11	33,084,613	15,890,954
Purchase of Traded Goods		295,252,511	271,169,145
Decrease / (Increase) in Stocks	12	13,051,999	(7,302,469)
Exchange Fluctuation Loss		27,335,949	-
Employees' Cost	13	6,913,756	3,595,270
Manufacturing Expenses	14	6,279,478	5,113,587
Administrative and Other Expenses	15	19,560,124	14,340,015
Finance Cost	16	3,566,320	3,411,354
TOTAL		405,044,749	306,217,857
Profit before depreciation and non cash charges		6,479,866	20,541,064
Leasehold Land written off		5,264	5,264
Profit before depreciation and tax		6,474,602	20,535,800
Depreciation		2,057,863	1,646,873
Profit before taxation		4,416,739	18,888,927
Less: Provision for Tax			
Current Tax-Net of Mat Tax		461,835	2,150,000
Deferred Tax (refer to note No. 10 of Notes on Accounts of Schedule 17)		(612,846)	5,612,400
Wealth Tax		5,426	-
Income Tax for earlier years		(334)	-
Fringe Benefit Tax		318,041	164,521
Profit for the year after tax		4,244,617	10,962,006
Profit brought forward from previous year		14,006,130	13,013,831
Less: Adjustment for Deferred Tax of earlier year		-	9,969,707
Balance Carried to Balance Sheet		18,250,747	14,006,130
Outstanding number of equity shares of Re. 1/- each		19,360,000	19,360,000
Basic and diluted earning per share		0.22	0.57

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As per our report of even date
For KARNAVAT & CO.
Chartered Accountants

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For and on behalf of the Board

KRISHNA KARUNDIA
Partner
Membership No. 36681

BASANT TODI
DIRECTOR

ANUP JATIA
EXECUTIVE DIRECTOR

C.P. VYAS
COMPANY SECRETARY

Place: Mumbai
Date: 26th June, 2009

Place: Mumbai
Date: 26th June, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SCHEDULE – 1		
SHARE CAPITAL		
AUTHORISED		
80,000,000 Equity Shares of Re.1/- each	<u>80,000,000</u>	<u>80,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
19,360,000 Equity Shares of Rc.1/- each fully paid up.	19,360,000	19,360,000
	<u>19,360,000</u>	<u>19,360,000</u>
SCHEDULE – 2		
RESERVES & SURPLUS		
Capital Reserve	3,000,000	3,000,000
General Reserve	<u>20,600,000</u>	<u>20,600,000</u>
	23,600,000	23,600,000
Add : Credit Balance in Profit and Loss account	<u>18,250,747</u>	<u>14,006,130</u>
	<u>41,850,747</u>	<u>37,606,130</u>
SCHEDULE –3		
SECURED LOANS		
Cash Credit From Bank	26,382,297	18,522,509
Packing Credit Facility	7,137,414	-
Loans For Vehicles	3,543,554	5,197,615
(Amount repayable towards Vehicles loan within one year is Rs.1,759,687/- . Previous year Rs.1,654,061/-)	<u>37,063,265</u>	<u>23,720,125</u>
(Cash Credit and Packing Credit from bank is secured by hypothecation of stocks and book debts of the company and pledge of office premises and corporate guarantee of Black Rose Trading Pvt. Ltd., Loans for vehicles are secured by hypothecation of vehicles)		
SCHEDULE – 4		
UNSECURED LOANS		
Inter-Corporate Deposits	4,604,445	5,618,368
Other Deposit	<u>1,500,000</u>	<u>1,500,000</u>
	<u>6,104,445</u>	<u>7,118,368</u>

SCHEDULE - 5

FIXED ASSETS

(Amt. In Rupees)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2008	Additions	Deductions	As at 31.03.2009	Up to 31.03.2008	For the year	Written Back	Total upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Leasehold land	432,892	-	5,264	427,628	-	-	-	-	427,628	432,892
Building	20,990,123	-	-	20,990,123	10,755,733	701,070	-	11,456,803	9,533,320	10,234,390
Office Equipments	291,840	-	-	291,840	114,045	13,863	-	127,908	163,932	177,795
Electric Installations	4,885,344	-	-	4,885,344	3,734,097	232,054	-	3,966,151	919,193	1,151,247
Factory Equipments	305,388	19,900	19,900	305,388	216,812	14,905	399	231,318	74,070	88,576
Plant & Machinery	7,521,155	151,486	5,196,138	2,476,503	6,818,553	219,149	4,873,450	2,164,252	312,251	702,602
Furniture & fittings	1,431,467	-	-	1,431,467	1,377,881	34,301	-	1,412,182	19,285	53,586
Computers	841,206	163,512	-	1,004,718	390,909	140,287	9,174	522,022	482,696	450,297
Vehicles	7,391,924	-	-	7,391,924	151,721	702,234	-	853,955	6,537,969	7,240,203
Total	44,091,339	334,898	5,221,302	39,204,935	23,559,751	2,057,863	4,883,023	20,734,591	18,470,344	20,531,588
Previous Year	37,684,535	6,619,059	212,255	44,091,339	22,069,356	1,646,874	156,479	23,559,751	20,531,588	

