

August 17, 2016

The BSE Limited
Corporate Relationship Department
P.J. Towers,
Mumbai – 400001.

Dear Sir,

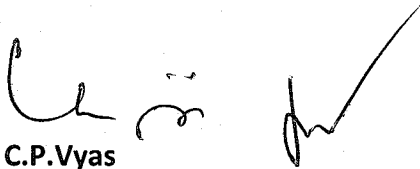
Sub: Filing of Annual Report

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached herewith 26th Annual Report 2015 - 16 approved and adopted in the Annual General Meeting of the Company held on August 8, 2016.

Kindly take the Annual Report on your records and upload the same on your website.

Please note that we have already submitted 6 printed copies of the Annual Report on August 8, 2016.

For **Black Rose Industries Limited**



C.P.Vyas
Company Secretary

Membership Number: FCS 1728

Black Rose Industries Ltd.

145/A, Mittal Towers, Nariman Point, Mumbai - 400 021, INDIA
Tel.: +91 22 4333 7200 / 2282 4075 • Fax : +91 22 2287 3022
E-mail: info@blackrosechemicals.com • www.blackrosechemicals.com
CIN No. : L17120MH1990PLC054828

Factory : Shree Laxmi Co-op. Industrial Estate Ltd., Hatkanangale, Dist. Kolhapur, Maharashtra, INDIA



**26th Annual Report
2015-16**

**BLACK ROSE
INDUSTRIES LIMITED**

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

MR. ATMARAM JATIA	:	DIRECTOR	(Resigned w.e.f. 3.11.2015)
MR. SHIVHARI HALAN	:	DIRECTOR	
MR. ANUP JATIA	:	EXECUTIVE DIRECTOR	
MR. SUJAY SHETH	:	DIRECTOR	
MR. BASANT KUMAR GOENKA	:	DIRECTOR	
MS. GARIMA TIBRAWALLA	:	DIRECTOR	

COMPOSITION OF AUDIT COMMITTEE

MR. SHIVHARI HALAN
MR. SUJAY SHETH
MR. ANUP JATIA

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

MR. SHIVHARI HALAN
MR. ANUP JATIA
MR. BASANT KUMAR GOENKA

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

MR. SHIVHARI HALAN
MR. SUJAY SHETH
MR. BASANT KUMAR GOENKA

BANKERS

KOTAK MAHINDRA BANK LIMITED
YES BANK LIMITED

AUDITORS

M/S. KARNAVAT & CO.,
CHARTERED ACCOUNTANTS
KITAB MAHAL,
192, DR. D.N. ROAD,
MUMBAI – 400 001.

PLANT

- 1) SHREE LAXMI CO-OP. INDUSTRIAL ESTATE LTD
PLOT NO. 11 TO 18
HATKANANGALE – 416 109,
DIST. KOLHAPUR,
MAHARASHTRA.
- 2) PLOT NO. 675, GIDC
JHAGADIA INDUSTRIAL ESTATE,
JHAGADIA – 393110,
DIST. BHARUCH,
GUJARAT.

CORPORATE IDENTITY NUMBER

L17120MH1990PLC054828

REGISTERED OFFICE ADDRESS

145/A, MITTAL TOWER, NARIMAN POINT,
MUMBAI – 400 021 MAHARASHTRA.

REGISTRAR & SHARE TRANSFER AGENTS

M/S. SATELLITE CORPORATE SERVICES PRIVATE LIMITED
B -302, SONY APARTMENT,
OPP. ST. JUDE'S HIGH SCHOOL,
OFF. ANDHERI KURLA ROAD,
JARIMARI, SAKINAKA,
MUMBAI – 400072.
TEL: 022 2852 0461 / 62
FAX: 022 2851 1809
E-MAIL ID: service@satellitecorporate.com:

COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. C.P. VYAS

CONTACT DETAILS

Telephone: 022 – 4333 7200 / 4311 0100
Fax: 022 – 2287 3022 / 4311 0114
E-mail id: investor@blackrosechemicals.com

NOTICE

Notice is hereby given that Twenty Sixth Annual General Meeting of the members of the Company will be held on Monday, August 8, 2016 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020, Maharashtra 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, 2016 and Balance Sheet as on that date together with the Report of Directors and Auditors thereon and the Consolidated Financials for the year ended 31st March, 2016 alongwith the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Anup Jatia, (DIN 00351425), who has consented to retire by rotation for compliance with the requirement of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Karnavat & Co., Chartered Accountants (ICAI Firm Registration Number 104863W) as approved by members at the Twenty Fourth Annual General Meeting, and to authorise Board of Directors to fix their remuneration for the financial year ending 31st March, 2017.

SPECIAL BUSINESS

4. Appointment Cost Auditors

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

“RESOLVED THAT pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including and statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, the appointment of M/s. Poddar & Co., Cost Accountants (Firm Registration Number 101734) as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for the year ending on 31st March, 2017 at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company be and is hereby approved.”

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

**C.P.Vyas
Company Secretary**

Place: Mumbai
Date: May 23, 2016

REGISTERED OFFICE:

145/A, Mittal Tower,
Nariman Point, Mumbai – 400 021.

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company, provided a member holding more than 10%, of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
3. 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.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
5. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business at item no. 4 of the Notice is given in **Annexure I** to the Notice.
6. Pursuant to Regulation 36(3) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Directors seeking re-appointment at the ensuing Annual General Meeting are provided in the **Annexure II** of Notice of Annual General Meeting.

7. The Register of Members and the Share Transfer Books of the Company will remain close from Monday, August 1, 2016 to Monday, August 8, 2016 (both days inclusive).
8. Those members who have so far not encashed their Dividend Warrants for the financial year 2010 – 2011, may claim or approach the Company's Share Transfer Agents for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 125 of the Companies Act, 2013 on July 14, 2018.
9. Securities & Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as Dividend to the Members (where core banking details are available) or to print the bank account details of the members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank).

Hence, the Members are requested to furnish/update their bank account name and branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest with:

- i) The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;
 - ii) The Registrar & Share Transfer Agents of the Company (R&T) (in case of the shares held in physical form).
10. Members holding shares in demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/mandates or registration of nomination are to be instructed to their Depository Participants only, as the company or its Registrars and Share Transfer Agents cannot act on any such request received directly from the Members holding shares in demat mode.
 11. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip (see page no. 93). Shareholders are requested to bring the same along with them.
 12. Members who hold the shares in the dematerialised form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
 13. Members and Proxies attending the meeting are requested to bring the Annual Report to the meeting as extra copies will not be distributed.
 14. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
 15. Notice of this Annual General Meeting, Audited Financial Statements for 2015 - 2016 along with Directors' Report and Auditors' Report are available on the website of the Company, www.blackrosechemicals.com.
 16. In keeping with Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests members who have not registered their E-mail addresses so far, to register their E-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 17. **Voting through Electronic Means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and the rules made thereunder, the Company provides its members facility to exercise their right to vote by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

E-voting is optional and members shall have the option to vote either through e-voting or in person at the Annual General Meeting.

The instructions for e-voting are as under:

- i) The voting period begins on Thursday, August 4, 2016 at 9:00 a.m. and ends on Saturday, August 6, 2016 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 1st August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com
- iv) Click on "Shareholders" tab.

- v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field (Serial Number on mailing sticker). In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for "BLACK ROSE INDUSTRIES LIMITED" on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xx) **Note for Non – Individual Shareholders and Custodians**

- Non – Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotongindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

18. The company has appointed M/s. P.C. Surana & Co., Chartered Accountants as Scrutinisers for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
19. The scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinisers' Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
20. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinisers' Report shall be placed on the Company's website www.blackrosechemicals.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

ANNEXURE I TO NOTICE**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

Under the provisions of Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records of the Company be conducted by a Cost Accountant in Practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Poddar & Co., Cost Accountants (Firm Registration Number 101734) as the Cost Auditors of the Company for the year ending 31st March, 2017, at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.

M/s. Poddar & Co., Cost Accountants have furnished a consent letter regarding their eligibility for appointment as Cost Auditors of the Company.

In compliance with the provisions of section 148 of the Act, the appointment and remuneration of M/s. Poddar & Co., Cost Accountants as the Cost Auditors of the Company is now being placed before the members for their approval.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of members.

ANNEXURE II TO NOTICE**PARTICULARS OF DIRECTOR, SEEKING RE-APPOINTMENT IS GIVEN HERE IN BELOW:**

Name of the Director	Mr. Anup Jatia
Date of Appointment as Director	18/01/2007
Qualification	B.Sc. Engineering and Applied Science (Chemical Engineering and Economics)
Brief Resume & Expertise in specific functional area	Mr. Anup Jatia, aged 45 years, completed his B.Sc. Engineering and Applied Science (Chemical Engineering and Economics) from the California Institute of Technology, U.S.A. in 1993. He has around 2 decades of experience in the field of chemicals and textiles, with a deep understanding of international and local business. Mr. Jatia joined the Board of Directors of the Company in January, 2007 and was appointed as Executive Director in May, 2008.
Directorship/ Membership of Committees of Board of Listed Entities	NIL
Relationship with Directors inter – se	Not Applicable
Shareholding of non-executive directors	Not Applicable

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

**C.P.Vyas
Company Secretary**

Place: Mumbai
Date: May 23, 2016

REGISTERED OFFICE:

145/A, Mittal Tower,
Nariman Point, Mumbai – 400 021.

DIRECTORS' REPORT*(Including Management Discussion and Analysis Report)***Dear Members,**

Your Directors are pleased to present this 26th Annual Report, together with the Audited Financial Accounts of the company, for the year ended 31st March, 2016.

Financial Results

The company's standalone and consolidated performance during the financial year ended 31st March, 2016, as compared to the previous financial year is summarised below:

₹ in Lacs

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from Operations and Other Income	17,772.16	19,654.37	12,919.23	14,758.88
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	968.12	695.62	965.40	697.96
Less: Finance Cost	446.97	486.70	446.97	486.70
Profit before Depreciation and Tax (PBDT)	521.15	208.92	518.43	211.26
Less: Depreciation	272.57	277.86	272.57	277.86
Profit before Tax	248.58	(68.94)	245.86	(66.60)
Less: Provision for Tax	84.20	(121.68)	84.20	(121.68)
Profit after Tax	164.38	52.74	161.66	55.08

Nature of Business

The company is primarily in the business of chemical distribution and chemical manufacturing, as well as textile manufacturing and renewable energy generation.

The chemical distribution business consists mainly of import and sales of specialty and performance chemicals manufactured by overseas and domestic principals. Chemical manufacturing is currently focused on the production of a single product, acrylamide. The textile business is engaged in the manufacture of fabrics and industrial made-ups such as safety gloves and the renewable energy activity supplies the State Electricity Boards of Rajasthan and Gujarat with wind-generated power.

Operational Performance

The year 2015 – 2016 saw a fall in costs accompanied by a reduction in sales price of many of the company's distribution products as well as of acrylamide. This resulted in lower turnovers (reduction of 9.6%) despite volume growth. Acrylamide sales posted strong growth, and the company reached 100% capacity utilisation during Q4. The performance of our subsidiary in Japan was mostly unchanged over the previous year. Profitability was improved due to the higher operation rate of the acrylamide plant and the company ended the year with a rise in EBIDTA of 39% bringing the standalone EBIDTA margin to 7.5%. Profit after tax increased to ₹ 164.38 as compared to a profit of ₹ 52.74 lacs in the previous year.

A detailed analysis of the company's operations is provided later in the *Management Discussion and Analysis Report*.

Dividend

Your Directors are unable to recommend payment of a dividend for the financial year 2015 – 2016 as the company intends to conserve funds for its working.

Business Scenario

The global economic scenario did not improve during the 2015 – 2016 fiscal year. Despite the continuing slowdown in most of the world's major economies, the US economy slowly but steadily strengthened and the Federal Reserve raised interest rates in December, 2015. This resulted in a sudden and steep depreciation of the Indian rupee to almost ₹ 69 per US dollar. In addition to this, oil prices fell to below US\$30 per barrel in February 2016 with high production and reduced demand, pulling down prices of chemicals and other products. In India, poor market liquidity and high interest rates continued to plague industry as it did in the previous year.

The business scenario is discussed later in more detail in the *Management Discussion and Analysis Report*.

Acrylamide Plant at Jhagadia, Gujarat

The company's acrylamide plant steadily increased its capacity utilisation during the year and achieved 100% capacity utilization at the end of the year. An in-depth explanation about the plant operations is given in the *Management Discussion and Analysis Report*.

Subsidiary – B.R. Chemicals Co., Ltd., Japan

During the year under review, the turnover of the company's wholly owned subsidiary incorporated in Japan marginally decreased as compared to previous year reporting close to ₹ 49 crores. The subsidiary showed a small profit of around ₹ 3 lacs.

The nature of business of the subsidiary company remained unchanged during the year.

The performance and financial position of company's subsidiary B.R. Chemicals Co., Ltd. for the year ended 31st March, 2016 is attached to the financial statements hereto.

Material Changes and Commitments

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

Directors

Mr. Atmaram Jatia (DIN 00293154) resigned as Director of the Company on November 3, 2015. Your Directors place on record their appreciation of the valuable services rendered by Mr. Jatia during his tenure as Director of the Company.

Pursuant to section 152 of the Companies Act, 2013, Mr. Anup Jatia (DIN 00351425), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Further, shareholders at their 25th Annual General Meeting appointed Mr. Anup Jatia as Executive Director of the Company with effect from May 1, 2016 for a period of five years.

Pursuant to the Companies Act, 2013 and the Listing Regulations, all the four Independent Directors Mr. Shivhari Halan, Mr. Sujay Sheth, Mr. Basant Kumar Goenka and Mrs. Garima Tibrawalla continue to act as Independent Directors not liable to retire by rotation.

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and the rules made thereunder, the company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel

As on date Mr. Anup Jatia, Executive Director, Mr. Chiranjilal P. Vyas, Company Secretary and Mr. Ratan Kumar Agrawal, Chief Financial Officer of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

Corporate Social Responsibility

Although the company is not governed by the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility forms an integral part of overall business policy and is aligned with its business goals.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors to the best of their knowledge and belief confirm the following:

- i) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made 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, 2016 and of the profits of the company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that proper internal financial controls were in place and that the financial controls were adequate and were operative satisfactorily, however, as this reporting requirement is in a evolving stage, the management is in a process of establishing effective implementation with the help of internal and external consultations and confident that the same will be fully implemented within few months.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Deposits

During the year under review, the company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

Consolidated Financial Statements

Pursuant to Clause 32 of the Listing Agreement, the company has prepared Consolidated Financial Statements in accordance with Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by The Institute of Chartered Accountants of India. The Consolidated Financial Statements form part of this Annual Report.

Extract of Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return for the financial year ended 31st March, 2016 in the prescribed format is given in **Annexure I** and forms part of this Annual Report.

Board Meetings, Committees, and Policies

Board Meetings

The Board of Directors met six times during the financial year ended 31st March, 2016 in accordance with the provisions of Companies Act, 2013 and rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Committees

Pursuant to Section 177 and 178 of the Companies Act, 2013 and the rules made thereunder and in accordance with Listing Regulations, your Board of Directors has constituted three committees, namely Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee.

The company has been employing women employees in various grades within its offices and factory premises. The company has constituted an Internal Compliant Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress any complaints received from employee(s) of the Company. The Company is strongly opposed to sexual harassment and all the employees are made aware about the consequences of such acts and the constitution of the Internal Compliant Committee.

During the year there was no complaint received from any employee and hence no complaint is outstanding as on 31st March, 2016.

Evaluations

Pursuant to the provisions of Companies Act, 2013 and rules made thereunder, the Board has carried out an annual performance evaluation of its own performance, and of the Directors individually, as well as evaluation of the working of its Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee.

Further, the Independent Directors, at their exclusive meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

Policies

In line with the new Listing Regulations, the Board of Directors of the Company has formulated Policy on Determination of Materiality of Any Events or Information and Document Retention and Archival Policy.

The above policies have been uploaded on the company's website and forms part of this report.

Particulars of Employees

The Statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as none of the employees of the company is covered under the provisions of the said rules.

The ratio of the remuneration of each Director to the median employees remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure IV** and forms part of this Annual Report.

Listing Agreement

Your company has entered into new Listing Agreement with BSE Limited, in compliance with Regulation 109 of Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2008 as amended by SEBI.

Internal Financial Controls

The company has a proper and adequate Internal Financial Control System that is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by trained personnel appointed by the Board on the recommendation by the Audit Committee. The audit observations and corrective action taken thereon are periodically reviewed by the Audit Committee to ensure effectiveness of the Internal Financial Control System. The Internal Financial Control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

Loans, Guarantees and Investments

The particulars of loans, guarantees and investments given/made during the financial year under review and governed by the provisions of Section 186 of the Companies Act, 2013 have been furnished in **Annexure II** which forms part of this Annual Report.

Contracts and Arrangements with Related Parties

All the contracts, arrangements and transactions entered by the company during the financial year with related parties were in the ordinary course of business and are on arm's length basis, hence Section 188(1) is not applicable and consequently no particulars in Form AOC – 2 are required to be furnished. During the year, the company had not entered into any contract, arrangements or transactions with related parties which could be considered material. All the contracts, arrangements and transactions with related parties are placed before the Audit Committee as also the Board, as may be required, for approval.

Orders passed by Regulators or Courts or Tribunals

No significant and material orders have been passed by any regulators or courts or tribunals which can have an impact on the going concern status of the Company and its future operations.

