BLACK ROSE

28th Annual Report
2017-18

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
AXIS BANK LIMITED

AUDITORS

M/S. PKJ & CO.
CHARTERED ACCOUNTANTS
2, GULMOHAR COMPLEX,
OPP. ANUPAM CINEMA,
STATION ROAD, GOREGAON (EAST),
MUMBAI - 400063.

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
UNIT NO. 49, BLDG. NO. 13 A-B,
2ND FLOOR, SAMHITA COMMERCIAL CO-OP. SOC. LTD.
OFF. ANDHERI KURLA ROAD, 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

TEL: 022 - 4333 7200
FAX: 022 - 2287 3022
E-MAIL ID: investor@blackrosechemicals.com

NOTICE

Notice is hereby given that Twenty Eighth Annual General Meeting of the members of the Company will be held on Saturday, September 22, 2018 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400020 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, 2018 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, 2018 alongwith 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 ratify the appointment of M/s. PKJ & Co., Chartered Accountants (ICAI Firm Registration Number 124115W) as approved by members at the Twenty Seventh Annual General Meeting, and to authorise Board of Directors to fix their remuneration for the financial year ending 31st March, 2019.

SPECIAL BUSINESS

5. **Appointment of Mr. Ameet Nalin Parikh as an Independent Director**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the said Act, Mr. Ameet Nalin Parikh (DIN 00007036) be and is hereby appointed as an Non – Executive Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years."

6. **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, 2019 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

Place: Mumbai
Date: August 13, 2018

C.P.Vyas
Company Secretary

REGISTERED OFFICE:

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

NOTES:

1. **A MEMBER ENTILED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTILTED 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 and 6 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 14, 2018 to Saturday, September 22, 2018 (both days inclusive).
8. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. It may be noted that once the unclaimed dividend is transferred, on expiry of seven years, to the IEPF, no claim with the Company shall lie in respect thereof. The Company on August 8, 2018 has transferred unclaimed dividend amount of ₹ 95,660/- to IEPF pertaining to the year 2010 – 11.
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 2017 - 2018 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 Tuesday, September 18, 2018 at 9:00 a.m. and ends on Friday, September 21, 2018 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 September 14, 2018 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	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. • 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 theu 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

Pursuant to Section 161 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Ameet Nalin Parikh was appointed as an Additional Director of the Company by the Board of Directors with effect from May 25, 2018. As Mr. Parikh holds office as Director up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director, notice under section 160 of the Companies Act, 2013 has been received from a corporate member indicating its intention to propose Mr. Parikh for the office of Director at the forthcoming Annual General Meeting. Details in respect of Mr. Parikh are furnished in the Annexure II to Notice of AGM.

As the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retie by rotation.

Mr. Parikh has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Parikh fulfills the conditions specified in the Act and the rules made thereunder for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Parikh as Independent Director was placed before the Nomination and Remuneration Committee, which recommends his appointment as Independent Director for a period of five years.

The terms and conditions of appointment of Mr. Parikh, pursuant to the provisions of Schedule IV of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Mr. Parikh 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.

Item No. 6

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, 2019, 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. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 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	Mr. Ameet Nalin Parikh
Date of Appointment as Director	19th April, 1971 / 47 years	3rd November, 1960 / 57 years
Qualification	B.Sc. Engineering and Applied Science (Chemical Engineering and Economics)	Chartered Accountant
Expertise in specific functional areas	Mr. Jatia has around 2 decades of experience in the field of chemicals and textiles, with a deep understanding of international and local business.	Mr. Parikh possesses an expert knowledge in the field of Finance and Law.
Date of Appointment on the Board	18th January, 2007	25th May, 2018
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Jatia has consented to retire by rotation at the ensuing Annual General Meeting, for compliance with the requirement of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment. Mr. Jatia was re-appointed as Executive Director for a term of 5 years commencing May 1, 2016 at a monthly gross salary of ₹ 350,000/-.	Appointment as Non – Executive Independent, not liable to retire by rotation, for a term of 5 consecutive years. He is entitled to receive sitting fees.
Details of last drawn remuneration	₹ 4,200,000 per annum for F.Y. 2017 - 18	Not Applicable for F.Y. 2017-18
Directorship held in other companies	• Accent Industries Limited • Dupoint Impex Limited • Tozai Safety Private Limited • Fukui Accent Trading (India) Pvt. Ltd. • Asian Polyacrylamides Pvt. Ltd. • Atmasantosh Foundation	• Axtel Industries Limited • Desmet Ballestra India Private Limited • Valankani Inforamation Systems Limited • Mediascope Multimedia (India) Private Limited • A20 Software India Private Limited • India Capital Research and Advisors Private Limited • PDM Media (India) Private Limited • Tranzmute Capital & Management Private Limited
Chairmanship / Membership in Committees of other Board	NIL	Mr. Parikh is Chairman of Stakeholders Relationship Committee and Member of Audit Committee and Corporate Social Responsibility Committee in Axtel Industries Limited.
Shareholding in the Company	NIL	NIL
Relationship with Directors and KMP inter – se	None	None
Number of meetings of the Board attended during the F.Y. 2017 - 18	6/6	Not Applicable

By order of the Board
For Black Rose Industries Limited

Place: Mumbai
Date: August 13, 2018

C.P.Vyas
Company Secretary

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 28th Annual Report, together with the Audited Financial Accounts of the company, for the year ended 31st March, 2018.

1. *Financial Results*

The company's standalone and consolidated performance during the financial year ended 31st March, 2018, as compared to the previous financial year is summarised below:

₹ in Lacs

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Revenue from Operations and Other Income	29,823.12	24,242.08	18,545.08	16,685.13
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	**2,241.78**	**1,506.61**	**2,153.63**	**1,500.52**
Less: Finance Cost	381.93	475.64	381.93	475.64
Profit before Depreciation and Tax (PBDT)	**1,859.85**	**1,030.97**	**1,771.70**	**1,024.88**
Less: Depreciation	240.94	273.52	240.94	273.52
Profit before Tax	**1,618.91**	**757.45**	**1,530.76**	**751.36**
Less: Provision for Tax	443.85	255.41	415.00	255.41
Profit after Tax	**1,175.06**	**502.04**	**1,115.76**	**495.95**
Total Comprehensive Income	**1,174.59**	**465.25**	**1,115.29**	**459.16**

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. *Dividend*

Your Directors are pleased to recommend an equity dividend of ₹ 0.15 per equity shares of face value of ₹ 1 each for the year ended 31st March, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting.

4. *Business Scenario*

The first half of the financial year saw various business disruptions caused by the introduction of GST and this hit the company's sales of acrylamide, meta cresol, and ethanolamines during Q2. The latter half witnessed pricing improvements caused by the tightening environmental regulations in China and supply shortages of acrylonitrile, the key raw material used in the production of acrylamide. In Q4, the sudden removal by the Reserve Bank of India of LOU facilities for importers created fund tightness across industries. Interest costs came down during the year but began rising again towards the end as inflation started inching up. The Indian Rupee strengthened over the previous year and largely stayed within a 3% band of ₹ 63.50 – 65.50 per US Dollar for the year.

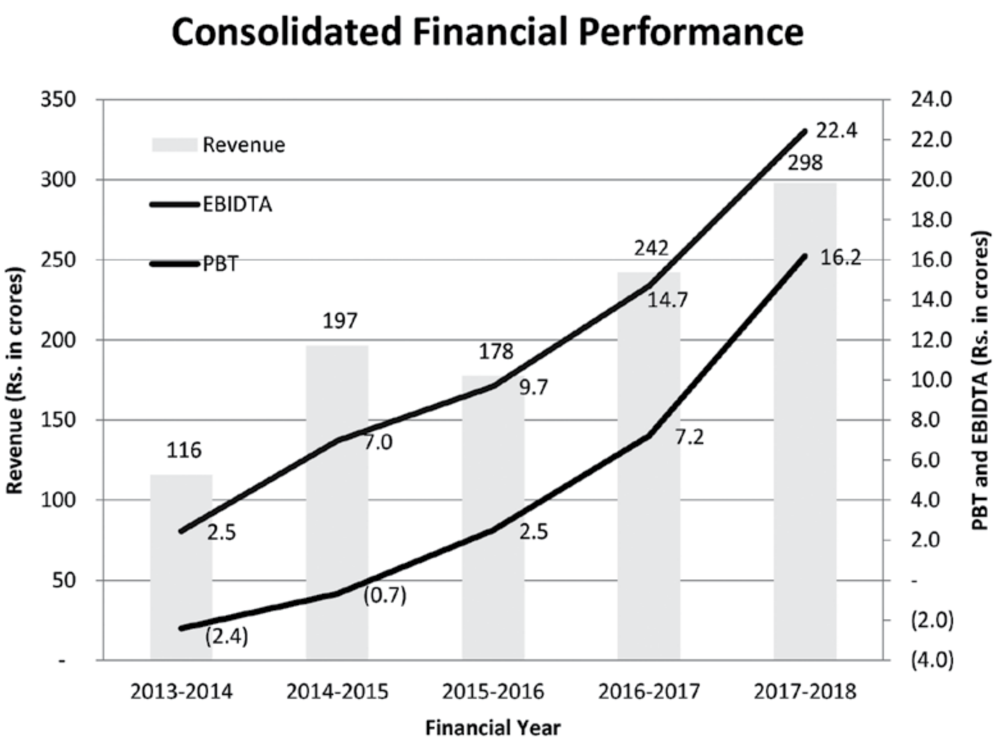
The business scenario is discussed later in more detail in the *Management Discussion and Analysis Report*.

5. *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.

6. Performance Review

The year 2017 – 2018 saw a 53% and 47% increase in consolidated and standalone EBIDTA, respectively. Revenue figures, though not fully comparable as the figures from 2017-18 are net of excise/GST as opposed to the previous year, also grew significantly due to an increase acrylamide sales and an increase in sales of the chemical distribution business. The top 5 products of the distribution business continued to deliver strong results and accounted for more than 75% of the department's sales. Revenues at our subsidiary in Japan grew by 49% and contributed to a little over a third of the consolidated turnover and 5% of consolidated PAT. Profitability significantly improved over the last year due to strong cost control at the acrylamide plant and better margins in the distribution business because of material availability issues caused by the changing environmental regulatory scenario in China. The standalone EBIDTA margin for 2017-18 grew to 11.6% from 9.00%. Standalone profit before tax increased to Rs.1,530.76 lacs as compared to a profit of Rs.751.36 lacs in the previous year.



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

7. Acrylamide Plant at Jhagadia, Gujarat

The company's acrylamide plant has an installed capacity of 14,000MT per year. The company's acrylamide sales grew over the previous year.

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

8. 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 exceed ₹ 100 crores. The subsidiary showed a profit of close to ₹ 60 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, 2018 is attached to the financial statements hereto.

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.

Mr. Ameet Nalin Parikh (DIN 00007036) was appointed as Additional Director of the Company and is proposed to be appointed as Independent Non Executive Director of the Company at the 28th Annual General Meeting of the Company.

10. Board Meetings and Board Committees

a. Board Meetings

The Board of Directors met six times during the financial year ended 31st March, 2018 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, 2018.

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 Website.

11. Auditors and their Reports

a. Statutory Auditors

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

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

The independent statutory auditors' report does not contain any qualification, reservation or adverse remark or disclaimer on the accounts for the year ended 31st March, 2018.

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 2017 - 18 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, 2018 on a remuneration as mentioned in the Notice of 28th 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 28th Annual General Meeting of the Company and same is recommended for Member's consideration and approval.

12. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) forms an integral part of an overall business policy aligned with its business goals. The Company, from time to time, endeavors to utilize allocable CSR budget for the benefit of society.

The Company CSR initiatives are on the activities approved by the Board of Directors of the Company benefiting the society as a whole. However, during the year under review, the Company was unable to spend the CSR amount as the amount required to be spent was not scalable with the suitable CSR activity and the same will be added to the CSR budget for the financial year 2018 – 2019.

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. Indian Accounting Standards (Ind AS)

The annexed financial statements are prepared under and comply with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS.

Detailed information on the impact of the transition from previous GAAP to Ind AS is provided in the annexed financial statements.

15. Consolidated Financial Statements

The directors also present the consolidated financial statements incorporating the financial statements of the subsidiaries, and as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI Listing Regulations, 2015 as prescribed by SEBI.

A separate statement containing the salient features of its subsidiaries in the prescribed Form AOC - 1 is annexed separately.

16. 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, 2018, 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, 2018 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.

17. 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, 2018 is given in **Annexure II** and forms part of this Annual Report.

18. 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.

19. Internal Financial Controls and Compliance Framework

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

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.

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 BSE 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	**Anup Jatia**
Director	Executive Director

Place: Mumbai
Dated: May 25, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

A. *The Economy*

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017- 18.

As fiscal 2018 – 19 is concerned, Indian Economy is expected to grow 7.2 per cent on the back of an uptick in investment activity and how effectively various government policies are implemented.

Still reeling from the effects of demonetisation, the economy took on another big bang reform with the introduction of the GST in July 2017. The launch of GST was beset with major difficulties and created enormous confusions in the economy. The complicated tax structure, failure of online portals, and imposition of several tax slabs all exacerbated the transition to GST.

B. *The Industry*

Chemical

The largest contributor to the company's top line continues to be the sales and distribution of specialty and performance chemicals. These chemicals are mostly imported while some are indigenously procured. The company also manufactures acrylamide in South Asia's first acrylamide monomer plant in Jhagadia, Gujarat. The plant capacity, whose capacity has been increased from 10,000MT to 14,000MT, was established in 2013 under technology license from Mitsui Chemicals, Inc., of Japan. The company plans to further increase its capacity to 20,000MT, with growth in demand and has already secured necessary government approval for the same.

During the second half of 2017, major changes in the environmental regulatory scenario have started to take place in the Chinese chemical industry. Industries flouting environmental laws were shut down and the world witnessed a sudden shortage of a wide range of chemical and other products. The stricter regime in China has affected the Indian chemical industry, both positively and negatively. The negative effect is the difficulty in procuring products which were traditionally being produced in China, and the positive effect is that this has led to a stronger demand for locally produced chemicals. A global shift is being observed toward India as the world's chemical manufacturing hub. India enjoys low-cost manufacturing capabilities by virtue of low-cost labor and geographic proximity with the Middle East. With the government investing to plug the infrastructure gaps in the country, India could emerge as the next manufacturing hub for the chemical industry. The coming years will provide an opportunity for domestic industry players to gain scale and consolidate—and for international players to set up a robust manufacturing base.

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 Indian economy dating back several centuries. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum.

India competes with countries like China, Bangladesh, and Vietnam in the field of textiles.

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, which was once the most promising renewable energy source in India, is gradually being overtaken by solar.

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

Chemical Distribution

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

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

One of the company's distribution products, resorcinol, underwent an anti-dumping investigation during the year. Based on the investigation, the Hon. Director General of Ant-Dumping (DGAD) has set a minimum landed price of US$5,461/MT for the import of resorcinol from China and Japan. As the prevailing prices of resorcinol are significantly higher than this level, there is no effect of the anti-dumping duty on the company's business.

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 produces and supplies acrylamide solution to this market. In addition to the domestic market, there is a strong export demand as well. 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 as well as International market forces also affect acrylamide prices. Acrylamide is also imported by a number of commodity dealers and end users, and import duties can be as high as 7.5% on the same.

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 by 16%. A large part of this was due to increased sales volume of meta cresol and a rise in prices of resorcinol. Sales of ethanolamines fell because of supply constraints caused by manufacturing constraints at our principal's end. The company added new products such as Amine N1 and consolidated its business of meta amino phenol and rubber chemicals.

Acrylamide

Acrylamide revenue grew 21% mainly due to the increase in product prices caused by rising raw material prices. The operations of the acrylamide plant were steady.

Textiles

The textile division's sale fell slightly over the previous year to ₹ 1.5 crores.

Renewable Energy

During the year under review, both the company's windmills performed according to the prevailing meteorological conditions.

E. Outlook

Chemical industry in India is the third largest producer in Asia and sixth largest in the world. Indian chemical industry is expected to double its share in global chemical industry to 5-6% by 2021 registering growth of 8-9% in the next decade. Numbers of MNCs are focusing on India for their manufacturing hub. Lower cost of labor, availability of key raw materials, large consumer markets and adaptability to technology are some of main attractions for having a strong manufacturing base in India. The recent change in Chinese environmental regulatory scenario has further accelerated India's growth.

Acrylamide

The acrylamide business was faced with irregular demand during the year mainly because of the effects of GST. While domestic demand began to stabilise towards the ending of the year, we are seeing a strong uptick in overseas demand and we expect the acrylamide business to be significantly influenced by this over the coming year. The company has already obtained the necessary permissions for a further capacity increase to 20,000MT and is well-positioned to cater to any rise in demand. Raw material price is also expected to hold steady for the major part of the coming year but may fall as and when new capacities are introduced in China.

Chemical Distribution

The company plans to focus on both top line and bottom line growth and targets to increase volumes on new products added while consolidating its leadership position in its key products.

Textiles

Revenues from this segment are expected to remain largely unchanged.

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 is 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, 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 documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

The company is embarking on a major expansion program for the manufacture of polyacrylamide liquids (40,000MT) and polyacrylamide solids (10,000MT). Necessary applications for government approval have been made and Environmental Clearance is expected during the first half of 2018-19. The polyacrylamide liquids plant is expected to begin commercial production during calendar year 2018 and the solids plant during 2019. Expected cost of the expansion is 60 crores and the expansion is expected to add 300 crores to the company's top-line.

The company's entry into the polyacrylamide business is expected to be a game-changer for the Indian polyacrylamide industry. While polyacrylamide liquids are already produced in good volumes in India, India still depends on imports for 99% of its 60,000MT polyacrylamide solid demand. Polyacrylamide liquids are mainly used in the ceramic, textile, mining, adhesive, paper, and paint industries, while the solids are used for industrial wastewater treatment, sewage treatment, oil extraction, and fracking applications. There is no large scale producer of polyacrylamide solids in India as of today and the company expects to gain significantly from a first-mover advantage in this field.

In addition to the polyacrylamide project, the company is actively pursuing other opportunities in the field of chemical manufacturing and will make necessary announcements whenever plans are firmed up.

