

September 22, 2017

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001.

Dear Sir,

Sub: Filing of Annual Report

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 we submit herewith 27th Annual Report 2016 - 17 approved and adopted in the Annual General Meeting of the Company held on 21st September, 2017.

Kindly take the above in your records and oblige.

For **Black Rose Industries Limited**



Nevil Avlani
Asst. Company Secretary

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



**27th Annual Report
2016-17**

**BLACK ROSE
INDUSTRIES LIMITED**

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

MR. SHIVHARI HALAN	:	DIRECTOR
MR. ANUP JATIA	:	EXECUTIVE DIRECTOR
MR. SUJAY SHETH	:	DIRECTOR
MR. BASANT KUMAR GOENKA	:	DIRECTOR
MRS. GARIMA TIBRAWALLA	:	DIRECTOR

COMPOSITION OF STAKEHOLDERS**RELATIONSHIP COMMITTEE**

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

COMPOSITION OF CORPORATE SOCIAL**RESPONSIBILITY COMMITTEE**

MR. ANUP JATIA
MR. BASANT KUMAR GOENKA
MRS. GARIMA TIBRAWALLA

COMPOSITION OF AUDIT COMMITTEE

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

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 Seventh Annual General Meeting of the members of the Company will be held on Thursday, September 21, 2017 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchnat Chambers', IMC Marg, Churchgate, Mumbai - 400020, 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, 2017 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, 2017 along with the Auditors' Report thereon.
2. To declare Dividend on equity shares.
3. 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.

4. To appoint Auditors and to fix their remuneration

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

"Resolved that M/s. PKJ & Co., Chartered Accountants (Firm Registration No. 124115W), be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting hereafter (subject to ratification by the members at every Annual General Meeting held hereafter), at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company"

SPECIAL BUSINESS

5. 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, 2018 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 30, 2017

REGISTERED OFFICE:

145/A, Mittal Towers,
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. 5 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 Friday, September 15, 2017 to Thursday, September 21, 2017 (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, which is annexed to the Proxy Form. 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 2016 - 2017 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 Sunday, September 17, 2017 at 9:00 a.m. and ends on Wednesday, September 20, 2017 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 14th September, 2017 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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, iPhone and windows based mobiles. 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 scrutinizer 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 (hereinafter referred as ‘Scrutiniser’) 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 Scrutiniser’s 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 Scrutiniser’s 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 BSE Limited.

**ANNEXURE I TO NOTICE
EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

Item No. 5

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, 2018, 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 has 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 Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 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 46 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 30, 2017

REGISTERED OFFICE:

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

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Members,

Your Directors are pleased to present this 27th Annual Report, together with the Audited Financial Accounts of the company, for the year ended 31st March, 2017.

1. Financial Results

The company's standalone and consolidated performance during the financial year ended 31st March, 2017, as compared to the previous financial year is summarised below:

₹ in Lacs

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Revenue from Operations and Other Income	24,203.65	17,772.16	16,646.71	12,919.23
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	1,469.83	968.12	1,463.73	965.40
Less: Finance Cost	475.64	446.97	475.64	446.97
Profit before Depreciation and Tax (PBDT)	994.19	521.15	988.09	518.43
Less: Depreciation	273.52	272.57	273.52	272.57
Profit before Tax	720.67	248.58	714.57	245.86
Less: Provision for Tax	255.41	87.83	255.41	84.20
Profit after Tax	465.26	160.75	459.16	161.66

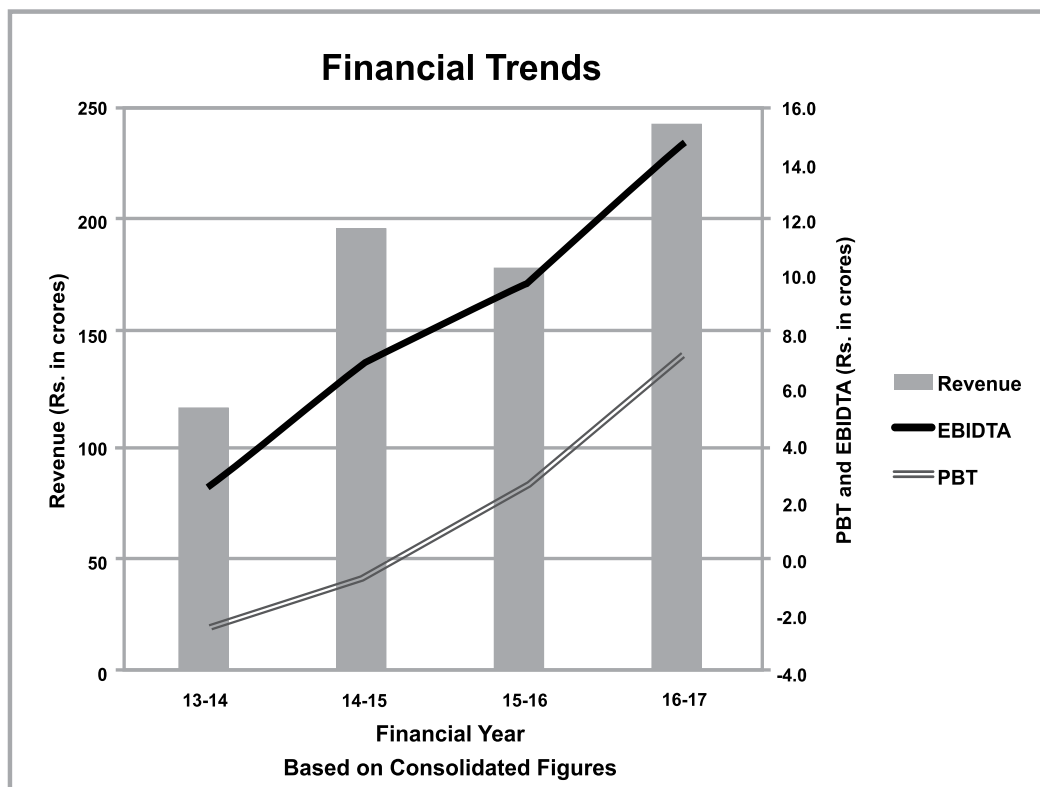
2. Nature of Business

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.

3. Performance Review

The year 2016 – 2017 saw a 36% and 29% increase in consolidated and standalone revenues, respectively. The growth in standalone revenues was largely due to a 25% increase in sales of acrylamide (despite some slow down in Q3) and a 26% increase in sales of the chemical distribution business. The sales increase was supported by increase in volumes. The top 5 products of the distribution business delivered strong results while accounting for 75% of the department's sales. Our subsidiary in Japan also contributed to a rise in revenue and accounted for 30% of the consolidated turnover. Profitability improved over the last year due to better operation rate of the acrylamide plant and the growth in distribution business. The company ended the year with a rise in EBIDTA of 52% bringing the standalone EBIDTA margin to 8.8%. Profit before tax increased to ₹ 714.57 as compared to a profit of ₹ 245.86 lacs in the previous year.



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

4. **Dividend**

Your Directors are pleased to recommend an equity dividend of ₹ 0.10 per equity shares of face value of ₹ 1 each for the year ended 31st March, 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting.

5. **Business Scenario**

There was an improvement in the global economic scenario during the 2016 – 2017 fiscal year. Although certain sectors of the Indian economy slowed down temporarily during Q3 and the first part of Q4 due to the effects of demonetisation, the overall economy showed reasonable strength. Interest costs started to come down in India because of the sudden increase in liquidity while interest rates in the US inched up. The Indian Rupee stayed within a band of ₹ 66-67 per US Dollar for the initial part of the year and after a brief weakening during November to January, steadily strengthened during Q4. Prices of chemicals and other products gradually increased with increase in oil prices and general demand.

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

6. **Acrylamide Plant at Jhagadia, Gujarat**

An expansion was carried out at the company's acrylamide plant and the installed capacity at the end of the year is now 14,000MT per year from 10,000MT per year.

An in-depth explanation about the plant operations is given in the *Management Discussion and Analysis Report*.

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

During the year under review, the turnover of the company's wholly owned subsidiary incorporated in Japan increased significantly to ₹ 76 crores. The subsidiary showed a profit of approximately ₹ 6 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, 2017 is attached to the financial statements hereto.

8. 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.

9. Directors and Key Managerial Personnel

There were no changes in the directors or key managerial personnel during the year.

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.

All the Independent Directors have given declarations that they have meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

10. Board Meetings and Board Committees

a. Board Meetings

The Board of Directors met five times during the financial year ended 31st March, 2017 in accordance with the provisions of Companies Act, 2013 and rules made thereunder and the Listing Regulations.

b. 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 four committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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 compliant is outstanding as on 31st March, 2017.

c. Evaluations

Pursuant to the provisions of Companies Act, 2013 and rules made thereunder and in accordance with the Listing Regulations, the Board had carried out an annual performance evaluation of its own, the Board Committees and of the Independent Directors.

Further, independent directors at their separate meeting, evaluated performance of the non – independent director, Board as a whole and of the Chairman of the Board.

d. Policy on Directors' Appointment and Remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in Nomination and remuneration Policy which forms part of this report. The Nomination and Remuneration Policy is set out in **Annexure I** to this report and is also available on the Company's Policy.

11. Auditors and their Reports

a. Statutory Auditors

The independent statutory auditors' report does not contain any qualification, reservation or adverse remark on the accounts for the year ended 31st March, 2017.

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 and are not eligible for re-appointment due to expiry of their term of appointment.

In view of mandatory rotation of Auditors, the Board of Directors of the Company on the recommendation of Audit Committee recommends appointment of M/s. PKJ & Co., Chartered Accountants (Firm Registration No. 124115W) as a Statutory Auditors of the Company for a period of one year commencing from the conclusion of 27th 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 appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

b. 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 Financial Year 2016 - 17 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.

c. 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. 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, 2017 on a remuneration as mentioned in the Notice 27th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/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 27th Annual General Meeting of the Company and same is recommended for Member's consideration and approval.

12. Corporate Social Responsibility (CSR)

Until 2015-16 financial year although the company was not mandatorily governed by provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR), it was forming an integral part of an overall business policy aligned with its business goals.

However, during the year under review, with the company's net profit crossing ₹ 5 crores the provisions of Section 135 of the Companies Act, 2013 on CSR mandatorily became applicable to the Company and thus, the Board of Directors of the Company has constituted CSR Committee comprising of three directors viz. Mr. Anup Jatia – Executive Director of the Company, Mr. Shivhari Halan and Mrs. Garima Tibrawalla, both Non – Executive and Independent Directors of the Company.

All the members of CSR Committee have good knowledge and exposure to utilise the Company's resources towards its CSR.

13. 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.

14. Consolidated Financial Statements

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.

15. 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, 2017, 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, 2017 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, 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.

16. 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 in Form MGT – 9 for the financial year ended 31st March, 2017 is given in **Annexure II** and forms part of this Annual Report.

17. 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 III** which forms part of this Annual Report.

18. Internal Financial Controls and Compliance Framework

The company has well defined and adequate Internal Control System, commensurate with size, scale and complexity of its operations. The Internal Financial Controls (IFC) are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations

During the year, IFC testing process was done in order to review adequacy and strength of IFC followed by the Company. As per the assessment, there are no major concerns and Controls are strong.

The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems were adequate and operating effectively.

19. Roll Out of Goods and Services Tax (GST) Model Law

In view of impending roll out of Goods and Services Tax (GST) with effect from July 1, 2017, the Company is gearing up to get itself to the tune of the new GST frame work which will not only lead to change in the indirect tax structure but shall also lead to the change in the business processes/functions. The Company has already obtained the provisional registration in respect of all its units across the country. It has also started creating awareness on GST Model Law amongst the marketing, operations and accounts teams and its vendors and customers.

20. Risk Management

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system of risk controls and mitigation is in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

Risk management system followed by the Company is elaborately detailed in Management Discussion and Analysis Report.

21. Vigil Mechanism and Reporting of Frauds

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations to the Audit Committee Chairman.

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.

22. 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 IV** and forms part of this Annual Report.

23. 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.

24. 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.