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SCHEDULE – 6		
INVESTMENTS (AT COST)		
NON-TRADE-QUOTED		
In Mutual Funds		
Nil (P.Y.100,000) Units of Rs 10/- each of Optimix Dynamics MM FOF Scheme Series II	-	1,000,000
Market Value Rs. Nil (P.Y. Rs. 940,350) Nil (P.Y. Rs. 48,780.48) Units of Rs. 10/- each of Optimix Multi Manager Equity Fund	-	500,000
Market Value Rs Nil (P.Y. Rs. 511,707)		
Aggregate market value of quoted investment - Nil (P.Y. Rs. 1,452,057)	<u>-</u>	<u>1,500,000</u>
SCHEDULE – 7		
CURRENT ASSETS, LOANS AND ADVANCES		
A) INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	139,654	2,287,886
Finished goods	5,179,672	3,200,215
Semi Finished goods	8,754,753	-
Store, Spares and Packing Materials	191,842	219,861
Traded Goods	65,095,811	88,882,019
	<u>79,361,731</u>	<u>94,589,981</u>
B) SUNDRY DEBTORS		
<i>Unsecured, considered doubtful</i>		
Debts outstanding for a period of more than six months	1,384,713	1,072,219
Less : Provision for Doubtful Debts	<u>1,384,713</u>	<u>1,072,219</u>
<i>Unsecured, considered good</i>		
Debts outstanding for a period of more than six months	2,296,059	2,105,985
Other Debts	<u>55,236,718</u>	<u>54,790,743</u>
	<u>57,532,777</u>	<u>56,896,728</u>
C) CASH AND BANK BALANCES		
Cash in Hand	121,559	66,325
Balance with Scheduled Banks:		
In Current Accounts	2,047,380	309,818
In Fixed Deposit Accounts	1,033,035	759,157

BLACK ROSE INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	AS AT 31.3.2009 Rs.	AS AT 31.3.2008 Rs.
SCHEDULE – 7 (Contd.)		
Balance with Other Banks:		
In Current Accounts		
Ichalkaranji Janata Shahakari Bank Ltd.-Mumbai (Maximum Balance during the year- Rs. 198,055- P.Y. Rs.155,103)	189,667	88,462
Ichalkaranji Janata Shahakari Bank Ltd.-Ichalkaranji (Maximum Balance during the year- Rs. 315,145- P.Y. Rs. 659,176)	32,216	216,249
	<u>3,423,856</u>	<u>1,440,010</u>
D) OTHER CURRENT ASSETS		
Export Entitlements/Benefits	1,668,482	1,378,871
Interest Accrued on other deposit	13,086	13,086
	<u>1,681,568</u>	<u>1,391,957</u>
E) LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	25,835,718	9,552,405
Central Excise Deposits	440,692	440,692
Income Tax Deposits	5,802,340	5,039,011
Other Deposits	379,450	364,450
Loans to companies	10,387,460	20,340,676
Loan to Other	7,680,090	5,126,801
	<u>50,525,751</u>	<u>40,864,035</u>
SCHEDULE – 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
a) Total outstanding dues of micro enterprises and small enterprises; and	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.	74,634,893	107,609,723
Other Liabilities	3,476,814	3,454,757
Advance from Parties	21,739,956	10,884,662
	<u>99,851,662</u>	<u>121,949,142</u>
PROVISIONS		
Provision for Gratuity	326,805	206,516
Provision for Leave Encashment	16,753	33,059
Provision for Income Tax	4,021,835	4,510,000
Provision for Fringe Benefit Tax	541,071	238,670
	<u>4,906,464</u>	<u>4,988,245</u>
	<u>104,758,126</u>	<u>126,937,387</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year Ended 31.3.2009 Rs.	Year Ended 31.3.2008 Rs.
SCHEDULE -9		
SALES AND JOB CHARGES		
Sales	402,124,646	316,546,184
Job Charges	-	115,500
	<u>402,124,646</u>	<u>316,661,684</u>
SCHEDULE -10		
OTHER INCOME		
Interest- Gross (TDS Rs.166,465/- P.Y. Rs. 271,632/-)	1,815,400	1,506,397
Rent - Gross (TDS Rs.190,344/- P.Y. Rs.91,093/-)	840,000	402,000
Sundry balances written back	-	28,478
Excess provision for expenses written back	464,335	83,254
Excess provision for gratuity written back	-	218,851
Miscellaneous Income	13,866	215,250
Prior Period income	199,664	-
Claim Received	-	91,755
Commission (TDS Rs. 4,305/- P.Y. Rs. Nil)	3,545,133	395,689
Discount on Purchase of DEPB Licence	196,916	86,735
	<u>7,075,313</u>	<u>3,028,409</u>
SCHEDULE - 11		
RAW MATERIALS CONSUMED		
Opening Stock	2,287,886	61,022
Add : Purchases	30,936,380	18,089,283
Add: Transfer from traded goods	-	28,536
	<u>33,224,266</u>	<u>18,178,841</u>
Less :Closing Stock	139,654	2,287,886
	<u>33,084,613</u>	<u>15,890,954</u>