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, 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 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
- Leadership skills
- Interpersonal Skills
- Communication Skills
- Approach to Work
- Time Management

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, 2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

1	CIN	L17120MH1990PLC054828
2	Registration Date	January 1, 1990
3	Name of the Company	Black Rose Industries Limited
4	Category/Sub-category of the Company	Company Limited by Shares / Indian Non - Government Company
5	Address of the Registered office and contact details	145/A, Mittal Tower, Nariman Point, Mumbai - 400 021. 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 Unit No. 49, Bldg. No. 13 A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd., Off. Andheri Kurla Road, 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 products / service	% to total turnover of the company
1	Manufacturer of organic and inorganic chemical compounds	20119	29.08
2	Wholesale of industrial chemicals	46691	68.87

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 31st March, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% 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 31st March, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Body Corp.	38,010,000	-	38,010,000	74.53	38,010,000	-	38,010,000	74.53	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(2)	**38,010,000**	**-**	**38,010,000**	**74.53**	**38,010,000**	**-**	**38,010,000**	**74.53**	**0.00**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**38,249,850**	**-**	**38,249,850**	**75.00**	**38,249,850**	**-**	**38,249,850**	**75.00**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	800	-	800	0.00	800	-	800	0.00	0.00
b) Banks / FI	-	200	200	0.00	-	200	200	0.00	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**800**	**200**	**1,000**	**0.00**	**800**	**200**	**1,000**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	348,203	15,400	363,603	0.71	734,144	15,400	749,544	1.47	0.76
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,085,151	2,824,160	6,909,311	13.55	4,885,764	2,775,260	7,661,024	15.02	1.47
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,126,173	0	3,126,173	6.13	2,940,681	0	2,940,681	5.77	-0.36
c) Others (specify)									
Non Resident Indians									
Repatriable	1,822,698	0	1,822,698	3.57	859,143	0	859,143	1.68	-1.89
Non - Repatriable	4,800	0	4,800	0.01	37,667	0	37,667	0.07	0.06
Directors and Relatives	-	271800	271800	0.53	0	271,800	271,800	0.53	0.00
Hindu Undivided Families	236,331	4,800	241,131	0.47	212,531	4,200	216,731	0.42	0.05
Clearing Members	9,632	0	9,632	0.02	12,558	0	12,558	0.02	0.00
Trusts	2	0	2	0.00	2	0	2	0.00	0.00
Sub-total (B)(2)	**9,632,990**	**3,116,160**	**12,749,150**	**25.00**	**9,682,490**	**3,066,660**	**12,749,150**	**25.00**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**9,633,790**	**3,116,360**	**12,750,150**	**25.00**	**9,683,290**	**3,066,860**	**12,750,150**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**47,883,640**	**3,116,360**	**51,000,000**	**100.00**	**47,933,140**	**3,066,860**	**51,000,000**	**100.00**	**0.00**

B) Shareholding of Promoters

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

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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, 2018 (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	01.04.2017				
				03.11.2017	(-)150,321	Transfer	1,614,249	3.17
				10.11.2017	(-)200,448	Transfer	1,413,801	2.77
				01.12.2017	(-)114,000	Transfer	1,299,801	2.55
				08.12.2017	(-)153,790	Transfer	1,146,011	2.25
				15.12.2017	(-)2,000	Transfer	1,144,011	2.24
				22.12.2017	(-)290,687	Transfer	853,324	1.67
				31.12.2017	(-)49,102	Transfer	804,222	1.58
				12.01.2018	(-)9,618	Transfer	794,604	1.56
				19.01.2018	(-)3,520	Transfer	791,084	1.55
				31.03.2018			791,084	1.55

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
2	Ruchi Todi	0	0.00	01.04.2017				
				22.09.2017	(+)765,000	Transfer	765,000	1.50
				31.03.2018			765,000	1.50
3	Sujata Todi	765,000	1.50	01.04.2017				
				31.03.2018			765,000	1.50
4	Chitralekha Todi	765,000	1.50	01.04.2017				
				15.09.2017	(-)3,378	Transfer	761,622	1.49
				30.09.2017	(-)10,000	Transfer	751,622	1.47
				27.10.2017	(-)6,356	Transfer	745,266	1.46
				03.11.2017	(-)30,000	Transfer	715,266	1.40
				10.11.2017	(-)20,000	Transfer	695,266	1.36
				15.12.2017	(-)13,845	Transfer	681,421	1.34
				22.12.2017	(-)5,000	Transfer	676,421	1.33
				03.03.2018	(-)5,175	Transfer	671,246	1.32
				09.03.2018	(+)100	Transfer	671,346	1.32
				16.03.2018	(+)5,075	Transfer	676,421	1.33
				31.03.2018			676,421	1.33
5	Rhea Todi	0	0.00	01.04.2017				
				23.03.2018	(+)616,602	Transfer	616,602	1.21
				31.03.2018			616,602	1.21
6	Niche Financial Services Private Limited	0	0.00	01.04.2017				
				22.12.2017	(+)170,731	Transfer	170,731	0.33
				05.01.2018	(+)44,314	Transfer	215,045	0.42
				12.01.2018	(+)11,331	Transfer	226,376	0.44
				31.03.2018			226,376	0.44
7	Yasin Lukamanbhai Gadhia	78,403	0.15	01.04.2017				
				05.01.2018	(+)25,600	Transfer	104,003	0.20
				12.01.2018	(+)8,555	Transfer	112,558	0.22
				19.01.2018	(+)5,100	Transfer	117,658	0.23
				31.03.2018			117,658	0.23
8	Lincoln P Coelho	100000	0.20	01.04.2017				
				31.03.2018			100,000	0.20
9	P D K Impex Private Limited	0	0.00	01.04.2017				
				23.02.2018	(+)100,000	Transfer	100,000	0.20
				31.03.2018			100,000	0.20
10	Neha Subhash Idnany	0	0.00	01.04.2017				
				23.02.2018	(+)700	Transfer	700	0.00
				02.03.2018	(+)3,950	Transfer	4,650	0.01
				09.03.2018	(+)31,029	Transfer	35,679	0.07
				16.03.2018	(+)31,771	Transfer	67,450	0.13
				23.03.2018	(+)27,903	Transfer	95,353	0.19
				31.03.2018	(+)4,424	Transfer	99,777	0.20

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	01.04.2017				
				31.03.2018			271,800	0.53
2	Mr. Sujay Sheth	0	0	01.04.2017				
				31.03.2018			0	0
3	Mr. Anup Jatia	0	0	01.04.2017				
				31.03.2018			0	0
4	Mr. Basant Kumar Goenka	0	0	01.04.2017				
				31.03.2018			0	0
5	Mrs. Garima Tibrawalla	0	0	01.04.2017				
				31.03.2018			0	0
6	Mr. Chiranjilal P. Vyas	0	0	01.04.2017				
				31.03.2018			0	0
7	Mr. Ratan Agrawala	14,000	0.03	01.04.2017				
				12.05.2017	(+)100	Transfer	14100	0.03
				31.03.2018			14,100	0.03

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

₹ in lacs

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Total Indebtedness
i) Principal Amount	3,193.75	1,010.00	4,203.75
ii) Interest accrued but not due	-	17.13	17.13
Total (i+ii)	**3,193.75**	**1,027.13**	**4,220.88**
Change in Indebtedness during the financial year			
* Addition	-	-	-
* Reduction	448.96	31.22	480.18
Net Change	**(448.96)**	**(31.22)**	**(480.18)**
Indebtedness at the end of the financial year			
i) Principal Amount	2,744.79	985.00	3,729.79
ii) Interest accrued but not due	-	10.91	10.91
Total (i+ii)	**2,744.79**	**995.91**	**3,740.70**

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 Mr. Anup Jatia (Whole - Time Director)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,200,000	4,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**4,200,000**	**4,200,000**
	Celling as per the Act		**4,200,000**

B. Remuneration to other directors

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors Mr. Shivhari Halan	Mr. Sujay Sheth	Mr. Basant Goenka	Mrs. Garima Tibrawalla	Total
1	**Independent Directors**					
	Fee for attending board meetings	100,000	100,000	20,000	20,000	240,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**100,000**	**100,000**	**20,000**	**20,000**	**240,000**
2	**Other Non-Executive Directors**					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	**100,000**	**100,000**	**20,000**	**20,000**	**240,000**
	Total Managerial (A+B) Remuneration					**4,440,000**
	Overall Ceiling as per the Act					**6,700,000**

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	-	1,020,000	1,813,988	2,833,988
	(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	**-**	**1,020,000**	**1,813,988**	**2,833,988**

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

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
NIL			

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) Installation of Variable Frequency Drive for process pumps to minimize power consumption.

   ii) Replacement of existing flood lights with LED flood lights around site periphery to minimize 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 ₹ 1.20 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 in process control 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 ₹ 14.70 lakhs on the same during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign exchange outgo : ₹ 12,432.69 lacs
2. Foreign exchange earned : ₹ 1,279.04 lacs

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 2017 – 18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017 – 18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration to Director/KMP for the financial year 2017 – 18	Increase in Remuneration in the financial year 2017 - 18	Ratio of Remuneration of each Director / KMP to the median Remuneration of employees	Comparision 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	-	12.24	3.77
2	Mr. Shivhari Halan Independent Director	-	-	-	-
3	Mr. Sujay Sheth Independent Director	-	-	-	-
4	Mr. Basant Kumar Goenka Independent Director	-	-	-	-
5	Ms. Garima Tibrawalla Independent Director	-	-	-	-
6	Mr. Chiranjilal P. Vyas Company Secretary	1,020,000	2.51	2.97	0.91
7	Mr. Ratan Kumar Agrawal Chief Financial Officer	1,813,988	60.73	5.29	1.63

Sr. 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 13% 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.	58 employees as on March 31, 2018
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.

Sr. No.	Requirements	Disclosure
4	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	Total KMP remuneration of ₹ 7,033,988 was 4.60% 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 8.64% as compared with the percentile increase in the managerial remuneration of 11.48%. 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 matrket quotations of the shares of the company in comparision to the rate at which the company came out with the last public offer.	The market capitalisation of the company has increased from ₹ 13,464 lakhs as of 31st March, 2017 to ₹ 22,925 lakhs as of 31st March, 2018. Over the same period price earning ratio decreased from 29.33 to 20.51. The company's stock price as on 31st March, 2018 has increased by 799% to ₹ 44.95 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.

ANNEXURE VI TO DIRECTORS' REPORT

Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A brief outline of the Company's CSR policy, including overview of projects or programes proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs.**

   The CSR policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) Rules, 2014. The CSR policy of the Company can be viewed on website of the Company at www.blackrosechemicals.com.

2. **The Composition of the CSR Committee.**

Name of Member	**Category**
Mr. Anup Jatia	Chairman
Mr. Basant Kumar Goenka	Member
Mrs. Garima Tibrawalla	Member

3. **Average net profit of the Company for last three financial years:** ₹ 320.14 lacs

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹ 6.40 lacs

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year: ₹ 6.40 lacs

   b) Amount unspent, if any: ₹ 6.40 lacs

   c) Manner in which the amount spent during the financial year: Not Applicable

6. **Reason for not spending the aforesaid amount mentioned at point no. 4 on CSR Activities.**

   During the year under review, the Company was unable to spend the CSR amount as the amount required to be spent was not scalable with the suitable CSR activity and the same will be added to the CSR budget for the financial year 2018 – 2019.

   We hereby confirm that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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 2018 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 2018 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, 2015;

  (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.

We further report that the Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility became applicable during the year under review. The Company was required to spend for Corporate Social responsibility Activities but since the amount being small they have decided to spend the aggregate amount in the next financial year.

During the year the Company has appointed Cost Accountant as per Companies (Cost Records & Audit) Rules, 2014.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our 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: 23.05.2018

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

REPORT ON CORPORATE GOVERNANCE

A *Company's philosophy on the Code of Governance*

Black Rose believes that Good Corporate Governance creates goodwill amongst stakeholders, thus, helps the company to achieve its long term corporate goals, brings consistent sustainable growth and generates competitive return for the investors.

Black Rose also believes that Transparency, Accountability and Compliance of various laws are the key elements for achieving Good Corporate Governance.

B *Board of Directors*

The Company has a broad – based Board of Directors commensurate with the size of the Company, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 "Listing Regulations" and is in accordance with best practices in Corporate Governance.

The Board of Directors comprises of five members as at 31st March, 2018, of whom one is Executive Director and remaining four are Independent Non – Executive Directors.

In view of the above 80% of the Board of Directors of the Company comprises of Independent Non – Executive Director.

Composition and Categories of Board of Directors

Director	Category	Board Meeting attended / held	Attendance at the AGM	Directorship in other Companies Incorporated in India (excluding Black Rose Industries Limited)(*)	Number of Committees (excluding Black Rose Industries Limited) in which Chairman / Member (**)	
					Member	Chairman
Mr. Anup Jatia	Executive Director	6/6	Yes	2	Nil	Nil
Mr. Basant Kumar Goenka	Independent / Non-executive	1/6	No	3	Nil	Nil
Mrs. Garima Tibrawalla	Independent / Non-executive	1/6	No	2	Nil	Nil
Mr. Shivhari Halan	Independent / Non-executive	5/6	Yes	1	1	Nil
Mr. Sujay Sheth	Independent / Non-executive	5/6	Yes	2	2	2

(*) Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s. 8 of the Companies Act, 2013 and Indian LLPs.

(**) Includes only Audit Committee and Stakeholders' Relationship Committee.

During the financial year 2017 – 2018 Six Meetings of the Board of Directors were held on May 30, 2017, September 6, 2017, November 23, 2017, December 11, 2017, January 4, 2018 and February 9, 2018.

Disclosures of relationships between directors inter-se

As at March 31, 20108, the Board comprises of 5 directors. None of the Directors are related to each other.

Equity Shareholding of the Non – Executive Directors in the Company as on March 31, 2018

Sl. No.	Name of the Non – Executive Director	No. of Shares
1	Mr. Basant Kumar Goenka	-
2	Mrs. Garima Tibrawalla	-
3	Mr. Shivhari Halan	271,800
4	Mr. Sujay Sheth	-

Details of familiarization programmes imparted to independent directors

The details of familiarization programmes imparted to independent directors is provided on the Company's website www.blackrosechemicals.com.

C COMMITTEES

Currently the Company has four Committees of the Board viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The terms of reference of these committees is decided by the Board of Directors of the Company. Signed minutes of the Committee Meetings are placed at the meeting of the Board.

The role and composition including the number of meetings and related attendance are given below.

1 AUDIT COMMITTEE

The Company has an independent Audit Committee. The composition, procedure, role/function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief terms of reference of the Audit Committee includes the following:

1) To oversee the company's financial reporting process and disclosures of financial information to ensure that the financial statement is correct, sufficient and credible.
2) To recommend Board of Directors of the Company for appointment, re-appointment and removal of statutory auditors and to fix their audit fees and approve payment for any other services rendered by the statutory auditors.
3) To review with the management, quarterly as well as annual financial statements including of subsidiaries / associates, before submission to the board for approval.
4) To review with the management performance of statutory and internal auditors and adequacy of internal control system.
5) To review the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6) To discuss with internal auditors any significant findings and also reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularities or failure of internal control systems of material nature and reporting the matter to the board.
7) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
8) To review Management Discussion and Analysis of financial condition and results of operations, Statement of significant related party transactions, Management letters / letters of internal control weaknesses issued by the statutory auditors and Internal Audit Reports relating to internal control weaknesses.
9) To review the Company's financial and risk management policies.
10) To perform such other functions as may be delegated by the Board of Directors of the Company.

Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Sujay Sheth – Chairman	Independent / Non – Executive Director	4	4
Mr. Anup Jatia	Executive Director	4	4
Mr. Shivhari Halan	Independent / Non – Executive Director	4	4

Minutes of the meetings of the Audit Committee are approved and signed by the Chairman of the Committee and are noted and confirmed by the Board in its next meeting.

Mr. C. P. Vyas, Company Secretary of the Company act as Secretary to the Committee.

2 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the redressal of Shareholders' / Investors' Complaints / Grievances pertaining to transfer, transmission or credit of shares, non receipt of annual reports, dividend payments, bonus shares and any other allied connected matters.

The Committee reviews performance of the Registrar and Share Transfer Agents of the company periodically and recommends measures for overall improvements in the quality of investors / shareholders related services.

Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Shivhari Halan – Chairman	Independent / Non – Executive Director	4	4
Mr. Anup Jatia	Executive Director	4	4
Mr. Basant Kumar Goenka	Independent / Non – Executive Director	4	0

Mr. C.P. Vyas, Company Secretary of the Company act as Secretary to the Committee. The said Mr. Vyas act as Compliance Officer.

M/s. Satellite Corporate Services Private Limited are the Registrar and Share Transfer Agents both for physical as well as electronic mode.

The table below gives the number of complaints received, resolved and pending during the year 2017 – 2018

Number of Complaints		
Received	Resolved	Pending
NIL	NIL	NIL

3 NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of Independent Directors and the Board.
3. 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.
4. To carry out evaluation of Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. To devise a policy on Board diversity, composition and size.
8. Succession planning for replacing Key Executives.
9. 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.
10. To perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Shivhari Halan – Chairman	Independent / Non – Executive Director	1	1
Mr. Sujay Sheth	Independent / Non – Executive Director	1	1
Mr. Basant Kumar Goenka	Independent / Non – Executive Director	1	0

Performance evaluation criteria for independent directors

While evaluating the performance of the Directors, the following parameters were considered:

1. Attendance at the meeting of the Board and Committee.
2. Participating in Board Meetings or Committee Meetings actively.
3. Preparation for the Board Meetings.
4. Contribution to strategic decision making.
5. Contribution to areas relating to risk assessment and risk mitigation.
6. Review of financial statements and business performance.
7. Contribution to the enhancement of brand image and positive growth of the company.
8. Updation of knowledge of his / her area of expertise.
9. Manner of communication with other Board Members.

Remuneration Paid to Directors during 2017 - 18

Sl. No.	Name of Director	Category	Sitting Fees	Salary and Perquisities	Total
			₹	₹	₹
1	Mr. Anup Jatia	Executive Director	-	4,200,000	4,200,000
2	Mr. Basant Kumar Goenka	Independent / Non – Executive Director	20,000	-	20,000
3	Mr. Garima Tibrawalla	Independent / Non – Executive Director	20,000	-	20,000
4	Mr. Shivhari Halan	Independent / Non – Executive Director	100,000	-	100,000
5	Mr. Sujay Sheth	Independent / Non – Executive Director	100,000	-	100,000

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted pursuant to Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee of the Board consists of Mr. Anup Jatia, Mr. Basant Kumar Goenka and Mrs. Garima Tibrawalla.

Terms of Reference

1. Formulate and recommend to the Board, a CSR Policy.
2. Recommend to the Board CSR activities to be undertaken by the Company.
3. Monitor the CSR Policy of the Company from time to time and ensure its compliance.

D GENERAL BODY MEETING

1. Location and time of last three Annual General Meetings

YEAR	VENUE	DAY AND DATE	TIME
2016 – 2017	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai-400020	Thursday, September 21, 2017	11:30 a.m
2015 – 2016	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020	Monday, August 8, 2016	11:30 a.m.
2014- 2015	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020	Tuesday, September 29, 2018	11:30 a.m.

2. Special Resolutions passed in previous Three Annual General Meetings

No Special Resolutions was passed in the previous three Annual General Meetings.

3. Special Resolution passed through postal ballot

No Special Resolution was passed through postal ballot during the financial year 2017 – 2018.

E MEANS OF COMMUNICATION WITH SHAREHOLDERS

1. The quarterly results of the Company are published in widely circulated newspapers such as Financial Express (English) and Mumbai Lakshadweep (Marathi). The results are also displayed on the Company's website www.blackrosechemicals.com.

2. Official News Releases

Press reports are given on important occasions to the Stock Exchange. They are also displayed on the Company's website www.blackrosechemicals.com.

The Ministry of Corporate Affiars ("Ministry"), Government of India, has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and clarified that the service of documents by the Companies can be made through Electronic Mode. Accordingly, as a contribution towards green environment, your Company also implemented the Initiative to send documents, such as Notice calling the general meeting, audited financial statements, Boards' Report, Auditors' Report, etc. in electronic form on the email id's provided by the shareholders and made available by them to the company through the depositories.

3. Presentation made to Institutional Investor / Analysts

The company has not made any presentations to institutional investors or to the analysts.

F GENERAL SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date	Day	Time	Venue
September 26, 2018	Wednesday	11:30 a.m.	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers' IMC Marg, Churchgate, Mumbai – 400020.

2. **Financial Year:** April - March

3. **Dividend Payment Date:** Within the Statutory Time Limit

4. **Listing on Stock Exchange**

   The equity shares of the company are listed on BSE Limited.

   The company has paid annual listing fees for the financial year 2018 – 2019.