25. Listing

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

26. Managerial Remuneration and 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 V** and forms part of this Annual Report.

27. 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.

28. 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 30, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

A. *The Economy*

Real GDP growth in the first half of the year was 7.2 percent.

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments - the passage of the constitutional amendment, paving the way for implementing the Goods and Services Tax (GST), and the action to demonetise ₹ 500 and ₹ 1000 notes.

The GST strives to create a common Indian market, improve tax compliance and governance, and boost investment and growth. Demonetisation has had short-term costs but holds the potential for long-term benefits in terms of reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues.

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 its acrylamide monomer plant in Jhagadia, Gujarat, under technology license from Mitsui Chemicals, Inc., of Japan. The 10,000MT per annum capacity plant has now been expanded to capacity of 14,000MT, and government approvals are obtained to increase further up to 20,000MT.

The Indian chemical industry is well-positioned to grow on the basis of both overseas and domestic demand. India enjoys low-cost and highly skilled manufacturing capabilities, and as the government invests to plug the infrastructure gaps in the country, India will emerge as the next manufacturing hub for the global chemical industry.

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.

India's textiles sector is one of the oldest industries in the Indian economy, dating back milleniums. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, and the capital-intensive integrated mills sector at the other end of the spectrum.

The Indian textile industry contributes approximately 5 per cent to India's GDP and 14 per cent to the overall Index of Industrial Production (IIP). With consumerism and disposable income on the rise the future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.

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. Wind power generation capacity in India has significantly increased in recent years. As of the end of March 2017 the country's total installed wind power capacity was 32.17 Gigawatt, mainly spread across the South, West and North regions.

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

Chemical Distribution

A majority of the company's revenue comes from its chemical distribution activity. The cost of the products sold depend on the dynamics of competitive markets which are also affected by global feedstock prices, currency exchange rates, taxation policies, etc. Adverse domestic or international economic conditions, poor requirements from the user industries, excessive currency volatility, increases in interest rates, and tightening liquidity conditions may adversely affect margins, business, financial condition and results of operations.

India continues to import of a variety of chemicals ranging from basic commodities to high-end performance products. The company regularly looks for specialty and performance products to augment its product range, keeping in mind the global positioning of our principals, potential for sale, and value addition offered by the company. Accordingly, new products were introduced in the financial year 2016-17, more details of which can be found on our website.

Chemical Manufacturing

The domestic market demand of acrylamide monomer is approximately 7,000MT on a 100% solid basis, or 14,000MT on the basis of acrylamide 50% solution. The company has expanded its capacity from 10,000MT to 14,000MT 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 traders locally. Imports from China are subject to a customs duty of 7.5%. Prices tend to increase when stock holding levels of such traders are reduced.

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 grew 26%. Growth in the tyre and dyestuff industry resulted in an increase in demand for resorcinol. Similarly, sales of meta cresol increased due to growing end user demand, The company expanded its product range with additions of products such as meta xylene and solution SBR.

Acrylamide

Sales of acrylamide grew 35%. The operation of the acrylamide plant came down in Q3 due to reduced demand caused by the effects of demonetisation in the building materials industry. However, by Q4 the plant was once again operating at 100% pre-expansion capacity.

Textiles

The textile division's sale increased by 39% over the previous year to ₹ 2.4 crores.

Renewable Energy

The revenue from this activity reduced 13% from the previous year to 0.95 crores. As per contracts entered into at the time of commissioning of the windmills, the company's windmills are both maintained by World (India) Ltd. Wind World has been unable to provide the agreed services to the company in a timely manner and accordingly the company suffered loss of generation. The windmills are currently operating satisfactorily based on the prevailing meteorological conditions but there could be challenges during the year if Wind World again fails in their commitments.

E. Outlook

The Indian chemical industry is expected to double its share in the global chemical industry by 2021 while registering an annual growth of 8 - 9% in the next decade. Several MNCs have been focusing on India to set up their manufacturing base due to the fast-growing consumer market and improving infrastructure.

Acrylamide

The acrylamide plant has been operating smoothly at a 100% pre-expansion run-rate. We expect sales to increase gradually to reach 100% of post-expansion capacity. With this, we expect strong revenue and profit growth in the coming year.

Chemical Distribution

The distribution business will continue to be the major revenue generator for the company. We expect an increase in sales of resorcinol, meta cresol, and ethanolamines due to recent changes in the demand/supply situation for these products. An anti-dumping petition against the sales of resorcinol from Japan and China was filed by the sole Indian producer in October 2016. The petitioners do not have sufficient capacity to satisfy Indian demand and have provided the Indian government authorities with false and misleading data, clearly with the intention to profit from the same. Black Rose is a major supplier of Japanese resorcinol in the Indian market, and our principals are working with the Indian government authorities to ensure that the facts in the matter prevail. Anti-dumping duties, if levied, will result in higher prices for Indian consumers and will have a detrimental effect especially on the competitiveness of India's tyre and dyestuff industries.

Textiles

Revenues from this segment are expected to remain largely unchanged.

The company successfully achieved its expectation of achieving a consolidated turnover in excess of ₹ 200 crores for the 2016-17 financial year (actual turnover ₹ 242 crores). For FY2018, the company expects to grow its consolidated turnover by more than 10%.

F. Risk and Concerns

The company has a risk identification and management frame work appropriate to it and to the business environment under which it operates. Risks are being identified at regularly 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 minimization 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:

- Health and safety risk

As the Company manufactures chemicals that are hazardous in nature, health and safety is the top priority for the management of the Company. All efforts are being made to enhance safety standards and processes in order to minimise safety risks in all our operations.

- Environmental risk

The Company is committed to minimising the environmental impact of its operations through adoption of sustainable practices and continuous improvement in environmental performance. The Company continues to focus on operational excellence aimed at resource and energy efficiency, along with recovery, reuse and recycling of waste to minimise the ecological footprint of the organisation.

- Raw material price fluctuations

Change in raw material prices from time to time forces the company to revise the prices of its products periodically to reflect the variations in 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.

- **Quality Risk**

The Company is committed to maintain the best quality standards in manufacturing of its products through periodic reviews, and continual improvement of the quality management system. It strives to enhance customer satisfaction through delivering quality products. The Company has established a well-defined quality control structure to ensure that systems, facilities and processes are designed and developed in line with the needs of customers and simultaneously complying with regulatory requirements.

- **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 this, 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 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 lead times 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 the efforts put in by our dedicated team of staff. 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.

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.

H. Development in Human Resources Industrial Relations

The company's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belonging.

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.

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

With regards to acrylamide, the company has already expanded its capacity from 10,000MT to 14,000MT and plans to increase it further to 20,000MT, for which an outlay of ₹ 4.0 – 5.0 crores will be required and will be funded internally. The company has also been looking out for new opportunities in the field of chemical manufacturing and will make relevant announcements whenever the same is required to be made.

ANNEXURE I TO DIRECTORS' REPORT

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

1. "Board" means the Board of Directors of the Company.
2. "Directors" means the Directors of the Company.
3. "Company" means Black Rose Industries Limited.
4. "Key Managerial Personnel" (KMP) means:
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole time Director;
 - ii) Company Secretary; and
 - iii) Chief Financial Officer
5. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
6. "Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors and KMP's.

Normally, this would comprise all members of management, one level below the Executive Directors, including functional heads.
7. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

Objective:

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.

- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Nomination and Remuneration Policy

Nomination and Remuneration Policy is divided into four parts as follows:

I QUALIFICATIONS:

Criteria for identifying persons who are qualified to be appointed as a Directors/KMP/Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

b. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The Company has an hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

II REMUNERATION:

a. Structure of Remuneration for the Managing Director, Executive Director, Key Managerial Personnel and Senior Management Personnel:

The Managing Director, Executive Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed and variable salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and Industrial Obligations

Minimum Remuneration to Executive Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Director in accordance with the provisions of Schedule V of the Companies

Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

b. Structure of Remuneration for Non-executive Director:

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

- Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at an Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees:

The power to decide structure of remuneration for other employees has been delegated to appropriate department heads or the HR department, as the case may be under guidance of the management.

III. REMOVAL AND RETIREMENT

- a. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.
- b. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

IV. EVALUATION

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary based on the following criteria:

Ability to:

- apply professional knowledge to assigned duties so as to achieve a high standard of performance.

- use resources economically and judiciously.
- fulfill responsibilities in the development and training of staff.
- display foresight and plan beyond immediate needs.
- delegate responsibilities and exercise required degree of guidance and supervision.
- motivate subordinates effectively to produce desired results.
- maintain morale and look after the management of staff.
- exercise control over subordinates and gain their confidence.

c. Criteria for evaluating performance of Other Employees:

The power to decide criteria for evaluating performance of other employees has been delegated to appropriate department heads or the HR department, as the case may be. They shall carry out evaluation of performance of the other employees on the following criteria:

- Technical skills
- Quality of Work
- Interpersonal Skills
- Communication Skills
- Approach to Work
- Time Management
- Leadership skills

Communication of this Policy:

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

Implementation:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

Amendment:

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

ANNEXURE II TO DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017
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 Towers, Nariman Point, Mumbai – 400021. Tel : +91 22 4333 7200 Fax : +91 22 228 73022 E-mail id : investor@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	28.99
2	Wholesale of industrial chemicals	46691	66.96

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, 2016]				No. of Shares held at the end of the year [As on 31 st March, 2017]				% 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, 2016]				No. of Shares held at the end of the year [As on 31 st March, 2017]				% 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) FIs	-	-	-	-	-	-	-	-	-
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	270,179	15,400	285,579	0.56	348,203	15,400	363,603	0.71	0.15
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,749,994	2,856,560	6,606,554	12.95	4,085,151	2,824,160	6,909,311	13.55	0.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,546,858	-	3,546,858	6.95	3126173	0	3126173	6.13	-0.82
c) Others (specify)									
Non Resident Indians									
Repatriable	1,839,917	-	1,839,917	3.61	1,822,698	0	1,822,698	3.57	-0.03
Non - Repatriable	2,338	-	2,338	0.00	4,800	0	4,800	0.01	0.00
Directors and Relatives	-	271,800	271,800	0.53	-	271800	271800	0.53	0.00
Hindu Undivided Families	196,052	-	196,052	0.38	236,331	4,800	241,131	0.47	0.09
Clearing Members	50	-	50	0.00	9,632	0	9,632	0.02	0.02
Trusts	2	0	2	0.00	2	0	2	0.00	0.00
Sub-total (B)(2)	9,605,390	3,143,760	1,274,915	25.00	9,632,990	3,116,160	12,749,150	25.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	9,606,190	3,143,960	12,750,150	25.00	9,633,790	3,116,360	12,750,150	25.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	47,856,040	3,143,960	51,000,000	100.00	47,883,640	3,116,360	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 Worldwide 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	38,249,850	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, 2017 (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	Bhanwarilal Panda	1,764,570	3.46	01.04.2016				
				31.03.2017			1,764,570	3.46
2	ChitralekhaTodi	0	0.00	01.04.2016				
				02.09.2016	(+)765,000	Gift	765,000	1.50
				31.03.2017			765,000	1.50
3	Sarika Todi	0	0.00	01.04.2016				
				02.09.2016	(+)765,000	Gift	765,000	1.50
				31.03.2017			765,000	1.50
4	Sujata Todi	0	0.00	01.04.2016				
				02.09.2016	(+)765,000	Gift	765,000	1.50
				31.03.2017			765,000	1.50