BLACK ROSE INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended 31.3.2009 Rs.	Year Ended 31.3.2008 Rs.
SCHEDULE - 12		
DECREASE / (INCREASE) IN STOCKS		
Opening Stock :		
Finished goods:	3,200,215	17,916
Traded Goods:	88,882,019	84,790,385
Less: Traded goods transferred to manufacturing activities	-	(28,536)
	<u>92,082,234</u>	<u>84,779,765</u>
Less :		
Closing Stock : Finished goods	5,179,672	3,200,215
Semi finished Goods	8,754,753	-
Traded Goods	65,095,811	88,882,019
	<u>79,030,235</u>	<u>92,082,234</u>
	<u>13,051,999</u>	<u>(7,302,469)</u>
SCHEDULE - 13		
EMPLOYEES COST		
Salaries, Wages and Allowances	4,864,352	2,390,092
Contribution to Provident and Other Funds	353,612	198,680
Staff Welfare Expenses	149,644	118,601
Directors Remuneration	1,375,000	750,000
Gratuity	171,148	137,897
	<u>6,913,756</u>	<u>3,595,270</u>
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Power and Fuel	316,128	322,117
Labour charges	327,048	285,021
Job work charges	4,014,212	2,008,123
Repairs and Maintenance - Plant and Machinery	81,173	5,852
- Building / Others	347,952	1,173,803
- Furniture	32,750	250,000
Packing Material Consumed	505,107	552,867
Packing Expenses	153,075	134,598
Freight and Octroi Duty	502,032	381,207
	<u>6,279,478</u>	<u>5,113,587</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year Ended 31.3.2009 Rs.	Year Ended 31.3.2008 Rs.
SCHEDULE - 15		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	456,000	936,000
Rates and Taxes	21,025	20,757
Insurance	467,071	353,530
Postage and Telecommunication Expenses	821,841	477,882
Travelling and Conveyance	2,142,765	1,407,757
Legal and Professional Fees	2,066,384	994,265
Export Expenses	1,568,310	920,000
Brokerage and Commission	4,217,719	4,156,260
Security Service Charges	195,518	222,599
Directors Sitting fees	500	3,000
Corporate Office Expenses	435,428	467,033
Payment to Auditors(Inclusive of service tax)		
- Audit fees	55,150	42,112
- Tax audit fees	22,060	8,424
- Vat Audit Fees	28,090	14,045
- For Other Services	75,838	25,547
- Reimbursement of expenses	2,140	1,990
Selling Expenses	1,309,722	723,883
Other Administrative Expenses	655,605	612,145
Prior Period Expenses	562	5,639
Warehousing Charges	942,492	838,761
Bank Charges	1,494,592	448,125
Vehicle Expenses	626,242	429,217
Loss on sale of Mutual Fund-Long Term	264,679	-
Loss on Sale of Machinery	63,689	10,512
Sundry Balances W/off	178,410	-
Donation	61,000	37,500
Sales Tax	75,173	577,988
Logistics Services Expenses	499,625	605,043
Provision for Doubtful Debt	312,494	-
	<u>19,560,124</u>	<u>14,340,015</u>
SCHEDULE - 16		
FINANCE COST :		
Interest - Cash Credit	2,466,899	1,789,242
- Packing Credit	445,862	-
- Bill Discounting	337,087	272,560
- Vehicles Loans	316,472	38,558
- Others	-	1,310,994
	<u>3,566,320</u>	<u>3,411,354</u>

BLACK ROSE INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SCHEDULE – 17

I BASIS OF PREPARATION:

- a) The financial statements have been prepared in compliance with all material aspects of the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.
- b) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made.
- c) Accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

II USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates.