5. **Stock Code:** 514183

6. **Market Price Data**

Month	High Price (₹)	Low Price (₹)
April, 2017	29.25	25.10
May, 2017	29.45	25.00
June, 2017	27.50	23.10
July, 2017	26.00	22.00
August, 2017	25.70	21.00
September, 2017	32.00	22.60
October, 2017	35.45	26.60
November, 2017	42.45	33.10
December, 2017	46.55	37.35
January, 2018	61.50	41.50
February, 2018	56.05	38.75
March, 2018	52.85	40.20

7. **Black Rose Share Performance**

Month	Sensex (Closing Points)	Price (Closing Price)
April, 2017	29,918.40	26.75
May, 2017	31,145.80	26.45
June, 2017	30,921.61	24.00
July, 2017	32,514.94	24.90
August, 2017	31,730.49	22.60
September, 2017	31,283.72	27.20
October, 2017	33,213.13	33.15
November, 2017	33,149.35	40.15
December, 2017	34,056.83	43.90
January, 2018	35,965.02	44.55
February, 2018	34,184.04	51.15
March, 2018	32,968.68	44.95

8. **Registrar and Share Transfer Agents**

   M/s. Satellite Corporate Services Private Limited
   Unit No. 49, Bldg. No. A-B, 2nd Floor,
   Samhita Commercial Co. Op. Soc. Ltd.
   Off. Andheri Kurla Lane, MTNL Lane,
   Sakinaka, Mumbai – 400072.
   Tel: 022 – 28520461, 28520462.
   Fax: 022-28511809
   E-mail: service@satellitecorporate.com

9. Share Transfer System

Share Transfers in physical form can be lodged with our Registrar and Share Transfer Agents M/s. Satellite Corporate Services Private Limited at the above mentioned address. The transfers are normally processed within a period of 15 days from the date of receipt, if the documents are complete in all respects. Company Secretary and Assistant Company Secretary are severally empowered to approve transfers.

10. Distribution of Shareholding as on 31st March, 2018

Particulars	Number of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	15,366	2,987,482	5.86
501 – 1000	863	739,331	1.45
1,001 – 5,000	586	1,372,148	2.69
5,001-10,000	97	749,828	1.47
10,001-50,000	82	1,876,858	3.68
50,001-1,00,000	10	802,962	1.57
1,00,001 and above	12	42,471,391	83.28
TOTAL	**17,016**	**51,000,000**	**100.00**

11. Dematerilisation of Shares and liquidity

The Company's has availed demat facility with National Securities Depositories Limited (NSDL) and Central Depositories Securities Limited (CDSL) and the Company's ISIN is INE761G01016.

As on March 31, 2018, 93.99% of the total paid up equity share capital of the Company are in dematerilisation form.

12. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in past and hence as on 31st March, 2018, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

13. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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.

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.

14. Plant Locations

Plot No. 675, GIDC, Jhagadia Industrial Estate, Jhagadia - 393110. Dist. - Bharuch. Gujarat.	Shree Laxmi Co-Op. Industrial Estate Ltd. Plot No. 11 to 18, Hatkanangale - 416109. Dist - Kolhapur. Maharashtra.

15. Address for Correspondence

145-A, Mittal Tower, Nariman Point, Mumbai-400021. Tel.: 022-43337200 E-mail id: investor@blackrosechemicals.com	M/s. Satellite Corporate Services Private Limited Unit No. 49, Bldg. No. A-B, 2nd Floor, Samhita Commercial Co. Op. Soc. Ltd. Off. Andheri Kurla Lane, MTNL Lane, Sakinaka, Mumbai - 400072. Tel.: 022-28520461, 28520462. Fax: 022-28511809 E-mail: service@satellitecorporate.com

G DISCLOSURES:

1. Materially Significant Related Party Transactions

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

2. Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

3. **Vigil Mechanism Policy / Whistle Blower Policy**

   The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Vigil Mechanism policy in order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee.

   During the year under review, no employee was denied access to the Audit Committee.

4. **Mandatory and Non-mandatory requirements**

   The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, Part E of Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   - The internal auditor reports directly to the audit committee.

5. The policy for determination of Material Subsidiary and Related Party Transactions is available on company's website www.blackrosechemicals.com.

6. The Company has complied with all the applicable requirements of Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. **Code of Conduct**

   The company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company and all the Board Members and Senior Management have affirmed their adherence to the Code. The Model Code of Conduct is available on the website of the company www.blackrosechemicals.com. The declaration from the Executive Director of the company to this effect forms a part of this Annual Report.

8. **Code of Conduct for Prevention / Prohibition of Insider Trading**

   For prevention/prohibition of Insider Trading in securities by the Promoters, Directors and Designated/Specified Employees, the Company has adopted a Code of Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

9. **Executive Director and Chief Financial Officer (CFO) Certification**

   A Certificate duly signed by Executive Director and CFO of the Company was placed at the Board Meeting of the Company held on 25th May, 2018. A copy of the certificate is annexed to this Annual Report.

Declaration

May 25, 2018

The Board of Directors
Black Rose Industries Limited
145/A, Mittal Tower, Nariman Point,
Mumbai – 400021.

Dear Sirs,

Sub: Declaration regarding affirmation of Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anup Jatia, Executive Director of the Company hereby confirm and declare that all Board Members and Senior Management Executives have affirmed compliance with the "Code of Business Conduct for Directors and Senior Management Executives of the Company" for the year ended 31st March, 2018.

Thanking You,

For **Black Rose Industries Limited**

Anup Jatia
Executive Director
DIN: 00351425

CEO / CFO Certification

May 25, 2018

The Board of Directors
Black Rose Industries Limited
145/A, Mittal Tower, Nariman Point,
Mumbai – 400021.

We, the undersigned in our respective capacities as Executive Director and Chief Financial Officer, certify to the Board in terms of requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:

1) we have reviewed the financial statements and the cash flow statements for the year ended March 31, 2018 and to the best of our knowledge and belief:
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3) For the purpose of financial reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and also have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4) We further certify that:
   i) significant changes in internal control over financial reporting during the year have been indicated to Auditors and Audit Committee;
   ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements;
   iii) there has been no instances of significant fraud of which we are aware during the year.

For **Black Rose Industries Limited**

Anup Jatia
Executive Director
DIN: 00351425

For **Black Rose Industries Limited**

Ratan Agrawal
Chief Financial Officer
PAN: ABJPA2075R

Certificate on Corporate Governance

I have examined the compliance of conditions of Corporate Governance by Black Rose Industries Limited ("the Company"), for the year ended on 31st March 2018, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ND & Associates**

Place : Mumbai
Date : 23.05.2018

Neeta H. Desai
Practising Company Secretary
COP : 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 Ind AS financial statements of **BLACK ROSE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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; and

   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; and

      iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For and on behalf of
P K J & CO.
Chartered Accountants
Firm Regn. No. 124115W

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 25, 2018

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, 2018. 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.2 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 granted any loan, or provided security or guarantee and has not made any investment requiring compliance of section 185 and I86 of the Companies Act, 2013, accordingly the provision of paragraph 3 (iv) of the Order is not applicable to the Company.

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

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

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

Further, according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2018, for a period of more than six months from the date they became payable.

(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 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
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	₹ 71,05,587/-	F.Y. 2010-11	Commissioner (Appeals)
Central Sales Tax Act, 1956	Demand and Penalty	₹ 47,29,426/-	F.Y. 2011-12	Commissioner (Appeals)
Central Sales Tax Act, 1956	Demand and Penalty	₹ 53,72,712/-	F.Y. 2012-13	Commissioner (Appeals)
Value Added Tax Act, 2002	Demand and Penalty	₹ 2,69,536/-	F.Y. 2011-12	Commissioner (Appeals)
Value Added Tax Act, 2002	Demand and Penalty	₹ 3,00,190/-	F.Y. 2013-14	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. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, term loans have been applied for the purpose for which it is taken.

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.

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, 2018.

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, 2018 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, 2018, 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
P K J & CO.
Chartered Accountants
Firm Regn. No. 124115W

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 25, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in Lacs

	Note No.	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
I. ASSETS				
1 Non Current Assets				
(a) Property, Plant & Equipments	2	3,410.09	3,567.10	3,727.17
(b) Intangible Assets	2	10.64	47.87	104.54
		3,420.72	**3,614.97**	**3,831.72**
(c) Financial Assets				
(i) Investments	3	16.21	16.21	16.21
(ii) Other Financial Assets	4	52.73	1.10	60.89
(d) Other Non-Current Assets	5	220.31	279.17	130.88
		289.25	**296.48**	**207.97**
2 Current Assets				
(a) Inventories	6	2,615.96	2,452.63	1,456.47
(b) Financial Assets				
(i) Trade Receivables	7	3,384.02	2,965.32	2,275.01
(ii) Cash and Cash Equivalents	8	65.87	73.57	33.70
(iii) Bank Balances other than Cash & Cash Equivalents	9	286.87	190.95	107.81
(iv) Loans	10	10.99	104.75	7.26
(v) Other Financial Assets	11	82.03	92.99	80.12
(c) Other Current Assets	12	265.90	567.83	367.74
		6,711.65	**6,448.05**	**4,328.10**
Total		**10,421.62**	**10,359.50**	**8,367.79**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	13	510.00	510.00	510.00
(b) Other Equity		2,961.48	2,029.15	1,570.00
		3,471.48	**2,539.15**	**2,080.00**
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	1,404.58	1,952.99	1,997.74
(ii) Provisions	15	27.87	26.71	21.80
(b) Deferred Tax Liabilities (Net)	16	414.20	431.38	184.29
		1,846.65	**2,411.08**	**2,203.84**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	1,760.59	1,941.17	1,869.42
(ii) Trade Payables	18	2,691.26	2,855.90	1,721.82
(iii) Other Financial Liabilities	19	387.01	373.60	345.10
(b) Other Current Liabilities	20	124.71	151.65	88.61
(c) Provisions	21	30.40	23.45	26.55
(d) Current Tax Liabilities (Net)	22	109.51	63.50	32.47
		5,103.48	**5,409.27**	**4,083.96**
Total		**10,421.62**	**10,359.50**	**8,367.79**

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs except EPS

		Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
I.	**INCOME**			
	Revenue from Operations	23	18,497.29	16,615.93
	Other Income	24	47.80	69.20
	Total Revenue		**18,545.08**	**16,685.13**
II.	**EXPENDITURE**			
	Cost of materials consumed	25	3,543.34	2,975.29
	Purchase of traded goods	26	11,177.68	10,857.07
	Changes in inventories of finished goods, work-in-progress and traded goods	27	(239.68)	(480.64)
	Employee Benefits Expense	28	363.92	321.25
	Finance Cost	29	381.93	475.64
	Depreciation and Amortization Expenses	30	240.94	273.52
	Other Expenses	31	1,546.19	1,511.65
	Total Expenditure		**17,014.33**	**15,933.78**
III.	**PROFIT BEFORE TAX (I-II)**		**1,530.76**	**751.36**
	TAX EXPENSES			
	Current Tax		492.00	154.00
	Deferred Tax		(17.18)	247.09
	MAT Credit Entitlement		-	(145.69)
	Earlier years adjustments		(59.82)	0.01
			415.00	**255.41**
IV.	**PROFIT FOR THE PERIOD**		**1,115.76**	**495.95**
	OTHER COMPREHENSIVE INCOME			
	Items that will not be classified to Profit & Loss			
	Acturial Gain/(Loss) on employee benefits		0.37	1.63
	Items that will be classified to Profit & Loss			
	Gain/(Loss) on hedging instruments		(0.84)	(38.43)
V.	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**		**1,115.29**	**459.16**
	Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	41		
	Basic		2.19	0.90
	Diluted		2.19	0.90

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		2017-2018	2016-2017
A.	**Cash Flow From Operating Activities**		
	Net profit before tax and extraordinary items	1,530.76	714.56
	Adjustments for:		
	Depreciation	240.94	273.52
	Profit on sale of fixed assets	-	(14.75)
	Interest expenses	370.39	454.36
	Interest income	(28.82)	(45.00)
	Unrealised foreign exchange (Gain)/Loss	(6.33)	(25.67)
	Provision for expenses, gratuity & leave encashment	62.34	57.78
	Excess provisions written back	(1.35)	(0.63)
	Insurance Claim Received	(8.32)	-
	Interest Subsidy Received	(27.90)	-
	Rental income	(16.70)	(8.82)
	Sundry balances written off	(0.93)	1.48
	Operating profit before working capital changes	**2,114.07**	**1,406.83**
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	(100.73)	(975.39)
	(Increase)/Decrease in inventories	(163.33)	(996.16)
	Increase/(Decrease) in trade and other payables	(266.67)	1,240.96
	Cash generated from operating activities	**1,583.33**	**676.24**
	Less: Direct taxes (net of refund)	392.82	122.96
	Total cash generated from operating activities	**1,190.52**	**553.28**
	Cash generated from prior period items (net)	-	-
	Net cash flow from/(used in) operating activities	**1,190.52**	**553.28**
B.	**Cash Flow From Investing Activities**	**1,190.52**	553.28
	Sale of fixed assets	-	21.15
	Purchase of fixed assets/Capital work in progress	(46.80)	(77.92)
	Interest income	28.82	26.80
	Rental income	16.70	8.82
	Cash generated from investing activities	**(1.28)**	**(21.16)**
	Less: Income-tax paid at source	1.67	0.88
	Net Cash flow from/(used in) investing activities	**(2.95)**	**(22.04)**
C.	**Cash Flow from Financing activities**		
	Proceeds from borrowings	(728.99)	26.99
	Interest expenses	(370.39)	(435.18)
	Net cash flow/(used in) from financing activities	**(1,099.39)**	**(408.19)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**88.19**	**123.05**
	Cash and cash equivalent as on 1.4.2017 (Opening Balance)	264.56	141.51
	Cash and cash equivalent as at 31.3.2018 (Closing Balance)	**352.74**	**264.56**
	Notes:		
	1) Reconciliation of cash and cash equivalents		
	As per Balance Sheet - Note No. 17	352.74	264.52
	Add: Foreign exchange loss on revaluation of foreign currency	-	0.03
	As per Cash flow statement	**352.74**	**264.56**
	2) Cash and cash equivalents comprises of		
	a) Cash in hand	5.53	4.63
	b) Bank balance in current accounts	60.34	68.97
	c) Unpaid dividend account	3.14	0.95
	c) In fixed deposit account	283.73	190.00
		352.74	**264.56**

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

EQUITY SHARE CAPITAL	Balance as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
Paid up capital (Refer Note No. 13)	510.00	-	510.00	-	510.00

OTHER EQUITY

For the year ended 31.03.2018 ₹ in Lacs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
Balance as at 1st April, 2017	30.00	62.40	644.70	1,292.05	2,029.15
Prior Period Errors	-	-	-	(121.58)	(121.58)
Total Comprehensive Income for the year	-	-	-	1,115.29	1,115.29
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**2,285.76**	**3,022.86**
Dividend (Including Dividend Distribution Tax)	-	-	-	(61.38)	(61.38)
Transfer to / from Retained Earnings	-	-	-	-	-
Balance as at 31st March, 2018	**30.00**	**62.40**	**644.70**	**2,224.38**	**2,961.48**

For the year ended 31.03.2017 ₹ in Lacs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
Balance as at 1st April, 2016	30.00	62.40	644.70	832.90	1,570.00
Total Comprehensive Income for the year	-	-	-	459.16	459.16
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**1,292.05**	**2,029.15**
Dividend (Including Dividend Distribution Tax)	-	-	-	-	-
Transfer to / from Retained Earnings	-	-	-	-	-
Balance as at 31st March, 2017	**30.00**	**62.40**	**644.70**	**1,292.05**	**2,029.15**

As per our report of even date attached
For and on behalf of
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Black Rose Industries Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharastra, India. 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.

Significant Accounting Policies

a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act'') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 32.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Certain financial assets and liabilities (including derivative instruments), and
ii) Employee's Defined Benefit Plan as per actuarial valuation

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c) Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

d) Depreciation

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

e) Intangible Assets

(i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(ii) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

f) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) 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 prince in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

i) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

j) Revenue Recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

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

k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognized in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Finance Lease: Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

l) Retirement and other employee benefits

Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Post-Employment Benefits:

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

m) Income Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

n) Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

o) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

p) Investment in Subsidiaries, Associates

The Company's investment in its Subsidiary Company is carried at cost.

q) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement:

Financial Assets:

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Amortized Cost:

A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

r) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

s) Financial liabilities and equity instruments

- **Classification as debt or equity:**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received.

t) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately excluding derivatives designated as cash flow hedge.

u) Hedge accounting

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognized in other comprehensive income and accumulated under equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

v) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

w) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature,

iv) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

v) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vi) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. Property, Plant & Equipments

₹ in Lacs

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 01.04.2017	For the year	Adjustment/ Disposales	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
TANGIBLE ASSETS										
Leasehold Land	372.18	3.30	-	375.48	0.21	0.05	-	0.26	375.22	371.97
Factory Building *	1,400.81	3.45	-	1,404.26	306.59	46.14	-	352.73	1,051.53	1,094.22
Office Equipments	23.56	1.68	-	25.24	16.76	3.33	-	20.09	5.16	6.80
Electric Installation	50.99	7.81	0.10	58.70	50.22	0.64	-	50.86	7.84	0.78
Factory Equipments	8.30	0.04	-	8.34	3.73	0.56	-	4.28	4.05	4.57
Plant & Machinery (Owned)	1,971.70	5.25	-	1,976.95	379.40	105.66	-	485.06	1,491.89	1,592.29
Furniture & Fittings	47.47	-	-	47.47	29.32	3.60	-	32.92	14.55	18.15
Computers	35.71	0.74	-	36.45	31.25	2.54	-	33.79	2.66	4.46
Printer	0.41	0.11	-	0.52	0.33	0.15	-	0.48	0.04	0.08
Vehicles	111.55	24.42	-	135.97	55.63	13.19	-	68.81	67.16	55.93
Wind Mills	873.52	-	-	873.52	455.67	27.86		483.53	389.99	417.85
Total (A)	**4,896.20**	**46.80**	**0.10**	**4,942.90**	**1,329.10**	**203.71**	**-**	**1,532.81**	**3,410.09**	**3,567.10**
Previous Year	4,857	63.89	25.11	4,896.20	1,130.26	202.00	(3.24)	1,329.10	3,567.10	3,727.17
INTANGIBLE ASSETS										
Software	28.54	-	-	28.54	12.44	5.47		17.90	10.64	16.10
Technical Know-how	269.60	-	-	269.60	237.84	31.76	-	269.60	-	31.76
Total (B)	**298.14**	**-**	**-**	**298.14**	**250.28**	**37.23**	**-**	**287.50**	**10.64**	**47.87**
Previous Year	283.38	14.76	-	298.14	178.83	71.44	-	250.28	47.87	104.54
Total (A+B)	**5,194.35**	**46.80**	**0.10**	**5,241.04**	**1,579.37**	**240.94**	**-**	**1,820.31**	**3,420.72**	**3,614.97**
Previous Year	5,140.81	78.65	25.11	5,194.35	1,309.09	273.52	(3.24)	1,579.37	3,614.97	3,831.72