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
5	Ravi Todi	0	0.00	01.04.2016				
				02.09.2016	(+)765,000	Gift	765,000	1.50
				30.09.2016	(-)900	Transfer	764,100	1.50
				07.10.2016	(-)6,194	Transfer	757,906	1.49
				21.10.2016	(-)7,595	Transfer	750,311	1.47
				28.10.2016	(-)360	Transfer	749,951	1.47
				04.11.2016	(-)4,275	Transfer	745,676	1.46
				18.11.2016	(-)2,367	Transfer	743,309	1.46
				02.12.2016	(-)12,231	Transfer	731,078	1.43
				09.12.2016	(-)7,249	Transfer	723,829	1.42
				16.12.2016	(-)7,109	Transfer	716,720	1.41
				31.12.2016	(-)11,650	Transfer	705,070	1.38
				13.01.2017	(-)4,608	Transfer	700,462	1.37
				20.01.2017	(-)76,840	Transfer	623,622	1.22
				27.01.2017	(-)1,010	Transfer	622,612	1.22
				31.03.2017			622,612	1.22
6	Sidharth Saraff	280,203	0.55	01.04.2016				
				09.09.2016	(-)14,027	Transfer	266,176	0.52
				04.11.2016	(-)50,000	Transfer	216,176	0.42
				31.12.2016	(-)1,250	Transfer	214,926	0.42
				20.01.2017	(-)6,365	Transfer	208,561	0.41
				31.03.2015			208,561	0.41
7	Deo Hirawat	100,000	0.20	01.04.2016				
				31.03.2017			100,000	0.20
8	Lincoln P. Coelho	100,000	0.20	01.04.2016				
				31.03.2017			100,000	0.20
9	Deo Hirawat (HUF)	100,000	0.20	01.04.2016				
				24.06.2016	(+)1,000	Transfer	101,000	0.20
				15.07.2016	(-)35	Transfer	100,965	0.20
				22.07.2016	(-)400	Transfer	100,565	0.20
				05.08.2016	(-)2129	Transfer	98,436	0.19
				12.08.2016	(+)436	Transfer	98,872	0.19
				04.11.2016	(-)1000	Transfer	97,872	0.19
				31.12.2016	(-)3860	Transfer	94,012	0.18
				06.01.2017	(+)5000	Transfer	99,012	0.19
				31.03.2017			99,012	0.19
10	Jayshree Mohite	106630	0.21	01.04.2016				
				24.03.2017	(-)15045	Transfer	91,585	0.18
				31.03.2017	(-)11274	Transfer	80,311	0.16

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	01.04.2016				
				31.03.2017			271,800	0.53
2	Mr. Sujay Sheth	0	0	01.04.2016				
				31.03.2017			0	0
3	Mr. Anup Jatia	0	0	01.04.2016				
				31.03.2017			0	0
4	Mr. Basant Kumar Goenka	0	0	01.04.2016				
				31.03.2017			0	0
5	Mrs. Garima Tibrawalla	0	0	01.04.2016				
				31.03.2017			0	0
6	Mr. Chiranjilal P. Vyas	0	0	01.04.2016				
				31.03.2017			0	0
7	Mr. Ratan Agrawala	14,000	0.03	01.04.2016				
				31.03.2017			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	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
Change in Indebtedness during the financial year			
* Addition	6,256,265	28,135,918	34,392,183
* Reduction	(194,520)	-	(194,520)
Net Change	6,061,745	28,135,918	34,197,663
Indebtedness at the end of the financial year			
i) Principal Amount	319,374,705	94,750,000	414,124,705
ii) Interest accrued but not due	-	1,713,404	1,713,404
Total (i+ii)	319,374,705	96,463,404	415,838,109

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)	
	Gross salary		
1	(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

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	
	Independent Directors					
1	Fee for attending board meetings	80,000	80,000	40,000	20,000	220,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	80,000	80,000	40,000	20,000	220,000
	Other Non-Executive Directors					
2	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	80,000	80,000	40,000	20,000	220,000
	Total Managerial (A+B) Remuneration					4,420,000
	Overall Ceiling as per the Act					4,700,000

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	-	995,000	1,128,566	2,123,566
	(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	-	995,000	1,128,566	2,123,566

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 III TO DIRECTORS' REPORT

Particulars of Loans, Guarantees and Investments

Amount in ₹

Particulars of Investment made, Guarantee given and Loan given	Name of the Entity	Amount (₹)	Purpose for which Loan is proposed to be utilized by the recipient
Inter Corporate Deposit	Riga Sugar Co. Limited	10,000,000	Short – Term Cash Management

ANNEXURE IV 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) Replaced the batteries of fork lift by new set, which minimized the repeated electrical charging, also disposed the old battery through manufacturer in an environmentally friendly manner.

- ii) Installation of LED lights in office/DCS & Lab to minimize the power consumption.
- iii) Maintained all previous installations.
- b) No steps were taken by the Company for utilizing alternate source of energy.
- c) The capital investment on energy conservation equipment was ₹ 2.60 lakhs 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:

Various improvements have been implemented which has led to reduction in waste generation, and improvement in efficiency of the manufacturing plant.

- 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 ₹ 14.56 lakhs on the same during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1. Foreign exchange outgo : ₹ 12,960.94 lakhs
- 2. Foreign exchange earned : ₹ 1,281.02 lakhs

ANNEXURE V 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 2016 - 17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016 - 17 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 2016 - 17	Increase in Remuneration in the financial year 2016 - 17	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. Anup Jatia Executive Director	4,200,000	NIL	16.05	9.15
2	Mr. Shivhari Halan Independent Director	NIL	NIL	NIL	NIL
3	Mr. Sujay Sheth Independent Director	NIL	NIL	NIL	NIL
4	Mr. Basant Kumar Goenka Independent Director	NIL	NIL	NIL	NIL
5	Ms. Garima Tibrawalla Independent Director	NIL	NIL	NIL	NIL
6	Mr. Chiranjilal P. Vyas Company Secretary	995,000	1.02	3.80	2.17
7	Mr. Ratan Kumar Agrawal Chief Financial Officer	1,128,565	14.72	4.31	2.46

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 increased by 2.11% compared to the previous financial year due to increase in the number of non-managerial employees.
2	The number of permanent employees on the rolls of the Company.	55 employees as on March 31, 2017
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 quality 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 ₹ 6,323,565 was 13.78% 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 11.48% as compared with the percentile increase in the managerial remuneration of 4.03%. There was no exceptional circumstance for increase of remuneration of managerial personnel in the last financial year.
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 increased from ₹ 7,650 lakhs as of 31st March, 2016 to ₹ 13,464 lakhs as of 31st March, 2017. Over the same period price earning ratio decreased from 48.39 to 29.33. The company's stock price as on 31st March, 2017 has increased by 428% to ₹ 26.40 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, 2017**

[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 the 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, 2017 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, 2017 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
- Employees Compensation Act, 1923
- Payment of Wages Act, 1936
- Payment of Gratuity Act, 1972
- Maternity Benefit Act, 1961
- 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
- Indian Stamp Act, 1899

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 provisions of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 ;

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.

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. There are no changes in the composition of the Board of Directors during the period under review.

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 generally 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. My 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: 06.05.2017

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

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

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, 2017, 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 overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion 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, 2017;
- 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Dated: May 30, 2017

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, 2017. 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 not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not made any investments or granted any loans or provided any guarantee or security to the parties covered under Section 185 and hence provisions of Clause 3(iv) of the aforesaid Order in this regard are not applicable to the Company.

Further, the Company has complied with provision of Section 186 of the Act in respect of the loans granted by it.

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 31-03-2017, 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 and Sales 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)
Central Sales Tax Act, 1956	Demand and Penalty	₹ 40,32,129/-	F.Y. 2009-10	Commissioner (Appeals)
Central Sales Tax Act, 1956	Demand and Penalty	₹ 79,89,077/-	F.Y. 2010-11	Commissioner (Appeals)
Central Sales Tax Act, 1956	Demand and Penalty	₹ 53,72,712/-	F.Y. 2012-13	Commissioner (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 the transaction 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 30, 2017

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, 2017.

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, 2017 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.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

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

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Dated: May 30, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As At 31-03-2017 ₹	As At 31-03-2016 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	51,000,000
Reserves and Surplus	3	202,915,127	156,999,539
		253,915,127	207,999,539
2 Non-Current Liabilities			
Long Term Borrowings	4	195,298,969	199,774,185
Deferred Tax Liabilities (Net)	5	43,138,000	18,429,000
Long Term Provisions	6	2,670,686	2,180,389
		241,107,655	220,383,574
3 Current Liabilities			
Short Term Borrowings	7	194,116,798	186,942,318
Trade Payables	8	285,589,985	172,181,595
Other Current Liabilities	9	52,525,085	43,370,543
Short Term Provisions	10	18,345,171	8,054,514
		550,577,039	410,548,971
Total		1,045,599,820	838,932,083
II. ASSETS			
1 Non Current Assets			
Fixed Assets	11		
Tangible Assets		356,710,484	372,717,380
Intangible Assets		4,786,598	10,454,493
		361,497,082	383,171,873
Non Current Investments	12	1,620,600	1,620,600
Long Term Loans and Advances	13	34,751,111	12,685,356
Other Non-Current Assets	14	2,926,136	8,644,028
		39,297,847	22,949,984
2 Current Assets			
Inventories	15	245,262,830	145,646,668
Trade Receivables	16	296,532,380	227,500,705
Cash and Bank Balances	17	16,162,615	5,221,622
Short Term Loans and Advances	18	67,258,108	37,500,127
Other Current Assets	19	19,588,959	16,941,104
		644,804,892	432,810,225
Total		1,045,599,820	838,932,083

Significant Accounting Policies

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 30, 2017

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, 2017

	Note No.	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
INCOME			
Revenue from Operations	20	1,657,750,909	1,286,798,921
Other Income	21	6,919,926	5,123,768
Total Revenue		1,664,670,835	1,291,922,689
EXPENDITURE			
Cost of materials consumed	22	297,529,382	212,965,882
Purchase of traded goods	23	1,085,706,655	809,237,285
Changes in inventories of finished goods, work- in- progress and traded goods	24	(48,064,403)	22,439,358
Employee Benefits Expense	25	31,961,634	32,299,096
Finance Cost	26	47,564,480	44,696,712
Depreciation and Amortization Expenses	27	27,352,464	27,257,410
Other Expenses	28	151,164,513	118,441,121
Total Expenditure		1,593,214,724	1,267,336,864
Profit before Tax		71,456,111	24,585,825
Less: Tax Expenses			
Current Tax		15,400,000	5,400,000
Deferred Tax		24,709,000	8,382,924
MAT Credit Entitlement		(14,568,977)	(5,012,769)
Wealth Tax		-	13,241
Earlier years adjustments		513	-
		25,540,536	8,783,396
Profit for the period		45,915,575	15,802,429
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	32		
Basic		0.90	0.31
Diluted		0.90	0.31

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 30, 2017

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-2017 ₹	2015-2016 ₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	71,456,111	24,585,825
Adjustments for:		
Depreciation	27,352,464	27,257,410
Profit on sale of fixed assets	(1,474,924)	(1,610,794)
Interest expenses	45,436,016	41,659,995
Interest income	(4,500,191)	(2,688,596)
Unrealised foreign exchange (Gain)/Loss	(2,567,359)	(3,090,185)
Provision for expenses, gratuity & leave encashment	5,778,191	1,656,403
Excess provisions written back	(62,811)	(86,378)
Interest Subsidy Received	-	(249,054)
Rental income	(882,000)	(738,000)
Sundry balances written off	147,716	2,707,367
Operating profit before working capital changes	140,683,212	89,403,992
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(97,539,391)	45,558,517
(Increase)/Decrease in inventories	(99,616,162)	9,713,262
Increase/(Decrease) in trade and other payables	122,733,361	(88,715,892)
Cash generated from operating activities	66,261,020	55,959,879
Less: Direct taxes (net of refund)	12,296,087	402,245
Total cash generated from operating activities	53,964,933	55,557,634
Cash generated from prior period items (net)	-	-
Net cash flow from/(used in) operating activities	53,964,933	55,557,634
B. Cash Flow From Investing Activities		
Sale of fixed assets	2,114,537	3,442,373
Purchase of fixed assets/Capital work in progress	(7,792,210)	(6,753,768)
Interest income	2,679,565	1,398,054
Rental income	882,000	738,000
Cash generated from investing activities	(2,116,108)	(1,175,341)
Less : Income-tax paid at source	88,200	73,800
Net Cash flow from/(used in) investing activities	(2,204,308)	(1,249,141)
C. Cash Flow from Financing activities		
Proceeds from borrowings	2,699,265	(15,197,624)
Interest expenses	(43,518,072)	(40,137,989)
Net cash flow/(used in) from financing activities	(40,818,807)	(55,335,613)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	10,941,819	(1,027,120)
Cash and cash equivalent as on 1.4.2016 (Opening Balance)	5,224,065	6,251,185
Cash and cash equivalent as at 31.3.2017 (Closing Balance)	16,165,883	5,224,065
Notes:		
1) Reconciliation of cash and cash equivalents		
As per Balance Sheet - Note No. 17	16,162,615	5,221,622
Add: Foreign exchange loss on revaluation of foreign currency	3,268	2,443
As per Cash flow statement	16,165,883	5,224,065

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017 ₹	2015-2016 ₹
2) Cash and cash equivalents comprises of		
a) Cash in hand	463,114	483,391
b) Bank balance in current accounts	6,897,267	2,889,335
c) Unpaid dividend account	95,439	95,459
c) In fixed deposit account	8,710,063	1,755,880
	16,165,883	5,224,065

- 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 attached

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

Chartered Accountants
Firm Regn. No. 104863W

Shashikant Gupta
Partner
Membership No. 45629

Place: Mumbai
Date: May 30, 2017

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**1 SIGNIFICANT ACCOUNTING POLICIES ON STANDALONE ACCOUNTS****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 assets/liabilities

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, 2017

	31-03-2017	31-03-2016
	₹	₹
2 Share Capital		
Authorised Shares		
80,000,000 (31 st March, 2016: 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, 2016: 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	31-03-2017		31-03-2016	
	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.