III SIGNIFICANT ACCOUNTING POLICIES:

1. REVENUE RECOGNITION:

- (a) Revenue is recognised on completion of sale of goods, rendering of services and/or use of Company's resources by third parties.
- (b) Benefits on account of entitlement to import duty-free materials under the "Duty Exemption Pass Book Scheme" and other Export benefit entitlements are accounted in the year of export.

2. FIXED ASSETS AND DEPRECIATION:

- (a) Fixed assets are stated at cost of acquisition less accumulated depreciation.
- (b) Depreciation on fixed assets has been provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (c) Premium on leasehold land is amortised over the life span of the lease.

3. IMPAIRMENT OF ASSETS:

The company identifies impairable assets at the year-end in terms of para-5 to 13 of AS – 28 issued by ICAI for the purpose of arriving at impairment loss thereon; being the difference between the book value and recoverable value and impairment loss is recognised.

4. INVESTMENTS:

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.

5. INVENTORIES:

Inventories are valued at cost or estimated net realisable value, whichever is lower. Cost is determined using first in first out (FIFO) method.

6. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are normally recorded at the exchange rate prevailing on the date of transaction. The difference between the amount realised / paid and the amount booked is accounted for as "Difference in Exchange rate" in the year of realisation /payment.

Current Assets and Current Liabilities are translated at forward cover rate, if applicable or at the year-end exchange rate. Exchange gains and losses are fully recognised in the profit & loss account.

In the case of Forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains/losses on settlement of transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

7. RETIREMENT BENEFITS:

Contributions to the Provident Fund are made at a pre-determined rate and charged to the Profit and Loss Account. Provision for gratuity is made on actuarial valuation basis as per Accounting Standard 15 (Revised) issued by Institute of Chartered Accountants of India.

8. LEAVE ENCASHMENT:

Provision for Leave encashment is made on actuarial basis as at the year-end and is charged to the Profit and Loss Account.

9. PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax and fringe benefit tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

10. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

IV. NOTES ON ACCOUNTS:

1. Contingent liabilities not provided for in respect of :-

- (a) Custom duty demand of Rs. 1,488,943/- for which the company has preferred appeal (Previous Year Rs. 1,488,943/-)
- (b) Income Tax demand of Rs. 308,436/- relating to Assessment Year 2005-06 for which the company has preferred appeal with the higher authorities.(Previous Year Rs. 308,436/-)

BLACK ROSE INDUSTRIES LIMITED

- (c) Bank Guarantee given to Government authorities- Rs. 15,000/- (Previous Year- Rs.15,000/-)
2. The balances of debtors, creditors and deposits are subject to confirmation and reconciliation.
 3. In the opinion of the Board of Directors, the Current Assets, Loans and Advances have a value realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and adequate provision for all known liabilities of the Company has been made.
 4. Based on exercise of impairment of assets undertaken by the management in due cognizance of paragraphs 5 to 13 of AS 28 issued by the ICAI, the Company has concluded that no impaired loss is required to be booked.
 5. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act has not been given.
 6. The amount of Deferred Premium on Foreign Exchange Forward Contract to be recognized in Profit & Loss Account in the subsequent year is Rs. 2,19,925/-.
 7. (a) The Company had in the previous year adopted Accounting Standard 15(Revised) on employee benefit pertaining to gratuity. Pursuant to such adoption, the transitional gain amounting to Rs 218,851/- being excess provision towards gratuity was credited to Profit and Loss Account.
 (b) The gratuity charged to the profit and loss account for the year includes provision as per the actuarial valuation as per the requirement of Revised Accounting Standard 15 issued by the Institute of Chartered Accountants of India as well as payment made for the year towards gratuity. The actuarial valuation is done at the year end using 'Projected Cost Unit' method and it covers all regular employees.

The following table set out the status of the gratuity plan as required under AS 15 (revised)

Particulars	2009
Obligation at beginning of the year	206,516
Service cost	56,134
Interest cost	17,719
Liability transfer in	31,471
Benefit settled	(82,330)
Actuarial (gain)/ loss	97,295
Obligation at end of the year	326,805
Gratuity cost for the year	
Service cost	56,134
Interest cost	17,719
Actuarial (gain)/ loss	97,295
Net gratuity cost	171,148

Assumptions

Interest cost	7.75%
Salary increase	5.00%
Attrition rate	2.00%
Retirement age	60

- (c) Provision for leave salary in the current year has been made on actuarial valuation as per the requirement of Revised Accounting Standard 15 issued by the Institute of Chartered Accountants of India. In the previous year provision for leave salary was made as per leave accumulated till the end of the financial year and not on actuarial basis as per the requirement of Revised Accounting Standard 15 issued by the Institute of Chartered Accountants of India.