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		31-03-2018	31-03-2017	01-04-2016
3	**Non Current Investments**			
	Unquoted			
	Investments measured at cost			
	Investment in Wholly-owned foreign subsidiary			
	60 (31st March, 2017 - 60, 1st April, 2016 - 60) Capital Stock of JPY 50,000 each fully paid up in B.R. Chemicals Co. Ltd., Osaka, Japan	16.21	16.21	16.21
		16.21	**16.21**	**16.21**
4	**Other Financial Non-Current Assets**			
	Fixed deposits with Bank with original maturity of more than 12 months*	52.73	1.10	60.89
		52.73	**1.10**	**60.89**
	* Lodged as Security with Government Departments and Banks as Margin money for Trade Credit and L/C facilities.			
5	**Other Non-Current Assets**			
	Security Deposit to Government authorities and others	45.34	31.60	31.61
	MAT Credit Entitlement	128.72	219.41	73.72
	MEIS Licence	41.23	25.92	6.05
	Duty Drawback Receivable	5.02	2.24	9.50
	Stamp Duty Receivable	-	-	10.00
		220.31	**279.17**	**130.88**
6	**Inventories**			
	(valued at lower of cost or net realisable value) (As certified by the management)			
	Raw Materials and components [includes in transit ₹ 43.42 Lacs (31st March, 2017- ₹ 792.91 Lacs, 1st April, 2016 - ₹ 279.64 Lacs-)]	836.69	948.44	467.89
	Work-in-progress	101.88	41.78	83.01
	Finished Goods	142.24	194.54	120.23
	Traded Goods [includes in transit ₹ 1167.68 Lacs (31st March, 2017- ₹ 914.44 Lacs 1st April, 2016 - ₹ 366.44 Lacs)	1,433.04	1,201.22	762.96
	Stores and spares & Packing Materials [includes in transit ₹ 13.81 Lacs (31st March, 2017- ₹ 17.37 Lacs, 1st April, 2016 - ₹ Nil)	102.11	66.64	22.39
		2,615.96	**2,452.63**	**1,456.47**
7	**Trade receivable**			
	Unsecured, Considered good			
	Outstanding for a period exceeding six months from date they are due for payment	22.71	90.45	102.08
	Others	3,361.30	2,874.87	2,172.93
	Doubtful	87.03	-	-
		3,471.05	2,965.32	2,275.01
	Less: Provision for doubtful debts	(87.03)	-	-
		3,384.02	**2,965.32**	**2,275.01**
	Note No. 7 (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	-	-	0.00
	- Tozai Safety Private Limited	-	0.35	45.53
	- Accent Industries Limited	-	4.78	6.79
		-	**5.13**	**52.33**
8	**Cash and Cash Equivalents**			
	Cash on hand	5.53	4.60	4.81
	Other Bank Balances			
	In Current Accounts	60.34	68.97	28.89
		65.87	**73.57**	**33.70**
9	**Bank Balances other than Cash & Cash Equivalents**			
	In Fixed Deposits account			
	Fixed Deposits with original maturity for less than 3 months*	42.57	-	1.06
	Fixed Deposits with original maturity for more than 3 months but less than 12 months*	-	87.10	16.50
	Current Maturities of Fixed Deposits with original maturity for more than 12 months*	241.16	102.90	89.29
	Enmarked Balance with Bank for Unpaid Dividends	3.14	0.95	0.95
		286.87	**190.95**	**107.81**

* Lodged as Security Banks as Margin money for Trade Credit and L/C facilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		31-03-2018	31-03-2017	01-04-2016
10	**Current Loans**			
	Unsecured, considered good unless otherwise stated			
	Loans and advances to staff	8.32	2.16	3.92
	Loans and advances to officers of the Company	-	-	0.79
	Loans and advances to other parties	-	100.00	-
	Security Deposits to others	2.68	2.59	2.56
		10.99	**104.75**	**7.26**
11	**Other Financial Current Assets**			
	Interest accrued but not due on Bank Deposits	-	1.82	11.57
	Interest accrued and due on Loans	4.78	6.54	2.13
	Interest accrued on Security Deposits with MSEB	0.27	0.21	0.23
	Interest Subsidy receivable	76.98	84.43	66.19
		82.03	**92.99**	**80.12**
12	**Other Current Assets**			
	Prepaid Expenses	20.89	26.18	27.01
	Balances with Statutory Government authorities	165.00	437.57	224.46
	Advances recoverable in cash or kind or for value to be received	80.01	104.08	116.27
		265.90	**567.83**	**367.74**
13	**Equity Share Capital**			
	Authorised Shares			
	800 Lacs (31st March, 2017: 800 Lacs) Equity Shares of ₹ 1/- each	800.00	800.00	800.00
		800.00	**800.00**	**800.00**
	Issued, Subscribed and fully paid up Shares			
	510 Lacs (31st March, 2017: 510 Lacs) Equity Shares of ₹ 1/- each	510.00	510.00	510.00
		510.00	**510.00**	**510.00**

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

Equity Shares	31-03-2018		31-03-2017		01-04-2016	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	51,000,000	510.00	51,000,000	510.00	51,000,000	510.00
Add: Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the period	**51,000,000**	**510.00**	**51,000,000**	**510.00**	**51,000,000**	**510.00**

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

	31-03-2018	31-03-2017	01-04-2016
Holding Company:			
Wedgewood Holdings Limited, Mauritius.			
Equity Shares of ₹ 1/- each fully paid	**28,800,000**	**28,800,000**	**28,800,000**

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

Equity shares of ₹ 1/ each fully paid	31-03-2018		31-03-2017		01-04-2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Name of the shareholder :						
Wedgewood Holdings Ltd., Mauritius	28,800,000	56.47	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Ltd.	9,210,000	18.06	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	-	-	-	-	3,060,000	6.00

d) 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 May 25, 2018 has recommended Dividend of ₹ 0.15 per Equity Share (15%) for the Financial Year 2017-2018, subject to approval of the members at the ensuing Annual General Meeting. (March 31, 2017 - ₹ 0.10, April 1, 2016 - ₹ Nil).

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

14 Non-Current Borrowings	31-03-2018	31-03-2017	01-04-2016
Secured			
a) Term Loans			
Loan from Banks [Refer Note No.14(a)(i) and (ii)]	1,004.20	1,322.58	1,612.22
Loan from Others [Refer Note No.14(a)(iii)]	-	-	29.55
Total Secured	**1,004.20**	**1,322.58**	**1,641.76**
Unsecured			
b) Deposits [Refer Note No.14(b)(i)]	765.00	940.00	655.00
c) Other Loans and Advances			
Interest Free Security Deposits [Refer Note No.14(c)(i)]	7.50	7.50	15.00
Total Unsecured	**772.50**	**947.50**	**670.00**
	1,776.70	**2,270.08**	**2,311.76**
Less:Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No.19)	(372.12)	(317.09)	(314.02)
	1,404.58	**1,952.99**	**1,997.74**

Note No. 14 (a):

Secured Loan:

(i) Vehicle Loan

From YES Bank Limited

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 8.98 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 0.59 Lacs commencing from 5th October, 2017 and ending on 2nd September, 2020.

(ii) Term Loan

From Kotak Mahindra Bank Limited

Nature of security

a) Secured by first pari-pasu charge with Axis Bank on all present and future current assets and movable fixed asset of the manufacturing unit at Jhagadia , Gujarat.

b) Collateral Security of Plot No.675 at GIDC, Jhagadia & Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

c) Personal Guarantee of a Director.

Rate of Interest

The rate of interest is MCLR + 0.30 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 27.31 Lacs commencing from 1st July, 2015 and ending on 1st December, 2020.

Equated monthly installment of ₹ 9.17 Lacs commencing from 20th April, 2016 and ending on 20th March, 2020.

(iii) Loan from other party

From Tata Capital Financial Services Limited

Nature of security

a) First & exclusive Charge by way of hypothecation of the Windmills along with its accessories etc. installed at Tiwri, Location No.38, Village - Indroka, Dist : Jodhpur, Rajashthan and Location No. 311, Samana Site, Village Paddaval, Taluka - Upleta, Dist : Rajkot, Gujarat- 360 007 by mortgage of the Land.

b) First & exclusive charge by way of hypothecation on all trade receivables.

c) 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 ₹ 27.31 Lacs commencing from 1st July, 2015 and ending on 1st December, 2020.

Equated monthly installment of ₹ 9.17 Lacs commencing from 20th April, 2016 and ending on 20th March, 2020.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 14 (b): ₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
(i) Unsecured Loan:			
Deposits			
Received from Director	765.00	940.00	655.00
	765.00	**940.00**	**655.00**

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. 14(c): ₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
Other Loans and Advances			
(i) Security Deposits			
Received from related party	7.50	7.50	7.50

₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
15 Non-Current Provisions			
Provisions for employees benefits	24.46	22.70	18.68
Provision for Gratuity (Refer Note No. 33)	3.42	4.01	3.12
Provisions for Leave Benefits (Refer Note No. 33)	**27.87**	**26.71**	**21.80**

₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
16 Deferred Tax Liabilities (Net)			
Items leading to deferred tax liability			
Difference in depreciation in block of fixed assets as per Income Tax and Books of Accounts	427.02	471.48	431.01
Less:			
Items leading to deferred tax assets			
Carry Forward of Depreciation Loss	-	(27.42)	(235.87)
Expenses allowable on Payment basis	(12.82)	(12.68)	(10.84)
Net (Deferred Tax Liability)	**414.20**	**431.38**	**184.29**

₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
17 Current Borrowings			
a) Secured [Refer Note No. 17(a)]			
Repayable on demand			
Cash Credit from Banks	1,372.89	1,071.06	957.67
Short Term Working Capital Demand Loan from Banks	-	100.00	100.00
Trade Credit	367.70	700.11	431.76
	1,740.59	**1,871.17**	**1,489.42**
b) Unsecured Deposits			
Repayable on demand			
Inter Corporate Deposits	20.00	70.00	380.00
	20.00	**70.00**	**380.00**
	1,760.59	**1,941.17**	**1,869.42**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 17(a):

Nature of security

a) Secured by first pari-pasu charge with Axis Bank on all present and future current assets and movable/intangible fixed asset of the Company (Other than Vehicles).

b) Collateral Security of Plot No. 675 at GIDC, Jhagadia & Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

c) Corporate guarantee of Black Rose Trading Pvt. Ltd. and Tozai Enterprises Pvt. Ltd.

d) Personal Guarantee of a Director.

The above charges rank pari passu for all intents and purposes.

₹ in Lacs

18 Trade payables	31-03-2018	31-03-2017	01-04-2016
Trade payables (Refer Note No. 45)	2,691.26	2,855.90	1,721.82
	2,691.26	**2,855.90**	**1,721.82**

₹ in Lacs

19 Other Financial Current Liabilities	31-03-2018	31-03-2017	01-04-2016
Current maturities of long term borrowings (Refer Note No. 14)	372.12	317.09	314.02
Interest accrued but not due on borrowings	10.91	17.13	15.22
Unpaid Dividend *	3.14	0.95	0.95
Provision for Mark to Market Loss on Open Forward Contracts	0.84	38.43	14.91
	387.01	**373.60**	**345.10**

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

₹ in Lacs

20 Other Current Liabilities	31-03-2018	31-03-2017	01-04-2016
Payable for other expenditure	81.58	85.94	37.38
Other Non Trade Liablities	2.24	0.58	-
Advance from Customers	27.58	3.09	1.85
VAT / CST Payable	-	44.46	34.85
TDS payable	13.20	16.54	13.78
Rates & Taxes payable	0.11	1.04	0.74
	124.71	**151.65**	**88.61**

₹ in Lacs

21 Current Provisions	31-03-2018	31-03-2017	01-04-2016
Provisions for employee benefits			
Salary and Reimbursements	20.31	18.06	20.15
Contribution to Provident Fund	2.18	1.99	2.04
Gratuity	7.18	2.60	3.39
Leave benefits	0.74	0.80	0.97
	30.40	**23.45**	**26.55**

₹ in Lacs

22 Current Tax (Liabilities) (Net)	31-03-2018	31-03-2017	01-04-2016
Less: Provisions for Tax	524.88	208.00	54.00
Tax Deposits	415.36	144.50	21.53
	109.51	**63.50**	**32.47**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		For the year ended 31-03-2018	For the year ended 31-03-2017
23	**Revenue from Operations**		
	a) Sale of products [Refer Note No. 23(a)(i)]	18,359.59	16,300.08
		18,359.59	**16,300.08**
	b) Other Operating Revenue		
	Excise Duty Rebate	-	146.91
	Export Entitlement	51.07	44.87
	Insurance Claim Received	8.32	-
	Interest Subsidy	23.00	28.74
	Exchange difference	55.03	94.85
	Commission Income	0.28	0.49
		137.69	**315.86**
	Revenue from Operations	**18,497.29**	**16,615.93**
	Note No. 23(a)(i):		
	Details of Sale of products		
	Chemicals	18,117.49	15,972.03
	Textiles	133.04	233.30
	Wind Energy	100.16	94.74
	Others	8.90	-
		18,359.59	**16,300.08**
24	**Other Income**		
	Interest income		
	From Bank	15.03	14.04
	From Others	13.80	30.96
		28.82	45.00
	Profit on sale of Asset	-	14.75
	Other non-operating income	18.97	9.45
		47.80	**69.20**
25	**Cost of Materials consumed [Refer Note No. 25(a)]**		
	Inventory at the beginning of the year	945.12	467.09
	Add: Purchases	3,435.06	3,453.32
		4,380.17	3,920.41
	Less: Inventory at the end of the year	836.84	945.12
		3,543.34	**2,975.29**
	Note No. 25(a):		
	(i) Details of Materials consumed		
	Chemical	3,520.21	2,951.18
	Yarn	16.92	23.90
	Fabrics	6.21	0.22
		3,543.34	**2,975.29**
	(ii) Details of Inventory of raw materials		
	Chemical	835.85	937.79
	Yarn	0.23	0.36
	Fabric	0.76	6.97
		836.84	**945.12**
26	**Purchase of Traded Goods**		
	Chemicals	11,078.11	10,748.90
	Textiles	99.57	108.16
		11,177.68	**10,857.07**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		For the year ended 31-03-2018	For the year ended 31-03-2017
27	**(Increase)/Decrease in Inventories**		
	Opening Traded Goods	1,201.22	763.82
	Consumed in Manufacturing	-	9.29
	Closing Traded Goods [Refer Note No. 27(a)(i)]	1,433.10	1,201.22
		(231.88)	**(446.69)**
	Opening Work-in-progress	41.78	83.01
	Closing Work-in-progress [Refer Note No. 27(a)(ii)]	101.88	41.78
		(60.09)	**41.22**
	Opening Finished Goods	194.54	119.37
	Closing Finished Goods [Refer Note No. 27(a)(iii)]	142.24	194.54
		52.30	**(75.17)**
	Total (Increase)/Decrease in Inventories	**(239.68)**	**(480.64)**
	Note No. 27(a):		
	Details of inventories at the end of the year		
	(i) Traded Goods		
	Chemicals	1,421.37	1,188.49
	Textiles	3.30	0.75
	Others	8.42	11.98
		1,433.10	**1,201.22**
	(ii) Work-in-progress		
	Chemical	85.20	29.65
	Textiles	16.67	12.13
		101.88	**41.78**
	(iii) Finished Goods		
	Chemical	128.22	184.33
	Textiles	14.02	10.21
		142.24	**194.54**
28	**Employee Benefit expenses**		
	Salaries, Wages and Bonus	343.89	301.74
	Contribution to Provident fund and other funds	13.31	12.53
	Staff Welfare expenses	6.72	6.97
		363.92	**321.25**
29	**Finance Costs**		
	Interest on borrowings	349.59	449.06
	Bill Discounting Charges	1.22	-
	Bank Charges on facilities	19.59	5.30
	Applicable loss on foreign currency transactions and translation	11.54	21.28
		381.93	**475.64**
30	**Depreciation and Amortization Expenses**		
	Depreciation of Tangible Assets	203.66	202.03
	Amortization of Tangible Assets	0.05	0.05
	Amortization of Intangible Assets	37.23	71.44
		240.94	**273.52**
31	**Other Expenses**		
	Power and Fuel	104.76	107.53
	Rent	18.65	19.78
	Rates and Taxes	8.95	9.86
	Insurance	12.38	12.27

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

	For the year ended 31-03-2018	For the year ended 31-03-2017
Repairs and Maintenance:		
- Plant and Machinery	20.75	16.53
- Buildings	5.87	7.11
- Others	7.39	5.27
Legal and Professional fees	53.43	72.82
Royalty	141.87	134.82
Payment to auditors [Refer Note No. 31(a)]	4.34	5.70
Sundry Balance written off	-	1.48
Selling & Distribution expenses	158.99	160.67
Brokerage expenses	57.95	79.92
Windmill Maintenance Charges	15.19	16.87
Travelling and Conveyance	55.88	48.10
Provision for Doubtful Debts	87.97	-
Bad debts written off	22.56	-
Communication costs	7.21	10.49
Printing and Stationery	4.10	4.63
Labour and Jobwork Charges	18.91	41.41
Packing Material consumed	442.30	472.12
Utility Material Consumed	3.18	9.40
Laboratory Material Consumed	-	0.79
Export expenses	142.84	114.59
Security Charges	5.64	5.91
Corporate office expenses	14.10	11.99
Office Expenses	12.92	19.55
Office Electricity Expenses	2.33	2.54
Warehousing Charges	24.28	24.79
Vehicle expenses	8.94	9.31
Share Trading expenses	0.02	0.04
Donation	0.28	0.39
Bank Charges	23.70	25.41
Logistics expenses	-	22.57
Miscellaneous expenses	58.50	37.00
	1,546.19	**1,511.65**
Note No. 31(a):		
Details of Payment to Auditor		
As Auditor		
Audit Fees	2.50	2.50
Tax Audit Fees	0.55	0.55
Limited Review	0.45	0.45
In Other capacity		
Certification Fees	-	0.15
Reimbursement of expenses including tax	0.01	0.56
	3.51	**4.21**
Cost Auditor		
As Audit fees	0.83	1.37
Reimbursement of service tax	-	0.12
	0.83	**1.50**
	4.34	**5.70**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32 First-time adoption of Ind AS (Ind AS 101)

As stated in Note 1, these financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016 and how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions Availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

(a) Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(b) Investment in Subsidiary, Joint ventures and Associates:

The Company has elected to carry its investment in subsidiary, joint venture and associates at deemed cost which is its previous GAAP carrying amount at the date of transition to Ind AS.

(c) Fair Value of Financials Assets and Liabilities:

As per Ind AS exemption the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

Reconciliation of equity ₹ in Lacs

Particular	Notes	As at April 1, 2016			As at March 31, 2017		
		IGAAP	(+/-)	INDAS	IGAAP	(+/-)	INDAS
Assets							
Non-Current Assets							
(a) Property Plant and Equipment	2	3,727.17	-	3,727.17	3,567.10	-	3,567.10
(b) Intangible Assets	2	104.54	-	104.54	47.87	-	47.87
(c) Financial Assets							
(i) Investments	3	16.21	-	16.21	16.21	-	16.21
(ii) Other Financial Assets	4	60.89	-	60.89	1.10	-	1.10
(d) Other non-current assets	5	130.88	-	130.88	279.17	-	279.17
Total Non-Current Assets		**4,039.69**	**-**	**4,039.69**	**3,911.45**	**-**	**3,911.45**
Current Assets							
(a) Inventories	6	1,456.47	-	1,456.47	2,452.63	-	2,452.63
(b) Financial Assets							
(i) Trade Receivables	7	2,275.01	-	2,275.01	2,965.32	-	2,965.32
(ii) Cash and cash equivalents	8	33.70	-	33.70	73.57	-	73.57
(iii) Bank balances other than (ii) above	9	107.81	-	107.81	190.95	-	190.95
(iv) Loans	10	7.26	-	7.26	104.75	-	104.75
(v) Other Financial Assets	11	80.12	-	80.12	92.99	-	92.99
(c) Other current assets	12	367.74	-	367.74	567.83	-	567.83
Total Current Assets		**4,328.10**	**-**	**4,328.10**	**6,448.05**	**-**	**6,448.05**
Total Assets		**8,367.79**	**-**	**8,367.79**	**10,359.50**	**-**	**10,359.50**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation of equity ₹ in Lacs

Particular	Notes	As at April 1, 2016 IGAAP	(+/-)	INDAS	As at March 31, 2017 IGAAP	(+/-)	INDAS
Equity and Liabilities							
Equity							
(a) Equity Share Capital	13	510.00	-	510.00	510.00	-	510.00
(b) Other Equity		1,570.00	-	1,570.00	2,029.15	-	2,029.15
Equity Attributable to Equity Holders		**2,080.00**	**-**	**2,080.00**	**2,539.15**	**-**	**2,539.15**
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	1,997.74	-	1,997.74	1,952.99	-	1,952.99
(ii) Provisions	15	21.80	-	21.80	26.71	-	26.71
(b) Deferred tax liabilities (net)	16	184.29	-	184.29	431.38	-	431.38
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	17	1,869.42	-	1,869.42	1,941.17	-	1,941.17
(ii) Trade Payables	18	1,721.82	-	1,721.82	2,855.90	-	2,855.90
(iii) Other financial liabilities	19	345.10	-	345.10	373.60	-	373.60
(b) Other current liabilities	20	88.61	-	88.61	151.65	-	151.65
(c) Provisions	21	26.55	-	26.55	23.45	-	23.45
(d) Current Tax Liabilities (net)	22	32.47	-	32.47	63.50	-	63.50
		6,287.80	**-**	**6,287.80**	**7,820.34**	**-**	**7,820.34**
Total Equity and Liabilities		**8,367.79**	**-**	**8,367.79**	**10,359.50**	**-**	**10,359.50**

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017 ₹ in Lacs

Particulars	Notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
Revenue				
Revenue from Operations	23	16,577.51	38.43	16,615.93
Other Income	24	69.20	-	69.20
Total Income (I)		**16,646.71**	**38.43**	**16,685.13**
Expenses				
Cost of Raw Materials Consumed	25	2,975.29	-	2,975.29
Purchases of traded goods	26	10,857.07	-	10,857.07
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(480.64)	-	(480.64)
Employee Benefits Expense	28	319.62	1.63	321.25
Finance Costs	29	475.64	-	475.64
Depreciation and Amortisation Expense	30	273.52	-	273.52
Other Expenses	31	1,511.65	-	1,511.65
Total Expenses (II)		**15,932.15**	**1.63**	**15,933.78**
Profit before Tax Expenses		**714.56**	**36.80**	**751.36**
Tax Expenses				
Current Tax		154.00	-	154.00
Deferred Tax		247.09	-	247.09
MAT credit Entitlement		(145.69)	-	(145.69)
Earlier years adjustments		0.01	-	0.01
Total		**255.41**	**-**	**255.41**
Profit for the Year		**459.16**	**36.80**	**495.95**
Other Comprehensive Income				
A (i) Items that will not be classified to profit and Loss				
Acturial Gain/(Loss) on employee benefits		-	1.63	1.63
B (i) Items that will be reclassified to profit and Loss				
Gain/(Loss) on hedging instruments		-	(38.43)	(38.43)
Total Comprehensive Income for the Year		-	**(36.80)**	**459.16**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Notes to the Reconciliation of equity as at April 1, 2017 and March 31, 2018 and Total Comprehensive Income for the year ended March 31, 2018:

(a) Property, Plant and Equipment

(i) As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

*Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

*Are expected to be used during more than one period.