The Board of Director of the Company at its meeting held on 30th May, 2017 has recommended Dividend of ₹ 0.10 per equity share (10%) for the Financial Year 2016-2017, subject to approval of the members at the ensuing Annual General Meeting (Previous year - Nil). Pursuant to Companies Accounting Standards Amendment Rules 2016 notified by Ministry of Corporate Affairs (G.S.R. 364(E) dated 30.03.2016) amending Accounting Standard 4, dividends proposed/declared after the balance sheet date have been recognised as Provision/Liability.

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

	31-03-2017	31-03-2016
	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

	31-03-2017		31-03-2016	
	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 Ltd	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	-	-	3,060,000	6.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
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 Account		
Balance as per the last financial statements	64,470,000	64,470,000
Add: Amount received on issue of shares	-	-
	<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	83,289,551	68,242,984
Profit for the year	45,915,575	15,802,428
Less: Appropriations		
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	-	755,873
Net surplus in the statement of profit and loss	<u>129,205,127</u>	<u>83,289,539</u>
Total Reserves and Surplus	<u>202,915,127</u>	<u>156,999,539</u>
4 Long Term Borrowings		
Secured		
a) Term Loans		
Loan from Banks [Refer Note No. 4(a)(i)]	132,257,907	161,221,525
Loan from Other Parties [Refer Note No. 4(a)(ii)]	-	2,954,597
Total Secured	<u>132,257,907</u>	<u>164,176,122</u>
Unsecured		
b) Deposits [Refer Note No. 4(b)(i)]	94,000,000	65,500,000
c) Other Loans and Advances		
Interest Free Security Deposits [Refer Note No. 4(c)(i)]	750,000	1,500,000
Total Unsecured	<u>94,750,000</u>	<u>67,000,000</u>
	<u>227,007,907</u>	<u>231,176,122</u>
Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No.9)	(31,708,938)	(31,401,938)
	<u>195,298,969</u>	<u>199,774,185</u>

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 Limited
Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.51 % p.a.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
Terms of Repayment

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

From Kotak Mahindra Bank Limited
Nature of Security

- Secured by exclusive charge on all present and future current assets and movable fixed asset of the manufacturing unit at Jhagadia , Gujarat.
- Collateral Security of Plot No. 675 at GIDC, Jhagadia and 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 + 1.70 % p.a.

Terms of Repayment

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

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

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

Received from Director (Refer Note No. 31)

31-03-2017 ₹	31-03-2016 ₹
94,000,000	65,500,000
94,000,000	65,500,000

Rate of Interest
Deposit 1

The rate of interest is 12.50% p.a. upto April 2016 being paid on a monthly basis.

The rate of interest is 14.00% p.a. from May 2016 being paid on monthly basis.

Deposit 2

The rate of interest is 15.00% p.a. being paid on monthly basis.

Terms of Repayment

Repayable on or after 36 months

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

Received from related party (Refer Note No. 31)

750,000	1,500,000
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
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	47,148,000	43,100,636
Less:		
Items leading to deferred tax assets		
Carry Forward of Depreciation Loss	(2,742,000)	(23,587,182)
Expenses allowable on Payment basis	(1,268,000)	(1,084,454)
Net (Deferred Tax Liability)	43,138,000	18,429,000
6 Long Term Provisions		
Provisions for employees benefits	2,270,131	1,868,024
Provision for Gratuity (Refer Note No. 29)	400,555	312,365
Provisions for Leave Benefits (Refer Note No. 29)	2,670,686	2,180,389
7 Short Term Borrowings		
a) Secured [Refer Note No. 7(a)(i)]		
Repayable on demand		
Cash Credit from Banks	107,105,826	95,766,639
Short Term Working Capital Demand Loan from Banks	10,000,000	10,000,000
Trade Credit	70,010,973	43,175,679
	187,116,798	148,942,317
b) Unsecured Deposits [Refer Note No. 7(b)(i)]		
Repayable on demand		
Inter Corporate Deposits	7,000,000	38,000,000
	194,116,798	186,942,318

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.

Rate of Interest

Effective cost for the above loans are in the range of 10.90% p.a. to 11.05% p.a. (P.Y. 11.75 % p.a. to 12.50% p.a.)

Note No. 7(b)(i)
Rate of Interest

The interest is paid on quarterly basis.

Terms of Repayment

Repayable on or before 12 months

8 Trade payables

Trade payables (Refer Note No. 35)

	31-03-2017 ₹	31-03-2016 ₹
	15.00%	15.00%-16.00%
	31-03-2017	31-03-2016
	285,589,985	172,181,595
	285,589,985	172,181,595

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
9 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note No. 4)	31,708,938	31,401,938
Interest accrued but not due on borrowings	1,713,404	1,522,006
Interest accrued and due on borrowings	95,439	95,459
Unpaid Dividend*	3,842,523	1,490,623
Provision for Mark to Market Loss on Open Forward Contract	8,593,773	3,738,035
Payable for other expenditure	57,747	-
Advance from Customers	309,468	185,127
VAT / CST Payable	4,446,051	3,485,221
TDS payable	1,654,028	1,378,309
Rates and Taxes payable	103,714	73,826
	52,525,085	43,370,543
*Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
10 Short Term Provisions		
Provisions for employee benefits		
Salary and Reimbursements	1,805,581	2,015,299
Contribution to Provident Fund	199,309	203,764
Gratuity (Refer Note No. 29)	259,824	338,873
Leave benefits (Refer Note No. 29)	80,457	96,578
Provision for Income Tax	16,000,000	5,400,000
	18,345,171	8,054,514
11 Note on Fixed Assets [please refer page no. 53]		
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	3,159,937	3,160,787
Income Tax Deposits	9,650,283	2,152,655
MAT Credit Entitlement	21,940,891	7,371,914
	34,751,111	12,685,356
14 Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 17]	10,399,517	15,018,274
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 19]	(10,289,641)	(8,929,286)
	109,876	6,088,989
Stamp Duty Receivable	-	1,000,000
MEIS Licence	2,592,471	604,703
Duty Drawback Receivable	223,789	950,337
	2,926,136	8,644,028

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

11 Fixed Assets

Particular	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2016	Additions / Disposals	Other Adjustments	Cost as at 31.03.2017	As at 01.04.2016	For the year	Adjustment/ Disposals	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS									
Leasehold Land	37,136,205	82,095	-	37,218,300	15,792	5,264	-	21,056	37,197,244
Factory Building *	138,688,208	1,392,590	266	140,080,532	26,068,459	4,590,425	-	30,658,884	109,421,648
Office Equipments	2,241,394	123,547	8,865	2,356,076	1,291,706	384,242	-	1,675,948	680,128
Electric Installation	5,052,079	47,285	-	5,099,364	5,015,381	6,229	-	5,021,610	77,754
Factory Equipments	525,810	304,160	-	829,970	337,453	35,070	-	372,523	457,447
Plant & Machinery	195,492,779	4,178,678	2,501,948	197,169,509	27,566,626	10,697,449	(324,041)	37,940,034	159,229,475
Furniture & Fittings	4,721,344	25,553	-	4,746,897	2,572,018	359,774	-	2,931,792	1,815,105
Computers	3,336,893	234,593	-	3,571,486	2,859,862	265,268	-	3,125,130	446,356
Printer	41,102	-	-	41,102	22,560	10,794	-	33,354	7,748
Vehicles	11,155,457	-	-	11,155,457	4,494,338	1,068,200	-	5,562,538	6,661,119
Wind Mills	87,351,734	-	-	87,351,734	42,781,431	2,785,644	-	45,567,075	44,570,303
Total (A)	485,743,004	6,388,501	2,511,079	489,620,426	113,025,624	20,208,359	(324,041)	132,909,942	372,717,380
INTANGIBLE ASSETS									
Software	1,377,926	1,476,210	-	2,854,136	839,543	404,105	-	1,243,648	1,610,488
Technical Know-how	26,960,000	-	-	26,960,000	17,043,890	6,740,000	-	23,783,890	9,916,110
Total (B)	28,337,926	1,476,210	-	29,814,136	17,883,433	7,144,105	-	25,027,538	10,454,493
Total (A+B)	514,080,930	7,864,711	2,511,079	519,434,562	130,909,057	27,352,464	(324,041)	157,937,480	383,171,873
Previous Year	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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
15 Inventories		
(valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components [includes in transit ₹ 79,291,105 /- (31 st March, 2016 - ₹ 27,963,376/-)] [Refer Note No. 22(a)(ii)]	94,844,131	46,788,738
Work-in-progress [Refer Note No. 24(a)(ii)]	4,178,473	8,300,502
Finished Goods [Refer Note No. 24(a)(iii)]	19,454,049	12,022,933
Traded Goods [includes in transit ₹ 91,443,930 /- (31 st March, 2016 - ₹ 36,644,395/-)] [Refer Note No. 24(a)(i)]	120,121,701	76,295,738
Stores and spares and Packing Materials [includes in transit ₹ 1,737,389 /- (31 st March, 2016 - ₹ NIL/-)]	6,664,476	2,238,756
	245,262,830	145,646,668
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	9,045,205	10,207,794
Others	287,487,175	217,292,911
	296,532,380	227,500,705
Less: Provision for doubtful debts	-	-
	296,532,380	227,500,705
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
Tozai Safety Private Limited	35,499	4,553,260
Accent Industries Limited	477,514	679,354
	513,013	5,232,625
17 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	459,846	480,948
Other Bank Balances		
In Current Accounts	6,897,267	2,889,335
In Unpaid dividend account	95,439	95,459
In Fixed Deposits account		
Fixed Deposits with original maturity for less than 3 months*	-	105,743
Other Bank Balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	8,710,063	1,650,137
Fixed Deposits with original maturity for more than 12 months*	10,399,517	15,018,274
	26,562,132	20,239,896
Less: Fixed Deposit with original maturity of more than 12 months. (Refer Note No. 14)	(10,399,517)	(15,018,274)
	16,162,615	5,221,622
*Out of the above Fixed Deposits:		
Given as Margin money for Trade Credit and L/C facilities	17,867,983	15,532,557
Given against Bank Guarantee	1,241,598	1,241,598
	19,109,581	16,774,154

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Disclosure required as per notification no. GSR 308(e) [f.no.17/62/2015-cl-v-(vol.i)], dated 30-3-2017 of Ministry of Corporate Affairs :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	250,000	887,463	1,137,463
(+) Permitted receipts	-	775,052	775,052
(-) Permitted payments	-	1,022,451	1,022,451
(-) Amount deposited in Banks	250,000	32,000	282,000
Closing cash in hand as on 30.12.2016	-	608,064	608,064