8. Segment Accounting (AS -17)

The company's segmental reporting is as follows:

	FOR YEAR ENDED 31-03-2009	FOR YEAR ENDED 31-03-2008
Rs.in Lacs		
SEGMENT REVENUE		
Sales/Income		
Textiles	550.83	284.72
Chemicals	3,474.48	2,833.76
Unallocated	54.63	53.51
Total Segment Revenue	4,079.94	3,171.99
SEGMENT RESULTS		
Profit/(Loss) before interest and tax		
Textiles	136.25	52.48
Chemicals	13.69	201.72
Unallocated	22.85	22.18
Total Segment Results	172.79	276.38
Less –Finance Cost	35.66	31.39
Less –Other unallocable expenses net off unallocable income	93.01	56.10
Total Profit before tax	44.12	188.89
CAPITAL EMPLOYED		
Segment Assets less Segment Liabilities		
Textiles	152.59	133.81
Chemicals	453.78	367.96
Add – Unallocable corporate assets net of unallocable corporate liabilities	376.37	305.09
Total Capital Employed	982.74	806.86

BLACK ROSE INDUSTRIES LIMITED

9. Disclosure of Related Party Transactions (AS – 18):

(a) Information about related parties:

SR. NO	PARTICULARS	NAME OF RELATED PARTY
1	Key Management Personnel	Executive Director Shri Anup Jatia Non-Executive Directors Shri Atmaram Jatia Shri Basant Todi Shri Shivhari Halan Shri Basant Kumar Goenka
2	Enterprises owned or significantly influenced by any management personnel or their relatives.	Black Rose Trading Pvt. Ltd. Tozai Safety Pvt. Ltd. (Formerly Tozai Exports Pvt. Ltd) Tozai Enterprise Pvt. Ltd. Accent Industries Ltd. Maido Enterprises, Pvt. Ltd. Fukui Accent Trading (India) Pvt. Ltd.

(b) Information about related parties' transactions:

	Amount in Rs.	
	2008-09	2007-08
(i) Key Management Personnel:		
Directors Sitting Fees	500	1,500
Anup Jatia (Rent- Godown)	36,000	36,000
Shruti Jatia (Salary)	—	750,000
Anup Jatia (Directors Remuneration)	1,375,000	—
(ii) Enterprises owned or significantly influenced by any management personnel or their relatives:		
Interest Received		
Accent Industries Ltd.	—	38,418
Tozai Enterprises Pvt. Ltd. - on rent deposit	—	715,339
Maido Enterprises Pvt. Ltd.	135,453	—
Interest Paid		
Tozai Enterprises Pvt. Ltd.	—	1,310,994
Sales / Job Charges		
Tozai Safety Pvt. Ltd.	505,181	156,485
Black Rose Trading Pvt. Ltd.	36,465,413	14,020,032
Accent Industries Ltd.	804,343	159,100
Maido Enterprises Pvt. Ltd.	3,949,896	5,617,156