However, in the opinion of the Management, items of stores and spares are of not material amount and are assessed for being consumed within one year.

(ii) As per Appendix A to Ind AS 16, the cost of an item of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

(b) Investments

The Company has no designated investments other than Investment in Subsidiary.

(c) Fixed deposit with maturity greater than twelve months shown in IGAAP under other non-current assets have been reclassified as other non current financial assets as per Schedule III to Companies Act, 2013.

(d) Fixed deposit with maturity less than twelve months have been reclassified from Cash and Cash equivalents to Other Bank Balances as per Schedule III to Companies Act, 2013.

(e) Financial Instruments

The Company uses forward currency contracts to hedge its foreign currency risks.

As per Ind AS 109, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(f) Loans/Other Financial Assets/ Other Current Assets

(i) As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets respectively.

(ii) Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Loans are classified under other Non-current/Current Assets.

(g) Borrowings

As per Ind AS 109, the Company has classified Foreign Currency Loans as financial liabilities to be measured at amortised cost. The Company has executed derivative contracts to hedge foreign currency risk of borrowings. The borrowings have been restated as at the date of transition.

(h) Provisions

Under IGAAP, Provision for Asset Retirement Obligation is initially measured at the undiscounted amount to settle the obligation, however, Ind AS 37, requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation.

(i) For Forward Covers, MTM reclassified to Derivative Liability as on the date of transition. The resulting gains or losses as on the date of transition are included in Retained earnings.

(j) Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

(k) Defined Benefit Liabilities

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(l) Other Comprehensive Income

In accordance with Ind AS, Movement in Other Comprehensive Income includes effective portion of gains and loss on hedging instruments in a cash flow hedge and remeasurements on defined benefit liability which was charged to Statement of Profit and Loss as per the IGAAP.

33 Fair Values and Hierarchy

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

₹ in Lacs

i)

March 31, 2018	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Investments	3	-	-	16	16	-	-	16	16
Other Financial Assets	4 & 11	-	-	135	135	-	-	135	135
Trade Receivables	7	-	-	3,384	3,384	-	-	3,384	3,384
Cash and Cash Equivalents	8	-	-	66	66	-	-	66	66
Bank Balances other than Cash & Cash Equivalents	9	-	-	287	287	-	-	287	287
Loans	10	-	-	11	11	-	-	11	11
		-	**-**	**3,899**	**3,899**	**-**	**-**	**3,899**	**3,899**
Financial Liabilities									
Borrowings	14 & 17	-	-	3,165	3,165	-	-	3,165	3,165
Provisions	15	-	-	28	28	-	-	28	28
Trade Payables	18	-	-	2,691	2,691	-	-	2,691	2,691
Other Financial Liabilities	19	-	-	387	387	-	-	387	387
		-	**-**	**6,271**	**6,271**	**-**	**-**	**6,271**	**6,271**

₹ in Lacs

ii)

March 31, 2017	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Investments	3	-	-	16	16	-	-	16	16
Other Financial Assets	4 & 11	-	-	94	94	-	-	94	94
Trade Receivables	7	-	-	2,965	2,965	-	-	2,965	2,965
Cash and Cash Equivalents	8	-	-	74	74	-	-	74	74
Bank Balances other than Cash & Cash Equivalents	9	-	-	191	191	-	-	191	191
Loans	10	-	-	105	105	-	-	105	105
		-	**-**	**3,445**	**3,445**	**-**	**-**	**3,445**	**3,445**
Financial Liabilities									
Borrowings	14 & 17	-	-	3,894	3,894	-	-	3,894	3,894
Provisions	15	-	-	27	27	-	-	27	27
Trade Payables	18	-	-	2,856	2,856	-	-	2,856	2,856
Other Financial Liabilities	19	-	-	374	374	-	-	374	374
		-	**-**	**7,150**	**7,150**	**-**	**-**	**7,150**	**7,150**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

iii)

April 1, 2016	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Investments	3	-	-	16	16	-	-	16	16
Other Financial Assets	4 & 11	-	-	141	141	-	-	141	141
Trade Receivables	7	-	-	2,275	2,275	-	-	2,275	2,275
Cash and Cash Equivalents	8	-	-	34	34	-	-	34	34
Bank Balances other than Cash & Cash Equivalents	9	-	-	108	108	-	-	108	108
Loans	10	-	-	7	7	-	-	7	7
		-	**-**	**2,581**	**2,581**	**-**	**-**	**2,581**	**2,581**
Financial Liabilities									
Borrowings	14 & 17	-	-	3,867	3,867	-	-	3,867	3,867
Provisions	15	-	-	22	22	-	-	22	22
Trade Payables	18	-	-	1,722	1,722	-	-	1,722	1,722
Other Financial Liabilities	19	-	-	345	345	-	-	345	345
		-	**-**	**5,956**	**5,956**	**-**	**-**	**5,956**	**5,956**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties.

34 Capital Management (Ind AS 1)

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt (Long Term Bank and other borrowings)	1,404.58	1,952.99	1,997.74
Equity	3,471.48	2,539.15	2,080.00
Debt to Equity (Net)	0.40	0.77	0.96

In addition, the Company has financial covenants relating to the some of the borrowing facilities that it has to maintain Aggregate Tangible Net Worth which is maintained by the Company.

35 Financial Risk Management (Ind AS 1)

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.

The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risks

The Company borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements. The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2018 would have been decreased/increased by ₹ 36.01 Lakhs.

b) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Details of Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Forward contract to buy	For Hedging of foreign currency purchases		
	Amount in US$	₹ in Lacs	No. of Contracts
As on 31.03.2018	972,130.00	633.63	8
As on 31.03.2017	1,742,815.00	1,130.30	24

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

	As on 31.03.2018		As on 31.03.2017	
Particulars	Amount in US$	₹ in Lacs	Amount in US$	₹ in Lacs
Trade Payable	3,692,603.50	2,406.84	3,655,488.75	2,370.77
Secured Trade Credit	569,500.00	371.20	1,079,500.00	700.11
Trade receivable	537,269.55	350.19	625,421.10	405.62

	As on 31.03.2018		As on 31.03.2017	
Particulars	Amount in JPY	₹ in Lacs	Amount in JPY	₹ in Lacs
Trade Payable	15,703,300.00	96.56	8,897,904.00	51.60

The Company is mainly exposed to changes in US Dollar. The sensitivity to 1% increase or decrease in US Dollar against INR with all other variables held constant will be ₹ 23.41 Lacs (Previous Year - ₹ 16.47 Lacs).

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

c) Price Risks

The Company's revenues are mainly generated from sales within India and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Debt Funds and Balances with Banks

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company limits its exposure to credit risk by generally investing only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2018 is 0.67% of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund and non-fund based working capital lines from banks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lacs

Particulars	Refer Note	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Borrowings	14, 17 & 19	1,760.59	1,555.20	214.00	7.50
		(1,941.17)	(2,157.58)	(105.00)	(7.50)
Trade Payable	18	2,679.91	11.35	-	-
		(2,842.88)	(13.02)	-	-
Other Financial Liabilities	19	11.74	-	-	-
		(55.56)	-	-	-
Employee Benefit/ Expense liabilities	15	27.87	-	-	-
		(26.71)	-	-	-
Unclaimed dividends	19	3.14	-	-	-
		(0.95)	-	-	-

Figures in brackets are in respect of Previous year

36 Income Taxes (Ind AS 12)

(i) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

₹ in Lacs

Particulars	Year Ended 31st March,2018	Year Ended 31st March,2017
Profit Before Tax	1,530.76	751.36
Applicable tax rate @ 34.61% (March 31, 2017 : Under MAT @ 20.39%)	529.77	153.19
Effect of Tax Exempt Income	-	-
Effect of Non-Deductible expenses	125.26	-
Effect of Allowances for tax purpose	(91.12)	-
Effect of Tax paid at a lower rate	-	-
Effect of Previous year adjustments	(86.71)	-
Others	14.80	0.81
Total	**492.00**	**154.00**

(ii) The Company has announced a proposed dividend of ₹ 0.15/- per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 15.57 Lacs shall be recognized once the dividend is paid.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

37 Operating Lease (Ind AS 17)

(a) Operating lease income recognised in the Statement of Profit and Loss amounting to ₹ 16.70 Lacs (March 31, 2017 ₹ 8.82 Lacs)

(b) General Description of leasing agreements:

Leased Assets: Factory Building

Future Lease rentals are determined on the basis of agreed terms.

At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.

Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

38 Employee Benefits (Ind AS 19)

Defined Benefit Plans

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Statement of Assets and Liabilities for Defined Benefit Obligation:

₹ in Lacs

	Gratuity and other post employment benefit plans	As at 31st March, 2018	As at 31st March, 2017
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	25.30	22.07
	Adjustment of:		
	Interest Cost	1.71	1.66
	Current Service Cost	3.93	3.20
	Past Service Cost	1.07	-
	Acturial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	-	0.56
	Acturial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	(1.11)	1.44
	Acturial (Gains)/Losses on Obligation - Due to Experience	0.74	(3.63)
	Balance at the end of the year	**31.64**	**25.30**
(ii)	**Change in Fair Value of Assets**		
	Fair Value of Plan Assets at the Beginning of the Period	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/ Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	-	-
(iii)	**Net Asset / (Liability) recognised in the Balance Sheet**		
	(Present Value of Benefit Obligation at the end of the Period)	(31.64)	(25.30)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(31.64)	(25.30)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(31.64)**	**(25.30)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

	Gratuity and other post employment benefit plans	As at 31st March, 2018	As at 31st March, 2017
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	3.93	3.20
	Net Interest Cost	1.71	1.66
	Past Service Cost	1.07	-
	Expenses Recognized	**6.71**	**4.86**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	(0.37)	(1.63)
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**(0.37)**	**(1.63)**
(vi)	**Maturity profile of defined benefit obligation**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	7.18	2.60
	2nd Following Year	3.27	5.20
	3rd Following Year	3.23	2.64
	4th Following Year	3.69	2.56
	5th Following Year	2.91	2.92
	Sum of Years 6 To 10	13.06	9.66
	Sum of Years 11 and above	15.78	12.74
(vii)	**Sensitivity analysis for significant assumptions**		
	Projected Benefit Obligation on Current Assumptions	31.64	25.30
	Delta Effect of +1% Change in Rate of Discounting	(1.39)	(1.20)
	Delta Effect of -1% Change in Rate of Discounting	1.54	1.33
	Delta Effect of +1% Change in Rate of Salary Increase	1.36	1.10
	Delta Effect of -1% Change in Rate of Salary Increase	(1.34)	(1.04)
	Delta Effect of +1% Change in Rate of Employee Turnover	(0.32)	(0.29)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.35	0.31
(viii)	**Actuarial Assumptions**		
	Discount Rate (p.a.)	7.50%	6.77%
	Expected Return on Plan Assets (p.a.)	N.A.	N.A.
	Turnover Rate	15.20%	15.20%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Salary Escalation Rate (p.a.)	10.24%	10.24%
	Retirement age	60 years	60 years
(ix)	**Weighted Average duration of Defined benefit obligation**	6 years	6 years

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) Gratuity is payable as per company's scheme as detailed in the report.

(xi) Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(xii) Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

(xiii) Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

(xiv) Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

39 Government Grant (Ind AS 20)

Interest, Wages Expenses and Repairs to plant and machinery are net of subsidy received under State Investment Promotion Scheme of ₹ 27.91 Lakhs (March 31, 2017 ₹ 13.04 Lacs),

40 Related party disclosures (Ind AS 24)

(A) Information about related parties:

(i)	Holding company	Wedgewood Holdings Limited, Mauritius
(ii)	Wholly-owned foreign subsidiary company	B.R.Chemicals Co., Limited, Osaka, Japan

(B) Other Related Parties with whom there were transactions during the year:

Parties	**Relationship**
Anup Jatia, Executive Director	Key Management Personnel (KMP)
C. P. Vyas, Company Secretary	Key Management Personnel (KMP)
Ratan Agrawal, Chief Financial Officer	Key Management Personnel (KMP)
Manju Agrawal	Relative of KMP
Black Rose Trading Private Limited Tozai Safety Private Limited Wedgewood Holdings LLP Tozai Enterprises Private Limited Fukui Accent Trading (India) Private Limited Accent Industries Limited	Enterprises owned or significantly influenced by any management personnel or their relatives

(a) The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lacs

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Sales	-	-	-	-	122.71
	(-)	(-)	(-)	(-)	(153.38)
Purchases	-	-	-	-	76.85
	(-)	(-)	(-)	(-)	(17.60)
Rent Paid	-	-	-	-	7.40
	(-)	(-)	(-)	(-)	(5.52)
Directors Remuneration	-	-	42.00	-	-
	(-)	(-)	(42.00)	(-)	(-)
Fees Paid	-	-	9.90	1.10	-
	(-)	(-)	(9.95)	(6.60)	(-)
Salary Paid	-	-	17.58	-	-
	(-)	(-)	(10.30)	(-)	(-)
Interest Paid	-	-	113.14	-	-
	(-)	(-)	(121.19)	(-)	(4.14)
Rent Received	-	-	-	-	10.01
	(-)	(-)	(-)	(-)	(8.82)
Unsecured Deposit Received	-	-	-	-	-
	(-)	(-)	(340.00)	(-)	(-)
Reimbursement of Expenses Paid	-	-	-	-	0.12
	(-)	(-)	(-)	(-)	(1.50)
Reimbursement of Expenses Received	-	-	-	-	1.22
	(-)	(-)	(-)	(-)	(3.32)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

Balance as at 31st March,2018	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(iv)
Security Deposit Received	-	-	-	-	-
	(-)	(-)	(-)	(-)	(7.50)
Trade Receivables	-	-	-	-	-
	(-)	(-)	(-)	(-)	(5.13)
Trade Payables	-	-	-	-	-
	(-)	(-)	(-)	(-)	(5.71)
Unsecured Deposit Payable	-	-	72.00	-	-
	(-)	(-)	(895.00)	(-)	(-)
Interest Payable (Net of T.D.S.)	-	-	80.42	-	-
	(-)	(-)	(11.08)	(-)	(-)

Note: Figures of previous year are given in brackets.

41 Earnings per Share (EPS) (Ind AS 33)

₹ in Lacs

	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(A)	**Basic EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,115	459
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Basic EPS (₹) (i)/(ii)	**2.19**	**0.90**
(B)	**Diluted EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,115	459
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Diluted EPS (₹) (i)/(ii)	**2.19**	**0.90**

42 Contingent Liabilities (Ind AS 37)

(a) Contingent liabilities not provided for in respect of:

(i) Central Sales Tax liability of ₹ 35.28 Lacs (P.Y. ₹ 71.61 Lacs) as per MVAT Audit, 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.

(ii) Disputed Central Sales Tax demands of ₹ 163.83 Lacs (P.Y ₹ 163.65 Lacs) in respect of Bond Transfer Sales. The issue was decided by Honourable Maharashtra Sales Tax Tribunal in favour of assessess, However, the department has filed an appeal against the order in Bombay High Court.

(b) Guarantees:

The Company has issued corporate guarantees as under :

(i) Guarantee given to Government authorities ₹ 2.32 Lacs (P.Y. ₹ 12.47 Lacs).

43 Segment Reporting (Ind AS 108)

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

44 Corporate Social Responsibility

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended March 31, 2018 is ₹ 14.97 Lacs (March 31, 2017 ₹ 6.40) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013. However, the Company was unable to spend the CSR amounts as the amounts were not scalable with the suitable CSR Activity and hence the same will be added to the CSR Budget for the Fianancial Year 2018-2019.

45 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclousers, 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

46	Value of Imports calculated on CIF basis	31st March, 2018	31st March, 2017
	Raw Materials	3,494.42	3,093.13
	Traded Goods	8,574.18	9,495.13
	Others	197.21	218.86
		12,265.81	**12,807.13**

₹ in Lacs

47	Expenditure in Foreign Currency	31st March, 2018	31st March, 2017
	Interest on short term borrowings	9.30	9.31
	Membership & Subscription	4.22	4.50
	Royalty	141.87	134.82
	Travelling	10.58	5.18
	Seminar & Conference Expenses	0.91	-
		166.88	**153.81**

48 Imported and indigenous raw materials, components consumed: ₹ in Lacs

	% of total consumption 31st March, 2018	Value 31st March, 2018	% of total consumption 31st March, 2017	Value 31st March, 2017
Raw Materials				
Imported	93.33%	3,307.16	96.04%	2,857.57
Indigenously obtained	6.67%	236.18	3.96%	117.72
	100.00%	**3,543.34**	**100.00%**	**2,975.29**

₹ in Lacs

49	Earnings in foreign currency	31st March, 2018	31st March, 2017
	Exports at F.O.B. Value	1,279.04	1,281.02
		1,279.04	**1,281.02**

50 In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of businesss 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.

51 Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest rupees in lacs.

As per our report of even date attached
For and on behalf of
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

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 / ASSOCIATE COMPANIES / JOINT VENTURES

PART "A" : SUBSIDIARIES

Sl. No.	Particulars	Name of Subsidiary Company		
		B.R. Chemicals Co., Ltd.		
1	Financial year ending on		31/3/2018	31/3/2017
2	Reporting Currency		JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹	0.6149	0.5799
4	% of shareholding	%	100	100
5	No. of Shares		60	60
				₹ in lacs
6	Share Capital		16.21	16.21
7	Reserves & Surplus		68.53	7.78
8	Total Assets		120.26	572.83
9	Total Liabilities		120.26	572.83
10	Investments		-	-
11	Turnover		11,272.55	7,547.00
12	Profit / (Loss) before Taxation		88.15	6.10
13	Provision for Taxation		28.85	-
14	Profit /(Loss) after Taxation		59.30	6.10
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, 2017 to 31st March, 2018

3 Names of subsidiaries which are yet to 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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

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 Ind AS financial statements of **BLACK ROSE INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its one foreign subsidiary Company (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with relevant rules issued thereunder.