18 Short Term Loans and Advances
Unsecured, considered good unless otherwise stated

	31-03-2017 ₹	31-03-2016 ₹
Security Deposits to others	258,950	255,950
Prepaid Expenses	2,617,964	2,700,971
Loans and advances to staff	215,700	391,500
Loans and Advances to a Officer of the company	-	78,678

Other Loans and Advances

Balances with Statutory Government authorities	43,757,259	22,445,564
Loans and advances to other parties	10,000,000	-
Advances recoverable in cash or kind or for value to be received	10,408,235	11,627,465
	67,258,108	37,500,127

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	10,289,641	8,929,286
Interest accrued but not due on Bank Deposits	182,174	1,157,209
Interest accrued and due on Loans	653,732	213,021
Interest accrued on Security Deposits with MSEB	20,548	22,832
Interest Subsidy receivable	8,442,864	6,618,756
	19,588,959	16,941,104

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
20 Revenue from Operations		
a) Sale of products [Refer Note No. 20(a)(i)]	1,630,007,829	1,276,898,938
	1,630,007,829	1,276,898,938
b) Other Operating Revenue		
Excise Duty Rebate	14,690,550	1,006,645
Electricity Duty Exemption	-	856,582
Export Entitlement	4,487,377	1,398,384
Misc Income	-	169,252
Interest Subsidy	2,873,530	5,764,623
Exchange difference	5,642,879	-
Commission Income	48,744	704,497
	27,743,080	9,899,983
Revenue from Operations	1,657,750,909	1,286,798,921
Note No 20(a)(i)		
Details of Sale of products		
Chemicals	1,597,203,024	1,250,234,284
Textiles	23,330,428	15,952,495
Wind Energy	9,474,377	10,712,159
	1,630,007,829	1,276,898,938
21 Other Income		
Interest income		
From Bank	1,403,870	1,482,565
From Others	3,096,321	1,206,031
	4,500,191	2,688,596
Profit on sale of Asset	1,474,924	1,610,794
Other non-operating income	944,811	824,378
	6,919,926	5,123,768
22 Cost of Materials consumed [Refer Note No. 22(a)]		
Inventory at the beginning of the year	46,709,440	31,151,210
Add: Purchases	345,331,635	228,524,112
	392,041,075	259,675,322
Less: Inventory at the end of the year	94,511,694	46,709,440
	297,529,382	212,965,882
Note No. 22(a)		
(i) Details of Materials Consumed		
Chemicals	295,118,226	208,369,574
Yarn	2,389,643	4,596,308
Fabrics	21,513	-
	297,529,382	212,965,882
(ii) Details of Inventory of raw materials		
Chemicals	93,778,885	45,953,021
Yarn	36,222	38,319
Fabric	696,587	718,100
	94,511,694	46,709,440
23 Purchase of Traded Goods		
Chemicals	1,074,890,469	801,218,940
Textiles	10,816,186	8,018,346
	1,085,706,655	809,237,285

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
24 (Increase)/Decrease in Inventories		
Opening Traded Goods	76,382,004	95,163,561
Consumed in Manufacturing	929,354	876,747
Closing Traded Goods [Refer Note No. 24(a)(i)]	120,121,701	76,382,004
	(44,669,051)	17,904,811
Opening Work-in-progress	8,300,502	20,454,018
Closing Work-in-progress [Refer Note No. 24(a)(ii)]	4,178,473	8,300,502
	4,122,029	12,153,515
Opening Finished Goods	11,936,667	4,317,700
Closing Finished Goods [Refer Note No. 24(a)(iii)]	19,454,049	11,936,667
	(7,517,382)	(7,618,968)
Total (Increase)/Decrease in Inventories	(48,064,403)	22,439,358
Note No. 24(a)		
Details of inventories at the end of the year		
(i) Traded Goods		
Chemicals	118,843,328	74,772,187
Textiles	80,643	272,044
Others	1,197,730	1,337,773
	120,121,701	76,382,004
(ii) Work-in-progress		
Chemicals	2,965,279	2,628,430
Textiles	1,213,194	5,672,073
	4,178,473	8,300,502
(iii) Finished Goods		
Chemicals	18,433,007	10,654,846
Textiles	1,021,041	1,281,822
	19,454,049	11,936,667
25 Employee Benefit expenses		
Salaries, Wages and Bonus	30,011,102	30,345,396
Contribution to Provident fund and other funds	1,253,223	1,211,587
Staff Welfare expenses	697,309	742,113
	31,961,634	32,299,096
26 Finance Costs		
Interest on borrowings	44,906,005	40,708,893
Bill Discounting Charges	-	48,476
Bank Charges on facilities	530,010	902,626
Applicable loss on foreign currency transactions and translation	2,128,465	3,036,717
	47,564,480	44,696,712
27 Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	20,203,095	20,288,623
Amortization of Tangible Assets	5,264	5,264
Amortization of Intangible Assets	7,144,105	6,963,523
	27,352,464	27,257,410
28 Other Expenses		
Power and Fuel	10,752,679	9,637,496
Rent	1,977,612	1,849,610
Rates and Taxes	985,624	398,104
Insurance	1,227,241	1,289,792

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
Repairs and Maintenance		
- Plant and Machinery	1,653,237	1,224,315
- Buildings	711,376	256,210
- Others	526,733	515,434
Legal and Professional fees	7,282,047	8,744,201
Royalty	13,482,451	14,572,904
Payment to auditor [Refer Note No. 28(a)]	570,472	627,670
Exchange difference (net) other than considered in finance cost	-	1,837,110
Sundry Balance written off	147,716	2,707,367
Selling and Distribution expenses	16,067,331	11,392,537
Brokerage expenses	7,992,478	4,207,151
Windmill Maintenance Charges	1,686,574	1,581,108
Travelling and Conveyance	4,809,535	4,786,679
Communication costs	1,048,817	1,004,385
Printing and Stationery	462,792	449,022
Labour and Jobwork Charges	4,141,152	3,945,727
Packing Material consumed	47,211,840	27,687,656
Utility Material Consumed	940,299	-
Laboratory Material Consumed	79,298	53,392
Export expenses	11,459,016	5,773,491
Security Charges	590,863	771,577
Corporate office expenses	1,199,007	1,046,036
Office Expenses	1,954,824	1,827,132
Office Electricity Expenses	253,763	248,964
Warehousing Charges	2,478,500	2,437,157
Vehicle expenses	931,429	915,486
Share Trading expenses	3,536	5,526
Donation	38,500	15,000
Bank Charges	2,540,787	3,264,583
Logistics expenses	2,257,436	963,600
Miscellaneous expenses	3,699,548	2,404,700
	151,164,513	118,441,121
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	15,000	212,500
Reimbursement of expenses including service tax	55,896	36,545
	420,896	599,045
Cost Auditor		
As Audit Fees	137,201	25,000
Reimbursement of service tax	12,375	3,625
	149,576	28,625
	570,472	627,670

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
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)

	31-03-2017	31-03-2016
	₹	₹
(i) Assumptions		
Discount Rate (p.a.)	6.77%	7.54%
Rate of escalation in Salary (p.a.)	10.24%	9.73%
Attrition Rate	15.20%	19.60%
Retirement age	60 Years	60 Years
(ii) Obligation at beginning of the year	2,206,897	1,232,097
Service cost	319,710	249,631
Interest Cost	166,400	98,075
Benefits settled	-	-
Actuarial (gains)/losses	(163,052)	627,094
Obligation at end of the year	2,529,955	2,206,897
(iii) Expenses/(Income) recognised in statement of Profit and Loss		
Service cost	319,710	249,631
Interest cost	166,400	98,075
Actuarial (gain)/loss	(163,052)	627,094
Net gratuity cost	323,058	974,800
(iv) Amount recognised in Balance Sheet		
Liability at the beginning of the period	2,206,897	1,232,097
Expenses/(Income) recognised in statement of Profit and Loss	323,058	974,800
Net amount recognised in Balance Sheet	2,529,955	2,206,897

- (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	23,669,945	15,951,588
Chemicals	1,624,587,057	1,259,969,469
Renewable Energy	9,493,907	10,877,864
Others	-	-
Total Segment Revenue	1,657,750,909	1,286,798,921
Segment Results		
Profit Before Interest and Tax		
Textiles	3,070,285	1,294,467
Chemicals	137,356,941	89,847,654
Renewable Energy	5,303,961	6,329,329
Others	-	(5,526)
Total Segment Results	145,731,186	97,465,924

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017	31-03-2016
	₹	₹
Less: Finance Cost	47,564,480	44,696,712
Other unallocable expenses net off unallocable income	26,710,595	28,183,387
Total Profit Before Tax	71,456,111	24,585,825
Capital Employed		
Segment Assets less Segment Liabilities		
Textiles	18,525,483	28,064,590
Chemicals	209,498,094	142,599,135
Renewable Energy	44,683,606	46,536,811
Add: Unallocable Corporate assets net off unallocable corporate liabilities	(18,792,056)	(9,200,997)
Total Capital Employed	253,915,127	207,999,539

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 | 1) Wedgewood Holdings Limited, Mauritius |
| (ii) Key Management Personnel | 1) Anup Jatia, Executive Director
2) C. P. Vyas, Company Secretary
3) Ratan Agrawal, Chief Financial Officer |
| (iii) Relatives of Key Management Personnel | 1) Manju Agrawal |
| (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

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Amount in ₹	
					Other related parties as in 31(a)(iv)	
Sales	-	-	-	-	15,338,012	
	-	-	-	-	(21,208,814)	
Purchase	-	-	-	-	1,759,899	
	-	-	-	-	(2,114,192)	
Rent Paid	-	-	-	-	551,600	
	-	-	-	-	(546,788)	
Directors Remuneration	-	-	4,200,000	-	-	
	-	-	(4,200,000)	-	-	
Fees Paid	-	-	995,000	660,000	-	
	-	-	(985,000)	(600,000)	-	
Salary Paid	-	-	950,460	-	-	
	-	-	(930,348)	-	-	
Interest Paid	-	-	12,118,860	-	414,247	
	-	-	(4,955,343)	-	-	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Nature of Transactions	Amount in ₹				
	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(iv)
Interest Received	-	-	-	-	-
Rent Received	-	-	-	-	(184,315)
Unsecured Deposit Received	-	-	34,000,000	-	882,000
Unsecured Loan Given	-	-	(27,400,000)	-	(738,000)
Reimbursement of Expenses Paid	-	-	-	-	-
Reimbursement of Expenses Received	-	-	-	-	149,579
	-	-	-	-	(225,854)
	-	-	-	-	331,879
	-	-	-	-	(340,631)
Balance as at 31st March, 2017	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(iv)
Security Deposit Payable	-	-	-	-	750,000
Trade Receivables	-	-	-	-	(1,500,000)
Trade Payables	-	-	-	-	513,013
Unsecured Deposit Payable	-	-	89,500,000	-	(5,232,625)
Interest Payable (Net of T.D.S.)	-	-	(61,000,000)	-	571,044
	-	-	1,107,568	-	(571,044)
	-	-	(573,645)	-	-

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

	31 st March, 2017 ₹	31 st March, 2016 ₹
Profit after tax	45,915,575	15,802,429
<u>Weighted average number of shares outstanding at the year end</u>	Nos.	Nos.
Equity shares outstanding at the beginning of the year	51,000,000	51,000,000
Basic and diluted earnings per share (₹)	0.90	0.31
Face value per share (₹)	1	1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
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. ₹ 1,246,598/-).
- (ii) Central Sales Tax liability of ₹ 7,160,867/- (P.Y. ₹ 8,766,882/-) 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.
- (iv) Disputed Central Sales Tax demands of ₹ 16,365,229/- (P.Y. ₹.Nil) in respect of Bond Transfer Sales. The issue was decided by Honourable Maharashtra Sales Tax Tribunal in favour of assesses, However, the department has filed an appeal against the order in Bombay High Court.