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

Auditors and their Reports

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Karnavat & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the 27th Annual General Meeting. However, their appointment as Statutory Auditors of the company is subject to ratification by the members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

The resolution for ratification of appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

The independent statutory auditors' report does not contain any qualification, reservation or adverse remark on the accounts for the year ended 31st March, 2016 except a disclaimer of opinion on Internal Financial Controls.

Management note on disclaimer of opinion on Internal Financial Controls is stated below:

As the system of Internal Financial Controls over financial reporting is a new requirement, the management is in a process of establishing effective implementation with the help of internal and external consultations and confident that the same will be fully implemented within few months.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors had appointed M/s. ND & Associates, Company Secretary in Whole – Time Practice as Secretarial Auditor to undertake the Secretarial Audit of the Company.

As required under provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by M/s. ND & Associates, Company Secretary in Whole – Time Practice in Form MR – 3 for the FY 2015 - 16 forms part to this report. The said report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have approved the appointment of M/s. S. Poddar & Co., Cost Accountants as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for the year ending March 31, 2016 on a remuneration as mentioned in the Notice of 26th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A certificate from M/s. S. Poddar & Co., Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and rules framed thereunder.

A resolution seeking Member's ratification for the remuneration payable to Cost Auditor forms part of the 26th Annual General Meeting of the Company and same is recommended for Member's consideration and approval.

Listing

The company's shares are listed on the Bombay Stock Exchange Limited and the applicable listing fees have been paid.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rules made thereunder is annexed herewith as **Annexure III** and forms part of this Annual Report.

Service of Documents through Electronic Means

All documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose e-mail IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

Acknowledgement

The Board of Directors greatly values the support and cooperation received during the year from the company's bankers, statutory authorities, and all organisations connected with the company's business. The directors also take pleasure in commending the valuable contributions made by the company's employees at all levels during the year under review.

Cautionary Statement

Certain statements in this Directors' Report and in the Management Discussion and Analysis Report describing the company's objectives, estimates, and projections may be forward-looking statements and are based on certain expectations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference in the company's operations include the availability of raw material/product, cost of raw material/product, changes in demand from customers, fluctuations in exchange rates, changes in government policies and regulations, changes in tax structure, economic developments within India and the countries in which business is conducted, and various other incidental factors. We cannot guarantee that these forward - looking statements will be realised, although we believe we have been prudent in making any assumptions. We undertake no obligation to publicly update any forward - looking statements, whether as a result of new information, future events, or otherwise.

For and on behalf of the Board

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Dated: May 23, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

A. The Economy

The Indian Economy registered a growth of 7.2% during the first half of 2015 – 16. That this has been attained, despite the highly tentative global economic environment that has not shown credible signs of improvement and despite sub-par monsoon rains that for the second year in succession resulted in low growth in agricultural sector, is an encouraging development.

In addition to robust growth, the year thus far witnessed macro-economic stability aided by favourable factors such as confronting inflation indicators, benign fiscal situation and improving external current account balance. All these factors have resulted in India emerging as the fastest growing economy among the large economies and most agencies have predicted that it will continue to remain so in the medium term.

B. The Industry

Chemical

The largest contributor to the company's top line continues to be the sales and distribution of specialty and performance chemicals. These chemicals are mostly imported while some are indigenously procured. The company also manufactures acrylamide in South Asia's only acrylamide monomer plant in Jhagadia, Gujarat. The 10,000MT per annum capacity plant was established in 2013 under technology license from Mitsui Chemicals, Inc., of Japan. The company plans to double this capacity to 20,000MT, and necessary government approvals are in process.

The Indian chemicals industry is an important contributor to the Indian economy and to the government's Make in India campaign. Not only does India have a strong domestic consumption of chemicals, it has a significant presence in the global chemical industry too.

Textile

The company's operations in this sector are the manufacture of fabrics and textile made ups. The fabric produced is used for the manufacture of made-ups such as industrial safety gloves that are then sold domestically or exported.

The Indian textile industry is a \$108 billion industry and accounts for approximately 11% of India's total exports. Being a labour intensive activity, the sector plays an important role in generating employment. Competition from countries such as Myanmar, Bangladesh, and Vietnam is on the rise.

Renewable Energy

The company has two windmills of 0.8MW each, one in Rajasthan and the other in Gujarat, totaling 1.6MW. Power Purchase Agreements have been entered into with the respective State Electricity Boards and all power generated is sold accordingly.

Wind has emerged as the most promising renewable energy source in India. As at 31st March, 2016, the country had an installed wind capacity of around 26,800 MW, making it the world's fourth-largest wind energy producer after China, United States of America, and Germany.

C. Opportunities, Threats, and the Company's Response

Chemical Distribution

A major portion of the company's revenue comes from its chemical distribution business. The prices of the products sold by the company are affected by global prices of feedstock, foreign exchange rates, and market dynamics. Slowdown in the domestic or international economies, downturns in the user industries, volatility in foreign exchange rates, increase in interest rates, and tightening liquidity conditions may adversely affect margins, business, financial condition and results of operations.

India is an importer of a wide range of chemicals starting from commodities to high performance materials. The company continually identifies products in the fields of specialty and performance chemicals to add to its range of offerings, with key consideration being given to a) the strength and competitiveness of the respective manufacturer principal, b) the market potential, and c) price volatility. During the year, new products were identified and necessary steps were taken to promote their sales.

Chemical Manufacturing

The domestic market demand of acrylamide monomer is approximately 6,500MT on a 100% solid basis, or 13,000MT on the basis of acrylamide 50% solution. The company produces and supplies acrylamide solution to this market. In addition to the domestic market, there is a strong export demand as well. The company plans to expand its capacity from 10,000MT to 20,000MT in order to meet both domestic and export market demand.

The price of acrylamide is mainly affected by changes in the cost of its key raw material, acrylonitrile (also used to manufacture acrylic fiber and ABS polymers). Domestic market forces also affect acrylamide prices, as acrylamide in solid form is imported from China and sold by a number of commodity dealers locally. Imports from China are subject to a customs duty of 7.5%.

Textiles

There are good opportunities for India to grow in importance in the global textile industry, especially in the production of cotton-based textiles and in trade with Japan and other countries where India has an FTA. However, increasing labor costs and high transport and logistics costs are giving countries such as Bangladesh and Vietnam an edge over Indian businesses in some areas.

Renewable Energy

The revenue from this business depends on the quantum of power generation, which in turn depends on conditions of nature prevailing throughout the year. Although there are unlimited opportunities in the field of renewable energy, the company has no plans to enter into any further renewable energy projects at this time.

D. Analysis of Performance

Chemical Distribution

Turnover of the chemical distribution business fell by 22%. This was not only due to reduced sales of ethanolamines, isophthalic acid, and cyanoacrylates, but mainly because of overall fall in sales price of chemicals resulting from reduced cost price. Good growth was seen in sales of meta cresol. The company added new products such as meta amino phenol, sulfolane and rubber chemicals in order to expand its offerings.

Acrylamide

Acrylamide revenue grew 30% despite the fall in prices of the product, and volumes increased 75%. The operation of the acrylamide plant reached 100% in Q4 of the year under review.

Textiles

The textile division's sale remained unchanged over the previous year at ₹ 1.8 crores.

Renewable Energy

During the year under review, both the company's windmills performed according to the prevailing meteorological conditions. They generated a total 2,785,262 units of power as compared to 2,808,688 units in the previous year.

E. Outlook

With the government's Make In India initiative, the global manufacturing industry has been shifting its focus to the Indian markets. The population has grown nearly as large as that of China, with its consuming middle class accounting for about a third of its population. Key end-user industries such as construction, automotive, packaging, and electronics are expected to drive demand immensely.

Indian chemical industry players have been focusing on sustainable development. The industry is expected to register a growth of 8-9% in the next decade.

Acrylamide

Our acrylamide plant utilisation has achieved 100% in Q4 and we expect strong revenue and profit growth in the coming year. Major customer approvals have been obtained and more are being targeted, and exports are also increasing. The company expects to obtain government permission sometime in Q2 of FY2016-2017 for doubling the production capacity and will be well-positioned to meet any rise in demand.

Chemical Distribution

The company plans to focus on bottom line growth and targets to increase volumes on new products added.

Textiles

Revenues from this segment are expected to remain largely unchanged.

Although the Indian economy is under stress due to high interest rates and global slowdown, the company expects to achieve a consolidated turnover in excess of ₹ 200 crores for the current year.

F. Risk and Concerns

The company has a risk identification and management framework appropriate to it and to the business environment under which it operates. Risks are being identified at regular intervals by the company's Board of Directors and key management personnel.

The Company has a Risk Management Policy, which provides overall framework of Risk Management in the Company. The Board of Directors are responsible for the assessment, formulation and implementation of guidelines, managing key risks, risk minimisation procedures and periodicals review.

Foreign exchange risk is arguably still continued to be the single largest area of risk for the company. Frameworks are in place to manage this risk and to take on larger than anticipated movements in currency markets.

Key risks to which the company is exposed include:

- **Change in raw material prices**

Change raw material prices from time to time forces the company to revise the prices of its products periodically to reflect the variations in the material costs. Especially in case of imported raw materials, a fall in prices during transit may result in finished products being sold below initial price expectations.

- **Execution**

Execution depends on several factors including material availability, timely receipt of raw material, weather conditions and the absence of other contingencies. The company manages these adversities with a cautious approach and meticulous planning wherever possible.

- **Currency Volatility**

Imports constitute a major component of the company's total purchases. Hence, the operations are exposed to fluctuations of exchange rates that could affect the company's performance.

In view of the above, the company reviews and revises the prices of its products in the event of significant currency movement. The company also has the policy of systematically hedging its trade and capital exposures using forward contracts. Wherever possible transactional currencies are aligned to the reporting currency in order to obviate exchange fluctuation impact.

- **Economic downturn**

Economic downturn could impact the company's markets, suppliers, customers and finance leading to business slow down, disruptions, and unhealthy competition.

- **Competition**

Competition could put pressure on volume growth and pricing. The company focuses on superior quality of products, shorter leadtime and high service level to maintain high levels of customer satisfaction.

- **Financing**

Inadequate funding resources and high interest costs may impact regular business and operations. The company has sufficient funding and reserves to operate smoothly and regularly negotiates with its bankers and financiers to reduce finance costs.

- **Attracting and retaining talent**

Our success depends in large part on our management team and key personnel and the company takes all necessary steps to attract and retain them.

G. Internal Control Systems

The company has in place adequate internal control systems and procedures covering all the operational, financial, legal, and compliance functions. The company constantly monitors and improves its internal control systems to ensure that all company policies, procedures and guidelines are in place and also to make certain that all transactions are authorised, recorded and reported correctly.

However, the Companies Act, 2013 has significantly expanded the scope of Internal Controls to be considered by the management of the companies to cover all aspects of the operations of the company, thus, the management is in a process of updating and establishing effective implementation of the existing internal controls system with the help of internal and external consultations and is confident that the same will be fully implemented within few months.

The Company uses an ERP package with an approval-based work-flow system. Access to data is strictly controlled on a departmental and hierarchical basis, and on a need-to-know basis.

Further, the Company has in place structured internal audit process charged with the task of ensuring reliability and accuracy of the accounting and of the other operational data. The internal audit department reports to the Audit Committee constituted by the Board of Directors of the Company.

The Company has a system of monthly review of businesses as a key operational control wherein the performance of units is reviewed against budgets and corrective actions are taken.

H. Development in Human Resources Industrial Relations

The company believes that human resources are a critical factor for its growth. The company invests in its employees for the growth of their skills and talents so as to meet the growth aspirations of the business. The emphasis is on grooming in-house talent enabling them to take on larger responsibilities.

The senior management team spends considerable time in reviewing the existing talent base and processes used for honing the skills of the members in the talent pool and assessing their preparedness for taking on new assignments.

No man-days were lost on account of strike or dispute during the year. The relations with the employees and workers remained cordial and harmonious throughout the year.

I. Capital Expenditure and Expansion Plans

The company is planning to expand its manufacturing of acrylamide from the existing 10,000MT to 20,000MT. The expected capital expenditure towards this is ₹ 4.0 – 5.0 crores.

ANNEXURE I TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L17120MH1990PLC054828
2	Registration Date	January 1, 1990
3	Name of the Company	Black Rose Industries Limited
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non – Government Company
5	Address of the Registered office and contact details	145/A, Mittal Tower, Nariman Point, Mumbai – 400021. Tel : +91 22 4333 7200 Fax : +91 22 228 73022 E-mail id : info@blackrosechemicals.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar and Transfer Agent, if any.	Satellite Corporate Services Private Limited B-302, Sony Apartment, Opp. St. Jude's High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai – 400072. Tel : +91 22 2852 0461 / 62 Fax : +91 22 2851 1809 Email id : service@satellitecorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturer of organic and inorganic chemical compounds	20119	30.26
2	Wholesale of industrial chemicals	46691	68.02

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Equity Shares Held	Applicable Sections
1	Wedgewood Holdings Limited, Mauritius	Foreign Company	Holding	56.47	2(46)
2	B.R. Chemicals Co., Ltd., Japan	Foreign Company	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March, 2015]				No. of Shares held at the end of the year [As on 31 st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	239,850	-	239,850	0.47	239,850	-	239,850	0.47	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub – total (A)(1)	239,850	-	239,850	0.47	239,850	-	239,850	0.47	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March, 2015]				No. of Shares held at the end of the year [As on 31 st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRI – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Body Corp.	38,010,000	-	38,010,000	74.53	38,010,000	-	38,010,000	74.53	0.00
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(E) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(2)	38,010,000	-	38,010,000	74.53	38,010,000	-	38,010,000	74.53	0.00
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	38,249,850	-	38,249,850	75.00	38,249,850	-	38,249,850	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	800	-	800	0.00	800	-	800	0.00	0.00
b) Banks / FI	-	200	200	0.00	-	200	200	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	800	200	1,000	0.00	800	200	1,000	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	367,409	15,400	382,809	0.75	270,179	15,400	285,579	0.56	(0.19)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,474,861	2,893,160	6,368,021	12.49	3,749,994	2,856,560	6,606,554	12.95	0.47
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,623,586	-	3,623,586	7.11	3,546,858	-	3,546,858	6.95	(0.15)
c) Others (specify)									
Non Resident Indians									
Repatriable	1,910,144	-	1,910,144	3.75	1,839,917	-	1,839,917	3.61	(0.14)
Non - Repatriable	3,354	-	3,354	0.01	2,338	-	2,338	0.00	0.00
Directors and Relatives	-	271,800	271,800	0.53	-	271,800	271,800	0.53	0.00
Hindu Undivided Families	186,942	-	186,942	0.36	196,052	-	196,052	0.38	0.02
Clearing Members	2,494	-	2,494	0.00	50	-	50	0.00	0.00
Sub-total (B)(2)	9,568,790	3180360	12,749,150	25.00	9,605,390	3,143,760	1,274,915	25.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	9,569,590	3,180,560	12,750,150	25.00	9,606,190	3,143,960	12,750,150	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	47,819,440	3,180,560	51,000,000	100	47,856,040	3,143,960	51,000,000	100.00	0.00

B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tozai Enterprises Private Limited	239,850	0.47	0.00	239,850	0.47	0.00	0.00
2	Wedgewood Holdings Limited	28,800,000	56.47	0.00	28,800,000	56.47	0.00	0.00
3	Triumph Worlwide Limited	9,210,000	18.06	0.00	9,210,000	18.06	0.00	0.00
	Total	38,249,850	75.00	0.00	38,249,850	75.00	0.00	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,824,9850	75.00	38,249,850	75.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
	At the end of the year	38,249,850	75.00	38,249,850	75.00

D) Shareholding Pattern of top ten Shareholders as on March 31, 2016 (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (eg. allotment/ transfer/ bonus/ sweat equity, etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	Shrawan Kumar Todi	3,070,000	6.02	01.04.2015				
				21.08.2015	(-)10,000	Transfer	3,060,000	6.00
				31.03.2016			3,060,000	6.00
2	Bhanwarilal Panda	1,831,294	3.59	01.04.2015				
				24.07.2015	(-)32,066	Transfer	1,799,228	3.53
				31.07.2015	(-)8,301	Transfer	1,790,927	3.51
				07.08.2015	(+)1,125	Transfer	1,792,052	3.51
				21.08.2015	(-)26,470	Transfer	1,765,582	3.46
				28.08.2015	(-)1,012	Transfer	1,764,570	3.46
				31.03.2016			1,764,570	3.46