	2008-09	2007-08
Purchases		
Tozai Safety Pvt. Ltd.	792,460	1,993,832
Black Rose Trading Pvt. Ltd.	10,264,005	11,352,261
Accent Industries Ltd.	754,841	138,209
Services/Reimbursement of expenses-paid		
Accent Industries Ltd.	67,567	36,423
Black Rose Trading Pvt. Ltd.	386,004	1,181,543
Tozai Safety Pvt. Ltd.	22,740	18,023
Tozai Enterprises Pvt. Ltd.	268,078	800,606
Maido Enterprises Pvt. Ltd.	3,500	—
Reimbursement of expenses received		
Tozai Safety Pvt. Ltd.	2,062,619	1,895,069
Black Rose Trading Pvt. Ltd.	3,625	—
Tozai Enterprises Pvt. Ltd.	35,128	—
Accent Industries Ltd.	24,114	—
Maido Enterprises Pvt. Ltd.	19,717	—
Fukui Accent Trading (I) Pvt. Ltd.	6,078	—
Loan given		
Accent Industries Ltd.	—	1,600,000
Loan repayment received		
Accent Industries Ltd.	—	1,880,479
Loan Taken and repaid during the year (including opening balance as on 1-4-2008 of loan of Rs. 1,013,923/-)		
Tozai Enterprises Pvt. Ltd.	1,313,923	49,470,000
Receipts/ Payments during the year		
Black Rose Trading Pvt. Ltd.-Net Receipt	24,178,811	2,765,514
Tozai Safety Pvt. Ltd.-Net Receipt	1,221,285	8,374,169
Accent Industries Ltd.-Net Receipt	—	48,426
Accent Industries Ltd.-Net Paid	21,643	—
Tozai Enterprises Pvt.-Ltd. Net Paid	18,240,813	1,716,169
Maido Enterprises Pvt.-Ltd. Net Receipt	6,660,843	2,985,741
Fukui Accent Trading (I) Pvt. Ltd.-Net Receipts	6,078	—
(c) Outstanding balances pertaining to related parties		
	<u>31.3.2009</u>	<u>31.3.2008</u>
(i) Key Management Personnel		
Anup Jatia (Payable)	36,000	36,000
(ii) Enterprises owned or significantly influenced by any management personnel or their relatives:		
Accent Industries Ltd. - (Payable)	5,629	33,322
Tozai Safety Pvt. Ltd. - (Receivable)	944,773	610,067
Black Rose Trading Pvt. Ltd. - (Receivable)	8,239,492	5,016,662
Tozai Enterprises Pvt. Ltd. - (Loan Payable)	—	1,013,923

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Tozai Enterprises Pvt. Ltd. - (Payable)	—	2,348,294
Tozai Enterprises Pvt. Ltd. - (Receivable)	15,661,640	—
Maido Enterprises Pvt. Ltd. - (Receivable)	—	2,593,053

10. Accounting for taxes on income (AS – 22)

The break up of net deferred tax liability as at 31st March 2009 is as under:

	31.03.2009	Rs.In Lacs 31.03.2008
Timing difference on account of :		
Deferred Tax Assets		
Expenditure U/s 43B of Income Tax Act	2.79	1.49
Provision for Doubtful Debts	4.28	3.64
Total Deferred Tax Assets	7.07	5.13
Less :Deferred Tax Liability		
Depreciation	25.67	29.85
Net Deferred Tax (Liability)/Assets	(18.60)	(24.72)

11. Additional information pursuant to Part II of the Schedule VI to the Companies Act, 1956.

a) CAPATIES	2008 - 2009	2007 - 2008
Licensed Capacities	Not Applicable since delicensed	
Installed Capacities	(as certified by management)	
Processing:		
Yarn (in Metric Tons)	600MT	600MT
Fabrics (in Meters)	30 Lacs	30 Lacs

b) OPENING, CLOSING STOCK, TURNOVER AND PRODUCTION:-

i) MANUFACTURED GOODS:

(a) KNITTED FABRICS

PARTICULARS	UNIT	2008-2009		2007-2008	
		QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
PRODUCTION:					
Opening Stock	Kgs	---	---	100	6,552
Production	Kgs	---	---	---	---
Turnover	Kgs	---	---	100	---
Closing Stock	Kgs	---	---	---	---

(b) **WOVEN FABRICS**

PARTICULARS	UNIT	2008-2009		2007-2008	
		QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
PRODUCTION:					
Opening Stock	Mtrs	11,685	112,737	455	11,364
Production	Mtrs	16,569	—	17,525	—
Turnover	Mtrs	28,254	323,495	6,295	70,664
Closing Stock	Mtrs	—	—	11,685	112,737

(c) **COTTON YARN**

PARTICULARS	UNIT	2008-2009		2007-2008	
		QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
PRODUCTION:					
Opening Stock	Kgs	66,608	3,087,478	—	—
Production	Kgs	345,078	—	262,958	—
Turnover	Kgs	313,645	45,836,217	196,350	22,040,069
Closing Stock	Kgs	98,041	5,179,672	66,608	3,087,478

ii) **TRADED GOODS:**

PARTICULARS	UNIT	2008-2009		2007-2008	
		QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
Opening Stock					
1) Fabrics	Mtrs	13,593	227,330	79,430	813,971
2) Yam and Fiber	Kgs.	30	1,866	34,103	1,106,587
3) Chemicals	Kgs.	608,588	88,280,892	621,801	81,977,374
4) Others		—	371,932	—	892,452
Purchases					
1) Fabrics	Mtrs	—	—	—	—
2) Yam and Fiber	Kgs.	53,789	3,682,818	41,893	3,350,710
3) Chemicals	Kgs.	1,506,356	286,313,608	2,025,421	264,629,384
4) Others		—	5,256,085	—	3,189,051
Turnover					
1) Fabrics	Mtrs	5,312	15,936	65,837	195,506
2) Yam and Fiber	Kgs.	49,280	4,215,133	74,754	4,805,392
Less: Transfer to Mfg Activities	Kgs.	—	—	1,212	—
3) Chemicals	Kgs.	1,708,393	343,902,534	2,038,634	282,979,776
4) Others		—	7,831,331	—	6,454,778
Closing Stock					
1) Fabrics	Mtrs	8,281	204,155	13,593	227,330
2) Yam and Fiber	Kgs.	4,539	203,814	30	1,866
3) Chemicals	Kgs.	406,551	34,570,466	608,588	88,280,892
4) Others		—	117,376	—	371,932