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 consolidated Ind As 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 Ind AS Financial Statements by the Directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS 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 Ind AS 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, and other financial information of the subsidiary referred to in Other Matters paragraph below, the aforesaid Consolidated Ind AS 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, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit including total comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity 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 Rs.120.27 Lacs as at March 31, 2018, total revenue of Rs.11278.04 Lacs and Net Profit of Rs.59.30 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 Ind AS 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 Ind AS 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 Ind AS 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 (including other comprehensive income), and the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid Consolidated Ind AS 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, 2018, 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 March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The Company does not have subsidiaries in India. Hence, no reporting is to be done for these entities. Accordingly, we refer Annexure-B of our report of even date on the standalone financial statements of the Holding Company with respect to the adequacy of the internal financial controls over financial reporting and effectiveness of such controls.

   g) With respect to the other matters to be included in the Auditor’s Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:

      i) There were no pending litigations which would impact the consolidated financial position of the Group.

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For and on behalf of
P K J & CO.
Chartered Accountants
Firm Regn. No. 124115W

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 25, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in Lacs

	Note No.	As At 31-03-2018	As At 31-03-2017	As At 01-04-2016
I. ASSETS				
1 Non Current Assets				
(a) Property, Plant & Equipments	2	3,410.09	3,567.10	3,727.17
(b) Intangible Assets	2	10.64	47.87	104.54
		3,420.72	**3,614.97**	**3,831.72**
(c) Financial Assets				
(i) Other Financial Assets	3	52.73	1.10	60.89
(d) Other Non-Current Assets	4	220.31	279.17	130.88
		273.04	**280.27**	**191.77**
2 Current Assets				
(a) Inventories	5	2,615.96	2,468.23	1,478.87
(b) Financial Assets				
(i) Trade Receivables	6	3,447.54	3,469.00	2,281.00
(ii) Cash and Cash Equivalents	7	120.45	122.39	48.14
(iii) Bank Balances other than Cash & Cash Equivalents	8	286.87	190.95	107.81
(iv) Loans	9	10.99	104.75	7.26
(v) Other Financial Assets	10	82.03	94.15	82.48
(c) Other Current Assets	11	268.07	571.41	377.40
		6,831.91	**7,020.88**	**4,382.95**
Total		**10,525 .67**	**10,916.12**	**8,406.44**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	12	510.00	510.00	510.00
(b) Other Equity		3,034.77	2,036.93	1,572.44
		3,544.77	**2,546.93**	**2,082.44**
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	1,404.58	1,952.99	1,997.74
(ii) Provisions	14	27.87	26.71	21.80
(b) Deferred Tax Liabilities (Net)	15	414.20	431.38	184.29
		1,846.65	**2,411.08**	**2,203.84**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,761.51	1,942.15	1,870.78
(ii) Trade Payables	17	2,691.81	3,358.18	1,721.82
(iii) Other Financial Liabilities	18	387.01	373.60	345.10
(b) Other Current Liabilities	19	125.16	197.23	123.45
(c) Provisions	20	30.40	23.45	26.55
(d) Current Tax Liabilities (Net)	21	138.37	63.50	32.47
		5,134.26	**5,958.11**	**4,120.16**
Total		**10,525 .67**	**10,916.12**	**8,406.44**

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs except EPS

	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
I. INCOME			
Revenue from Operations	22	29,770.19	24,172.87
Other Income	23	52.93	69.21
Total Revenue		**29,823.12**	**24,242.08**
II. EXPENDITURE			
Cost of materials consumed	24	3,543.34	2,975.29
Purchase of traded goods	25	22,280.10	18,305.29
Changes in inventories of finished goods, work-in-progress and traded goods	26	(224.07)	(473.84)
Employee Benefits Expense	27	378.61	336.86
Finance Cost	28	381.93	475.64
Depreciation and Amortization Expenses	29	240.94	273.52
Other Expenses	30	1,603.36	1,591.85
Total Expenditure		**28,204.21**	**23,484.62**
III. PROFIT BEFORE TAX (I-II)		**1,618.91**	**757.45**
TAX EXPENSES			
Current Tax		520.85	154.00
Deferred Tax		(17.19)	247.09
MAT Credit Entitlement		-	(145.69)
Earlier years adjustments		(59.82)	0.01
		443.85	**255.41**
IV. PROFIT FOR THE PERIOD		**1,175.06**	**502.05**
OTHER COMPREHENSIVE INCOME			
Items that will not be classified to Profit & Loss			
Acturial Gain/(Loss) on employee benefits		0.37	1.63
Items that will be classified to Profit & Loss			
Gain/(Loss) on hedging instruments		(0.84)	(38.43)
V. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,174.59**	**465.25**
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	41		
Basic		2.30	0.91
Diluted		2.30	0.91

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		2017-2018	2016-2017
A.	**Cash Flow From Operating Activities**		
	Net profit before tax and extraordinary items	1,618.91	757.45
	Adjustments for:		
	Depreciation	240.94	273.52
	Profit on sale of fixed assets	-	(14.75)
	Increase/(Decrease) in foreign currency translation reserve	6.21	(0.76)
	Interest expenses	370.39	454.36
	Interest income	(28.85)	(45.01)
	Unrealised foreign exchange (Gain)/Loss	(6.33)	12.75
	Provision for expenses, gratuity & leave encashment	62.34	57.78
	Excess provisions written back	(1.35)	(0.63)
	Insurance Claim Received	(8.32)	-
	Other Income	(5.11)	-
	Interest Subsidy Received	(27.90)	-
	Rental income	(16.70)	(8.82)
	Sundry balances written off	(0.93)	1.48
	Operating profit before working capital changes	**2,203.30**	**1,487.38**
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	341.99	(1,470.88)
	(Increase)/Decrease in inventories	(147.73)	(989.36)
	Increase/(Decrease) in trade and other payables	(723.15)	1,745.43
	Cash generated from operating activities	**1,674.41**	**772.57**
	Add : Interest on IT Refund		
	Less: Direct taxes (net of refund)		
	Total cash generated from operating activities	**478.12**	**94.53**
	Cash generated from prior period items (net)	1,196.29	678.04
	Net cash flow from/(used in) operating activities	**-**	**-**
B.	**Cash Flow From Investing Activities**	**1,196.29**	678.04
	Sale of fixed assets	-	21.15
	Purchase of fixed assets/Capital work in progress	(46.80)	(78.65)
	Interest income	28.85	26.80
	Rental income	16.70	8.82
	Cash generated from investing activities	**(1.26)**	**(21.88)**
	Less : Income-tax paid at source	1.67	0.88
	Net Cash flow from/(used in) investing activities	**(2.93)**	**(22.76)**
C.	**Cash Flow from Financing activities**		
	Proceeds from borrowings	(729.06)	26.62
	Interest expenses	(370.39)	(435.18)
	Net cash flow/(used in) from financing activities	**(1,099.45)**	**(408.56)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**93.92**	**246.72**
	Cash and cash equivalent as on 1.4.2017 (Opening Balance)	264.56	66.68
	Cash and cash equivalent as at 31.3.2018 (Closing Balance)	**352.74**	**313.40**

Notes:

		2017-2018	2016-2017
1)	**Reconciliation of cash and cash equivalents**		
	As per Balance Sheet - Note No. 17	407.32	313.37
	Add: Foreign exchange loss on revaluation of foreign currency	-	0.03
	As per Cash flow statement	**407.32**	**313.40**
2)	**Cash and cash equivalents comprises of**		
	a) Cash in hand	5.89	4.77
	b) Bank balance in current accounts	114.56	117.65
	c) Unpaid dividend account	3.14	0.95
	c) In fixed deposit account	283.73	190.00
		407.32	**313.37**

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
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

EQUITY SHARE CAPITAL	Balance as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
Paid up capital (Refer Note No. 12)	510.00	-	510.00	-	510.00

OTHER EQUITY

For the year ended 31.03.2018 ₹ in Lacs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign exchange fluctuation reserves on consolidation	Total Equity
Balance as at 1st April. 2017	30.00	62.40	644.70	1,299.25	0.58	2,036.93
Prior Period Errors	-	-	-	(121.58)	-	(121.58)
Total Comprehensive Income for the year	-	-	-	1,174.59	6.21	1,180.80
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**2,352.26**	**6.79**	**3,096.15**
Dividend (Including Dividend Distribution Tax)	-	-	-	(61.38)	-	(61.38)
Transfer to / from Retained Earnings	-	-	-	-	-	-
Balance as at 31st March, 2018	**30.00**	**62.40**	**644.70**	**2,290.88**	**6.79**	**3,034.77**

For the year ended 31.03.2017 ₹ in Lacs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign exchange fluctuation reserves on consolidation	Total Equity
Balance as at 1st April. 2016	30.00	62.40	644.70	833.99	1.34	1,572.44
Total Comprehensive Income for the year	-	-	-	465.25	(0.76)	464.49
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**1,299.25**	**0.58**	**2,036.93**
Dividend (Including Dividend Distribution Tax)	-	-	-	-		-
Transfer to / from Retained Earnings	-	-	-	-		-
Balance as at 31st March, 2017	**30.00**	**62.40**	**644.70**	**1,299.25**	**0.58**	**2,036.93**

As per our report of even date attached
For and on behalf of
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Black Rose Industries Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharastra, India. 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.

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.

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 seperate 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.

Significant Accounting Policies:

a) Statement of Compliance:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Group has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 32.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Certain financial assets and liabilities (including derivative instruments), and
ii) Employee's Defined Benefit Plan as per actuarial valuation

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c) Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

d) Depreciation

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e) Intangible Assets

(i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(ii) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Group determines the amortisation period as the period over which the future economic benefits will flow to the Group after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

f) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) 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 prince in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

I) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

J) Revenue Recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

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

k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognized in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Finance Lease: Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's policy on borrowing costs.

l) Retirement and other employee benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Benefit Plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

m) Income Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

n) Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

o) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations.

p) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement:

Financial Assets

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Amortized Cost:

A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement:

Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

q) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

r) Financial liabilities and equity instruments

- **Classification as debt or equity:**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received.

s) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately excluding derivatives designated as cash flow hedge.

t) Hedge accounting

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognized in other comprehensive income and accumulated under equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

u) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

v) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature.

iv) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

v) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vi) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. Property, Plant & Equipments

₹ in Lacs

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 01.04.2017	For the year	Adjustment/ Disposales	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
TANGIBLE ASSETS										
Leasehold Land	372.18	3.30	-	375.48	0.21	0.05	-	0.26	375.22	371.97
Factory Building *	1,400.81	3.45	-	1,404.26	306.59	46.14	-	352.73	1,051.53	1,094.22
Office Equipments	23.56	1.68	-	25.24	16.76	3.33	-	20.09	5.16	6.80
Electric Installation	50.99	7.81	0.10	58.70	50.22	0.64	-	50.86	7.84	0.78
Factory Equipments	8.30	0.04	-	8.34	3.73	0.56	-	4.28	4.05	4.57
Plant & Machinery (Owned)	1,971.70	5.25	-	1,976.95	379.40	105.66	-	485.06	1,491.89	1,592.29
Furniture & Fittings	47.47	-	-	47.47	29.32	3.60	-	32.92	14.55	18.15
Computers	35.71	0.74	-	36.45	31.25	2.54	-	33.79	2.66	4.46
Printer	0.41	0.11	-	0.52	0.33	0.15	-	0.48	0.04	0.08
Vehicles	111.55	24.42	-	135.97	55.63	13.19	-	68.81	67.16	55.93
Wind Mills	873.52	-	-	873.52	455.67	27.86		483.53	389.99	417.85
Total (A)	**4,896.20**	**46.80**	**0.10**	**4,942.90**	**1,329.10**	**203.71**	**-**	**1,532.81**	**3,410.09**	**3,567.10**
Previous Year	4,857.43	63.89	25.11	4,896.20	1,130.26	202.08	(3.24)	1,329.10	3,567.10	3,727.17
INTANGIBLE ASSETS										
Software	28.54	-	-	28.54	12.44	5.47		17.90	10.64	16.10
Technical Know-how	269.60	-	-	269.60	237.84	31.76	-	269.60	-	31.76
Total (B)	**298.14**	**-**	**-**	**298.14**	**250.28**	**37.23**	**-**	**287.50**	**10.64**	**47.87**
Previous Year	283.38	14.76	-	298.14	178.83	71.44	-	250.28	47.87	104.54
Total (A+B)	**5,194.35**	**46.80**	**0.10**	**5,241.04**	**1,579.37**	**240.94**	**-**	**1,820.32**	**3,420.72**	**3,614.97**
Previous Year	5,140.81	78.65	25.11	5,194.35	1,309.09	273.52	(3.24)	1,579.37	3,614.97	3,831.72

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		31-03-2018	31-03-2017	01-04-2016
3	**Other Financial Non-Current Assets**			
	Fixed deposits with Bank with original maturity of more than 12 months*	52.73	1.10	60.89
		52.73	**1.10**	**60.89**
	* Lodged as Security with Government Departments & Banks as Margin money for Trade Credit and L/C facilities.			
4	**Other Financial Non-Current Assets**			
	Security Deposit to Government authorities and others	45.34	31.60	31.61
	MAT Credit Entitlement	128.72	219.41	73.72
	MEIS Licence	41.23	25.92	6.05
	Duty Drawback Receivable	5.02	2.24	9.50
	Stamp Duty Receivable	-	-	10.00
		220.31	**279.17**	**130.88**
5	**Inventories**			
	(valued at lower of cost or net realisable value) (As certified by the management)			
	Raw Materials and components [includes in transit ₹ 43.42 Lacs (31st March, 2017- ₹ 792.91 Lacs, 1st April, 2016 - ₹ 279.64 Lacs-)]	836.69	948.44	467.89
	Work-in-progress	101.88	41.78	83.01
	Finished Goods	142.24	194.54	120.23
	Traded Goods [includes in transit ₹ 1167.68 Lacs (31st March, 2017- ₹ 914.44 Lacs 1st April, 2016 - ₹ 366.44 Lacs)	1,433.04	1,216.82	785.36
	Stores and spares & Packing Materials [includes in transit ₹ 13.81 Lacs (31st March, 2017-₹ 17.37 Lacs, 1st April, 2016 - ₹ Nil)	102.11	66.64	22.39
		2,615.96	**2,468.23**	**1,478.87**
6	**Trade receivable**			
	Unsecured, Considered good			
	Outstanding for a period exceeding six months from date they are due for payment	22.71	90.45	102.08
	Others	3,425.46	3,383.63	2,178.92
	Doubtful	87.03	-	-
		3,535.21	3,474.08	2,281.00
	Less: Provision for doubtful debts	(87.67)	(5.09)	-
		3,447.54	**3,469.00**	**2,281.00**
	Note No. 6(a):			
	Of the above amount shown in Others Trade receivables includes, amount due from companies in which Holding Company's director is interested as director			
	- Black Rose Trading Private Limited	-	-	0.00
	- Tozai Safety Private Limited	-	0.35	45.53
	- Accent Industries Limited	-	4.78	6.79
		-	**5.13**	**52.33**
7	**Cash and Cash Equivalents**			
	Cash on hand	5.89	4.74	4.91
	Other Bank Balances			
	In Current Accounts	114.56	117.65	43.24
		120.45	**122.39**	**48.14**
8	**Bank Balances other than Cash & Cash Equivalents**			
	In Fixed Deposits account			
	Fixed Deposits with original maturity for less than 3 months*	42.57	-	1.06
	Fixed Deposits with original maturity for more than 3 months but less than 12 months*	-	87.10	16.50
	Current Maturities of Fixed Deposits with original maturity for more than 12 months*	241.16	102.90	89.29
	Enmarked Balance with Bank for Unpaid Dividends	3.14	0.95	0.95
		286.87	**190.95**	**107.81**
	* Lodged as Security Banks as Margin money for Trade Credit and L/C facilities.			
9	**Current Loans**			
	Unsecured, considered good unless otherwise stated			
	Loans and advances to staff	8.31	2.16	3.91
	Loans and advances to officers of the Company			0.79
	Loans and advances to other parties	-	100.00	-
	Security Deposits to others	2.68	2.59	2.56
		10.99	**104.75**	**7.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		31-03-2018	31-03-2017	01-04-2016
10	**Other Financial Current Assets**			
	Interest accrued but not due on Bank Deposits	-	1.82	11.57
	Pre-Operative Expenses of subsidiary company	-	1.16	2.36
	Interest accrued and due on Loans	4.78	6.54	2.13
	Interest accrued on Security Deposits with MSEB	0.27	0.21	0.23
	Interest Subsidy receivable	76.98	84.43	66.19
		82.03	**94.15**	**82.48**
11	**Other Current Assets**			
	Prepaid Expenses	20.89	26.18	27.01
	Balances with Statutory Government authorities	165.00	437.57	224.46
	Advances recoverable in cash or kind or for value to be received	82.18	107.66	125.93
		268.07	**571.41**	**377.40**
12	**Equity Share Capital**			
	Authorised Shares			
	800 Lacs (31st March, 2017: 800 Lacs) Equity Shares of ₹ 1/- each	800.00	800.00	800.00
		800.00	**800.00**	**800.00**
	Issued, Subscribed and fully paid up Shares			
	510 Lacs (31st March, 2017: 510 Lacs) Equity Shares of ₹ 1/- each	510.00	510.00	510.00
		510.00	**510.00**	**510.00**

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

Equity Shares	31-03-2018		31-03-2017		01-04-2016	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs	Nos.	₹ in Lacs
At the beginning of the period	51,000,000	510.00	51,000,000	510.00	51,000,000	510.00
Add: Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the period	**51,000,000**	**510.00**	**51,000,000**	**510.00**	**51,000,000**	**510.00**

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

	31-03-2018	31-03-2017	01-04-2016
Holding Company:			
Wedgewood Holdings Limited, Mauritius.			
Equity Shares of ₹ 1/- each fully paid	**28,800,000**	**28,800,000**	**28,800,000**

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

Equity shares of ₹ 1/ each fully paid	31-03-2018		31-03-2017		01-04-2016	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Name of the shareholder :						
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Ltd	9,210,000	18.06	9,210,000	18.06	9,210,000	18.06
Shravan Kumar Todi	-	-	-	-	3,060,000	6.00

d) Terms/Rights attached to equity shares

The Holding 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 Holding 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 Holding Company at its meeting held on May 25, 2018 has recommended Dividend of ₹ 0.15 per Equity Share (15%) for the Financial Year 2017-2018, subject to approval of the members at the ensuing Annual General Meeting. (March 31, 2017 - ₹ 0.10, April 1, 2016 - ₹ Nil).

In the event of liquidation, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

13 Non-Current Borrowings	31-03-2018	31-03-2017	01-04-2016
Secured			
a) Term Loans			
Loan from Banks [Refer Note No. 13(a)(i) & (ii)]	1,004.20	1,322.58	1,612.22
Loan from Others [Refer Note No. 13(a)(iii)]	-	-	29.55
Total Secured	**1,004.20**	**1,322.58**	**1,641.76**
Unsecured			
b) Deposits [Refer Note no.14(b)(i)]	765.00	940.00	655.00
c) Other Loans and Advances			
Interest Free Security Deposits [Refer Note No. 13(c)(i)]	7.50	7.50	15.00
Total Unsecured	**772.50**	**947.50**	**670.00**
	1,776.70	**2,270.08**	**2,311.76**
Less:Current maturities of long term borrowings disclosed under the head "other current liabilities" (Refer Note No. 18)	(372.12)	(317.09)	(314.02)
	1,404.58	**1,952.99**	**1,997.74**

Note No. 13(a):

Secured Loan:

(i) **Vehicle Loan**

From YES Bank Limited

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 8.98 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 0.59 Lacs commencing from 5th October, 2017 and ending on 2nd September, 2020.