Sr. No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (eg. allotment/ transfer/ bonus/ sweat equity, etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
3	Sidharth Saraff	429,791	0.84	01.04.2015				
				12.02.2015	(-)50,000	Transfer	379,791	0.74
				31.03.2015			379,791	0.74
4	Jayshree Mohite	223,795	0.44	01.04.2015				
				22.05.2015	(-)3,000	Transfer	220,795	0.43
				05.06.2015	(-)2,020	Transfer	218,775	0.43
				12.06.2015	(-)1,109	Transfer	217,666	0.43
				17.07.2015	(-)27,692	Transfer	189,974	0.37
				24.07.2015	(-)34,057	Transfer	155,917	0.31
				06.11.2015	(+)10,300	Transfer	166,217	0.33
				13.11.2015	(+)3,500	Transfer	169,717	0.33
				27.11.2015	(-)5,025	Transfer	164,692	0.32
				04.12.2015	(-)1,588	Transfer	163,104	0.32
				11.12.2015	(-)11,418	Transfer	151,686	0.30
				08.01.2016	(-)44,046	Transfer	107,640	0.21
				15.01.2016	(-)5,110	Transfer	102,530	0.20
				29.01.2016	(-)2,350	Transfer	100,180	0.20
				11.03.2016	(+)3,350	Transfer	103,530	0.20
				18.03.2016	(+)3,100	Transfer	106,630	0.21
				31.03.2016			106,630	0.21
5	Abhimanyu J L	85,000	0.17	01.04.2015				
				19.06.2015	(+)5,000	Transfer	90,000	0.18
				26.06.2015	(+)11,825	Transfer	101,825	0.20
				10.07.2015	(+)3,000	Transfer	104,825	0.21
				21.08.2015	(-)4,800	Transfer	100,025	0.20
				31.03.2016			100,025	0.20
6	Lincoln P. Coelho	100,000	0.20	01.04.2015				
				31.03.2016			100,000	0.20
7	Deo Hirawat (HUF)	82,739	0.16	01.04.2015				
				15.05.2015	(+)10,000	Transfer	92,739	0.18
				31.07.2015	(+)7,261	Transfer	100,000	0.20
				31.03.2016			100,000	0.20
8	Deo Hirawat	58,195	0.11	01.04.2015				
				10.04.2015	(+)71,605	Transfer	129,800	0.25
				31.07.2015	(-)29,800	Transfer	100,000	0.20
				31.03.2016			100,000	0.20
9	Ramesh Tapuriah	6,900	0.01	01.04.2015				
				10.04.2015	(+)62,100	Transfer	69,000	0.14
				31.03.2016		Transfer	69,000	0.14
10	Pankaj Tibrawalla	62,195	0.12	01.04.2015				
				25.03.2016	(+)100	Transfer	62,295	0.12
				31.03.2016			62,295	0.12

E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (eg. allotment/ transfer/ bonus/sweat equity, etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Shivhari Halan	271,800	0.53	01.04.2015				
				31.03.2016			271,800	0.53
2	Mr. Sujay Sheth	0	0	01.04.2015				
				31.03.2016			0	0
3	Mr. Anup Jatia	0	0	01.04.2015				
				31.03.2016			0	0
4	Mr. Basant Kumar Goenka	0	0	01.04.2015				
				31.03.2016			0	0
5	Mrs. Garima Tibrawalla	0	0	01.04.2015				
				31.03.2016			0	0
6	Mr. Chiranjilal P. Vyas	0	0	01.04.2015				
				31.03.2016			0	0
7	Mr. Ratan Agrawal	14,760	0.03	01.04.2015				
				04.12.2015	(-)760	Transfer	14,000	0.03
				31.03.2016			14,000	0.03

F) Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Total Indebtedness
i) Principal Amount	367,084,435	55,400,000	422,484,435
ii) Interest accrued but not due	-	1,620,987	1,620,987
Total (i+ii)	367,084,435	57,020,987	424,105,422
Change in Indebtedness during the financial year			
* Addition	-	11,306,499	11,306,499
* Reduction	53,771,475	-	(53,771,475)
Net Change	(53,771,475)	11,306,499	(42,464,976)
Indebtedness at the end of the financial year			
i) Principal Amount	313,118,440	67,000,000	380,118,440
ii) Interest accrued but not due	194,520	1,327,486	1,522,006
Total (i+ii)	313,312,960	68,327,486	381,640,446

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		Mr. Anup Jatia (Whole - Time Director)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,200,000	4,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	4,200,000	4,200,000
	Celling as per the Act	4,200,000	4,200,000

B. Remuneration to other directors

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Shivhari Halan	Mr. Sujay Sheth	Mr. Basant Kumar Goenka	Mrs. Garima Tibrawalla	
1	Independent Directors					
	Fee for attending board meetings	100,000	100,000	20,000	20,000	240,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	100,000	100,000	20,000	20,000	240,000
2	Other Non-Executive Directors	Mr. Atmaram Jatia				
	Fee for attending board committee meetings	-				
	Commission	-				
	Others, please specify	-				
	Total (2)	-				
	Total (B)=(1+2)					240,000
	Total Managerial (A+B) Remuneration					4,440,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Amount in ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	985,000	983,748	1,883,748
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	985,000	983,748	1,883,748

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Amount in ₹

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

ANNEXURE II TO DIRECTORS' REPORT

Particulars of Loans, Guarantees and Investments

Amount in ₹

Sr. No.	Name of the party	Nature of transactions	Amount at the beginning of the year	Net transactions during the year	Balance at the end of the year
1	Avni Impex	Loan	3,155,563	3,155,563	0

ANNEXURE III TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

- a) Steps taken or impact on conservation of energy:
 - i) Installation of timer valve to control air purging time, reducing the air compressor requirements.
 - ii) Installation of auto power factor controller to maintain the power factor.
 - iii) Installation of LED street lights.
- b) No steps were taken by the Company for utilising alternate source of energy.
- c) The capital investment on energy conservation equipment was ₹ 7,68,361 during the year.

B. TECHNOLOGY ABSORPTION

- a) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:

Improvement in productivity, thereby reducing energy consumption per unit of finish product produced.
- b) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology was imported during the last three years reckoned for the beginning of the financial year.
- c) Details of expenditure on Research and Development:

The company has spent ₹ 930,007 on the same during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1. Foreign exchange outgo : ₹ 1,252.26 lakhs
- 2. Foreign exchange earned : ₹ 656.38 lakhs

ANNEXURE IV TO DIRECTORS' REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015 – 16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015 – 16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration to Director/KMP for the financial year 2015 – 16	Increase in Remuneration in the financial year 2015-16	Ratio of Remuneration of each Director / KMP to the median Remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company (i.e. Profit after tax)
		(₹)	(%)	(times)	(%)
1	Mr. Atmaram Jatia Non - Executive Director	NIL	NIL	NIL	NIL
2	Mr. Anup Jatia Executive Director	4,200,000	40.00	16.39	25.98
3	Mr. Shivhari Halan Independent Director	NIL	NIL	NIL	NIL
4	Mr. Sujay Sheth Independent Director	NIL	NIL	NIL	NIL
5	Mr. Basant Kumar Goenka Independent Director	NIL	NIL	NIL	NIL
6	Ms. Garima Tibrawalla Independent Director	NIL	NIL	NIL	NIL
7	Mr. Chiranjilal P. Vyas Company Secretary	985,000	NIL	3.84	6.09
8	Mr. Ratan Kumar Agrawal Chief Financial Officer	983,748	5.00	3.84	6.09

Sl. No.	Requirements	Disclosure
1	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees for the financial year was decreased by 1% compared to the previous financial year due to reduction of non-managerial employees.
2	The number of permanent employees on the rolls of the Company.	47 employees as on March 31, 2016
3	The explanation on the relationship between average increase in remuneration and performance of the Company.	The average increase in remuneration was mainly dependent on market movements with a view towards retention of employees while keeping in mind the overall performance of the company.
4	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	Total KMP remuneration of ₹ 61,68,748 was 25.09% of the Profit before tax of the company for the year.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentile increase in the salaries of employees other than managerial personnel in the last financial year was 12.07% as compared with the percentile increase in the managerial remuneration of 10.80%. There was no exceptional circumstance for increase of remuneration of managerial personnel in the last financial year.

Sl. No.	Requirements	Disclosure
6	The key parameters for any variable component of remuneration availed by the directors.	There is no variable component of remuneration paid to any of the Directors of the Company.
7	The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No employee received remuneration in excess of the highest paid Director.
8	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, the remuneration is as per the remuneration policy of the Company.
9	Variation in market capitalisation of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The market capitalisation of the company has decreased from ₹ 7,803 lakhs as of 31 st March, 2015 to ₹ 7,650 lakhs as of 31 st March, 2016. Over the same period price earning ratio decreased from 139.09 to 46.58. The company's stock price as on 31 st March, 2016 has increased by 200% to ₹ 15 per share of ₹ 1 each over the last public offering in 1992 at the price of ₹ 10 per share of ₹ 10 each, after taking into considering the reduction of share capital in the year 2003 and issue of Bonus Shares in the ratio of 1:1 in the year 2011.

Form No. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Black Rose Industries Limited
145/A, Mittal Tower,
Nariman Point, Mumbai - 400 021.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Black Rose Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. Black Rose Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)

(vi) Other laws as per the representation made by the Company are as follows;

- Factories Act, 1948
- Industrial Disputes Act, 1947
- Industrial Relations Act, 1962
- Payment of Wages Act, 1936
- Payment of Gratuity Act, 1972
- Industries (Development & Regulation) Act, 1951
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Environment Protection Act, 1986
- Indian Contracts Act, 1872
- Income Tax Act, 1961 and Indirect Tax Laws
- Environment (Protection) Act, 1986
- Water (Prevention and control of pollution) Act, 1974
- Applicable Municipal / Panchayat Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and general meetings are generally complied.
- (ii) The Listing Agreement entered into by the Company with BSE Limited ;

During the period under review and as per the explanations/representation made by the management the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Charge register is not as per the format specified by the Companies Act, 2013.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and regulations to the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instance of :

- (i) Public/Right/Preference issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.

- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, our report of even dated to be read along with the following clarifications:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide as reasonable basis of my opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws and regulations and happening
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ND & Associates**
Company Secretaries

Place : Mumbai
Date : 21.05.2016

Name of Company Secretary: Neeta Desai
FCS No.: 3262 CP No.: 4741

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

BLACK ROSE INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BLACK ROSE INDUSTRIES LIMITED** ("the Company"), comprising of the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these standalone financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the over all 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 on the standalone financial statements.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our comments mentioned in Annexure-B to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 23, 2016

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of BLACK ROSE INDUSTRIES LIMITED, ('the Company') for the year ended on March 31, 2016. We report that:-

i. In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) As per the information and explanation given to us by the management, the title deeds of the immovable properties as disclosed in fixed assets (Note No.11 to the financial statements) are held in the name of the Company.

ii. In respect of its inventories:

The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.

iii. The Company has granted unsecured loan to One Company covered in the register maintained under section 189 of the Act and :

- (a) the terms and conditions of the grant of such loan is not prejudicial to the company's interest;
- (b) the loan was repayable on demand while the interest was to be paid at the time of repayment. The said loan was squared off during the year;
- (c) in respect of the said loan and interest thereon, there is no overdue amounts.

iv. The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186 and hence provisions of Clause 3(iv) of the aforesaid Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of the Section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it.

Further, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2016, for a period of more than six months from the date they became payable except for the following:

Nature of dues	Financial year	Amount (Rs)
Central Sales- tax	2007-08	68,690/-
Central Sales- tax	2008-09	27,046/-
Central Sales- tax	2009-10	74,568/-

- (b) According to the records of the Company and information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax that have not been deposited:

Name of the Statute	Nature of Dues	Amount of Demand net of deposits (₹)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand of Penalty raised u/s 271(1)(C)	₹ 2,31,686/-	A.Y. 2005-06	CIT (Appeals)

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. The Company has entered into transactions with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi. The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi) of the aforesaid Order are not applicable to the Company.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 23, 2016

ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of BLACK ROSE INDUSTRIES LIMITED, ('the Company') for the year ended on March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of **BLACK ROSE INDUSTRIES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Disclaimer of Opinion

The information and explanations provided by the management on system of Internal Financial Controls over financial reporting were not complete to enable us to determine if the Company has established adequate Internal Financial Controls over financial reporting and whether such Internal Financial Controls were operating effectively as at March 31, 2016.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 23, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As At 31-03-2016 ₹	As At 31-03-2015 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	51,000,000
Reserves and Surplus	3	156,999,539	141,952,984
		207,999,539	192,952,984
2 Non-Current Liabilities			
Long Term Borrowings	4	199,774,184	206,061,917
Deferred Tax Liabilities (Net)	5	18,429,000	10,409,107
Long Term Provisions	6	2,180,389	1,364,008
		220,383,573	217,835,032
3 Current Liabilities			
Short Term Borrowings	7	186,942,318	195,852,209
Trade Payables	8	172,181,595	272,293,384
Other Current Liabilities	9	43,370,543	33,851,105
Short Term Provisions	10	8,054,514	1,907,572
		410,548,971	503,904,269
Total		838,932,082	914,692,286
II. ASSETS			
1 Non Current Assets			
Fixed Assets	11		
Tangible Assets		372,717,380	389,324,186
Intangible Assets		10,454,493	17,418,016
		383,171,873	406,742,202
Non Current Investments	12	1,620,600	1,620,600
Long Term Loans and Advances	13	12,685,356	7,283,605
Other Non-Current Assets	14	8,644,028	5,962,717
		22,949,984	14,866,922
2 Current Assets			
Inventories	15	145,646,668	155,359,930
Trade Receivables	16	227,500,705	277,746,002
Cash and Bank Balances	17	5,221,622	6,250,929
Short Term Loans and Advances	18	37,500,127	40,153,663
Other Current Assets	19	16,941,104	13,572,638
		432,810,225	493,083,161
Total		838,932,082	914,692,286

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of
KARNAVAT & CO.

Chartered Accountants
Firm Regn. No. 104863W

Shashikant Gupta
Partner
Membership No. 45629

Place: Mumbai
Date: May 23, 2016

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

C.P. Vyas
Company Secretary

Anup Jatia
Executive Director
DIN : 00351425

Ratan Agrawal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
INCOME			
Revenue from Operations	20	1,288,409,715	1,470,053,011
Other Income	21	3,512,974	6,276,906
Total Revenue		1,291,922,689	1,476,329,917
EXPENDITURE			
Cost of Materials consumed	22	213,019,274	219,652,140
Purchase of traded goods	23	809,237,285	1,020,604,664
Changes in inventories of finished goods, work- in- progress and Traded goods	24	22,439,358	46,387,963
Employee Benefits Expense	25	32,299,096	27,928,775
Finance Cost	26	44,696,712	48,669,795
Depreciation and Amortization Expenses	27	27,257,410	27,786,707
Other Expenses	28	118,387,729	91,959,984
Total Expenditure		1,267,336,865	1,482,990,029
Profit before Tax		24,585,824	(6,660,112)
Less: Tax Expenses			
Current Tax		5,400,000	-
Deferred Tax		8,382,924	(12,312,183)
MAT Credit Entitlement		(5,012,769)	
Wealth Tax		13,241	9,326
Earlier years adjustments		-	117,537
		8,783,396	(12,185,320)
Profit for the period		15,802,428	5,525,208
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	32		
Basic		0.31	0.11
Diluted		0.31	0.11

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

For and on behalf of the Board of Directors

Shashikant Gupta
Partner
Membership No. 45629

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

Place: Mumbai
Date: May 23, 2016

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	2015-2016 ₹	2014-2015 ₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	24,585,824	(6,660,112)
Adjustments for:		
Depreciation	27,257,410	27,786,707
(Profit) on sale of fixed assets	(1,610,794)	646,800
Interest expenses	41,659,995	45,364,878
Interest income	(2,688,596)	(3,196,025)
Unrealised foreign exchange (Gain)/Loss	(3,090,185)	(3,521,027)
Provision for expenses, gratuity & leave encashment	1,656,403	633,027
Excess provisions written back	(86,378)	(94,279)
Interest Subsidy Received	(249,054)	-
Rental income	(738,000)	(738,000)
Sundry balances written off	2,707,367	(1,665,096)
Operating profit before working capital changes	89,403,991	58,556,873
Adjustments for:		
(Increase)/Decrease in trade and other receivables	45,558,518	(61,709,144)
(Increase)/Decrease in inventories	9,713,262	31,303,972
Increase/(Decrease) in trade and other payables	(88,715,892)	(19,715,774)
Cash generated from operating activities	55,959,878	8,435,927
Less : Direct taxes (net of refund)	402,245	297,100
Total cash generated from operating activities	55,557,633	8,138,827
Cash generated from prior period items (net)	-	-
Net cash flow from / (used in) operating activities	55,557,633	8,138,827
B. Cash Flow From Investing Activities		
Sale of fixed assets	3,442,373	-
Purchase of fixed assets / Capital work in progress	(6,753,768)	(14,979,352)
Interest income	1,398,054	760,367
Rental income	738,000	738,000
Cash generated from investing activities	(1,175,341)	(13,480,985)
Less : Income-tax paid at source	73,800	73,800
Net Cash flow from / (used in) investing activities	(1,249,141)	(13,554,785)
C. Cash Flow from Financing activities		
Proceeds from borrowings	(15,197,624)	48,950,148
Unsecured Loans		
Repayment of Deferred payment credits		
Proceeds from Issue of Equity Shares	-	-
Interest expenses	(40,137,989)	(43,571,937)
Net cash flow from financing activities		
Net cash flow / (used in) from financing activities	(55,335,613)	5,378,211
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,027,120)	(37,747)
Cash and cash equivalent as on 1.4.2015 (Opening Balance)	6,251,185	6,288,932
Cash and cash equivalent as at 31.3.2016 (Closing Balance)	5,224,065	6,251,185

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

2015-2016 ₹	2014-2015 ₹
5,221,622	6,250,929
2,443	256
5,224,065	6,251,185
483,391	374,530
2,889,335	2,106,384
95,459	95,619
1,755,880	3,674,652
5,224,065	6,251,185

Notes:
1) Reconciliation of cash and cash equivalents

As per Balance Sheet- Note -17

Add:- Foreign exchange loss on revaluation of foreign currency

As per Cash flow statement

2) Cash and cash equivalents comprises of

a) Cash in hand

b) Bank balance in current accounts

c) Unpaid dividend account

c) In fixed deposit account

- 3) Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities
- 4) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
- 5) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements.
- 6) Figures in brackets represent outflows.