- 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

	31-03-2017 ₹	31-03-2016 ₹
Raw Materials	309,313,485	109,129,094
Traded Goods	949,513,151	657,116,050
Others	21,885,969	2,443,699
	1,280,712,605	768,688,843

37 Expenditure in Foreign Currency

	31-03-2017	31-03-2016
Interest on short term borrowings	931,213	1,118,239
Membership and Subscription	449,807	66,020
Royalty	13,482,451	14,572,904
Travelling	517,919	480,645
	15,381,390	16,237,808

38 Imported and indigenous raw materials, components consumed

	% of total consumption 31-03-2017	Value 31-03-2017 ₹	% of total consumption 31-03-2016	Value 31-03-2016 ₹
Raw Materials				
Imported	96.04%	285,756,910	86.87%	185,040,192
Indigenously obtained	3.96%	11,772,472	13.13%	27,925,690
	100.00%	297,529,382	100.00%	212,965,882

39 Earnings in foreign currency

	31-03-2017 ₹	31-03-2016 ₹
Exports at F.O.B. Value	128,101,975	65,033,609
Commission Income	-	81,459
	128,101,975	65,115,068

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
40 Details of Derivative instruments and unhedged foreign currency exposure
a) Derivatives outstanding as at the balance sheet date
Particulars
Forward contracts to buy
For Hedging of foreign currency purchases

	Amount in US\$	Amount in ₹	No. of Contracts
As on 31.03.2017	1,742,815	113,030,267	24
As on 31.03.2016	1,185,323	78,539,510	21

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

Particulars	As on 31.03.2017		As on 31.03.2016	
	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	3,655,489	237,076,723	1,521,576	100,819,615
Secured Trade Credit	1,079,500	70,010,973	70,339	4,660,662
Trade receivable	625,421	40,561,685	248,044	16,435,395

Particulars	As on 31.03.2017		As on 31.03.2016	
	Amount in JPY	Amount in ₹	Amount in JPY	Amount in ₹
Trade Payable	8,897,904	5,159,895	-	-

41 In the Opinion of the Board of Directors, the Current Assets, Loans and 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 30, 2017

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, 2017, 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, 2017;
- 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 ₹ 572.83 Lacs as at March 31, 2017, total revenue of ₹ 7557.00 Lacs and Net Profit of ₹ 6.10 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, 2017, 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, 2017, 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.
 - iv) The Holding Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Dated: May 30, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As At 31-03-2017 ₹	As At 31-03-2016 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	51,000,000
Reserves and Surplus	3	203,693,272	157,243,897
		254,693,272	208,243,897
2 Non-Current Liabilities			
Long Term Borrowings	4	195,298,969	199,774,185
Deferred Tax Liabilities (Net)	5	43,138,000	18,429,000
Long Term Provisions	6	2,670,686	2,180,389
		241,107,655	220,383,574
3 Current Liabilities			
Short Term Borrowings	7	194,215,381	187,077,972
Trade Payables	8	336,326,202	172,181,595
Other Current Liabilities	9	57,083,119	46,855,069
Short Term Provisions	10	18,345,171	8,054,514
		605,969,873	414,169,151
Total		1,101,770,801	842,796,622
II. ASSETS			
1 Non Current Assets			
Fixed Assets	11		
Tangible Assets		356,710,484	372,717,380
Intangible Assets		4,786,598	10,454,493
		361,497,082	383,171,873
Long Term Loans and Advances	12	34,751,111	12,685,356
Other Non-Current Assets	13	2,926,136	8,644,028
		37,677,247	21,329,384
2 Current Assets			
Inventories	14	246,823,108	147,886,935
Trade Receivables	15	347,408,401	228,100,128
Cash and Bank Balances	16	21,044,174	6,665,760
Short Term Loans and Advances	17	67,615,918	38,465,657
Other Current Assets	18	19,704,871	17,176,884
		702,596,472	438,295,365
Total		1,101,770,801	842,796,622

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 30, 2017

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
INCOME			
Revenue from Operations	19	2,413,444,370	1,772,092,016
Other Income	20	6,920,748	5,123,992
Total Revenue		2,420,365,118	1,777,216,007
EXPENDITURE			
Cost of materials consumed	21	297,529,382	212,965,882
Purchase of traded goods	22	1,830,529,388	1,288,068,790
Changes in inventories of finished goods, work- in- progress and traded goods	23	(47,384,415)	22,047,059
Employee Benefits Expense	24	33,522,585	33,677,939
Finance Cost	25	47,564,480	44,696,712
Depreciation and Amortization Expenses	26	27,352,464	27,257,410
Other Expenses	27	159,185,327	123,643,865
Total Expenditure		2,348,299,210	1,752,357,657
Profit before Tax		72,065,908	24,858,350
Less: Tax Expenses			
Current Tax		15,400,000	5,400,000
Deferred Tax		24,709,000	8,382,924
MAT Credit Entitlement		(14,568,977)	(5,012,769)
Wealth Tax		-	13,241
Earlier years adjustments		513	-
		25,540,536	8,783,396
Profit for the period		46,525,372	16,074,954
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	31		
Basic		0.91	0.10
Diluted		0.91	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 30, 2017

Shivhari Halan
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DIN : 00220514

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Executive Director
DIN : 00351425

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-2017 ₹	2015-2016 ₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	72,065,908	24,858,350
Adjustments for:		
Depreciation	27,352,464	27,257,410
Profit on sale of fixed assets	(1,474,924)	(1,610,794)
Increase/(Decrease) in foreign currency translation reserve	(75,997)	(30,305)
Interest expenses	45,436,016	41,659,995
Interest income	(4,501,013)	(2,688,820)
Unrealised foreign exchange (Gain)/Loss	(2,567,359)	(3,090,185)
Provision for expenses, gratuity & leave encashment	5,778,191	1,656,403
Excess provisions written back	(62,811)	(86,378)
Interest Subsidy Received	-	(249,054)
Rental income	(882,000)	(738,000)
Sundry balances written off	147,716	2,707,367
Operating profit before working capital changes	141,216,190	89,645,988
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(147,088,405)	46,468,897
(Increase)/Decrease in inventories	(98,936,174)	9,320,962
Increase/(Decrease) in trade and other payables	174,543,078	(88,169,167)
Cash generated from operating activities	69,734,689	57,266,679
Less: Direct taxes (net of refund)	12,296,087	402,245
Total cash generated from operating activities	57,438,602	56,864,434
Cash generated from prior period items (net)	-	-
Net cash flow from/(used in) operating activities	57,438,602	56,864,434
B. Cash Flow From Investing Activities		
Sale of fixed assets	2,114,537	3,442,373
Purchase of fixed assets/capital work in progress	(7,792,210)	(6,753,768)
Interest income	2,680,387	1,398,277
Rental income	882,000	738,000
Cash generated from investing activities	(2,115,286)	(1,175,118)
Less: Income-tax paid at source	88,200	73,800
Net Cash flow from / (used in) investing activities	(2,203,486)	(1,248,918)
C. Cash Flow from Financing activities		
Proceeds from borrowings	2,662,194	(15,140,105)
Interest expenses	(43,518,072)	(40,137,989)
Net cash flow/(used in) from financing activities	(40,855,878)	(55,278,094)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14,379,238	337,422
Cash and cash equivalent as on 1.4.2016 (Opening Balance)	6,668,204	6,330,781
Cash and cash equivalent as at 31.3.2017 (Closing Balance)	21,047,443	6,668,204

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017 ₹	2015-2016 ₹
Notes:		
1) Reconciliation of cash and cash equivalents		
As per Balance Sheet - Note No. 17	21,044,174	6,665,760
Add: Foreign exchange loss on revaluation of foreign currency	3,268	2,443
As per Cash flow statement	21,047,443	6,668,203
2) Cash and cash equivalents comprises of		
a) Cash in hand	477,010	492,992
b) Bank balance in current accounts	11,764,931	4,323,873
c) Unpaid dividend account	95,439	95,459
c) In fixed deposit account	8,710,063	1,755,880
	21,047,443	6,668,203

- 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.

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 30, 2017

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, 2017**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 assets/liabilities

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, 2017

	31-03-2017 ₹	31-03-2016 ₹
2 Share Capital		
Authorised Shares		
80,000,000 (31 st March, 2016: 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, 2016: 51,000,000)	51,000,000	51,000,000
Equity Shares of ₹ 1/- each	51,000,000	51,000,000

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

Equity Shares	31-03-2017		31-03-2016	
	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.

The Board of Director of the Company at its meeting held on 30th May, 2017 has recommended Dividend of ₹ 0.10 per Equity Share (10%) for the Financial Year 2016-2017, subject to approval of the members at the ensuing Annual General Meeting (Previous year - Nil). Pursuant to Companies Accounting Standards Amendment Rules 2016 notified by Ministry of Corporate Affairs (G.S.R. 364 (E) dated 30.03.2016) amending Accounting Standard 4, dividends proposed/declared after the balance sheet date have been recognised as Provision/Liability.

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

	31-03-2017 Nos.	31-03-2016 Nos.
Holding Company		
Name of the Company		
Wedgewood Holdings Limited, Mauritius	28,800,000	28,800,000
Equity Shares of ₹ 1/- each fully paid	28,800,000	28,800,000

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

Equity shares of ₹ 1/- each fully paid Name of the shareholder	31-03-2017		31-03-2016	
	Nos.	% of holding	Nos.	% of holding
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Limited	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	-	-	3,060,000	6.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
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 Account		
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	134,421	164,726
Add: Exchange gain on translation during the year	(75,997)	(30,305)
Closing Balance	58,424	134,421
e) Surplus in the statement of profit and loss		
Balance as per the last financial statements	83,399,476	68,080,396
Profit for the year	46,525,372	16,074,954
Less: Appropriations		
Adjustment on account of Depreciation as per Schedule II of the Companies Act, 2013	-	755,873
Net surplus in the statement of profit and loss	129,924,848	83,399,476
Total Reserves and Surplus	203,693,272	157,243,897
4 Long Term Borrowings		
Secured		
a) Term Loans		
Loan from bank [Refer Note No. 4(a)(i)]	132,257,907	161,221,525
Loan from other party [Refer Note No. 4(a)(ii)]	-	2,954,597
Total Secured	132,257,907	164,176,122
Unsecured		
b) Deposits [Refer Note No. 4(b)(i)]	94,000,000	65,500,000
c) Other Loans and Advances		
Interest Free Security Deposits [Refer Note No. 4(d)(i)]	750,000	1,500,000
Total Unsecured	94,750,000	67,000,000
	227,007,907	231,176,122
Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No. 9)	(31,708,938)	(31,401,938)
	195,298,969	199,774,185

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**From HDFC Bank Limited****Nature 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 July, 2017.

From Kotak Mahindra Bank Limited**Nature of Security**

- Secured by exclusive charge on all present and future current assets and movable fixed asset of the manufacturing unit at Jhagadia , Gujarat.
- Collateral Security of Plot No. 675 at GIDC, Jhagadia and 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 + 1.70 % p.a.

Terms of Repayment

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

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

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

Received from Director (Refer Note No. 31)

31-03-2017	31-03-2016
₹	₹
94,000,000	65,500,000
94,000,000	65,500,000

Rate of Interest**Deposit 1**

The rate of interest is 12.50% p.a. upto April 2016 being paid on a monthly basis.

The rate of interest is 14.00% p.a. from May 2016 being paid on monthly basis.

Deposit 2

The rate of interest is 15.00% p.a. being paid on monthly basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
<u>Terms of Repayment</u>		
Repayable on or after 36 months		
Note No. 4(c)		
Other Loans and Advances		
(i) Security Deposits		
Received from related party (Refer Note No. 31)	750,000	1,500,000
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 tax books and financials books	47,148,000	43,100,636
Less:		
Items leading to deferred tax assets		
Carry Forward of Business Losses	(2,742,000)	(23,587,182)
Expenses allowable on Payment basis	(1,268,000)	(1,084,454)
Net (Deferred Tax Liability)	43,138,000	18,429,000
6 Long Term Provisions		
a) Provisions for employees benefits		
Provision for gratuity (Refer Note No. 28)	2,270,131	1,868,024
Provisions for leave benefits (Refer Note No. 28)	400,555	312,365
	2,670,686	2,180,389
7 Short Term Borrowings		
a) Secured [Refer Note No. 7(a)(i)]		
Repayable on demand		
Cash Credit from banks	107,105,826	95,766,639
Short Term Working Capital Demand Loan from Bank	10,000,000	10,000,000
Trade Credit	70,010,973	43,175,679
	187,116,798	148,942,317
b) Unsecured Deposits [Refer Note No. 7(b)(i)]		
Repayable on demand		
Inter Corporate Deposits	7,000,000	38,000,000
Loan from others	98,583	135,654
	7,098,583	38,135,654
	194,215,381	187,077,972

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.