(ii) **Term Loan**

From Kotak Mahindra Bank Limited

Nature of security

a) Secured by first pari-pasu charge with Axis Bank on all present and future current assets and movable fixed asset of the manufacturing unit at Jhagadia , Gujarat.

b) Collateral Security of Plot No.675 at GIDC, Jhagadia & Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

c) Personal Guarantee of a Director.

Rate of Interest

The rate of interest is MCLR + 0.30 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 27.31 Lacs commencing from 1st July, 2015 and ending on 1st December, 2020.

Equated monthly installment of ₹ 9.17 Lacs commencing from 20th April, 2016 and ending on 20th March, 2020.

(iii) **Loan from other party**

From Tata Capital Financial Services Limited

Nature of security

a) First & exclusive Charge by way of hypothecation of the Windmills along with its accessories etc. installed at Tiwri, Location No.38, Village - Indroka, Dist : Jodhpur, Rajashthan and Location No. 311, Samana Site, Village Paddaval, Taluka - Upleta, Dist : Rajkot, Gujarat- 360 007 by mortgage of the Land.

b) First & exclusive charge by way of hypothecation on all trade receivables.

c) 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 ₹ 27.31 Lacs commencing from 1st July, 2015 and ending on 1st December, 2020.

Equated monthly installment of ₹ 9.17 Lacs commencing from 20th April, 2016 and ending on 20th March, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 13(b):

₹ in Lacs

	31-03-2018	31-03-2017	01-04-2016
(i) **Unsecured Loan:**			
Deposits			
Received from Director	765.00	940.00	655.00
	765.00	**940.00**	**655.00**

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. 13(c):

₹ in Lacs

Other Loans and Advances	31-03-2018	31-03-2017	01-04-2016
(i) Security Deposits			
Received from related party	7.50	7.50	7.50

14 Non-Current Provisions	31-03-2018	31-03-2017	01-04-2016
Provisions for employees benefits	24.46	22.70	18.68
Provision for Gratuity (Refer Note No. 33)	3.42	4.01	3.12
Provisions for Leave Benefits (Refer Note No. 33)	**27.87**	**26.71**	**21.80**

₹ in Lacs

15 Deferred Tax Liabilities (Net)	31-03-2018	31-03-2017	01-04-2016
Items leading to deferred tax liability			
Difference in depreciation in block of fixed assets as per Income Tax and Books of Accounts	427.02	471.48	431.01
Less:			
Items leading to deferred tax assets			
Carry Forward of Depreciation Loss	-	(27.42)	(235.87)
Expenses allowable on Payment basis	(12.82)	(12.68)	(10.84)
Net (Deferred Tax Liability)	**414.20**	**431.38**	**184.29**

₹ in Lacs

16 Current Borrowings	31-03-2018	31-03-2017	01-04-2016
a) Secured [Refer Note No. 17(a)]			
Repayable on demand			
Cash Credit from Banks	1,372.89	1,071.06	957.67
Short Term Working Capital Demand Loan from Banks	-	100.00	100.00
Trade Credit	367.70	700.11	431.76
	1,740.59	**1,871.17**	**1,489.42**
b) Unsecured Deposits			
Repayable on demand			
Inter Corporate Deposits	20.00	70.00	380.00
Loan from others	0.92	0.99	1.36
	20.92	**70.99**	**381.36**
	1,761.51	**1,942.15**	**1,870.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 16(a):

Nature of security

a) Secured by first pari-pasu charge with Axis Bank on all present and future current assets and movable/intangible fixed asset of the Holding Company (Other than Vehicles).

b) Collateral Security of Plot No. 675 at GIDC, Jhagadia & Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

c) Corporate guarantee of Black Rose Trading Pvt. Ltd. and Tozai Enterprises Pvt. Ltd.

d) Personal Guarantee of a Director.

The above charges rank pari passu for all intents and purposes.

₹ in Lacs

17 Trade payables	**31-03-2018**	**31-03-2017**	**01-04-2016**
Trade payables (Refer Note No. 44)	2,691.81	3,358.18	1,721.82
	2,691.81	**3,358.18**	**1,721.82**

₹ in Lacs

18 Other Financial Current Liabilities	**31-03-2018**	**31-03-2017**	**01-04-2016**
Current maturities of long term borrowings (Refer Note No. 13)	372.12	317.09	314.02
Interest accrued but not due on borrowings	10.91	17.13	15.22
Unpaid Dividend *	3.14	0.95	0.95
Provision for Mark to Market Loss on Open Forward Contracts	0.84	38.43	14.91
	387.01	**373.60**	**345.10**

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

₹ in Lacs

19 Other Current Liabilities	**31-03-2018**	**31-03-2017**	**01-04-2016**
Payable for other expenditure	81.58	85.94	37.38
Other Non Trade Liablities	2.24	0.58	-
Advance from Customers	27.58	48.25	36.06
VAT / CST Payable	-	44.46	34.85
TDS payable	13.64	16.96	14.42
Rates & Taxes payable	0.11	1.04	0.74
	125.16	**197.23**	**123.45**

₹ in Lacs

20 Current Provisions	**31-03-2018**	**31-03-2017**	**01-04-2016**
Provisions for employee benefits			
Salary and Reimbursements	20.31	18.06	20.15
Contribution to Provident Fund	2.18	1.99	2.04
Gratuity	7.18	2.60	3.39
Leave benefits	0.74	0.80	0.97
	30.40	**23.45**	**26.55**

₹ in Lacs

21 Current Tax (Liabilities) (Net)	**31-03-2018**	**31-03-2017**	**01-04-2016**
Tax Deposits	415.36	96.50	21.53
Less: Provisions for Tax	(553.73)	(160.00)	(54.00)
	(138.37)	**(63.50)**	**(32.47)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

	For the year ended 31-03-2018	For the year ended 31-03-2017
22 Revenue from Operations		
a) Sale of products [Refer Note No. 22(a)(i)]	29,632.15	23,847.08
	29,632.15	**23,847.08**
b) Other Operating Revenue		
Excise Duty Rebate	-	146.91
Export Entitlement	51.07	44.87
Misc Income	-	0.00
Insurance Claim Received	8.32	-
Interest Subsidy	23.00	28.74
Exchange difference	55.38	96.75
Commission Income	0.28	8.52
	138.04	**325.79**
Revenue from Operations	**29,770.19**	**24,172.87**
Note No. 22(a)(i):		
Details of Sale of products		
Chemicals	29,390.05	23,519.03
Textiles	133.04	233.30
Wind Energy	100.16	94.74
Others	8.90	-
	29,632.15	**23,847.08**
23 Other Income		
Interest income		
From Bank	15.03	14.04
From Others	13.82	30.97
	28.85	45.01
Profit on sale of Asset	-	14.75
Other non-operating income	24.09	9.45
	52.93	**69.21**
24 Cost of Materials consumed [Refer Note No. 24(a)]		
Inventory at the beginning of the year	945.12	467.09
Add: Purchases	3,435.06	3,453.32
	4,380.17	3,920.41
Less: Inventory at the end of the year	836.84	945.12
	3,543.34	**2,975.29**
Note No. 24(a):		
(i) Details of Materials consumed		
Chemical	3,520.21	2,951.18
Yarn	16.92	23.90
Fabrics	6.21	0.22
	3,543.34	**2,975.29**
(ii) Details of Inventory of raw materials		
Chemical	835.85	937.79
Yarn	0.23	0.36
Fabric	0.76	6.97
	836.84	**945.12**
25 Purchase of Traded Goods		
Chemicals	22,180.53	18,197.13
Textiles	99.57	108.16
	22,280.10	**18,305.29**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

		For the year ended 31-03-2018	For the year ended 31-03-2017
26	**(Increase)/Decrease in Inventories**		
	Opening Traded Goods	1,216.82	786.22
	Consumed in Manufacturing	-	9.29
	Closing Traded Goods [Refer Note No. 26(a)(i)]	1,433.10	1,216.82
		(216.28)	**(439.89)**
	Opening Work-in-progress	41.78	83.01
	Closing Work-in-progress [Refer Note No. 26(a)(ii)]	101.88	41.78
		(60.09)	**41.22**
	Opening Finished Goods	194.54	119.37
	Closing Finished Goods [Refer Note No. 26(a)(iii)]	142.24	194.54
		52.30	**(75.17)**
	Total (Increase)/Decrease in Inventories	**(224.07)**	**(473.84)**
	Note No. 26(a):		
	Details of inventories at the end of the year		
	(i) Traded Goods		
	Chemicals	1,421.37	1,204.04
	Textiles	3.30	0.81
	Others	8.42	11.98
		1,433.10	**1,216.82**
	(ii) Work-in-progress		
	Chemical	85.20	29.65
	Textiles	16.67	12.13
		101.88	**41.78**
	(iii) Finished Goods		
	Chemical	128.22	184.33
	Textiles	14.02	10.21
		142.24	**194.54**
27	**Employee Benefit expenses**		
	Salaries, Wages and Bonus	358.58	317.36
	Contribution to Provident fund and other funds	13.31	12.53
	Staff Welfare expenses	6.72	6.97
		378.61	**336.86**
26	**Finance Costs**		
	Interest on borrowings	349.59	449.06
	Bill Discounting Charges	1.22	-
	Bank Charges on facilities	19.59	5.30
	Applicable loss on foreign currency transactions and translation	11.54	21.28
		381.93	**475.64**
29	**Depreciation and Amortization Expenses**		
	Depreciation of Tangible Assets	203.66	202.03
	Amortization of Tangible Assets	0.05	0.05
	Amortization of Intangible Assets	37.23	71.44
		240.94	**273.52**
30	**Other Expenses**		
	Power and Fuel	104.76	107.53
	Rent	26.78	28.34
	Rates and Taxes	10.75	10.47
	Insurance	13.77	12.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

	For the year ended 31-03-2018	For the year ended 31-03-2017
Repairs and Maintenance:		
- Plant and Machinery	20.75	16.53
- Buildings	5.87	7.11
- Others	7.39	5.27
Legal and Professional fees	64.85	93.99
Royalty	141.87	134.82
Payment to auditors [Refer Note No. 30(a)]	4.34	5.70
Sundry Balance written off	-	1.48
Selling & Distribution expenses	161.05	162.35
Brokerage expenses	75.24	101.65
Windmill Maintenance Charges	15.19	16.87
Travelling and Conveyance	63.89	55.29
Provision for Doubtful Debts	87.97	-
Bad debts written off	22.56	-
Communication costs	8.50	11.50
Entertainment Expenses	1.24	1.15
Printing and Stationery	4.16	4.79
Labour and Jobwork Charges	18.91	41.41
Packing Material consumed	442.30	472.12
Utility Material Consumed	3.18	9.40
Laboratory Material Consumed	-	0.79
Export expenses	142.84	114.59
Security Charges	5.64	5.91
Corporate office expenses	14.10	11.99
Office Expenses	12.92	19.55
Office Electricity Expenses	2.33	2.54
Warehousing Charges	24.28	24.79
Vehicle expenses	8.94	9.31
Share Trading expenses	0.02	0.04
Donation	0.28	0.39
Bank Charges	23.70	32.52
Logistics expenses	-	22.57
Miscellaneous expenses	62.98	46.45
	1,603.36	**1,591.85**
Note No. 30(a):		
Details of Payment to Auditor		
As Auditor		
Audit Fees	2.50	2.50
Tax Audit Fees	0.55	0.55
Limited Review	0.45	0.45
In Other capacity		
Certification Fees	-	0.15
Reimbursement of expenses including tax	0.01	0.56
	3.51	**4.21**
Cost Auditor		
As Audit fees	0.83	1.37
Reimbursement of service tax	-	0.12
	0.83	**1.50**
	4.34	**5.70**

31 First-time adoption of Ind AS (Ind AS 101)

As stated in Note 1, these financial statements, for the year ended March 31, 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its IGAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016 and how the transition from IGAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Exemptions Availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:

(a) Deemed cost for property, plant and equipment and intangible assets:

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(b) Fair Value of Financials Assets and Liabilities:

As per Ind AS exemption the Group has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards
Reconciliation of equity ₹ in Lacs

Particular	Notes	As at April 1, 2016			As at March 31, 2017		
		IGAAP	(+/-)	INDAS	IGAAP	(+/-)	INDAS
Assets							
Non-Current Assets							
(a) Property Plant and Equipment	2	3,727.17	-	3,727.17	3,567.10	-	3,567.10
(b) Intangible Assets	2	104.54	-	104.54	47.87	-	47.87
(c) Financial Assets							
(i) Other Financial Assets	3	60.89	-	60.89	1.10	-	1.10
(d) Other non-current assets	4	130.88	-	130.88	279.17	-	279.17
Total Non-Current Assets		**4,023.49**	**-**	**4,023.49**	**3,895.24**	**-**	**3,895.24**
Current Assets							
(a) Inventories	5	1,478.87	-	1,478.87	2,468.23	-	2,468.23
(b) Financial Assets							
(i) Trade Receivables	6	2,281.00	-	2,281.00	3,469.00	-	3,469.00
(ii) Cash and cash equivalents	7	48.14	-	48.14	122.39	-	122.39
(iii) Bank balances other than (ii) above	8	107.81	-	107.81	190.95	-	190.95
(iv) Loans	9	7.26	-	7.26	104.75	-	104.75
(v) Other Financial Assets	10	82.48	-	82.48	94.15	-	94.15
(c) Other current assets	11	377.40	-	377.40	571.41	-	571.41
Total Current Assets		**4,382.95**	**-**	**4,382.95**	**7,020.88**	**-**	**7,020.88**
Total Assets		**8,406.44**	**-**	**8,406.44**	**10,916.12**	**-**	**10,916.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation of equity ₹ in Lacs

Particular	Notes	As at April 1, 2016 IGAAP	(+/-)	INDAS	As at March 31, 2017 IGAAP	(+/-)	INDAS
Equity and Liabilities							
Equity							
(a) Equity Share Capital	12	510.00	-	510.00	510.00	-	510.00
(b) Other Equity		1,572.44	-	1,572.44	2,036.93	-	2,036.93
Equity Attributable to Equity Holders		**2,082.44**	**-**	**2,082.44**	**2,546.93**	**-**	**2,546.93**
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	13	1,997.74	-	1,997.74	1,952.99	-	1,952.99
(ii) Provisions	14	21.80	-	21.80	26.71	-	26.71
(b) Deferred tax liabilities (net)	15	184.29	-	184.29	431.38	-	431.38
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	1,870.78	-	1,870.78	1,942.15	-	1,942.15
(ii) Trade Payables	17	1,721.82	-	1,721.82	3,358.18	-	3,358.18
(iii) Other financial liabilities	18	345.10	-	345.10	373.60	-	373.60
(b) Other current liabilities	19	123.45	-	123.45	197.23	-	197.23
(c) Provisions	20	26.55	-	26.55	23.45	-	23.45
(d) Current Tax Liabilities (net)	21	32.47	-	32.47	63.50	-	63.50
		6,324.00	**-**	**6,324.00**	**8,369.19**	**-**	**8,369.19**
Total Equity and Liabilities		**8,406.44**	**-**	**8,406.44**	**10,916.12**	**-**	**10,916.12**

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017 ₹ in Lacs

Particulars	Notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
Revenue				
Revenue from Operations	22	24,134.44	38.43	24,172.87
Other Income	23	69.21	-	69.21
Total Income (I)		**24,203.65**	**38.43**	**24,242.08**
Expenses				
Cost of Raw Materials Consumed	24	2,975.29	-	2,975.29
Purchases of traded goods	25	18,305.29	-	18,305.29
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(473.84)	-	(473.84)
Employee Benefits Expense	27	335.23	1.63	336.86
Finance Costs	28	475.64	-	475.64
Depreciation and Amortisation Expense	29	273.52	-	273.52
Other Expenses	30	1,591.85	-	1,591.85
Total Expenses (II)		**23,483.00**	**1.63**	**23,484.62**
Profit before Tax Expenses		**720.65**	**36.80**	**757.45**
Tax Expenses:				
Current Tax		154.00	-	154.00
Deferred Tax		247.09	-	247.09
MAT credit Entitlement		(145.69)	-	(145.69)
Earlier years adjustments		0.01	-	0.01
Total		**255.41**	**-**	**255.41**
Profit for the Year		**465.25**	**36.80**	**502.05**
Other Comprehensive Income				
A (i) Items that will not be classified to profit and Loss				
Acturial Gain/(Loss) on employee benefits		-	1.63	1.63
B (i) Items that will be reclassified to profit and Loss				
Gain/(Loss) on hedging instruments		-	(38.43)	(38.43)
Total Comprehensive Income for the Year		-	**(36.79)**	**465.25**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Notes to the Reconciliation of equity as at April 1, 2017 and March 31, 2018 and Total Comprehensive Income for the year ended March 31, 2018:

(a) Property, Plant and Equipment

(i) As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

*Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

*Are expected to be used during more than one period.

However, in the opinion of the Management, items of stores and spares are of not material amount and are assessed for being consumed within one year.

(ii) As per Appendix A to Ind AS 16, the cost of an item of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

(b) Fixed deposit with maturity greater than twelve months shown in IGAAP under other non-current assets have been reclassified as other non current financial assets as per Schedule III to Companies Act, 2013.

(c) Fixed deposit with maturity less than twelve months have been reclassified from Cash and Cash equivalents to Other Bank Balances as per Schedule III to Companies Act, 2013.

(d) Financial Instruments

The Group uses forward currency contracts to hedge its foreign currency risks.

As per Ind AS 109, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(e) Loans/Other Financial Assets/ Other Current Assets

(i) As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets respectively.

(ii) Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Loans are classified under other Non-current/Current Assets.

(f) Borrowings

As per Ind AS 109, the Group has classified Foreign Currency Loans as financial liabilities to be measured at amortised cost. The Group has executed derivative contracts to hedge foreign currency risk of borrowings. The borrowings have been restated as at the date of transition..

(g) Provisions

Under IGAAP, Provision for Asset Retirement Obligation is initially measured at the undiscounted amount to settle the obligation, however, Ind AS 37, requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation.

(h) For Forward Covers, MTM reclassified to Derivative Liability as on the date of transition. The resulting gains or losses as on the date of transition are included in Retained earnings.

(i) Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

(j) Defined Benefit Liabilities

Both under IGAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(k) Other Comprehensive Income

In accordance with Ind AS, Movement in Other Comprehensive Income includes effective portion of gains and loss on hedging instruments in a cash flow hedge and remeasurements on defined benefit liability which was charged to Statement of Profit and Loss as per the IGAAP.