As per our report of even date enclosed

For and on behalf of
KARNAVAT & CO.

Chartered Accountants
Firm Regn. No. 104863W

For and on behalf of the Board of Directors
Shashikant Gupta

Partner

Membership No. 45629

Shivhari Halan

Director

DIN : 00220514

Anup Jatia

Executive Director

DIN : 00351425

Place: Mumbai

Date: May 23, 2016

C.P. Vyas

Company Secretary

Ratan Agrawal

Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**1 SIGNIFICANT ACCOUNTING POLICIES****a) Nature of Operations**

The Company is engaged in manufacturing and trading of chemicals and manufacturing of gloves and fabrics. The company is also in the business of power generation by setting up Windmills in the State of Rajasthan and Gujarat.

b) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

c) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

(i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Export entitlement

Export entitlement by the way of duty draw back/ DEPB are recognised as income of the year on accrual basis. In case of utilisation for Import purpose the same is recognised as raw material cost in the year of import.

(iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iv) Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

e) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

g) Tangible Fixed Assets

- (i) All Fixed Assets are stated at cost less accumulated depreciation.
- (ii) Leasehold land is amortised equally on straight-line basis over the period of lease.
- (iii) All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.

h) Depreciation on Tangible Fixed Assets

The Company has worked depreciation with reference to the useful life of Fixed Assets as prescribed by PART C of the Schedule II of the Act. The carrying values have been depreciated over the remaining useful life of the Asset using Straight Line Method and the same is recognised in the Statement of Profit and Loss.

i) Intangible Assets

- (i) All intangible fixed assets are stated at cost less amortisation cost.

All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.
- (ii) Licensed Software is amortised prorata, on straight line basis over the estimated useful life of the asset which is estimated at 5 years.

j) Foreign Currency Transactions and Balances

(i) Initial recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

In case of foreign subsidiaries, being non integral foreign operations, the assets and liabilities are translated at the closing exchange rate. Income and Expense items are translated at average exchange rates and all resulting exchange differences are accumulated in foreign exchange fluctuation reserves on consolidation.

k) Forward exchange contracts entered into hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any gain or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense, as the case may be, on such occurrence.

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

m) Retirement and other employee benefits**(i) Retirement Benefits**

Contributions to the Provident Fund are made at a pre-determined rate and charged to the statement of Profit and Loss.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The liability so provided is represented substantially by creation of separate fund and is considered sufficient to meet the liability as and when it accrues for payment in future.

(ii) Leave Encashment

Provision for Leave encashment is made as per actuarial valuation as at the year end and is charged to the statement of Profit and Loss.

n) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

o) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Income Taxes

Provision for current 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 or as on date of approval of Statement of Accounts whichever is later. The deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

r) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating unit/assets are reviewed at Balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

s) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimates in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
2 Share Capital		
Authorised Shares		
80,000,000 (31 st March, 2015: 80,000,000)	80,000,000	80,000,000
Equity Shares of ₹ 1/- each	80,000,000	80,000,000
Issued, Subscribed and fully paid up Shares		
51,000,000 (31 st March, 2015: 51,000,000)	51,000,000	51,000,000
Equity Shares of ₹ 1/- each	51,000,000	51,000,000

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	31-03-2016		31-03-2015	
	Nos.	₹	Nos.	₹
At the beginning of the period	51,000,000	51,000,000	51,000,000	51,000,000
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the period	51,000,000	51,000,000	51,000,000	51,000,000

b) Terms/Rights attached to equity shares

The company has only one class of equity share having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share and dividend per share on pari passu basis. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors except interim dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil (31st March, 2015 ₹ Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31-03-2016 Nos.	31-03-2015 Nos.
Holding Company		
Name of the Company		
Wedgewood Holdings Limited, Mauritius		
Equity Shares of ₹ 1/- each fully paid	28,800,000	28,800,000
	28,800,000	28,800,000

d) Details of shareholders holding more than 5% share in the company

	31-03-2016		31-03-2015	
	Nos.	% of holding	Nos.	% of holding
Equity shares of ₹ 1/- each fully paid				
Name of the shareholder				
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Limited, Hong Kong	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	3,060,000	6.00	3,070,000	6.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
3 Reserve and Surplus		
a) Capital Reserve	3,000,000	3,000,000
b) General Reserve	6,240,000	6,240,000
c) Securities Premium Reserves		
Balance as per the last financial statements		
Add: Amount received on issue of shares	64,470,000	64,470,000
	<u>64,470,000</u>	<u>64,470,000</u>
d) Surplus in the statement of profit and loss		
Balance as per the last financial statements	68,242,984	62,339,836
Profit/(loss) for the year	15,802,428	5,525,208
Less: Appropriations		
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	755,873	(377,940)
Net surplus in the statement of profit and loss	<u>83,289,539</u>	<u>68,242,984</u>
Total Reserves and Surplus	<u>156,999,539</u>	<u>141,952,984</u>
4 Long Term Borrowings		
Secured		
a) Term Loans		
Loan from Banks [Refer Note No. 4(a)(i)]	161,221,525	176,548,774
Loan from Other Parties [Refer Note No. 4(a)(ii)]	2,954,597	9,683,453
Total Secured	<u>164,176,122</u>	<u>186,232,226</u>
Unsecured		
b) Deposits [Refer Note No. 4(b)(i)]	65,500,000	38,900,000
c) Other Loans and Advances		
Interest Free Security Deposits [Refer Note No. 4(c)(i)]	1,500,000	1,500,000
Total Unsecured	<u>67,000,000</u>	<u>40,400,000</u>
	<u>231,176,122</u>	<u>226,632,226</u>
Less: Current maturities of long term borrowings disclosed under the head "other current liabilities" (Refer Note No.9)	(31,401,938)	(20,570,309)
	<u>199,774,184</u>	<u>206,061,917</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note No. 4(a)****Secured Loan**Vehicle Loan**(i) From Kotak Mahindra Bank Limited**Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.27 % p.a.

The rate of interest is 10.23 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 19,360/- commencing from 10th August, 2013 and ending on 10th June, 2016.

Equated monthly installment of ₹ 134,862/- commencing from 1st December, 2014 and ending on 1st October, 2017.

From HDFC Bank LimitedNature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.51 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 14,823/- commencing from 5th June, 2014 and ending on 5th June, 2017.

Term Loan**From Bank of Baroda**Nature of security

- a) Hypothecation of stock & book debts of the company.
- b) Hypothecation of goods purchased/imported under L.C.
- c) Composite hypothecation agreement of Stocks and Book Debts, Plant and Machinery of the company, both present & future as well as other fixed assets of the company.

Rate of Interest

The rate of interest is 12.70 % p.a.

Terms of Repayment

Repayable in 84 months as under:

FY 2015 - 12 monthly installments of ₹ 10.00 Lacs

FY 2016 - 12 monthly installments of ₹ 13.33 Lacs

FY 2017 - 12 monthly installments of ₹ 16.67 Lacs

FY 2018 - 12 monthly installments of ₹ 29.33 Lacs

FY 2019 - 12 monthly installments of ₹ 29.33 Lacs

FY 2020 - 12 monthly installments of ₹ 29.33 Lacs

FY 2021 - 12 monthly installments of ₹ 28.51 Lacs

However, during the year, the Company has made full repayment of the above loan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
From Kotak Mahindra Bank Limited
Nature of Security

- Secured by exclusive charge on all present & future current assets & movable fixed asset of the manufacturing unit at Jhagadia, Gujarat.
- Collateral Security of Plot No. 675 at GIDC, Jhagadia & Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur
- Personal Guarantee of a Director and his relatives.

Rate of Interest

The rate of interest is Base Rate + 2.25 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 27,31,810/- commencing from 1st July, 2015 and ending on 1st March, 2021.

Equated monthly installment of ₹ 9,17,394/- commencing from 20th April, 2016 and ending on 20th March, 2020.

(ii) Loan from other party

From Tata Capital Financial Services Limited

Nature of security

- First & exclusive Charge by way of hypothecation of the Windmills along with its accessories etc. installed at Tiwri, Location No.38, Village - Indroka, Dist - Jodhpur, Rajasthan and Location No. 311, Samana Site, Village Paddaval, Taluka - Upleta, Dist - Rajkot, Gujarat - 360 007 by mortgage of the Land.
- First & exclusive charge by way of hypothecation on all trade receivables.
- Unconditional and irrevocable personal guarantee of a Director.

Rate of Interest

The rate of interest is Long Term Lending Rate - 3.25 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 560,738/- commencing from 10th October, 2010 and ending on 10th September, 2016.

**(i) Note No. 4(b)
Unsecured Loan**

Public Deposits

Received from Director (Refer Note No.31)

Rate of Interest

The rate of interest is 12.50% p.a.

Terms of Repayment

Repayable on or after 36 months

31-03-2016 ₹	31-03-2015 ₹
65,500,000	38,900,000
65,500,000	38,900,000
65,500,000	38,900,000
65,500,000	38,900,000
1,500,000	1,500,000

Note No. 4(c)
Other Loans and Advances
(i) Security Deposits

Received from related party (Refer Note No. 31)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
5 Deferred Tax Liabilities (Net) (Disclosure as per AS-22)		
Items leading to deferred tax liability		
Difference in depreciation in block of fixed assets as per Income Tax and Books of Accounts	43,100,636	41,431,914
Less:		
Items leading to deferred tax assets		
Carry Forward of Depreciation Loss	(23,587,182)	(30,352,377)
Expenses allowable on Payment basis	(1,084,454)	(670,430)
Net (Deferred Tax Liability)	18,429,000	10,409,107
Amount to be charged to Statement of Profit and Loss before adjustment	8,019,894	(12,130,668)
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	363,030	(181,515)
Amount to be charged to Statement of Profit and Loss after adjustment	8,382,924	(12,312,183)
6 Long Term Provisions		
Provisions for employees benefits		
Provision for Gratuity (Refer Note No. 29)	1,868,024	1,198,202
Provisions for Leave Benefits (Refer Note No. 29)	312,365	165,806
	2,180,389	1,364,008
7 Short Term Borrowings		
a) Secured [Refer Note No. 7(a)(i)]		
Repayable on demand		
Cash Credit from Banks	95,766,639	115,231,260
Short Term Working Capital Demand Loan from Banks	10,000,000	10,000,000
Trade Credit	43,175,679	55,620,949
	148,942,318	180,852,209
b) Unsecured Deposits [Refer Note No. 7(b)(i)]		
Repayable on demand		
Inter Corporate Deposits	38,000,000	15,000,000
	38,000,000	15,000,000
	186,942,318	195,852,209
Note No. 7(a)(i)		
<u>Nature of security</u>		
Hypothecation of stocks and book debts of the company, present and future, and pledge of office premises and corporate guarantee of Black Rose Trading Private Limited.		
The above charges rank pari passu for all intents and purposes.		
Personal Guarantee of a Director and his relatives.		
<u>Rate of Interest</u>		
Effective cost for the above loans are in the range of 11.75% p.a. to 12.50% p.a. (P.Y. 12.50 % p.a. to 14.00% p.a.)		
Note No. 7(b)(i)		
Rate of Interest	15.00%- 16.00%	15.00%-16.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016	31-03-2015
	₹	₹
8 Trade payables		
Trade payables (Refer Note No. 35)	172,181,595	272,293,384
	172,181,595	272,293,384
9 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note No. 4)	31,401,938	20,570,309
Interest accrued but not due on borrowings	666,247	1,152,599
Interest accrued and due on borrowings	855,759	619,385
Unpaid Dividend *	95,459	95,619
Provision for Mark to Market Loss on Open Forward Contract	1,490,623	448,585
Payable for other expenditure	3,738,035	5,249,051
Advance from Customers	185,127	1,396,087
VAT / CST Payable	3,485,221	2,675,477
TDS payable	1,378,309	1,597,173
Rates & Taxes payable	73,826	46,820
	43,370,543	33,851,105
* Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
10 Short Term Provisions		
Provisions for employee benefits		
Salary and Reimbursements	2,015,299	1,660,762
Contribution to Provident Fund	203,764	193,490
Gratuity (Refer Note No. 29)	338,873	33,895
Leave benefits (Refer Note No. 29)	96,578	19,425
Provision for Income Tax	5,400,000	-
	8,054,514	1,907,572

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

11 Fixed Assets

Particular	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		Amount in ₹
	Cost as at 01.04.2015	Additions / Disposals	Other Adjustments	Cost as at 31.03.2016	As at 01.04.2015	For the year	Adjustment / Disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
TANGIBLE ASSETS											
Leasehold Land	35,094,791	2,041,414	-	37,136,205	10,528	5,264	-	15,792	37,120,413	35,084,263	
Factory Building *	138,284,417	403,791	-	138,688,208	21,518,260	4,550,199	-	26,068,459	112,619,749	116,766,157	
Office Equipments	1,982,846	258,548	-	2,241,394	741,943	422,720	127,043	1,291,706	949,688	1,240,903	
Electric Installation	5,052,079	-	-	5,052,079	5,003,905	4,671	6,805	5,015,381	36,698	48,174	
Factory Equipments	515,985	9,825	-	525,810	310,337	23,250	3,866	337,453	188,357	205,648	
Plant & Machinery	193,960,208	3,832,845	2,300,274	195,492,779	17,229,043	10,679,043	(341,460)	27,566,626	167,926,153	176,731,165	
Furniture & Fittings	4,709,838	11,506	-	4,721,344	2,214,431	357,587	-	2,572,018	2,149,326	2,495,407	
Computers	3,152,578	184,315	-	3,336,893	2,205,182	241,585	410,704	2,857,471	479,422	947,396	
Printer	29,578	11,524	-	41,102	13,266	11,685	-	24,951	16,151	16,312	
Vehicles	11,155,457	-	-	11,155,457	2,722,644	1,212,239	559,455	4,494,338	6,661,119	8,432,813	
Wind Mills	87,351,734	-	-	87,351,734	39,995,787	2,785,644	-	42,781,431	44,570,303	47,355,947	
Total (A)	481,289,510	6,753,768	2,300,274	485,743,004	91,965,324	20,293,887	766,413	113,025,624	372,717,380	389,324,186	
INTANGIBLE ASSETS											
Software	1,377,926	-	-	1,377,926	616,020	223,523	-	839,543	538,383	761,906	
Technical Know-how	26,960,000	-	-	26,960,000	10,303,890	6,740,000	-	17,043,890	9,916,110	16,656,110	
Total (B)	28,337,926	-	-	28,337,926	10,919,910	6,963,523	-	17,883,433	10,454,493	17,418,016	
Total (A+B)	509,627,436	6,753,768	2,300,274	514,080,930	102,885,234	27,257,410	766,413	130,909,057	383,171,873	406,742,202	
Previous Year	500,232,242	14,979,352	5,584,158	509,627,436	79,401,785	27,786,707	(4,303,258)	102,885,234	406,742,202		

* including part of Factory Building given on Leave & Licence.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
12 Non Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted		
Investment in Wholly-owned foreign subsidiary		
60 (P.Y.60) Capital Stock of JPY 50,000 each fully paid up in M/s. B.R.Chemicals Co., Ltd., Japan	1,620,600	1,620,600
	1,620,600	1,620,600
Aggregate amount of Unquoted Investments	1,620,600	1,620,600
13 Long Term Loans and Advances		
Other Loans and Advances (Unsecured, considered good)		
Security Deposit to Government authorities and others	3,160,787	3,160,787
Income Tax Deposits	2,152,655	1,763,673
MAT Credit Entitlement	7,371,914	2,359,145
	12,685,356	7,283,605
14 Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 17]	15,018,274	11,412,682
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 19]	(8,929,286)	(7,003,197)
	6,088,989	4,409,485
FPS Licence Receivable	-	579,559
Stamp Duty Receivable	1,000,000	-
MEIS Licence	604,703	-
Duty Drawback Receivable	950,337	973,673
	8,644,028	5,962,717
15 Inventories		
(valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components [includes in transit ₹ 27,963,376/- (31 st March, 2015: ₹ Nil)] [Refer Note No. 22(a)(ii)]	46,788,738	31,283,901
Work-in-progress [Refer Note No. 24(a)(ii)]	8,300,502	20,454,018
Finished Goods [Refer Note No. 24(a)(iii)]	12,022,933	4,403,965
Traded Goods [includes in transit ₹ 36,644,395/- (31 st March, 2015: ₹ 32,657,631/-) [Refer Note No. 24(a)(i)]	76,295,738	95,027,813
Stores and spares & Packing Materials	2,238,756	4,190,232
	145,646,668	155,359,930
16 Trade receivable [Refer Note No. 16(a)]		
Unsecured, Considered good unless stated otherwise:		
Outstanding for a period exceeding six months from date they are due for payment	10,207,794	11,870,329
Others	217,292,911	265,875,673
Doubtful	-	-
	227,500,705	277,746,002
Less: Provision for doubtful debts	-	-
	227,500,705	277,746,002