BLACK ROSE INDUSTRIES LIMITED

c) DETAILS OF RAW MATERIALS CONSUMED

ITEMS	2008-2009		2007-2008	
	QUANTITY (Kgs.)	VALUE (Rs.)	QUANTITY (Kgs.)	VALUE (Rs.)
Yarn	9,763	873,739	3,505	118,431
Raw Cotton	457,245	32,210,874	267,451	15,772,523
	467,008	33,084,613	270,956	15,890,954

d) VALUE OF INDIGENOUS & IMPORTED RAW MATERIALS CONSUMED

ITEMS	2008-2009		2007-2008	
	%	VALUE (Rs.)	%	VALUE (Rs.)
Imported Raw Cotton	85.02	28,129,208	72.75	11,560,668
Indigenous Raw Cotton	12.34	4,081,666	26.50	4,211,854
Indigenous Yarn	2.64	873,739	0.75	118,432
	100	33,084,613	100	15,890,954

	2008-2009	2007-2008
	(Rs.)	(Rs.)
e) Value of Imports on CIF basis :		
Traded Goods	265,063,894	195,081,263
f) Expenditure in foreign currency:		
Travelling	257,300	—
Interest on Imports	1,774,764	2,404,622
g) Earnings in foreign currency:		
Export of goods on FOB basis	60,396,112	26,550,403

12. Details of dues recoverable from companies under the same management.

	CURRENT YEAR		PREVIOUS YEAR	
	Balance as on 31.3.2009	Maximum outstanding during the year	Balance as on 31.3.2008	Maximum outstanding during the year
Advances:				
- Accent Industries Limited	—	—	—	1,750,767
- Black Rose Trading Pvt. Ltd. (For purchase of office premises)	8,000,000	8,000,000	8,000,000	8,000,000
- For Tozai Enterprises Pvt. Ltd. (For purchase of office premises)	16,000,000	16,000,000	—	—
Sundry Debtors:				
- Tozai Safety Pvt. Ltd. (Formerly Tozai Exports Pvt. Ltd.)	955,701	955,701	628,090	3,108,233
- Black Rose Trading Pvt. Ltd.	239,421	2,570,895	—	—
- Accent Industries Ltd.	17,153	791,466	1,010	83,200

13. (i) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

(ii) Figures have been rounded off to the nearest rupee.

14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details:		
	Registration No.	:	L17120MH1990PLC054828
	State Code	:	11
	Balance Sheet Date	:	31-03-2009
II	Capital raised during the year: (Amount in Rs. Thousands)		
	Public Issue	:	Nil
	Rights Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
III	Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousands)		
	Total Liabilities	:	210,996
	Total Assets	:	210,996
	Sources of Funds:		
	Paid-up Capital	:	19,360
	Reserve & Surplus	:	41,851
	Secured Loans	:	37,063
	Unsecured Loans	:	6,104
	Deferred Tax Liability	:	1,860
	Application of Funds :		
	Net Fixed Assets	:	18,470
	Investments	:	—
	Net Current Assets	:	87,768
IV	Performance of Company: (Amount in Rs. Thousands)		
	Turnover/other Income	:	411,525
	Total Expenditure	:	405,045
	Profit before tax	:	4,417
	Profit after tax	:	4,245
	Earning per Share (Rs.)	:	0.22
	Dividend	:	—
V	Generic names of three principal products/services of Company:		
	Item Code No. (ITC No.)	:	520500
	Product Description	:	Cotton Yarn
	Item Code No. (ITC No.)	:	520800
	Product Description	:	Fabrics
	Item Code No.(ITC No.)	:	290000
	Product Description	:	Organic Chemicals

Signatures to Schedules 1 to 17

AS PER OUR REPORT OF EVEN DATE ATTACHED For and on behalf of the Board
For and on behalf of KARNAVAT & CO.
Chartered Accountants