Rate of Interest

Effective cost for the above loans are in the range of 10.90% p.a. to 11.05% p.a. (P.Y. 11.75 % p.a. to 12.50% p.a.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017	31-03-2016
Note No. 7(b)(i)		
<u>Rate of Interest</u>	15.00%	15.00%-16.00%
The interest is paid on quarterly basis.		
<u>Terms of Repayment</u>		
Repayable on or before 12 months		
	31-03-2017	31-03-2016
	₹	₹
8 Trade payables		
Trade payables (Refer Note No. 34)	336,326,202	172,181,595
	336,326,202	172,181,595
9 Other Current Liabilities		
Current maturities of long term borrowings (Refer Note No. 4)	31,708,938	31,401,938
Interest accrued but not due on borrowings	1,713,404	1,522,006
Interest accrued and due on borrowings	-	-
Unpaid Dividend*	95,439	95,459
Provision for Mark to Market Loss on Open Forward Contract	3,842,523	1,490,623
Payable for other expenditure	8,593,773	3,738,035
Other Non Trade Liabilities	57,747	-
Advance from Customers	4,825,330	3,605,686
VAT / CST Payable	4,446,051	3,485,221
TDS payable	1,696,199	1,442,276
Rates and Taxes payable	103,714	73,826
	57,083,119	46,855,069
*Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
10 Short Term Provisions		
Provisions for employee benefits		
Salary and Reimbursements	1,805,581	2,015,299
Contribution to Provident Fund	199,309	203,764
Gratuity	259,824	338,873
Leave benefits	80,457	96,578
Provision for Income Tax	16,000,000	5,400,000
	18,345,171	8,054,514
11 Note on Fixed Assets [please refer page no. 79]		
12 Long Term Loans and Advances		
Other Loans and Advances		
(Unsecured, considered good)		
Security Deposit to Government authorities and others	3,159,937	3,160,787
Income Tax Deposits	9,650,283	2,152,655
MAT Credit Entitlement [Refer Note No. 33]	21,940,891	7,371,914
	34,751,111	12,685,356
13 Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 16]	10,399,517	15,018,274
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [Refer Note No. 18]	(10,289,641)	(8,929,286)
	109,876	6,088,989
Stamp Duty Receivable	-	1,000,000
MEIS Licence	2,592,471	604,703
Duty Drawback receivable	223,789	950,337
	2,926,136	8,644,028

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

11 Fixed Assets

Particular	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2016	Additions/ Disposals	Other Adjustments	Cost as at 31.03.2017	As at 01.04.2016	For the year	Adjustment /Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS										
Leasehold Land	37,136,205	82,095	-	37,218,300	15,792	5,264	-	21,056	37,197,244	37,120,413
Factory Building *	138,688,208	1,392,590	266	140,080,532	26,068,459	4,590,425	-	30,658,884	109,421,648	112,619,749
Office Equipments	2,241,394	123,547	8,865	2,356,076	1,291,706	384,242	-	1,675,948	680,128	949,688
Electric Installation	5,052,079	47,285	-	5,099,364	5,015,381	6,229	-	5,021,610	77,754	36,698
Factory Equipments	525,810	304,160	-	829,970	337,453	35,070	-	372,523	457,447	188,357
Plant & Machinery	195,492,779	4,178,678	2,501,948	197,169,509	27,566,626	10,697,449	(324,041)	37,940,034	159,229,475	167,926,153
Furniture & Fittings	4,721,344	25,553	-	4,746,897	2,572,018	359,774	-	2,931,792	1,815,105	2,149,326
Computers	3,336,893	234,593	-	3,571,486	2,859,862	265,268	-	3,125,130	446,356	477,031
Printer	41,102	-	-	41,102	22,560	10,794	-	33,354	7,748	18,542
Vehicles	11,155,457	-	-	11,155,457	4,494,338	1,068,200	-	5,562,538	5,592,919	6,661,119
Wind Mills	87,351,734	-	-	87,351,734	42,781,431	2,785,644	-	45,567,075	41,784,659	44,570,303
Total (A)	485,743,004	6,388,501	2,511,079	489,620,426	113,025,624	20,208,359	(324,041)	132,909,942	356,710,484	372,717,380
INTANGIBLE ASSETS										
Software	1,377,926	1,476,210	-	2,854,136	839,543	404,105	-	1,243,648	1,610,488	538,383
Technical Know-how	26,960,000	-	-	26,960,000	17,043,890	6,740,000	-	23,783,890	3,176,110	9,916,110
Total (B)	28,337,926	1,476,210	-	29,814,136	17,883,433	7,144,105	-	25,027,538	4,786,598	10,454,493
Total (A+B)	514,080,930	7,864,711	2,511,079	519,434,562	130,909,057	27,352,464	(324,041)	157,937,480	361,497,082	383,171,873
Previous Year	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	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017 ₹	31-03-2016 ₹
14 Inventories		
(valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components [includes in transit ₹ 79,291,105/- (31 st March, 2016 - ₹ 27,963,376/-)] [Refer Note No. 21(a)(ii)]	94,844,131	46,788,738
Work-in-progress [Refer Note No. 23(a)(ii)]	4,178,473	8,300,502
Finished Goods [Refer Note No. 23(a)(iii)]	19,454,049	12,022,933
Traded Goods [includes in transit ₹ 91,443,930/- (31 st March, 2016 - ₹ 36,644,395/-) [Refer Note No. 23(a)(i)]	121,681,980	78,536,005
Stores and spares & Packing Materials [includes in transit ₹ 1,737,389 /- (31 st March, 2016 - ₹ NIL/-)]	6,664,476	2,238,756
	246,823,108	147,886,935
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	9,045,205	10,207,794
Others	338,363,196	217,892,334
	347,408,401	228,100,128
Allowances for doubtful receivables	-	-
	347,408,401	228,100,128
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
Tozai Safety Private Limited	35,499	4,553,260
Accent Industries Limited	477,514	679,354
	513,013	5,232,625
16 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	473,741	490,549
Other Bank Balances		
In Current Accounts	11,764,931	4,323,873
In Unpaid dividend account	95,439	95,459
In Fixed Deposit Accounts		
Fixed Deposits with original maturity for less than 3 months*	-	105,743
Other Bank Balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	8,710,063	1,650,137
Fixed Deposits with original maturity for more than 12 months*	10,399,517	15,018,274
	31,443,692	21,684,035
Less:		
Deposit with original maturity of more than 12 months (Refer Note No. 13)	(10,399,517)	(15,018,274)
	21,044,174	6,665,760
* Out of the above Fixed Deposits:		
Given as Margin money for Trade Credit and L/C facilities	17,867,983	15,532,557
Given against Bank Guarantee	1,241,598	1,241,598
	19,109,581	16,774,154

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Disclosure required as per notification no. GSR 308(e) [f.no.17/62/2015-cl-v-(vol.i)], dated 30-3-2017 of Ministry of Corporate Affairs :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	250,000	887,463	1,137,463
(+) Permitted receipts	-	775,052	775,052
(-) Permitted payments	-	1,022,451	1,022,451
(-) Amount deposited in Banks	250,000	32,000	282,000
Closing cash in hand as on 30.12.2016	-	608,064	608,064

	31-03-2017 ₹	31-03-2016 ₹
17 Short Term Loans and Advances		
Unsecured, considered good unless otherwise stated		
Security Deposits to others	258,950	255,950
Prepaid Expenses	2,617,964	2,700,971
Loans and advances to staff	215,700	391,500
Loans and Advances to a Officer of the company	-	78,678
Other Loans and Advances		
Balances with Statutory Government authorities	43,757,259	22,445,564
Loans and advances to other parties	10,000,000	-
Advances recoverable in cash or kind or for value to be received	10,766,045	12,592,995
	67,615,918	38,465,657
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	10,289,641	8,929,286
Pre-Operative Expenses of subsidiary company	115,912	235,780
Interest accrued but not due on Bank Deposits	182,174	1,157,209
Interest accrued and due on Loans	653,732	213,021
Interest accrued on Security Deposits with MSEB	20,548	22,832
Interest Subsidy receivable	8,442,864	6,618,756
	19,704,871	17,176,884

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
19 Revenue from Operations		
a) Sale of products [Refer Note No. 19(a)(i)]	2,384,708,084	1,761,677,069
	2,384,708,084	1,761,677,069
b) Other Operating Revenue		
Excise Duty Rebate	14,690,550	1,006,645
Electricity Duty Exemption	-	856,582
Export Entitlement	4,487,377	1,398,384
Misc Income	79	169,319
Interest Subsidy	2,873,530	5,764,623
Exchange difference	5,832,818	-
Commission	851,932	1,219,394
	28,736,286	10,414,946
Revenue from Operations	2,413,444,370	1,772,092,016
Note No. 19(a)(i)		
Details of Sale of products		
Chemicals	2,351,903,279	1,735,012,415
Textiles	23,330,428	15,952,495
Wind Energy	9,474,377	10,712,159
	2,384,708,084	1,761,677,069
20 Other Income		
Interest income		
From Bank	1,403,870	1,482,565
From Others	3,097,143	1,206,254
	4,501,013	2,688,820
Profit on sale of Asset	1,474,924	1,610,794
Other non-operating income	944,811	824,378
	6,920,748	5,123,992
21 Cost of Materials Consumed [Refer Note No. 21(a)]		
Inventory at the beginning of the year	46,709,440	31,151,210
Add: Purchases	345,331,635	228,524,112
	392,041,075	259,675,322
Less: Inventory at the end of the year	94,511,694	46,709,440
	297,529,382	212,965,882
Note No. 21(a)		
(i) Details of Materials Consumed		
Chemicals	295,118,226	208,369,574
Yarn	2,411,156	4,596,308
	297,529,382	212,965,882
(ii) Details of Inventory of raw materials		
Chemicals	93,778,885	45,953,021
Yarn	36,222	38,319
Fabrics	696,587	718,100
	94,511,694	46,709,440
22 Purchase of Traded Goods		
Chemicals	1,819,713,202	1,280,050,445
Textiles	10,816,186	8,018,346
	1,830,529,388	1,288,068,790

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
23 (Increase)/Decrease in Inventories		
Opening Traded Goods	78,622,271	97,011,529
Consumed in Manufacturing	929,354	876,747
Closing Traded Goods [Refer Note No. 23(a)(i)]	121,681,980	78,622,271
	(43,989,063)	17,512,511
Opening Work-in-progress	8,300,502	20,454,018
Closing Work-in-progress [Refer Note No. 23(a)(ii)]	4,178,473	8,300,502
	4,122,029	12,153,515
Opening Finished Goods	11,936,667	4,317,700
Closing Finished Goods [Refer Note No. 23(a)(iii)]	19,454,049	11,936,667
	(7,517,382)	(7,618,968)
Total (Increase)/Decrease in Inventories	(47,384,415)	22,047,059
Note No. 23(a)		
Details of inventories at the end of the year		
(i) Traded Goods		
Chemicals	120,403,607	77,012,454
Textiles	80,643	272,044
Others	1,197,730	1,337,773
	121,681,980	78,622,271
(ii) Work-in-progress		
Chemicals	2,965,279	2,628,430
Textiles	1,213,194	5,672,073
	4,178,473	8,300,502
(iii) Finished Goods		
Chemicals	18,433,007	10,654,846
Textiles	1,021,041	1,281,822
	19,454,049	11,936,667
24 Employee Benefit expenses		
Salaries, Wages and Bonus	31,572,053	31,724,239
Contribution to Provident fund and other funds	1,253,223	1,211,587
Staff Welfare expenses	697,309	742,113
	33,522,585	33,677,939
25 Finance Costs		
Interest on borrowings	44,906,005	40,708,893
Bill Discounting Charges	530,010	48,476
Bank Charges on facilities	2,128,465	902,626
Applicable loss on foreign currency transactions and translation	-	3,036,717
	47,564,480	44,696,712
26 Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	20,203,095	20,288,623
Amortization of Tangible Assets	5,264	5,264
Amortization of Intangible Assets	7,144,105	6,963,523
	27,352,464	27,257,410
27 Other Expenses		
Power and Fuel	10,752,679	9,637,496
Rent	2,834,049	3,587,407
Rates and Taxes	1,046,894	456,360
Insurance	1,264,124	1,380,816