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
Note No: 16(a)		
Of the above amount shown in Others Trade receivables includes, amount due from companies in which company's director is interested as director		
Black Rose Trading Private Limited	11	52,912
Tozai Safety Private Limited	4,553,260	737,737
Accent Industries Limited	679,354	763,836
	5,232,625	1,554,485
17 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	480,948	374,273
Other Bank Balances		
In Current Accounts	2,889,335	2,106,384
In Unpaid dividend account	95,459	95,619
In Fixed Deposits account		
Fixed Deposits with original maturity for less than 3 months*	105,743	870,000
Other Bank Balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	1,650,137	2,804,652
Fixed Deposits with original maturity for more than 12 months*	15,018,274	11,412,682
	20,239,896	17,663,611
Less:		
Fixed Deposit with original maturity of more than 12 months. (Refer Note No. 14)	(15,018,274)	(11,412,682)
	5,221,622	6,250,929
*Out of the above Fixed Deposits:		
Given as Margin money for Trade Credit and L/C facilities	15,532,557	13,640,122
Given against Bank Guarantee	1,241,598	1,447,212
	16,774,154	15,087,334
18 Short Term Loans and Advances		
Unsecured, considered good unless otherwise stated		
Security Deposits to others	255,950	293,550
Prepaid Expenses	2,700,971	4,041,284
Loans and advances to staff	391,500	890,937
Loans and Advances to a Officer of the company	78,678	188,425
Other Loans and Advances		
Balances with Statutory Government authorities	22,445,564	18,906,263
Loans and advances to other parties	-	2,860,563
Advances recoverable in cash or kind or for value to be received	11,627,465	12,972,640
	37,500,127	40,153,663
19 Other Current Assets		
Unsecured, considered good unless otherwise stated		
Current maturities of Fixed deposits with Bank with original maturity of more than 12 months	8,929,286	7,003,197
Interest accrued but not due on Bank Deposits	1,157,209	2,655,614
Interest accrued and due on Loans	213,021	1,226,456
Interest accrued on Security Deposits with MSEB	22,832	154,163
Interest Subsidy receivable	6,618,756	1,103,087
Trade Discount Receivable	-	515,584
Import Entitlements	-	914,537
	16,941,104	13,572,638

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
20 Revenue from Operations		
a) Sale of products [Refer Note No. 20(a)(i)]	1,276,898,938	1,468,699,804
	1,276,898,938	1,468,699,804
b) Other Operating Revenue		
Dividend on Traded Shares	-	4,011
Excise Duty Rebate	1,006,645	91,340
Electricity Duty Exemption	856,582	-
Export Entitlement	1,398,384	891,505
Profit on sale of Asset	1,610,794	-
Misc Income	169,252	-
Interest Subsidy	5,764,623	333,686
Commission Income	704,497	32,665
	11,510,777	1,353,207
Revenue from Operations	1,288,409,715	1,470,053,011
Note No 20(a)(i)		
Details of Sale of products		
Chemicals	1,250,234,284	1,430,451,239
Textiles	15,952,495	18,403,715
Wind Energy	10,712,159	11,060,995
Others	-	8,783,855
	1,276,898,938	1,468,699,804
21 Other Income		
Interest income		
From Bank	1,482,565	1,438,109
From Others	1,206,031	1,757,916
	2,688,596	3,196,025
Other non-operating income	824,378	3,080,882
	3,512,974	6,276,906
22 Cost of Materials consumed [Refer Note No. 22(a)]		
Inventory at the beginning of the year	31,283,901	16,847,152
Add: Purchases	228,524,112	234,088,889
	259,808,013	250,936,041
Less: Inventory at the end of the year	46,788,739	31,283,901
	213,019,274	219,652,140
Note No. 22(a)		
(i) Details of Materials Consumed		
Chemical	208,422,965	210,956,561
Yarn	4,596,308	5,574,628
Fabrics	-	3,120,951
	213,019,274	219,652,140
(ii) Details of Inventory of raw materials		
Chemical	46,032,320	28,942,603
Yarn	38,319	1,623,198
Fabric	718,100	718,100
	46,788,739	31,283,901

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
23 Purchase of Traded Goods		
Chemicals	801,218,940	1,017,181,681
Textiles	8,018,346	3,417,767
Others	-	5,217
	809,237,285	1,020,604,664
24 (Increase)/Decrease in Inventories		
Opening Traded Goods	95,163,561	158,385,396
Consumed in Manufacturing	876,747	2,673,785
Closing Traded Goods [Refer Note No. 24(a)(i)]	76,382,004	95,163,561
	17,904,811	60,548,050
Opening Work-in-progress	20,454,018	5,446,466
Closing Work-in-progress [Refer Note No. 24(a)(ii)]	8,300,502	20,454,018
	12,153,515	(15,007,552)
Opening Finished Goods	4,317,700	5,165,165
Closing Finished Goods [Refer Note No. 24(a)(iii)]	11,936,667	4,317,700
	(7,618,968)	847,465
Total (Increase)/Decrease in Inventories	22,439,358	46,387,963
Note No. 24(a)		
Details of inventories at the end of the year		
(i) Traded Goods		
Chemicals	74,772,187	92,953,412
Textiles	272,044	865,530
Others	1,337,773	1,344,619
	76,382,004	95,163,561
(ii) Work-in-progress		
Chemical	2,628,430	16,217,739
Textiles	5,672,073	4,236,279
	8,300,502	20,454,018
(iii) Finished Goods		
Chemical	10,654,846	1,839,014
Textiles	1,281,822	2,477,782
Others	-	903
	11,936,667	4,317,700
25 Employee Benefit expenses		
Salaries, Wages and Bonus	30,345,396	26,047,952
Contribution to Provident fund and other funds	1,211,587	1,237,858
Staff Welfare expenses	742,113	642,965
	32,299,096	27,928,775
26 Finance Costs		
Interest on borrowings	40,708,893	44,822,266
Bill Discounting Charges	48,476	23,690
Bank Charges on facilities	902,626	518,924
Applicable loss on foreign currency transactions and translation	3,036,717	3,304,916
	44,696,712	48,669,795

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
27 Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	20,288,623	20,818,908
Amortization of Tangible Assets	5,264	5,264
Amortization of Intangible Assets	6,963,523	6,962,535
	27,257,410	27,786,707
28 Other Expenses		
Power and Fuel	9,637,496	9,401,618
Rent	1,849,610	1,992,928
Rates and Taxes	398,104	1,292,262
Insurance	1,289,792	1,142,738
Repairs and Maintenance		
- Plant and Machinery	1,224,315	1,344,317
- Buildings	256,210	381,942
- Others	515,434	215,252
Legal and Professional fees	8,744,201	6,093,818
Royalty	14,572,904	12,038,900
Payment to auditor [Refer Note No. 28(a)]	627,670	438,515
Exchange difference (net) other than considered in finance cost	1,837,110	441,377
Sundry Balance written off	2,707,367	-
Selling & Distribution expenses	11,392,537	7,700,445
Brokerage Expenses	4,207,151	3,829,762
Windmill Maintenance Charges	1,581,108	1,487,912
Travelling and Conveyance	4,786,679	4,770,284
Communication Costs	1,004,385	1,006,893
Prior Period Items	-	99,645
Printing and Stationery	449,022	415,743
Labour and Jobwork Charges	3,945,727	6,911,496
Loss on Sale of Assets	-	646,800
Packing Material Consumed	27,687,656	14,954,987
Export Expenses	5,773,491	1,546,569
Security Charges	771,577	763,180
Corporate Office Expenses	1,046,036	1,177,256
Office Expenses	1,827,132	1,902,160
Office Electricity Expenses	248,964	307,490
Warehousing Charges	2,437,157	2,512,236
Vehicle Expenses	915,486	1,422,373
Share Trading Expenses	5,526	17,471
Donation	15,000	21,000
Bank Charges	3,264,583	3,194,255
Logistics Expenses	963,600	400,560
Miscellaneous Expenses	2,404,700	2,087,801
	118,387,729	91,959,984
Note No. 28(a)		
Details of Payment to Auditor		
As Auditor		
Audit Fees	250,000	250,000
Tax Audit Fees	55,000	55,000
Limited Review	45,000	45,000
In Other capacity		
Certification Fees	212,500	12,500
Reimbursement of expenses including service tax	36,545	47,925
	599,045	410,425
Cost Auditor		
As Audit Fees	25,000	25,000
Reimbursement of service tax	3,625	3,090
	28,625	28,090
	627,670	438,515

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
29 Disclosures as per AS-15 (Revised) - Employee Benefits
Gratuity and other post employment benefit plans

- (a) The gratuity charged to the statement of profit and loss for the year as per the actuarial valuation as per the requirement of Accounting Standard 15 - (Revised).

The actuarial valuation is done at the year end using 'Projected Unit Credit' method and it covers all regular employees.

The following table sets out the status of the gratuity plan as required under AS-15 (Revised)

(As certified by actuary)

(i) Assumptions

Discount Rate (p.a.)	7.54%	7.96%
Rate of escalation in Salary (p.a.)	9.73%	5.00%
Attrition Rate	19.60%	2.00%
Retirement age	60 Years	60 Years

(ii) Obligation at beginning of the year

Service cost	1,232,097	1,049,275
Interest Cost	249,631	205,664
Benefits settled	98,075	97,688
Actuarial (gains)/losses	-	(435,617)
Obligation at end of the year	627,094	315,087

(iii) Expenses/(Income) recognised in statement of Profit & Loss

Service cost	249,631	205,664
Interest cost	98,075	97,688
Actuarial (gain) / loss	627,094	315,087
Net gratuity cost	974,800	618,439

(iv) Amount recognised in Balance Sheet

Liability at the beginning of the period	1,232,097	1,049,275
Expenses/(Income) recognised in statement of Profit & Loss	974,800	618,439
Benefits paid	-	435,617
Net amount recognised in Balance Sheet	2,206,897	1,232,097

- (b) Provision for leave salary has been made on actuarial valuation as per the requirement of Revised Accounting Standard 15.

- (c) The above actuarial valuation does not include gratuity and leave salary payable to Executive Director Mr.Anup Jatia.

30 Segment Accounting (AS-17)

The Company's segment reporting are as follows:

Segment Revenue

Sales/Income

Textiles	17,543,282	18,403,715
Chemicals	1,259,988,569	1,431,466,749
Renewable Energy	10,877,864	11,394,681
Others	-	8,787,866

Total Segment Revenue

1,288,409,715 1,470,053,011

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	₹	₹
Segment Results		
Profit Before Interest and Tax		
Textiles	1,294,467	2,554,881
Chemicals	89,847,654	51,126,084
Renewable Energy	6,329,329	6,924,836
Others	(5,526)	6,567,853
Total Segment Results	97,465,924	67,173,654
Less: Finance Cost	44,696,712	48,669,795
Other unallocable expenses net off unallocable income	28,183,388	25,163,972
Total Profit Before Tax	24,585,824	(6,660,113)
Capital Employed		
Segment Assets less Segment Liabilities		
Textiles	28,064,590	29,827,648
Chemicals	142,599,135	117,966,353
Renewable Energy	46,536,811	41,115,731
Add: Unallocable Corporate assets net off unallocable corporate liabilities	(9,200,997)	4,043,252
Total Capital Employed	207,999,539	192,952,984

31 Disclosure of Related Party Transactions (AS-18)

(As certified by the Management and relied upon by the Auditors.)

a) Information about related parties:

- | | |
|---|--|
| (i) Holding company | Wedgewood Holdings Limited, Mauritius |
| (ii) Wholly-owned foreign subsidiary company | B.R.Chemicals Co., Ltd., Osaka, Japan |
| (iii) Key Management Personnel | 1) Anup Jatia, Executive Director
2) Garima Tibrawalla, Director |
| (iv) Enterprises owned or significantly influenced by any management personnel or their relatives | 1) Black Rose Trading Private Limited
2) Tozai Safety Private Limited
3) Wedgewood Holdings LLP
4) Tozai Enterprises Private Limited
5) Fukui Accent Trading (India) Private Limited
6) Accent Industries Limited |

b) Related parties transactions

				Amount in ₹
Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Sales	-	-	-	21,208,814
	-	-	-	(26,678,435)
Purchase	-	-	-	2,067,473
	-	-	-	(7,405,669)
Rent Paid	-	-	-	546,788
	-	-	-	(480,000)
Directors Remuneration	-	-	4,200,000	-
	-	-	(3,000,000)	-
Interest Paid	-	-	5,409,404	-
	-	-	(3,333,356)	(1,286,473)
Interest Received	-	-	-	184,315
	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Rent Received	-	-	-	738,000
	-	-	-	(738,000)
Unsecured Deposit Received	-	-	27,400,000	-
	-	-	(39,100,000)	-
Unsecured Deposit Repaid	-	-	1,000,000	-
	-	-	(200,000)	-
Unsecured Loan Given	-	-	-	39,500,000
	-	-	-	-
Unsecured Loan Repayment received	-	-	-	39,500,000
	-	-	-	-
Reimbursement of Expenses Paid	-	-	503,037	819,361
	-	-	(172,931)	(783,431)
Reimbursement of Expenses Received	-	-	-	1,078,631
	-	-	-	(1,363,359)

Balance as at 31st March,2016	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Security Deposit Payable	-	-	-	1,500,000
	-	-	-	(1,500,000)
Trade Receivables	-	-	-	5,232,625
	-	-	-	(1,554,485)
Trade Payables	-	-	-	571,044
	-	-	-	(225,539)
Unsecured Deposit Payable	-	-	65,500,000	-
	-	-	(38,900,000)	-
Interest Payable (Net of T.D.S.)	-	-	573,645	-
	-	-	(1,099,479)	-

Notes:

- The above Related Party relationships are given by the management and relied upon by the auditor.
- Figures of previous year are given in brackets.

32 Earnings per share (AS-20)

Details of the profit and No. of Equity Shares used in the basic and diluted EPS computations:

Total operation for the year

Profit after tax

15,802,428 5,525,208

Weighted average number of shares outstanding at the year end

Equity shares outstanding at the beginning of the year

Nos. **Nos.**
51,000,000 51,000,000

Basic and diluted earnings per share (₹)

0.31 0.11

Face value per share (₹)

1 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

33 Impairment of Assets (AS-28)

Based on exercise of impairment of assets undertaken by the management in due cognizance of paragraphs 5 to 13 of AS 28. The Company has concluded that no impaired loss is required to be booked.

34 Contingent Liabilities

Contingent liabilities not provided for in respect of:-

- (i) Guarantee given to Government authorities ₹ 1,246,598/- (P.Y. ₹ 15,000/-).
- (ii) Central Sales Tax liability of ₹ 8,766,882/- (P.Y. ₹ 6,030,980/-) as per MVAT Audit completed in the current financial year, as the said liability is on account of non receipt of 'C' forms from various payable customers and the company is awaiting the receipt of said forms. The liabilities, if any, will be accounted in the books of account in the year in which the final liability is determined.
- (iii) Disputed Income Tax demands of ₹ 231,686/- (Previous Year ₹ 231,686/-) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

- 35 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.

36 Value of Imports calculated on CIF basis

	31st March, 2016 ₹	31st March, 2015 ₹
Raw Materials	109,129,094	115,468,380
Traded Goods	657,116,050	756,590,885
Capital Goods	-	1,758,438
Others	2,443,699	-
	768,688,843	873,817,702

37 Expenditure in Foreign Currency

Interest on short term borrowings	1,118,239	787,199
Membership & Subscription	66,020	-
Royalty	14,572,904	12,038,900
Travelling	480,645	154,856
	16,237,808	12,980,955

38 Imported and indigenous raw materials, components consumed

	% of total consumption 31 st March, 2016	Value 31 st March, 2016 ₹	% of total consumption 31 st March, 2015	Value 31 st March, 2015 ₹
Raw Materials				
Imported	86.87%	185,040,192	57.44%	126,174,616
Indigenously obtained	13.13%	27,979,082	42.56%	93,477,524
	100.00%	213,019,274	100.00%	219,652,140

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31 st March, 2016 ₹	31 st March, 2015 ₹
39 Earnings in foreign currency		
Exports at F.O.B. Value	65,033,609	19,187,224
Commission Income	81,459	-
	65,115,068	19,187,224

40 Details of Derivative instruments and unhedged foreign currency exposure
a) Derivatives outstanding as at the balance sheet date

Particulars

Forward contracts to sell

For Hedging of foreign currency sales

Amount in EURO	Amount in ₹	No. of Contracts
-------------------	----------------	---------------------

As on 31.03.2016	-	-	-
As on 31.03.2015	3,642	244,451	1

Forward contracts to buy

For Hedging of foreign currency purchases

Amount in US\$	Amount in ₹	No. of Contracts
-------------------	----------------	---------------------

As on 31.03.2016	1,185,323	78,539,510	21
As on 31.03.2015	1,393,866	87,123,576	12

b) Particulars of unhedged foreign currency exposure as at the balance sheet date

Particulars	As on 31.03.2016		As on 31.03.2015	
	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	1,521,576	100,819,615	2,312,045	144,502,819
Secured Trade Credit	70,339	4,660,662	1,434,864	89,679,000
Trade receivable	248,044	16,435,395	-	-

41 In the opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

42 (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.