BASANT TODI
DIRECTOR

KRISHNA KARUNDIA
Partner
Membership No. 36681

ANUP JATIA
EXECUTIVE DIRECTOR

C.P. VYAS
COMPANY SECRETARY

Place: Mumbai
Date: 26th June, 2009

Place: Mumbai
Date: 26th June, 2009

BLACK ROSE INDUSTRIES LIMITED

Cash Flow Statement for the year ended March 31, 2009

	2008-2009 (Rs.)	2007-2008 (Rs.)
A. Cash Flow From Operating Activities:		
Net Profit before tax and extraordinary items	4,416,739	18,888,927
Adjustments for:		
Depreciation	2,057,863	1,646,873
Excess provision for Depreciation written back	(88,008)	-
Provision for Doubtful Debts	312,494	-
Leasehold Land Written off	5,264	5,264
Loss on sale of Fixed Assets:	63,689	10,512
Loss on sale of Investments	264,679	-
Interest Expenses	3,566,320	3,138,794
Interest Income	<u>(1,815,400)</u>	<u>(1,506,397)</u>
Operating Profit before working capital changes	8,783,640	22,183,973
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	(10,136,541)	(45,886,178)
(Increase)/Decrease in Inventories	15,228,250	(9,544,663)
Increase/(Decrease) in Trade and Other Payables	<u>(21,993,497)</u>	<u>35,672,053</u>
Cash Generated from Operating Activities	<u>(8,118,148)</u>	<u>2,425,185</u>
Less : Tax paid (Net of refund)	<u>1,734,061</u>	<u>2,780,029</u>
Net Cash from Operating activities	<u>(9,852,209)</u>	<u>(354,844)</u>
3. Cash Flow From Investing Activities		
Sale of Fixed Assets	357,334	40,000
Purchase of Fixed Assets	(334,898)	(6,619,059)
Interest Income	1,815,400	1,506,397
Sale of investments	1,235,320	-
Investment in units	-	<u>(500,000)</u>
Net cash used in investing activities	<u>3,073,156</u>	<u>(5,572,662)</u>
C. Cash Flow from Financing activities		
Proceeds from borrowings	12,329,218	8,362,321
Interest Expenses	<u>(3,566,320)</u>	<u>(3,138,794)</u>
Net cash from Financing Activities	<u>8,762,897</u>	<u>5,223,527</u>
Not increase in cash and cash equivalents (A+B+C)	1,983,847	(703,977)
Cash and cash equivalent as on 1.4.2006 (Opening Balance)	<u>1,440,010</u>	<u>2,143,987</u>
Cash and cash equivalent as at 31.3.2009 (Closing Balance)	<u>3,423,856</u>	<u>1,440,010</u>

- Notes: 1. Direct Tax paid are treated as arising from operating activity and not bifurcated investment and financing activities
 2. Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
 3. Figures in brackets represent outflows.

Our report of even date enclosed
For and on behalf of KARNAVAT & CO.
 Chartered Accountants

KRISHNA KARUNDIA
 Partner
 Membership No. 36681

For and on behalf of the Board

BASANT TODI
 DIRECTOR

ANUP JATIA
 EXECUTIVE DIRECTOR

C.P. VYAS
 COMPANY SECRETARY

Place: Mumbai
 Date: 26th June, 2005

Place: Mumbai
 Date: 26th June, 2009

BLACK ROSE INDUSTRIES LIMITED

Registered Office: 145-A, Mittal Tower, Nariman Point, Mumbai - 400 021.

PROXY FORM

I/we _____
_____ of _____
_____ being a member/s of **BLACK ROSE**

INDUSTRIES LIMITED hereby appoint _____
_____ of _____
_____ or failing him/her _____
_____ of _____

— as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting to be held on Friday, August 28, 2009 at 11.30 a.m. and any adjournment thereof.

Signed on this _____ day of _____ 2009

Affix
Re. 1.00
Revenue
Stamp

Signature of Shareholder _____

NOTE: The Proxy form must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

----- **Tear Here** -----

BLACK ROSE INDUSTRIES LIMITED

Registered Office: 145-A, Mittal Tower, Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company at Kilachand Conference Room, IMC Building, 2nd Floor, IMC Marg, Churchgate, Mumbai-400020, Friday, August 28, 2009 at 11.30 a.m.

Name _____ Address _____

_____ Regd. Folio No. _____ No. of Shares held _____

Client ID. No. _____ DP ID. No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____

BOOK-POST

If undelivered, please return to :
BLACK ROSE INDUSTRIES LIMITED
145-A, Mittal Tower,
Nariman Point,
Mumbai - 400 021.

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