33 Fair Values and Hierarchy

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

₹ in Lacs

i)

March 31, 2018	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Other Financial Assets	3 & 10	-	-	134.76	134.76	-	-	134.76	134.76
Trade Receivables	6	-	-	3,447.54	3,447.54	-	-	3,447.54	3,447.54
Cash and Cash Equivalents	7	-	-	120.45	120.45	-	-	120.45	120.45
Bank Balances other than Cash & Cash Equivalents	8	-	-	286.87	286.87	-	-	286.87	286.87
Loans	9	-	-	10.99	10.99	-	-	10.99	10.99
		-	**-**	**4,000.61**	**4,000.61**	**-**	**-**	**4,000.61**	**4,000.61**
Financial Liabilities									
Borrowings	13 & 16	-	-	3,166.09	3,166.09	-	-	3,166.09	3,166.09
Provisions	14	-	-	27.87	27.87	-	-	27.87	27.87
Trade Payables	17	-	-	2,691.81	2,691.81	-	-	2,691.81	2,691.81
Other Financial Liabilities	18	-	-	387.01	387.01	-	-	387.01	387.01
		-	**-**	**6,272.78**	**6,272.78**	**-**	**-**	**6,272.78**	**6,272.78**

₹ in Lacs

ii)

March 31, 2017	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Other Financial Assets	3 & 10	-	-	95.25	95.25	-	-	95.25	95.25
Trade Receivables	6	-	-	3,469.00	3,469.00	-	-	3,469.00	3,469.00
Cash and Cash Equivalents	7	-	-	122.39	122.39	-	-	122.39	122.39
Bank Balances other than Cash & Cash Equivalents	8	-	-	190.95	190.95	-	-	190.95	190.95
Loans	9	-	-	104.75	104.75	-	-	104.75	104.75
		-	**-**	**3,982.33**	**3,982.33**	**-**	**-**	**3,982.33**	**3,982.33**
Financial Liabilities									
Borrowings	13 & 16	-	-	3,895.14	3,895.14	-	-	3,895.14	3,895.14
Provisions	14	-	-	26.71	26.71	-	-	26.71	26.71
Trade Payables	17	-	-	3,358.18	3,358.18	-	-	3,358.18	3,358.18
Other Financial Liabilities	18	-	-	373.60	373.60	-	-	373.60	373.60
		-	**-**	**7,653.63**	**7,653.63**	**-**	**-**	**7,653.63**	**7,653.63**

₹ in Lacs

iii)

April 1, 2016	Note No.	Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets									
Other Financial Assets	3 & 10	-	-	143.37	143.37	-	-	143.37	143.37
Trade Receivables	6	-	-	2,281.00	2,281.00	-	-	2,281.00	2,281.00
Cash and Cash Equivalents	7	-	-	48.14	48.14	-	-	48.14	48.14
Bank Balances other than Cash & Cash Equivalents	8	-	-	107.81	107.81	-	-	107.81	107.81
Loans	9	-	-	7.26	7.26	-	-	7.26	7.26
		-	**-**	**2,587.58**	**2,587.58**	**-**	**-**	**2,587.58**	**2,587.58**
Financial Liabilities									
Borrowings	13 & 16	-	-	3,868.52	3,868.52	-	-	3,868.52	3,868.52
Provisions	14	-	-	21.80	21.80	-	-	21.80	21.80
Trade Payables	17	-	-	1,721.82	1,721.82	-	-	1,721.82	1,721.82
Other Financial Liabilities	18	-	-	345.10	345.10	-	-	345.10	345.10
		-	**-**	**5,957.24**	**5,957.24**	**-**	**-**	**5,957.24**	**5,957.24**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties

33 Capital Management (Ind AS 1)

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Group. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

₹ in Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt (Long Term Bank and other borrowings)	1,405	1,953	1,998
Equity	3,545	2,547	2,082
Debt to Equity (Net)	0.40	0.77	0.96

In addition, the Group has financial covenants relating to the some of the borrowing facilities that it has to maintain Aggregate Tangible Net Worth which is maintained by the Group.

34 Financial Risk Management (Ind AS 1)

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risks

The Group borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements. The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the Group's profit for the year ended 31st March, 2018 would have been decreased/increased by ₹ 36.01 Lakhs..

b) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Details of Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Forward contract to buy	For Hedging of foreign currency purchases		
	Amount in US$	₹ in Lacs	No. of Contracts
As on 31.03.2018	9.72	633.63	8
As on 31.03.2017	17.43	1,130.30	24

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

	As on 31.03.2018		As on 31.03.2017	
Particulars	Amount in US$	₹ in Lacs	Amount in US$	₹ in Lacs
Trade Payable	3,692,603.50	2,406.84	3,655,488.75	2,370.77
Secured Trade Credit	569,500.00	371.20	1,079,500.00	700.11
Trade receivable	537,269.55	350.19	625,421.10	405.62

	As on 31.03.2018		As on 31.03.2017	
Particulars	Amount in JPY	₹ in Lacs	Amount in JPY	₹ in Lacs
Trade Payable	15,703,300.00	96.56	8,897,904.00	51.60

The Group is mainly exposed to changes in US Dollar. The sensitivity to 1% increase or decrease in US Dollar against INR with all other variables held constant will be ₹ 23.41 Lakhs. (Previous Year - ₹ 16.47 Lakhs).

The Sensitivity analysis is prepared on the net unhedged exposure of the Group at the reporting date.

c) Price Risks

The Group's revenues are mainly generated from sales within India and the raw materials are procured through import and local purchases where local purchases track import parity price. The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Group enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Debt Funds and Balances with Banks.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Group limits its exposure to credit risk by generally investing only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2018 is 0.67% of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund and non-fund based working capital lines from banks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lacs

Particulars	Refer Note	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Borrowings	13, 16 & 18	1,761.51	1,555.20	214.00	7.50
		(1,942.15)	(2,157.58)	(105.00)	(7.50)
Trade Payable	17	2,680.46	11.35	-	-
		(3,345.16)	(13.02)	-	-
Other Financial Liabilities	18	11.74	-	-	-
		(55.56)	-	-	-
Employee Benefit/ Expense liabilities	14	27.87	-	-	-
		(26.71)	-	-	-
Unclaimed dividends	18	3.14	-	-	-
		(0.95)	-	-	-

Figures in brackets are in respect of Previous year

35 Income Taxes (Ind AS 12)

(i) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

₹ in Lacs

Particulars	Year Ended 31st March,2018	Year Ended 31st March,2017
Holding Company's Profit Before Tax	1,530.76	751.36
Applicable tax rate @ 34.61% (March 31, 2017 : Under MAT @ 20.39%)	529.77	153.19
Effect of Tax Exempt Income	-	-
Effect of Non-Deductible expenses	125.26	-
Effect of Allowances for tax purpose	(91.12)	-
Effect of Tax paid at a lower rate	-	-
Effect of Previous year adjustments	(86.71)	-
Others	14.80	0.81
Total	**492.00**	**154.00**

(ii) The Company has announced a proposed dividend of ₹ 0.15/- per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 15.57 Lacs shall be recognized once the dividend is paid.

36 Operating Lease (Ind AS 17)

(a) Operating lease income recognised in the Statement of Profit and Loss amounting to ₹ 16.70 Lacs (March 31, 2017 ₹ 8.82 Lacs)

(b) General Description of leasing agreements:

Leased Assets: Factory Building

Future Lease rentals are determined on the basis of agreed terms.

At the expiry of lease terms, the Holding Company has an option to return the assets or extend the term by giving notice in writing.

Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

37 Employee Benefits (Ind AS 19)

Defined Benefit Plans

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the rules of the Group for payment of gratuity.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Group to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Statement of Assets and Liabilities for Defined Benefit Obligation:

₹ in Lacs

	Gratuity and other post employment benefit plans.	As at 31st March, 2018	As at 31st March, 2017
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	25.30	22.07
	Adjustment of:		
	Interest Cost	1.71	1.66
	Current Service Cost	3.93	3.20
	Past Service Cost	1.07	-
	Acturial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	-	0.56
	Acturial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	(1.11)	1.44
	Acturial (Gains)/Losses on Obligation - Due to Experience	0.74	(3.63)
	Balance at the end of the year	**31.64**	**25.30**
(ii)	**Change in Fair Value of Assets**		
	Fair Value of Plan Assets at the Beginning of the Period	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/ Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	-	-
(iii)	**Net Asset / (Liability) recognised in the Balance Sheet**		
	(Present Value of Benefit Obligation at the end of the Period)	(31.64)	(25.30)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/ (Deficit))	(31.64)	(25.30)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(31.64)**	**(25.30)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

	Gratuity and other post employment benefit plans.	As at 31st March, 2018	As at 31st March, 2017
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	3.93	3.20
	Net Interest Cost	1.71	1.66
	Past Service Cost	1.07	-
	Expenses Recognized	**6.71**	**4.86**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI):**		
	Actuarial (Gains)/Losses on Obligation For the Period	(0.37)	(1.63)
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**(0.37)**	**(1.63)**
(vi)	**Maturity profile of defined benefit obligation**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	7.18	2.60
	2nd Following Year	3.27	5.20
	3rd Following Year	3.23	2.64
	4th Following Year	3.69	2.56
	5th Following Year	2.91	2.92
	Sum of Years 6 To 10	13.06	9.66
	Sum of Years 11 and above	15.78	12.74
(vii)	**Sensitivity analysis for significant assumptions**		
	Projected Benefit Obligation on Current Assumptions	31.64	25.30
	Delta Effect of +1% Change in Rate of Discounting	(1.39)	(1.20)
	Delta Effect of -1% Change in Rate of Discounting	1.54	1.33
	Delta Effect of +1% Change in Rate of Salary Increase	1.36	1.10
	Delta Effect of -1% Change in Rate of Salary Increase	(1.34)	(1.04)
	Delta Effect of +1% Change in Rate of Employee Turnover	(0.32)	(0.29)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.35	0.31
(viii)	**Actuarial Assumptions:**		
	Discount Rate (p.a.)	7.50%	6.77%
	Expected Return on Plan Assets (p.a.)	N.A.	N.A.
	Turnover Rate	15.20%	15.20%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Salary Escalation Rate (p.a.)	10.24%	10.24%
	Retirement age	60 years	60 years
(ix)	**Weighted Average duration of Defined benefit obligation**	6 years	6 years

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(x) Gratuity is payable as per Group's scheme as detailed in the report.

(xi) Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(xii) Salary escalation & attrition rate are considered as advised by the Group; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

(xiii) Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

(xiv) Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

38 Government Grant (Ind AS 20)

Interest, Wages Expenses and Repairs to plant and machinery are net of subsidy received under State Investment Promotion Scheme of ₹ 27.91 Lacs (March 31, 2017 ₹ 13.04 Lacs),

39. Related party disclosures (Ind AS 24)

(A) Information about related parties:

(i)	Holding company	Wedgewood Holdings Limited, Mauritius
(ii)	Wholly-owned foreign subsidiary company	B.R.Chemicals Co., Limited, Osaka, Japan

(B) Other Related Parties with whom there were transactions during the year:

Parties	**Relationship**
Anup Jatia, Executive Director	Key Management Personnel (KMP)
C. P. Vyas, Company Secretary	Key Management Personnel (KMP)
Ratan Agrawal, Chief Financial Officer	Key Management Personnel (KMP)
Manju Agrawal	Relative of KMP
Black Rose Trading Private Limited Tozai Safety Private Limited Wedgewood Holdings LLP Tozai Enterprises Private Limited Fukui Accent Trading (India) Private Limited Accent Industries Limited	Enterprises owned or significantly influenced by any management personnel or their relatives

(a) The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lacs

Nature of Transactions	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Sales	-	-	-	122.71
	(-)	(-)	(-)	(153.38)
Purchases	-	-	-	76.85
	(-)	(-)	(-)	(17.60)
Rent Paid	-	-	-	7.40
	(-)	(-)	(-)	(5.52)
Directors Remuneration	-	42.00	-	-
	(-)	(42.00)	(-)	(-)
Fees Paid	-	9.90	1.10	-
	(-)	(9.95)	(6.60)	(-)
Salary Paid	-	17.58	-	-
	(-)	(10.30)	(-)	(-)
Interest Paid	-	113.14	-	-
	(-)	(121.19)	(-)	(4.14)
Rent Received	-	-	-	10.01
	(-)	(-)	(-)	(8.82)
Unsecured Deposit Received	-	-	-	-
	(-)	(340.00)	(-)	(-)
Reimbursement of Expenses Paid	-	-	-	0.12
	(-)	(-)	(-)	(1.50)
Reimbursement of Expenses Received	-	-	-	1.22
	(-)	(-)	(-)	(3.32)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

Balance as at 31st March,2018	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(iv)
Security Deposit Received	-	-	-	-
	(-)	(-)	(-)	(7.50)
Trade Receivables	-	-	-	-
	(-)	(-)	(-)	(5.13)
Trade Payables	-	-	-	-
	(-)	(-)	(-)	(5.71)
Unsecured Deposit Payable	-	72.00	-	-
	(-)	(895.00)	(-)	(-)
Interest Payable (Net of T.D.S.)	-	80.42	-	-
	(-)	(11.08)	(-)	(-)

Note: Figures of previous year are given in brackets.

40. Earnings per Share (EPS) (Ind AS 33):

₹ in Lacs

	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(A)	**Basic EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,174.59	465.25
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Basic EPS (₹) (i)/(ii)	**2.30**	**0.91**
(B)	**Diluted EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,174.59	465.25
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Diluted EPS (₹) (i)/(ii)	**2.30**	**0.91**

41. Contingent Liabilities (Ind AS 37)

(a) Contingent liabilities not provided for in respect of

(i) Central Sales Tax liability of ₹ 35.28 Lacs (P.Y. ₹ 71.61 Lacs) as per MVAT Audit, as the said liability is on account of non receipt of 'C' forms from various payable customers and the Holding 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.

(ii) Disputed Central Sales Tax demands of ₹ 163.83 Lacs (P.Y. ₹ 163.65 Lacs) in respect of Bond Transfer Sales. The issue was decided by Honourable Maharashtra Sales Tax Tribunal in favour of assessess, However, the department has filed an appeal against the order in Bombay High Court.

(b) Guarantees:

The Company has issued corporate guarantees as under:

(i) Guarantee given to Government authorities ₹ 12.32 Lacs (P.Y. ₹ 12.47 Lacs).

42. Segment Reporting (Ind AS 108)

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has four principal operating and reporting segments; viz. Textile, Chemicals, Renewable Energy & Others (Shares & Securities).

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

i) Primary Segment Information ₹ in Lacs

Particular	Textiles		Chemicals		Renewable Energy		Others		Unallocable		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Revenue												
Gross Turnover	149.35	260.30	29,763.09	24,421.98	100.72	100.31	8.92	-	-	-	30,022.08	24,782.59
Less: Excise Duty	-	-	(198.96)	(540.52)	-	-	-	-	-	-	(198.96)	(540.52)
Net Turnover	**149.35**	**260.30**	**29,564.13**	**23,881.46**	**100.72**	**100.31**	**8.92**	**-**	**-**	**-**	**29,823.12**	**24,242.07**
Segment Result before Interest and Taxes	**15.14**	**30.70**	**2,200.47**	**1,379.68**	**55.77**	**53.04**	**5.33**	**-**	**(275.87)**	**(230.33)**	**2,000.84**	**1,233.09**
Less: Interest Expense	-	-	(381.40)	(472.98)	-	(0.90)	-	-	(0.53)	(1.76)	(381.93)	(475.64)
Add: Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	**15.14**	**30.70**	**1,819.07**	**906.70**	**55.77**	**52.14**	**5.33**	**-**	**(276.40)**	**(232.09)**	**1,618.91**	**757.45**
Current Tax	-	-	-	-	-	-	-	-	(461.03)	(8.32)	(461.03)	(8.32)
Deferred Tax	-	-	-	-	-	-	-	-	17.18	(247.09)	17.18	(247.09)
Profit after Tax	**15.14**	**30.70**	**1,819.07**	**906.70**	**55.77**	**52.14**	**5.33**	**-**	**(720.25)**	**(487.50)**	**1,175.06**	**502.04**
Other Information												
Segment Assets	225.26	188.71	8,972.87	9,881.09	421.99	453.57	-	-	905.55	392.75	10,525.67	10,916.12
Segment Liabilities	5.30	3.46	5,927.74	7,762.12	0.08	6.73	-	-	1,047.78	596.88	6,980.90	8,369.19

- Inter segment pricing are at Arm’s length basis.
- As per Indian Accounting Standard 108 - Operating Segments, the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries
- The reportable Segments are further described below :
  - The Textile Segment represents production and marketing operations of the Fabrics & Gloves.
  - The Chemical Segment represents production and marketing operations of Chemicals.
  - The Renewable Energy Segment represents power generation activities operated through wind mills.
  - The Other Segment represents trading in Shares & Securities.

ii) Secondary Segment Information

₹ in Lacs

	2017-18	2016-17
a) Segment Revenue		
Local sales	28,333.32	21,820.66
Export Sales	1,489.80	2,421.41
	29,823.12	**24,242.07**
b) Segment Assets		
Local Assets	10,160.34	10,510.50
Export Assets	365.34	405.62
	10,525.68	**10,916.12**

43 Corporate Social Responsibility:

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended March 31, 2018 is ₹ 14.97 Lacs (March 31, 2017 ₹ 6.40) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013. However, the Holding Company was unable to spend the CSR amounts as the amounts were not scalable with the suitable CSR Activity and hence the same will be added to the CSR Budget for the Fianancial Year 2018-2019.

44 The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclousers, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

45	Value of Imports calculated on CIF basis	31st March, 2018	31st March, 2017
	Raw Materials	3,494	3,093
	Traded Goods	8,574	9,495
	Others	197	219
		12,266	**12,807**

₹ in Lacs

46	Expenditure in Foreign Currency	31st March, 2018	31st March, 2017
	Interest on short term borrowings	9.30	9.31
	Membership & Subscription	4.22	4.50
	Royalty	141.87	134.82
	Travelling	10.58	5.18
	Seminar & Conference Expenses	0.91	-
		166.88	**153.81**

47 Imported and indigenous raw materials, components consumed: ₹ in Lacs

	% of total consumption 31st March, 2018	Value 31st March, 2018	% of total consumption 31st March, 2017	Value 31st March, 2017
Raw Materials				
Imported	93.33%	3,307.16	96.04%	2,857.57
Indigenously obtained	6.67%	236.18	3.96%	117.72
	100.00%	**3,543.34**	**100.00%**	**2,975.29**

₹ in Lacs

48	Earnings in foreign currency	31st March, 2018	31st March, 2017
	Exports at F.O.B. Value	1,279.04	1,281.02
		1,279.04	**1,281 .02**

49 In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of businesss 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.

50 Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest rupees in lacs.

As per our report of even date attached
For and on behalf of
PKJ & CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 25, 2018

For and on behalf of the Board of Directors

Shivhari Halan
Director
DIN : 00220514

Anup Jatia
Executive Director
DIN : 00351425

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

Route Map to Annual General Meeting (AGM) Venue

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: investor@blackrosechemicals.com • Website: www.blackrosechemicals.com

Attendance Slip

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

I hereby record my presence at the 28th Annual General Meeting of the Company held on Saturday, September 22, 2018 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

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Email: investor@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) holding _____________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 28th Annual General Meeting of the Company, to be held on Saturday, September 22, 2018 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**
1	Adoption of Audited Profit and Loss Account, Balance Sheet, Report of Directors and Auditors along with Consolidated Financials for the year ended 31st March, 2018.		
2	To declare Dividend on equity shares.		
3	Appointment of Mr. Anup Jatia, who has consented to retire by rotation.		
4	Ratification of appointment of M/s. PKJ & Co., Chartered Accountants as Statutory Auditors of the Company.		
5	Appointment of Mr. Ameet Nalin Parikh as an Independent Director.		
6	Appointment of M/s. Poddar & Co., Cost Accountants as Cost Auditors of the Company.		

Signed this ____________________________ day of _______________, 2018

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

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

BALLOT FORM FOR VOTING ON ANNUAL GENERAL MEETING RESOLUTIONS

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

I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated August 13, 2018 (28^{th} AGM to be held on September 22, 2018), 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, 2018.			
2	To declare Dividend on equity shares.			
3	Appointment of Mr. Anup Jatia, who has consented to retire by rotation.			
4	Ratification of appointment of M/s. PKJ & Co., Chartered Accountants as Statutory Auditors of the Company.			
SPECIAL BUSINESS				
5	Appointment of Mr. Ameet Nalin Parikh as an Independent Director.			
6	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 Friday, September 21, 2018 (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 17, 2018 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 21, 2018.** 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.

To,

If undelivered, please return to

BLACK ROSE INDUSTRIES LIMITED
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