As per our report of even date attached

For and on behalf of
KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Shashikant Gupta

Partner

Membership No. 45629

Place: Mumbai

Date: May 23, 2016

For and on behalf of the Board of Directors
Shivhari Halan

Director

DIN : 00220514

C.P. Vyas

Company Secretary

Anup Jatia

Executive Director

DIN : 00351425

Ratan Agrawal

Chief Financial Officer

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO THE MEMBERS OF
BLACK ROSE INDUSTRIES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BLACK ROSE INDUSTRIES LIMITED** ("the Holding Company") and its one foreign subsidiary Company (together referred to as "Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statement").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit while conducting audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Consolidated Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statement of one foreign subsidiary Company, whose financial statements reflect total assets of ₹ 54.85 Lacs as at March 31, 2016, total revenue of ₹ 4,852.93 Lacs and Net Profit of ₹ 2.73 Lacs. These financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the information and explanation provided by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law maintained by the Holding Company, including relevant records relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and records of the Holding Company.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Holding Company for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The Company does not have subsidiaries in India. Hence, no reporting is to be done for these entities. Accordingly, we refer Annexure-B of our report of even date on the standalone financial statements of the Holding Company with respect to the adequacy of the internal financial controls over financial reporting and effectiveness of such controls.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:

- i) There were no pending litigations which would impact the consolidated financial position of the Group.
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Dated: May 23, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As At 31-03-2016 ₹	As At 31-03-2015 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	51,000,000
Reserves and Surplus	3	157,243,898	141,955,122
		208,243,898	192,955,122
2 Non-Current Liabilities			
Long Term Borrowings	4	199,774,184	206,061,917
Deferred Tax Liabilities (Net)	5	18,429,000	10,409,106
Long Term Provisions	6	2,180,389	1,364,008
		220,383,573	217,835,031
3 Current Liabilities			
Short Term Borrowings	7	187,077,972	195,930,344
Trade Payables	8	172,181,595	273,489,302
Other Current Liabilities	9	46,855,069	35,592,993
Short Term Provisions	10	8,054,514	1,907,572
		414,169,151	506,920,211
Total		842,796,622	917,710,364
II. ASSETS			
1 Non Current Assets			
Fixed Assets	11		
Tangible Assets		372,717,380	389,324,186
Intangible Assets		10,454,493	17,418,016
		383,171,873	406,742,202
Long Term Loans and Advances	12	12,685,356	7,283,605
Other Non-Current Assets	13	8,644,028	5,962,717
		21,329,384	13,246,322
2 Current Assets			
Inventories	14	147,886,935	157,207,897
Trade Receivables	15	228,100,128	277,746,002
Cash and Bank Balances	16	6,665,760	6,330,525
Short Term Loans and Advances	17	38,465,657	42,656,441
Other Current Assets	18	17,176,884	13,780,975
		438,295,365	497,721,840
Total		842,796,622	917,710,364

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of
KARNAVAT & CO.

Chartered Accountants
Firm Regn. No. 104863W

Shashikant Gupta
Partner
Membership No. 45629

Place: Mumbai
Date: May 23, 2016

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

C.P. Vyas
Company Secretary

Anup Jatia
Executive Director
DIN : 00351425

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
INCOME			
Revenue from Operations	19	1,773,702,810	1,959,563,021
Other Income	20	3,513,198	6,277,166
Total Revenue		1,777,216,007	1,965,840,188
EXPENDITURE			
Cost of Materials Consumed	21	213,019,274	219,652,140
Purchase of Traded Goods	22	1,288,068,790	1,500,767,458
Changes in inventories of finished goods, work- in- progress and traded goods	23	22,047,059	46,170,230
Employee Benefits Expense	24	33,677,939	29,328,131
Finance Cost	25	44,696,712	48,669,795
Depreciation and Amortization Expenses	26	27,257,410	27,786,707
Other Expenses	27	123,590,472	100,359,713
Total Expenditure		1,752,357,657	1,972,734,175
Profit before Tax		24,858,350	(6,893,987)
Less: Tax Expenses			
Current Tax		5,400,000	-
Deferred Tax		8,382,924	(12,312,183)
MAT Credit Entitlement		(5,012,769)	-
Wealth Tax		13,241	9,326
Earlier years adjustments		-	117,537
		8,783,396	(12,185,320)
Profit for the period		16,074,954	5,291,333
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	31		
Basic		0.32	0.10
Diluted		0.32	0.10

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

**For and on behalf of
KARNAVAT & CO.**

Chartered Accountants
Firm Regn. No. 104863W

For and on behalf of the Board of Directors

Shashikant Gupta
Partner
Membership No. 45629

Place: Mumbai
Date: May 23, 2016

Shivhari Halan
Director
DIN : 00220514

C.P. Vyas
Company Secretary

Anup Jatia
Executive Director
DIN : 00351425

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	2015-2016 ₹	2014-2015 ₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	24,858,350	(6,893,988)
Adjustments for:		
Depreciation	27,257,410	27,786,707
(Profit) on sale of fixed assets	(1,610,794)	646,800
Increase/(Decrease) in foreign currency translation reserve	(30,305)	114,608
Interest expenses	41,659,995	45,364,878
Interest income	(2,688,820)	(3,196,284)
Unrealised foreign exchange (Gain)/Loss	(3,090,185)	(3,487,530)
Provision for expenses, gratuity & leave encashment	1,656,403	633,027
Excess provisions written back	(86,378)	(94,279)
Interest Subsidy Received	(249,054)	-
Rental income	(738,000)	(738,000)
Sundry balances written off	2,707,367	(1,665,096)
Operating profit before working capital changes	89,645,989	58,470,842
Adjustments for:		
(Increase)/Decrease in trade and other receivables	46,468,895	(64,311,652)
(Increase)/Decrease in inventories	9,320,962	31,086,239
Increase/(Decrease) in trade and other payables	(88,169,167)	(18,862,188)
Cash generated from operating activities	57,266,679	6,383,240
Less : Direct taxes (net of refund)	402,245	297,100
Total cash generated from operating activities	56,864,434	6,086,140
Cash generated from prior period items (net)	-	-
Net cash flow from / (used in) operating activities	56,864,434	6,086,140
B. Cash Flow From Investing Activities		
Sale of fixed assets	3,442,373	-
Purchase of fixed assets / capital work in progress	(6,753,768)	(14,979,352)
Interest income	1,398,277	760,626
Rental income	738,000	738,000
Cash generated from investing activities	(1,175,118)	(13,480,726)
Less : Income-tax paid at source	73,800	73,800
Net Cash flow from / (used in) investing activities	(1,248,918)	(13,554,526)
C. Cash Flow from Financing activities		
Proceeds from borrowings	(15,140,105)	48,940,488
Unsecured Loans		
Repayment of Deferred payment credits		
Proceeds from Issue of Equity Shares	-	-
Interest expenses	(40,137,989)	(43,571,937)
Net cash flow from financing activities		
Net cash flow / (used in) from financing activities	(55,278,094)	5,368,551
Net increase / (decrease) in cash and cash equivalents (A+B+C)	337,422	(2,099,835)
Cash and cash equivalent as on 1.4.2015 (Opening Balance)	6,330,781	8,430,615
Cash and cash equivalent as at 31.3.2016 (Closing Balance)	6,668,203	6,330,781

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	2015-2016 ₹	2014-2015 ₹
Notes:		
1) Reconciliation of cash and cash equivalents		
As per Balance Sheet- Note - 17	6,665,760	6,330,525
Add:- Foreign exchange loss on revaluation of foreign currency	2,443	256
As per Cash flow statement	6,668,203	6,330,781
2) Cash and cash equivalents comprises of		
a) Cash in hand	492,992	454,126
b) Bank balance in current accounts	4,323,873	2,106,384
c) Unpaid dividend account	95,459	95,619
c) In fixed deposit account	1,755,880	3,674,652
	6,668,203	6,330,781
3) Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities		
4) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.		
5) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements.		
6) Figures in brackets represent outflows.		

As per our report of even date enclosed

**For and on behalf of
KARNAVAT & CO.**

Chartered Accountants
Firm Regn. No. 104863W

Shashikant Gupta

Partner
Membership No. 45629

Place: Mumbai

Date: May 23, 2016

For and on behalf of the Board of Directors

Shivhari Halan

Director
DIN : 00220514

C.P. Vyas

Company Secretary

Anup Jatia

Executive Director
DIN : 00351425

Ratan Agrawal

Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**1 SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS****Principles of consolidation**

The consolidated financial statements relate to Black Rose Industries Limited ('the Company') and its subsidiary company B.R.Chemicals Co., Limited (collectively referred to as 'the Group'). The consolidated financial statements have been prepared on the following basis

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) In case of financial statements of non integral foreign operations, the assets and liabilities are translated at the closing exchange rate. Income and Expense items are translated at average exchange rates and all resulting exchange differences are accumulated in foreign exchange fluctuation reserves on consolidation until the disposal of the investment.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding company's separate financial statements, as far as possible, except as specifically mentioned in the Notes to Accounts.
- d) The financial statements of the subsidiary company used into the consolidation are drawn upto the same reporting date as that of the company.

Other Significant Accounting Policies**a) Nature of Operations**

The Group is engaged in manufacturing and trading of chemicals and manufacturing of gloves and fabrics. The Group is also in the business of power generation by setting up Windmills in the State of Rajasthan and Gujarat.

b) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

c) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

(i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales

taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Export entitlement

Export entitlement by the way of duty draw back/ DEPB are recognised as income of the year on accrual basis. In case of utilisation for Import purpose the same is recognised as raw material cost in the year of import.

(iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iv) Dividends

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

e) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

g) Tangible Fixed Assets

- (i) All Fixed Assets are stated at cost less accumulated depreciation.
- (ii) Leasehold Land is amortised equally on straight-line basis over the period of lease.
- (iii) All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs (issued by ICAI) including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.

h) Depreciation on Tangible Fixed Assets

The Company has worked depreciation with reference to the useful life of Fixed Assets as prescribed by PART C of the Schedule II of the Act. The carrying values have been depreciated over the remaining useful life of the Asset using Straight Line Method and the same is recognised in the Statement of Profit and Loss.

i) Intangible Assets

- (i) All intangible fixed assets are stated at cost less amortisation cost.
- (ii) All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs (issued by ICAI) including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.

- (iii) Licensed Software is amortised prorata, on straight line basis over the estimated useful life of the asset which is estimated at 5 years.

j) Foreign Currency Transactions and Balances

(i) Initial recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

In case of foreign subsidiaries, being non integral foreign operations, the assets and liabilities are translated at the closing exchange rate. Income and Expense items are translated at average exchange rates and all resulting exchange differences are accumulated in foreign exchange fluctuation reserves on consolidation.

k) Forward exchange contracts entered into hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any gain or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense, as the case may be, on such occurrence.

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

m) Retirement and other employee benefits

(i) Retirement Benefits

Contributions to the Provident Fund are made at a pre-determined rate and charged to the statement of Profit and Loss.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The liability so provided is represented substantially by creation of separate fund and is considered sufficient to meet the liability as and when it accrues for payment in future.

(ii) Leave Encashment

Provision for Leave encashment is made as per actuarial valuation as at the year end and is charged to the statement of Profit and Loss.

n) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

o) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Income Taxes

Provision for current 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 or as on date of approval of Statement of Accounts whichever is later. The deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

r) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating unit/assets are reviewed at Balance sheet date to determine whether there is any indication of impairment. If any such indication exist, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

s) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimates in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

		31-03-2016	31-03-2015
		₹	₹
2 Share Capital			
Authorised Shares			
80,000,000 (31 st March, 2015: 80,000,000)		80,000,000	80,000,000
Equity Shares of ₹ 1/- each			
		80,000,000	80,000,000
Issued, Subscribed and fully paid up Shares			
51,000,000 (31 st March, 2015: 51,000,000)		51,000,000	51,000,000
Equity Shares of ₹ 1/- each			
		51,000,000	51,000,000

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	31-03-2016		31-03-2015	
Equity Shares	Nos.	₹	Nos.	₹
At the beginning of the period	51,000,000	51,000,000	51,000,000	51,000,000
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the period	51,000,000	51,000,000	51,000,000	51,000,000

b) Terms/Rights attached to equity shares

The company has only one class of equity share having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share and dividend per share on pari passu basis. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors except interim dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil (31st March, 2015 ₹ Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31-03-2016	31-03-2015
	Nos.	Nos.
Holding Company		
Name of the Company		
Wedgewood Holdings Limited, Mauritius		
Equity Shares of ₹ 1/- each fully paid	28,800,000	28,800,000
	28,800,000	28,800,000

d) Details of shareholders holding more than 5% share in the company

	31-03-2016		31-03-2015	
	Nos.	% of holding	Nos.	% of holding
Equity shares of ₹ 1/- each fully paid				
Name of the shareholder				
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Limited, Hong Kong	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	3,060,000	6.00	3,070,000	6.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3 Reserve and Surplus	31-03-2016	31-03-2015
	₹	₹
a) Capital Reserve	3,000,000	3,000,000
b) General Reserve	6,240,000	6,240,000
c) Securities Premium Reserves		
Balance as per the last financial statements	64,470,000	64,470,000
Add: Amount received on issue of shares	-	-
	64,470,000	64,470,000
d) Foreign exchange fluctuation reserves on consolidation		
Balance as per the last financial statements	164,726	114,608
Add: Exchange gain on translation during the year	(30,305)	50,118
Closing Balance	134,421	164,726
e) Surplus in the statement of profit and loss		
Balance as per the last financial statements	68,080,396	62,411,123
Profit for the year:	16,074,954	5,291,333
Less: Appropriations		
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	755,873	(377,940)
Net surplus in the statement of profit and loss	83,399,477	68,080,396
Total Reserves and Surplus	157,243,898	141,955,122
4 Long Term Borrowings		
Secured		
a) Term Loans		
Loan from bank [Refer Note No. 4(a)(i)]	161,221,525	176,548,774
Loan from other party [Refer Note No. 4(a)(ii)]	2,954,597	9,683,453
Total Secured	164,176,122	186,232,226
Unsecured		
b) Deposits [Refer Note No. 4(b)(i)]	65,500,000	38,900,000
c) Other Loans and Advances		
Interest Free Security Deposits [Refer Note No. 4(d)(i)]	1,500,000	1,500,000
Total Unsecured	67,000,000	40,400,000
	231,176,122	226,632,226
Less: Current maturities of long term borrowings disclosed under the head "other current liabilities" (Refer Note No. 9)	(31,401,938)	(20,570,309)
	199,774,184	206,061,917

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note No. 4(a):****Secured Loan:****Vehicle Loan****(i) From Kotak Mahindra Bank Limited**Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.27 % p.a.

The rate of interest is 10.23 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 19,360/- commencing from 10th August, 2013 and ending on 10th June, 2016.

Equated monthly installment of ₹ 134,862/- commencing from 1st December, 2014 and ending on 1st October, 2017.

From HDFC Bank LimitedNature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.51 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 14,823/- commencing from 5th June, 2014 and ending on 5th June, 2017.

Term Loan**From Bank of Baroda**Nature of security

- a) Hypothecation of stock & book debts of the company.
- b) Hypothecation of goods purchased/imported under L.C.
- c) Composite hypothecation agreement of Stocks and Book Debts, Plant and Machinery of the company, both present & future as well as other fixed assets of the company.

Rate of Interest

The rate of interest is 12.70 % p.a.

Terms of Repayment

Repayable in 84 months as under:

FY 2015 - 12 monthly installments of ₹ 10.00 Lacs

FY 2016 - 12 monthly installments of ₹ 13.33 Lacs

FY 2017 - 12 monthly installments of ₹ 16.67 Lacs

FY 2018 - 12 monthly installments of ₹ 29.33 Lacs

FY 2019 - 12 monthly installments of ₹ 29.33 Lacs

FY 2020 - 12 monthly installments of ₹ 29.33 Lacs

FY 2021 - 12 monthly installments of ₹ 28.51 Lacs

However, during the year, the Company has made full repayment of the above loan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

5 Deferred Tax Liabilities (Net)	31-03-2016	31-03-2015
(Disclosure as per AS-22)	₹	₹
<u>Items leading to deferred tax liability</u>		
Difference in depreciation in block of fixed assets as per tax books and financials books	43,100,636	41,431,914
Less:		
<u>Items leading to deferred tax assets</u>		
Carry Forward of Business Losses	(23,587,182)	(30,352,378)
Expenses allowable on Payment basis	(1,084,454)	(670,430)
Net (Deferred Tax Liability)	18,429,000	10,409,106
Amount to be charged to Statement of Profit and Loss before adjustment	8,019,894	(12,130,668)
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	363,030	(181,515)
Amount to be charged to Statement of Profit and Loss after adjustment	8,382,924	(12,312,183)
6 Long Term Provisions		
a) Provisions for employees benefits		
Provision for gratuity (Refer Note No. 28)	1,868,024	1,198,202
Provisions for leave benefits (Refer Note No. 28)	312,365	165,806
	2,180,389	1,364,008
7. Short Term Borrowings		
a) Secured [Refer Note No. 7(a)(i)]		
<u>Repayable on demand</u>		
Cash Credit from banks	95,766,639	115,231,260
Short Term Working Capital Demand Loan from Bank	10,000,000	10,000,000
Trade Credit	43,175,679	55,620,949
	148,942,318	180,852,209
b) Unsecured Deposits [Refer Note No. 7(b)(i)]		
<u>Repayable on demand</u>		
Inter Corporate Deposits	38,000,000	15,000,000
Loan from others	135,654	78,135
	38,135,654	15,078,135
	187,077,972	195,930,344

Note No.: 7(a)(i)

Nature of security

Hypothecation of stocks and book debts of the company, present and future, and pledge of office premises and corporate guarantee of Black Rose Trading Private Limited. The above charges rank pari passu for all intents and purposes.