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	For the year ended 31-03-2017 ₹	For the year ended 31-03-2016 ₹
Repairs and Maintenance		
- Plant and Machinery	1,653,237	1,224,315
- Buildings	711,376	256,210
- Others	526,733	515,434
Legal and Professional fees	9,399,453	9,009,068
Royalty	13,482,451	14,572,904
Payment to auditor [Note No. 27(a)]	570,472	627,670
Exchange difference (net) other than considered in finance cost	-	1,879,327
Sundry Balance written off	147,716	2,707,367
Selling & Distribution expenses	16,235,234	11,510,507
Brokerage expenses	10,165,129	5,344,250
Windmill Maintenance Charges	1,686,574	1,581,108
Travelling and Conveyance	5,529,219	5,579,814
Communication costs	1,150,413	1,101,532
Entertainment Expenses	115,175	217,141
Printing and Stationery	478,701	468,494
Labour and Jobwork Charges	4,141,152	3,945,727
Packing Material consumed	47,211,840	27,687,656
Utility Material Consumed	940,299	-
Laboratory Material Consumed	79,298	53,393
Export expenses	11,459,016	5,773,491
Security Charges	590,863	771,577
Corporate office expenses	1,199,007	1,046,036
Office Expenses	1,954,824	1,827,132
Office Electricity Expenses	253,763	248,964
Warehousing Charges	2,478,500	2,437,157
Vehicle expenses	931,429	915,486
Share Trading expenses	3,536	5,526
Donation	38,500	15,000
Bank Charges	3,251,734	3,622,470
Logistics expenses	2,257,436	963,600
Miscellaneous expenses	4,644,501	2,673,431
	159,185,327	123,643,865
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	15,000	212,500
Reimbursement of expenses including service tax	55,896	36,545
	420,896	599,045
Cost Auditor		
As Audit fees	137,201	25,000
Reimbursement of service tax	12,375	3,625
	149,576	28,625
	570,472	627,670

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
**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)

	31-03-2017 ₹	31-03-2016 ₹
(i) Assumptions		
Discount Rate (p.a.)	6.77%	7.54%
Rate of escalation in Salary (p.a.)	10.24%	9.73%
Attrition Rate	15.20%	19.60%
Retirement age	60 Years	60 Years
(ii) Obligation at beginning of the year	2,206,897	1,232,097
Service cost	319,710	249,631
Interest Cost	166,400	98,075
Benefits settled	-	-
Actuarial (gains)/losses	(163,052)	627,094
Obligation at end of the year	2,529,955	2,206,897
(iii) Expenses/(Income) recognised in statement of Profit and Loss		
Service cost	319,710	249,631
Interest cost	166,400	98,075
Actuarial (gain)/loss	(163,052)	627,094
Net gratuity cost	323,058	974,800
(iv) Amount recognised in Balance Sheet		
Liability at the beginning of the period	2,206,897	1,232,097
Expenses/(Income) recognised in statement of Profit and Loss	323,058	974,800
Net amount recognised in Balance Sheet	2,529,955	2,206,897

- (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.

29 Segment Accounting (AS-17)

The Company's segment reporting are as follows:

SEGMENT REVENUE

Sales/Income		
Textiles	23,669,945	15,951,588
Chemicals	2,380,280,518	1,745,262,564
Renewable Energy	9,493,907	10,877,864
Others	-	-
Total Segment Revenue	2,413,444,370	1,772,092,016

SEGMENT RESULTS

Profit before interest and tax		
Textiles	3,069,786	1,295,060
Chemicals	137,967,345	90,104,053
Renewable Energy	5,303,961	6,329,329
Others	-	(5,526)
Total Segment Results	146,341,091	97,722,916

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31-03-2017	31-03-2016
	₹	₹
Less: Finance Cost	47,564,480	44,696,712
Other unallocable expenses net off unallocable income	26,710,703	28,167,854
Total Profit before Tax	72,065,908	24,858,350
CAPITAL EMPLOYED		
Segment Assets less Segment Liabilities		
Textiles	18,525,483	28,064,590
Chemicals	210,276,239	142,843,485
Renewable Energy	44,683,606	46,536,811
Add: Unallocable corporate assets net off unallocable corporate liabilities	(18,792,056)	(9,200,989)
Total Capital Employed	254,693,272	208,243,897

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 | 1) Wedgewood Holdings Limited, Mauritius |
| (ii) Key Management Personnel | 1) Anup Jatia, Executive Director
2) C. P. Vyas, Company Secretary
3) Ratan Agrawal, Chief Financial Officer |
| (iii) Relatives of Key Management Personnel | 1) Manju Agrawal |
| (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

Nature of Transactions	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Amount in ₹	
					Other related parties as in 30(a)(iii)
Sales	-	-	-	15,338,012	
	-	-	-	(21,208,814)	
Purchase	-	-	-	1,759,899	
	-	-	-	(2,114,192)	
Rent Paid	-	-	-	551,600	
	-	-	-	(546,788)	
Directors Remuneration	-	4,200,000	-	-	
	-	(4,200,000)	-	-	
Fees Paid	-	995,000	660,000	-	
	-	(985,000)	(600,000)	-	
Salary Paid	-	950,460	-	-	
	-	(930,348)	-	-	
Interest Paid	-	12,118,860	-	414,247	
	-	(4,955,343)	-	-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Nature of Transactions	Holding Co.	Amount in ₹		
		Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 30(a)(iii)
Interest Received	-	-	-	(184,315)
	-	-	-	-
Rent Received	-	-	-	882,000
	-	-	-	(738,000)
Unsecured Deposit Received	-	34,000,000	-	-
	-	(27,400,000)	-	-
Unsecured Loan Given	-	-	-	-
	-	-	-	(39,500,000)
Reimbursement of Expenses Paid	-	-	-	149,579
	-	-	-	(225,854)
Reimbursement of Expenses Received	-	-	-	331,879
	-	-	-	(340,631)
Balance as at 31st March, 2017	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 30(a)(iii)
Security Deposit Received	-	-	-	750,000
	-	-	-	(1,500,000)
Trade Receivables	-	-	-	513,013
	-	-	-	(5,232,625)
Trade Payables	-	-	-	571,044
	-	-	-	(571,044)
Unsecured Deposit Payable	-	89,500,000	-	-
	-	(61,000,000)	-	-
Interest Payable (Net of T.D.S.)	-	1,107,568	-	-
	-	(573,645)	-	-

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.

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

31 st March, 2017	31 st March, 2016
₹	₹

46,525,372	16,074,954
------------	------------

Weighted average number of shares outstanding at the year end

Total Weighted average Equity shares outstanding at the end of the current year

Basic and diluted earnings per share (₹)

Face value per share (₹)

Nos.	Nos.
51,000,000	51,000,000
0.91	0.32
1	1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
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. ₹ 1,246,598/-).
- (ii) Central Sales Tax liability of ₹ 7,160,867/- (P.Y. ₹ 8,766,882/-) 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.
- (iv) Disputed Central Sales Tax demands of ₹ 16,365,229/- (P.Y. ₹.Nil) in respect of Bond Transfer Sales. The issue was decided by Honourable Maharashtra Sales Tax Tribunal in favour of assesses, However, the department has filed an appeal against the order in Bombay High Court.

- 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.

	31-03-2017 ₹	31-03-2016 ₹
35 Value of Imports calculated on CIF basis		
Raw Materials	309,313,485	109,129,094
Traded Goods	949,513,151	679,946,108
Others	21,885,969	2,443,699
	1,280,712,605	791,518,901
36 Expenditure in Foreign Currency		
Interest on short term borrowings	931,213	1,118,239
Membership & Subscription	449,807	66,020
Royalty	13,482,451	14,572,904
Travelling and others	517,919	480,645
	15,381,390	16,237,808

37 Imported and indigenous raw materials, components consumed

	% of total consumption 31-03-2017	Value 31-03-2017 ₹	% of total consumption 31-03-2016	Value 31-03-2016 ₹
Raw Materials				
Imported	96.04%	285,756,910	86.89%	185,040,192
Indigenously obtained	3.96%	11,772,472	13.11%	27,925,690
	100.00%	297,529,382	100.00%	212,965,882

	31-03-2017 ₹	31-03-2016 ₹
38 Earnings in foreign currency		
Exports at F.O.B. Value	128,101,975	117,248,097
Commission Income	-	81,459
	128,101,975	117,329,556

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
39 Details of Derivative instruments and unhedged foreign currency exposure
a) Derivatives outstanding as at the balance sheet date

Particulars	For Hedging of foreign currency purchases		
	Amount in US\$	Amount in ₹	No. of Contracts
Forward contracts to sell			
As on 31.03.2017	1,742,815	113,030,267	24
As on 31.03.2016	1,185,323	78,539,510	21

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

Particulars	As on 31.03.2017		As on 31.03.2016	
	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	3,655,489	237,076,723	1,521,576	100,819,615
Secured Trade Credit	1,079,500	70,010,973	70,339	4,660,662
Trade receivable	625,421	40,561,685	248,044	16,435,395

Particulars	As on 31.03.2017		As on 31.03.2016	
	Amount in JPY	Amount in ₹	Amount in JPY	Amount in ₹
Trade Payable	8,897,904	5,159,895	-	-

40 In the Opinion of the Board of Directors, the Current Assets, Loans and 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.

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, 2016 to 31st March, 2017 is ₹ 609,786/- (P.Y. Profit of ₹ 272,521/-).

43 The unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of the County of Incorporation. The difference in accounting policies of the Company and its subsidiary is not material and there is no material transaction from 01st April, 2016 to 31st March, 2017 in respect of subsidiary having financial year ended 31st March, 2017.

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

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 30, 2017

C.P. Vyas
Company Secretary

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		31/3/2017	31/3/2016
2	Reporting Currency		JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹	0.5799	0.5898
4	% of shareholding	%	100	100
5	No. of Shares		60	60
₹ in lacs				
6	Share Capital		16.21	16.21
7	Reserves & Surplus		7.78	2.44
8	Total Assets		572.83	54.85
9	Total Liabilities		572.83	54.85
10	Investments		-	-
11	Turnover		7,547.00	4,847.78
12	Profit / (Loss) before Taxation		6.10	2.72
13	Provision for Taxation		-	-
14	Profit / (Loss) after Taxation		6.10	2.72
15	Proposed Dividend		-	-

Notes:

- 1 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.
- 2 The reporting period of the subsidiary is same as that of the holding company i.e. 1st April, 2016 to 31st March, 2017
- 3 Names of subsidiaries which are yetto commence operations - NIL
- 4 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 30, 2017

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 27th Annual General Meeting of the Company held on Thursday, September 21, 2017 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 27th Annual General Meeting of the Company, to be held on Thursday, September 21, 2017 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai - 400020, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote		
		For	Against	Abstain
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, 2017.			
2	To declare Dividend on equity shares.			
3	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.			
4	Appointment of M/s. PKJ & Co., Chartered Accountants as Statutory Auditors of the Company.			
Special Business				
5	Appointment of M/s. Poddar & Co., Cost Accountants as Cost Auditors of the Company.			

Signed this _____ day of _____, 2017

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

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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 30, 2017 (27th AGM to be held on September 21, 2017), 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, 2017.			
2	To declare Dividend on equity shares.			
3	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.			
4	Appointment of M/s. PKJ & Co., Chartered Accountants as Statutory Auditors of the Company.			
SPECIAL BUSINESS				
5	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 Wednesday, September 20, 2017 (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 August 11, 2017 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 September 20, 2017**. 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.

Route Map to Annual General Meeting (AGM) Venue



To,

If undelivered, please return to

BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

145/A, Mittal Towers

Nariman Point

Mumbai - 400 021

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

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