Personal Guarantee of a Director and his relatives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
Rate of Interest

Effective cost for the above loans are in the range of 11.75% p.a. to 12.50% p.a. (P.Y. 12.50 % p.a. to 14.00% p.a.)

Note No.: 7(b)(i)

Rate of Interest

31-03-2016	31-03-2015
15.00%-16.00%	15.00%-16.00%
31-03-2016	31-03-2015
₹	₹
8 Trade payables	
Trade payables (Refer Note No. 34)	
172,181,595	273,489,302
172,181,595	273,489,302
9 Other Current Liabilities	
Current maturities of long term borrowings (Refer Note No. 4)	31,401,938
Interest accrued but not due on borrowings	20,570,309
Interest accrued and due on borrowings	666,247
Unpaid Dividend *	1,152,599
Provision for Mark to Market Loss on Open Forward Contract	855,759
Payable for other expenditure	619,385
Advance from Customers	95,459
VAT / CST Payable	95,619
TDS payable	1,490,623
Rates & Taxes payable	448,585
73,826	5,249,051
46,855,069	35,592,993
10 Short Term Provisions	
Provisions for employee benefits	
Salary and Reimbursements	2,015,299
Contribution to Provident Fund	1,660,762
Gratuity (Refer Note No. 28)	203,764
Leave benefits	193,490
Provision for Income Tax	338,873
96,578	33,895
5,400,000	19,425
8,054,514	1,907,572

* Amount due to be credited to Investor Education and Protection Fund is ₹ Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

11 Fixed Assets

Amount in ₹

Particular	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2015	Additions / Disposals	Other Adjustments	Cost as at 31.03.2016	As at 01.04.2015	For the year	Adjustment / Disposals	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS									
Leasehold Land	35,094,791	2,041,414	-	37,136,205	10,528	5,264	-	37,120,413	35,084,263
Factory Building *	138,284,417	403,791	-	138,688,208	21,518,260	4,550,199	-	112,619,749	116,766,157
Office Equipments	1,982,846	258,548	-	2,241,394	741,943	422,720	127,043	949,688	1,240,903
Electric Installation	5,052,079	-	-	5,052,079	5,003,905	4,671	6,805	5,015,381	48,174
Factory Equipments	515,985	9,825	-	525,810	310,337	23,250	3,866	188,357	205,648
Plant & Machinery	193,960,208	3,832,845	2,300,274	195,492,779	17,229,043	10,679,043	(341,460)	167,926,153	176,731,165
Furniture & Fittings	4,709,838	11,506	-	4,721,344	2,214,431	357,587	-	2,149,326	2,495,407
Computers	3,152,578	184,315	-	3,336,893	2,205,182	241,585	410,704	479,422	947,396
Printer	29,578	11,524	-	41,102	13,266	11,685	-	16,151	16,312
Vehicles	11,155,457	-	-	11,155,457	2,722,644	1,212,239	559,455	6,661,119	8,432,813
Wind Mills	87,351,734	-	-	87,351,734	39,995,787	2,785,644	-	44,570,303	47,355,947
Total (A)	481,289,510	6,753,768	2,300,274	485,743,004	91,965,324	20,293,887	766,413	372,717,380	389,324,186
INTANGIBLE ASSETS									
Software	1,377,926	-	-	1,377,926	616,020	223,523	-	538,383	761,906
Technical Know-how	26,960,000	-	-	26,960,000	10,303,890	6,740,000	-	9,916,110	16,656,110
Total (B)	28,337,926	-	-	28,337,926	10,919,910	6,963,523	-	10,454,493	17,418,016
Total (A+B)	509,627,436	6,753,768	2,300,274	514,080,930	102,885,234	27,257,410	766,413	383,171,873	406,742,202
Previous Year	500,232,242	14,979,352	5,584,158	509,627,436	79,401,785	27,786,707	(4,303,258)	406,742,202	

* including part of Factory Building given on Leave & Licence.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
12 Long Term Loans and Advances		
Other Loans and Advances		
(Unsecured, considered good)		
Security Deposit to Government authorities and others	3,160,787	3,160,787
Income Tax Deposits	2,152,655	1,763,673
MAT Credit Entitlement [Refer Note No. 33]	7,371,914	2,359,145
	12,685,356	7,283,605
13 Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 16]	15,018,274	11,412,682
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 18]	(8,929,286)	(7,003,197)
	6,088,989	4,409,485
FPS Licence receivable	-	579,559
Stamp Duty Receivable	1,000,000	-
MEIS Licence	604,703	-
Duty Drawback receivable	950,337	973,673
	8,644,028	5,962,717
14 Inventories		
(valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components [includes in transit ₹ 27,963,376/- (31 st March, 2015: ₹ Nil)] [Refer Note No. 21(a)(ii)]	46,788,738	31,283,901
Work-in-progress [Refer Note No. 23(a)(ii)]	8,300,502	20,454,018
Finished Goods [Refer Note No. 23(a)(iii)]	12,022,933	4,403,965
Traded Goods [includes in transit ₹ 36,644,395/- (31 st March, 2015: ₹ 32,657,631/-) [Refer Note No. 23(a)(i)]	78,536,005	96,875,780
Stores and spares & Packing Materials	2,238,756	4,190,232
	147,886,935	157,207,897
15 Trade receivable [Refer Note No. 15(a)]		
Unsecured, Considered good unless stated otherwise :		
Outstanding for a period exceeding six months from date they are due for payment	10,207,794	11,870,329
Others	217,892,334	265,875,673
Doubtful	-	-
	228,100,128	277,746,002
Allowances for doubtful receivables	-	-
	228,100,128	277,746,002

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
Note No. 15(a)		
Of the above amount shown in Others Trade receivables includes, amount due from companies in which company's director is interested as director		
Black Rose Trading Private Limited	11	52,912
Tozai Safety Private Limited	4,553,260	737,737
Accent Industries Limited	679,354	763,836
	5,232,625	1,554,485
16 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	490,549	453,870
Other Bank Balances		
In Current Accounts	4,323,873	2,106,384
In Unpaid dividend account	95,459	95,619
In Fixed Deposit Accounts		
Fixed Deposits with original maturity for less than 3 months*	105,743	870,000
Other Bank Balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	1,650,137	2,804,652
Fixed Deposits with original maturity for more than 12 months*	15,018,274	11,412,682
	21,684,035	17,743,207
Less:		
Deposit with original maturity of more than 12 months (Refer Note No. 13)	(15,018,274)	(11,412,682)
	6,665,760	6,330,525
 * Out of the above Fixed Deposits:		
Given as Margin money for Trade Credit and L/C facilities	15,532,557	13,640,122
Given against Bank Guarantee	1,241,598	1,447,212
	16,774,154	15,087,334
17 Short Term Loans and Advances		
Unsecured, considered good unless otherwise stated		
Security Deposit to Government authorities and others	-	2,319,386
Security Deposits to others	255,950	-
Prepaid Expenses	2,700,971	4,041,284
Loans and advances to staff	391,500	890,937
Loans and Advances to a Officer of the company	78,678	188,425
Other Loans and Advances		
Balances with Statutory Government authorities	22,445,564	18,906,263
Loans and advances to other parties	-	2,860,563
Advances recoverable in cash or kind or for value to be received	12,592,995	13,449,583
	38,465,657	42,656,441

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31-03-2016 ₹	31-03-2015 ₹
18 Other Current Assets		
Unsecured, considered good unless otherwise stated		
Current maturities of Fixed deposits with Bank with original maturity of more than 12 months	8,929,286	7,003,197
Pre-Operative Expenses of subsidiary company	235,780	208,237
Interest accrued but not due on Bank Deposits	1,157,209	2,655,614
Interest accrued and due on Loans	213,021	1,226,456
Interest accrued on Security Deposits with MSEB	22,832	154,163
Interest Subsidy receivable	6,618,756	1,103,187
Outstanding Income	-	515,584
Import Entitlements	-	914,537
	17,176,884	13,780,975
	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
19 Revenue from Operations		
a) Sale of products [Refer Note No. 19(a)(i)]	1,761,677,069	1,958,209,814
	1,761,677,069	1,958,209,814
b) Other Operating Revenue		
Dividend on Traded Shares	-	4,011
Excise Duty Rebate	1,006,645	91,340
Electricity Duty Exemption	856,582	-
Export Entitlement	1,398,384	891,505
Profit on sale of Asset	1,610,794	-
Misc Income	169,319	-
Interest Subsidy	5,764,623	333,686
Commission	1,219,394	32,665
	12,025,740	1,353,207
Revenue from Operations	1,773,702,810	1,959,563,021
Note No. 19(a)(i)		
Details of Sale of products		
Chemicals	1,735,012,415	1,919,961,250
Textiles	15,952,495	18,403,715
Wind Energy	10,712,159	11,060,995
Others	-	8,783,855
	1,761,677,069	1,958,209,814

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016 ₹	For the year ended 31-03-2015 ₹
20 Other Income		
Interest income		
From Bank	1,482,565	1,438,109
From Others	1,206,254	1,758,175
	<u>2,688,820</u>	<u>3,196,284</u>
Other non-operating income	824,378	3,080,882
	3,513,198	6,277,166
21 Cost of Materials Consumed [Refer Note No. 21(a)]		
Inventory at the beginning of the year	31,283,901	16,847,152
Add: Purchases	228,524,112	234,088,889
	259,808,013	250,936,041
Less: Inventory at the end of the year	46,788,739	31,283,901
	213,019,274	219,652,140
Note No. 21(a)		
(i) Details of Materials Consumed		
Chemical	208,422,965	210,956,561
Yarn	4,596,308	5,574,628
Fabrics	-	3,120,951
	213,019,274	219,652,140
(ii) Details of Inventory of raw materials		
Chemical	46,032,320	28,942,603
Yarn	38,319	1,623,198
Fabric	718,100	718,100
	46,788,739	31,283,901
22 Purchase of Traded Goods		
Chemicals	1,280,050,445	1,497,344,475
Textiles	8,018,346	3,417,767
Others	-	5,217
	1,288,068,790	1,500,767,458
23 (Increase)/Decrease in Inventories		
Opening Traded Goods	97,011,529	160,015,631
Consumed in Manufacturing	876,747	2,673,785
Closing Traded Goods [Refer Note No. 23(a)(i)]	78,622,271	97,011,529
	17,512,511	60,330,317
Opening Work-in-progress	20,454,018	5,446,466
Closing Work-in-progress [Refer Note No. 23(a)(ii)]	8,300,502	20,454,018
	12,153,515	(15,007,552)
Opening Finished Goods	4,317,700	5,165,165
Closing Finished Goods [Refer Note No. 23(a)(iii)]	11,936,667	4,317,700
	(7,618,968)	847,465
Total (Increase)/Decrease in Inventories	22,047,059	46,170,230

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016	For the year ended 31-03-2015
Note No. 23(a)		
Details of inventories at the end of the year		
(i) Traded Goods		
Chemicals	77,012,454	94,801,379
Textiles	272,044	865,530
Others	1,337,773	1,344,619
	78,622,271	97,011,529
(ii) Work-in-progress		
Chemical	2,628,430	16,217,739
Textiles	5,672,073	4,236,279
	8,300,502	20,454,018
(iii) Finished Goods		
Chemical	10,654,846	1,839,014
Textiles	1,281,822	2,477,782
Others	-	903
	11,936,667	4,317,700
24 Employee Benefit expenses		
Salaries, Wages and Bonus	31,724,239	27,446,994
Contribution to Provident fund and other funds	1,211,587	1,238,172
Staff Welfare expenses	742,113	642,965
	33,677,939	29,328,131
25 Finance Costs		
Interest on borrowings	40,708,893	44,822,266
Bill Discounting Charges	48,476	23,690
Bank Charges on facilities	902,626	518,924
Applicable loss on foreign currency transactions and translation	3,036,717	3,304,916
	44,696,712	48,669,795
26 Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	20,288,623	20,818,908
Amortization of Tangible Assets	5,264	5,264
Amortization of Intangible Assets	6,963,523	6,962,535
	27,257,410	27,786,707

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016	For the year ended 31-03-2015
27 Other Expenses		
Power and Fuel	9,637,496	9,401,618
Rent	3,587,407	2,921,834
Rates and Taxes	456,360	1,366,668
Insurance	1,380,816	1,236,393
Repairs and Maintenance		
- Plant and Machinery	1,224,315	1,344,317
- Buildings	256,210	381,942
- Others	515,434	215,252
Legal and Professional fees	9,009,068	6,177,113
Royalty	14,572,904	12,038,900
Payment to auditor [Note No. 27(a)]	627,670	438,515
Exchange difference (net) other than considered in finance cost	1,879,327	402,964
Sundry Balance written off	2,707,367	-
Selling & Distribution expenses	11,510,507	12,697,467
Brokerage expenses	5,344,250	3,829,762
Windmill Maintenance Charges	1,581,108	1,487,912
Travelling and Conveyance	5,579,814	5,390,372
Communication costs	1,101,532	1,088,370
Prior Period Items	-	99,645
Entertainment Expenses	217,141	116,671
Printing and Stationery	468,494	421,514
Labour and Jobwork Charges	3,945,727	6,911,496
Loss on Sale of Assets	-	646,800
Packing Material consumed	27,687,656	14,954,987
Export expenses	5,773,491	1,546,569
Security Charges	771,577	763,180
Corporate office expenses	1,046,036	1,177,256
Office Expenses	1,827,132	1,902,160
Office Electricity Expenses	248,964	307,490
Warehousing Charges	2,437,157	2,512,236
Vehicle expenses	915,486	1,422,373
Share Trading expenses	5,526	17,471
Donation	15,000	21,000
Bank Charges	3,622,470	3,677,852
Logistics expenses	963,600	400,560
Miscellaneous expenses	2,673,431	3,041,054
	123,590,472	100,359,713

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31-03-2016	For the year ended 31-03-2015
Note No. 27(a)		
Details of Payment to Auditor		
As Auditor		
Audit Fees	250,000	250,000
Tax Audit Fees	55,000	55,000
Limited Review	45,000	45,000
In Other capacity		
Certification Fees	212,500	12,500
Reimbursement of expenses including service tax	36,545	47,925
	599,045	410,425
Cost Auditor		
As Audit fees	25,000	25,000
Reimbursement of service tax	3,625	3,090
	28,625	28,090
	627,670	438,515

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
28 Disclosures as per AS-15 (Revised) - Employee Benefits

Gratuity and other post employment benefit plans

- (a) The gratuity charged to the statement of profit and loss for the year includes provision as per the actuarial valuation as per the requirement of Accounting Standard 15 - (Revised)

The actuarial valuation is done at the year end using 'Projected Unit Credit' method and it covers all regular employees.

The following table sets out the status of the gratuity plan as required under AS-15 (Revised)

(As certified by actuary)

	31 st March, 2016 ₹	31 st March, 2015 ₹
(i) Assumptions		
Discount Rate (p.a.)	7.54%	7.96%
Rate of escalation in Salary (p.a.)	9.73%	5.00%
Attrition Rate	19.60%	2.00%
Retirement age	60 Years	60 Years
(ii) Obligation at beginning of the year	1,232,097	1,049,275
Service cost	249,631	205,664
Interest Cost	98,075	97,688
Benefits settled	-	(435,617)
Actuarial (gains)/losses	627,094	315,087
Obligation at end of the year	2,206,897	1,232,097
(iii) Expenses/(Income) recognised in statement of Profit & Loss		
Service cost	249,631	205,664
Interest cost	98,075	97,688
Actuarial (gain) / loss	627,094	315,087
Net gratuity cost	974,800	618,439
(iv) Amount recognised in Balance Sheet		
Liability at the beginning of the period	1,232,097	1,049,275
Expenses/(Income) recognised in statement of Profit & Loss	974,800	618,439
Benefits paid	-	435,617
Net amount recognised in Balance Sheet	2,206,897	1,232,097

- (b) Provision for leave salary has been made on actuarial valuation as per the requirement of Revised Accounting Standard 15.
- (c) The above actuarial valuation does not include gratuity and leave salary payable to Executive Director Mr. Anup Jatia.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	₹	₹
29 Segment Accounting (AS-17)		
The Company's segment reporting are as follows		
SEGMENT REVENUE		
Sales/Income		
Textiles	17,543,282	18,403,715
Chemicals	1,259,988,569	1,920,976,760
Renewable Energy	10,877,864	11,394,681
Others		8,787,866
Total Segment Revenue	1,288,409,715	1,959,563,022
SEGMENT RESULTS		
Profit before interest and tax		
Textiles	1,295,060	2,554,881
Chemicals	90,104,053	50,893,000
Renewable Energy	6,329,329	6,924,836
Others	(5,526)	6,567,853
Total Segment Results	97,722,916	66,940,570
Less: Finance Cost	44,696,712	48,669,795
Other unallocable expenses net off unallocable income	28,167,854	25,164,966
Total Profit before Tax	24,858,350	(6,894,191)
CAPITAL EMPLOYED		
Segment Assets less Segment Liabilities		
Textiles	28,064,590	29,871,063
Chemicals	142,841,355	117,968,353
Renewable Energy	46,536,811	41,115,731
Add: Unallocable corporate assets net off unallocable corporate liabilities	(9,200,989)	4,000,000
Total Capital Employed	208,241,767	192,955,148

30 Disclosure of Related Party Transactions (AS-18)

(As certified by the Management and relied upon by the Auditors)

a) Information about related parties:

- | | |
|---|---|
| (i) Holding company | Wedgewood Holdings Limited, Mauritius |
| (ii) Key Management Personnel | 1) Anup Jatia, Executive Director |
| | 2) Garima Tibrawalla, Director |
| (iii) Enterprises owned or significantly
influenced by any management
personnel or their relatives. | 1) Black Rose Trading Private Limited |
| | 2) Tozai Safety Private Limited |
| | 3) Wedgewood Holdings LLP |
| | 4) Tozai Enterprises Private Limited |
| | 5) Fukui Accent Trading (India) Private Limited |
| | 6) Accent Industries Limited |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
b) Related parties transactions

Nature of Transactions	Holding Co.	Key Management Personnel	Other related parties as in 30(a)(iii)
Sales	-	-	12,920,467
	-	-	(26,678,438)
Purchase	-	-	2,000,903
	-	-	(7,405,669)
Rent Paid	-	-	546,788
	-	-	(480,000)
Directors Remuneration	-	4,200,000	-
	-	(3,000,000)	-
Interest Paid	-	5,409,404	-
	-	(3,333,356)	(1,286,473)
Interest Received	-	-	184,315
	-	-	-
Rent Received	-	-	738,000
	-	-	(738,000)
Unsecured Deposit Received	-	27,400,000	-
	-	(39,100,000)	-
Unsecured Deposit Repaid	-	1,000,000	-
	-	(200,000)	-
Unsecured Loan Given	-	-	39,500,000
	-	-	-
Unsecured Loan Repayment received	-	-	39,500,000
	-	-	-
Reimbursement of Expenses Paid	-	503,037	819,361
	-	(172,932)	(783,431)
Reimbursement of Expenses Received	-	-	1,078,631
	-	-	(1,363,359)
Balance as at 31st March, 2016	Holding Co.	Key Management Personnel	Other related parties as in 30(a)(iii)
Security Deposit Payable	-	-	1,500,000
	-	-	(1,500,000)
Trade Receivables	-	-	5,232,625
	-	-	(1,554,485)
Trade Payables	-	-	571,044
	-	-	(225,539)
Unsecured Deposit Payable	-	65,500,000	-
	-	(28,600,000)	-
Interest Payable (Net of T.D.S.)	-	573,645	-
	-	(1,099,479)	-

Notes:

1. The above Related Party relationships are given by the management and relied upon by the auditor.
2. Figures of previous year are given in brackets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	₹	₹
31 Earnings per share (AS-20)		
Details of the profit and No. of Equity Shares used in the basic and diluted EPS computations:		
Total operation for the year		
Profit after tax	16,074,954	5,291,333
Weighted average number of shares outstanding at the year end.	Nos.	Nos.
Total Weighted average Equity shares outstanding at the end of the current year	51,000,000	51,000,000
Basic and diluted earnings per share (₹)	0.32	0.10
Face value per share (₹)	1	1
32 Impairment of Assets (AS-28)		
Based on exercise of impairment of assets undertaken by the management in due cognizance of paragraphs 5 to 13 of AS 28. The Company has concluded that no impaired loss is required to be booked.		
33 Contingent Liabilities		
Contingent liabilities not provided for in respect of:		
(i) Guarantee given to Government authorities ₹ 1,246,598/- (P.Y. ₹ 15,000/-).		
(ii) Central Sales Tax liability of ₹ 8,766,882/- (P.Y. ₹ 6,030,980/-) as per MVAT Audit completed in the current financial year, as the said liability is on account of non receipt of 'C' forms from various payable customers and the company is awaiting the receipt of said forms. The liabilities if any will be accounted in the books of account in the year in which the final liability is determined.		
(iii) Disputed Income Tax demands of ₹ 231,686/- (Previous Year ₹ 231,686/-) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.		
34 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.		
	31st March, 2016	31st March, 2015
	₹	₹
35 Value of Imports calculated on CIF basis		
Raw Materials	109,129,094	115,468,380
Traded Goods	679,946,108	756,590,885
Capital Goods	-	1,758,438
Others	2,443,699	-
	789,075,202	873,817,702
36 Expenditure in Foreign Currency		
Interest on short term borrowings	1,118,239	787,199
Membership & Subscription	66,020	-
Royalty	14,572,904	12,038,900
Travelling and others	480,645	154,856
	16,237,808	12,980,955

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
37 Imported and indigenous raw materials, components consumed

	% of total consumption 31 st March, 2016	Value 31 st March, 2016 ₹	% of total consumption 31 st March, 2015	Value 31 st March, 2015 ₹
Raw Materials				
Imported	52.52%	111,880,279	39.34%	86,412,526
Indigenously obtained	47.48%	101,138,995	60.66%	133,239,614
	100.00%	213,019,274	100.00%	219,652,140

38 Earnings in foreign currency

Exports at F.O.B. Value	31 st March, 2016 ₹	31 st March, 2015 ₹
Commission Income	117,248,097	19,187,224
	81,459	-
	117,329,556	19,187,224

39 Details of Derivative instruments and unhedged foreign currency exposure
a) Derivatives outstanding as at the balance sheet date
Particulars
Forward contracts to sell

	For Hedging of foreign currency sales		
	Amount in EURO	Amount in ₹	No. of Contracts
As on 31.03.2016	-	-	
As on 31.03.2015	3,642	244,451	1

Forward contracts to buy

	For Hedging of foreign currency purchases		
	Amount in US\$	Amount in ₹	No. of Contracts
As on 31.03.2016	1,185,323	78,539,510	21
As on 31.03.2015	1,393,866	87,123,576	12

b) Particulars of unhedged foreign currency exposure as at the balance sheet date

	As on 31.03.2016		As on 31.03.2015	
Particulars	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	1,521,576	100,819,615	2,312,045	144,514,379
Secured Trade Credit	70,339	4,660,662	1,434,864	89,679,000
Trade receivable	248,044	16,435,395	-	-

- 40** In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 41** The financial statements of the subsidiary company is unaudited figures and have been taken as approved by the Board of Directors of the subsidiary company.
- 42** The net profit for the period of the subsidiary company after considering all the income and expenses for the 12 months period 1st April, 2015 to 31st March, 2016 is ₹ 272,521/- (P.Y. Loss of ₹ 233,875/-).
- 43** The unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of the Country of Incorporation. The difference in accounting policies of the Company and its subsidiary is not material and there is no material transaction from 1st April, 2015 to 31st March, 2016 in respect of subsidiary having financial year ended 31st March, 2016.
- 44** The Consolidated Financial Statements comprises of the results of Black Rose Industries Limited (Holding Company) and Subsidiary Company viz.

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest
B.R.Chemicals Co., Ltd.	Japan	100%

- 45** (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.

As per our report of even date attached

**For and on behalf of
KARNAVAT & CO.**

Chartered Accountants
Firm Regn. No. 104863W

Shashikant Gupta
Partner
Membership No. 45629

Place: Mumbai
Date: May 23, 2016

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

C.P. Vyas
Company Secretary

Anup Jatia
Executive Director
DIN : 00351425

Ratan Agrawal
Chief Financial Officer

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
SUBSIDIARIES / ASSOCAITE COMPANIES / JOINT VENTURES**

PART "A" : SUBSIDIARIES

Sl. No.	Particulars	Name of Subsidiary Company		
		B.R. Chemicals Co., Ltd.		
1	Financial year ending on		31-03-2016	31-03-2015
2	Reporting Currency		JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹	0.5898	0.5209
4	% of shareholding	%	100	100
5	No. of Shares		60	60
₹ in lacs				
6	Share Capital		16.21	16.21
7	Reserves & Surplus		2.44	0.02
8	Total Assets		54.85	46.39
9	Total Liabilities		54.85	46.39
10	Investments		-	-
11	Turnover		4,847.78	4,895.10
12	Profit / (Loss) before Taxation		2.72	(2.34)
13	Provision for Taxation		-	-
14	Profit /(Loss) after Taxation		2.72	(2.34)
15	Proposed Dividend		-	-

Notes:

- The assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date, and the income and expense items are translated at the average rates of exchange for the year.
- The reporting period of the subsidiary is same as that of the holding company i.e. 1st April, 2015 to 31st March, 2016
- Names of subsidiaries which are yetto commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year - NIL

Since the company does not have any Associates or Joint Ventures, information pertaining to Part "B" to this form relating to Assocaites and Joint Ventures is not given.

As per our report of even date attached

For and on behalf of
KARNAVAT & CO.

Chartered Accountants
Firm Regn. No. 104863W

For and on behalf of the Board of Directors

Shashikant Gupta
Partner
Membership No. 45629

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

Place: Mumbai
Date: May 23, 2016

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer



BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

Registered Office: 145/A, Mittal Tower, Nariman Point, Mumbai – 400021

Tel: +91 22 4333 7200 • Fax: +91 22 2287 3022

Email: info@blackrosechemicals.com • Website: www.blackrosechemicals.com

Attendance Slip

Client ID*	Folio No.
DP ID*	No. of Shares

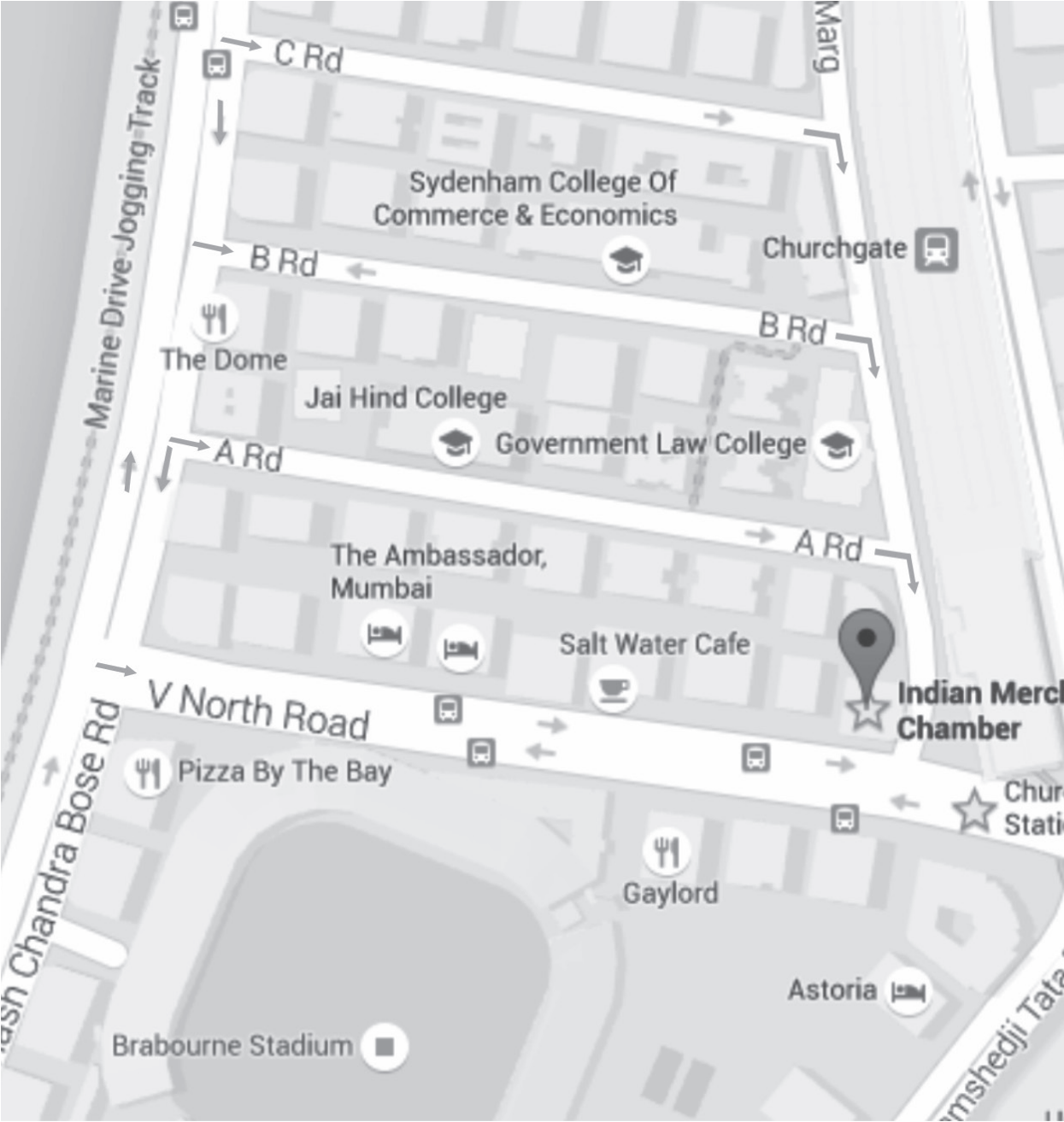
I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday, August 8, 2016 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai – 400020, Maharashtra.

Full Name of the Shareholder/Proxy

Signature

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

* Applicable for Investors holding shares in electronic form.





BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

Registered Office: 145/A, Mittal Tower, Nariman Point, Mumbai – 400021

Tel: +91 22 4333 7200 • **Fax:** +91 22 2287 3022

Email: info@blackrosechemicals.com • **Website:** www.blackrosechemicals.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

Name	
Address	
E-mail ID	
Signature	

or failing him / her

Name	
Address	
E-mail ID	
Signature	

or failing him / her

Name	
Address	
E-mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, August 8, 2016 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai – 400 020, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote	
		For	Against
Ordinary Business			
1	Adoption of Audited Profit and Loss Account, Balance Sheet, Report of Directors and Auditors along with Consolidated Financials for the year ended 31 st March, 2016.		
2	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.		
3	Ratification of appointment of M/s. Karnavat & Co., Chartered Accountants as Statutory Auditors of the Company.		
Special Business			
4	Appointment of M/s. Poddar & Co., Cost Accountants as Cost Auditors of the Company		

Signed this _____ day of _____, 2016

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix ₹ 1/-
Revenue
Stamp

Notes:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

**BLACK ROSE INDUSTRIES LIMITED**

CIN: L17120MH1990PLC054828

Registered Office: 145/A, Mittal Tower, Nariman Point, Mumbai – 400021

Tel: +91 22 4333 7200 • Fax: +91 22 2287 3022

Email: info@blackrosechemicals.com • Website: www.blackrosechemicals.com

BALLOT FORM FOR VOTING ON ANNUAL GENERAL MEETING RESOLUTIONS

1.	Name & Registered Address of the Sole / First named shareholder	
2.	Name(s) of joint holder(s), if any.	
3.	Registered Folio No./ DP ID No./Client ID No.* *(Applicable to investors holding shares in dematerialised form)	
4.	Number of Shares(s) held	

I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated May 23, 2016 (26th AGM to be held on August 8, 2016), by sending my/our assent or dissent to the said resolutions by placing the tick (☒) mark at the appropriate box below:

Resolution Number	Resolutions	No. of Shares	I/We assent to the resolution	I/We dissent to the resolution
			For	Against
ORDINARY BUSINESS				
1	Adoption of Audited Profit and Loss Account, Balance Sheet, Report of Directors and Auditors along with Consolidated Financials for the year ended 31 st March, 2016.			
2	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.			
3	Ratification of appointment of M/s. Karnavat & Co., Chartered Accountants as Statutory Auditors of the Company.			
SPECIAL BUSINESS				
4	Appointment of M/s. Poddar & Co., Cost Accountants as Cost Auditors of the Company.			

Place:

Date:

 Signature of Member or Authorised Representative

- Notes: (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
 (ii) Last date for receipt of this form is Saturday, August 6, 2016 (5:00 p.m.).
 (iii) Please read carefully the instructions printed overleaf before exercising your vote.

Instructions

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for this Physical Ballot Form, then he/she should not vote by e-voting. However, in case shareholders cast their vote through both physical ballot form and e-voting, then vote cast through e-voting shall be considered, subject to it being found to be valid and vote cast through this form shall be treated as invalid.
2. The notice of Annual General Meeting will be dispatched/e-mailed to the members whose name appear on the Register of Members as on June 10, 2016 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through this form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representative with proof of their authorization, as stated below.

Instruction for voting physically on Ballot Form

4. A member desiring to exercise vote by Ballot should complete this form (no other form or photocopy thereof is permitted) and send it to the **Scrutiniser, Mr. Sunil Bhora, Partner, M/s. P.C. Surana & Co., Chartered Accountants, 205 - 6, Standard House, 83, Maharashi Karve Road, Marine Lines, Mumbai – 400 002, Maharashtra** to reach on or before the **close of working hours i.e. 5:00 p.m. on August 6, 2016**. All forms received after this date will be strictly treated as if the reply from such members has not been received.
5. This form should be completed and signed by the shareholders (as per the specimen signature registered with the company / depository participants). In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder.
6. In respect of shares held by corporate and institutional shareholders (companies, trust, societies, etc), the completed form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly certified.
7. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the form. The assent or dissent received in any other form shall not be considered valid.
8. Members are requested to fill the form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
9. There will be one form for every folio/client id irrespective of the number of joint holders.
10. A member may request for duplicate form, if so required, and the same duly completed should reach the Scrutiniser not later than the date specified under instruction no. 4 above.
11. Members are requested not to send any other paper along with this form. They are also requested not to write anything in the form except giving their assent or dissent and putting their signature. If such other paper is sent, the same will be destroyed by the Scrutiniser.
12. The Scrutiniser's decision on the validity of the form will be final and binding.
13. Incomplete, unsigned or incorrectly ticked forms will be rejected.

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

To,

If undelivered, please return to

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