BLACK ROSE

29th Annual Report
2018-19

BLACK ROSE
INDUSTRIES LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

MR. SUJAY SHETH

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

TELEPHONE: 022 – 4333 7200 / 4311 0100
FAX: 022 – 2287 3022 / 4311 0114
E-MAIL ID: investor@blackrosechemicals.com

NOTICE

Notice is hereby given that Twenty Nineth Annual General Meeting of the members of the Company will be held on Monday, September 23, 2019 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, 2019 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, 2019 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, 2020.

SPECIAL BUSINESS

5. **Re-appointment of Mr. Shivhari Halan (DIN 00220514) as a Non – Executive Independent Director of the Company to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. Shivhari Halan (DIN 00220514) who was appointed as an Non – Executive Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Non – Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company, on the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. **Re-appointment of Mr. Basant Kumar Goenka (DIN 00227217) as a Non – Executive Independent Director of the Company to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. Basant Kumar Goenka (DIN 00227217) who was appointed as an Non – Executive Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Non – Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company, on the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. **Re-appointment of Mr. Sujay Sheth (DIN 03329107) as a Non – Executive Independent Director of the Company to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. Sujay Sheth (DIN 03329107) who was appointed as an Non – Executive Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Non – Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company, on the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

8. Revision in Executive Director's Remuneration

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

"RESOLVED THAT in partial modification of the resolution no. 5 passed at the Annual General Meeting of the Company held on September 29, 2015 and pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company hereby approves the revision in terms of remuneration of Mr. Anup Jatia, Executive Director of the Company, by way of an increase in the amount of his remuneration from ₹ 4,200,000 per annum to ₹ 10,000,000 per annum (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board or a Committee thereof to fix his remuneration within such maximum amount prescribed under the Companies Act, 2013 with effect from April 1, 2019, for the remainder of his term up to April 30, 2021, as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

9. 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, 2020 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: May 24, 2019

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 to 8 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 13, 2019 to Monday, September 23, 2019 (both days inclusive).

8. 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).

9. 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.

10. 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.

11. 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.

12. Members and Proxies attending the meeting are requested to bring the Annual Report to the meeting as extra copies will not be distributed.

13. 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.

14. Notice of this Annual General Meeting, Audited Financial Statements for 2018 - 2019 along with Directors' Report and Auditors' Report are available on the website of the Company, www.blackrosechemicals.com.

15. 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.

16. Voting through Electronic Means

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

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

   The instructions for e-voting are as under:

   i) The voting period begins on Thursday, September 19, 2019 at 9:00 a.m. and ends on Sunday, September 22, 2019 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 13, 2019 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 at evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk at 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 at evoting@cdslindia.com.

17. 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.

18. 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.

19. 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 to 7

At the 24th Annual General Meeting of the Company, Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth were appointed as Non-Executive Independent Director on the Board of the Company for a term of up to 5 (five) consecutive years up to 31st March, 2019 pursuant to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchange.

The Nomination and Remuneration Committee based on the outcome of performance evaluation exercise for Independent Directors, recommended the Board of Directors of the company the re-appointment of the said Independent Directors, for the second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.

The Board of Directors, based on the outcome of the performance evaluation exercise, recommendations of the Nomination and Remuneration Committee, background, experience and contributions made by Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth during their tenure, have approved the re-appointment (not liable to retire by rotation) of the said Independent Directors subject to approval of the shareholders of the Company. The Board of Directors state that the re-appointment of Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth would be in the interest of the Company and its shareholders.

Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have consented to act as Independent Directors of the Company.

The Company has also received declarations from Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations.

In the opinion of the Board Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth fulfil the conditions for appointment as Independent Directors as specified in Companies Act, 2013 and the Listing Regulations. Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth are Independent of the management.

Details of Directors whose re-appointment as Independent Directors are proposed at Resolution No. 5 to 7 are provided in the "Annexure" to the Notice pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standards issued by ICSI.

Copies of draft letters of appointment of Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office of the Company.

Except Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth, no other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions mentioned at Item No. 5 to 7 of the Notice.

The Board recommends the resolution set forth in Item No. 5 to 7 for the approval of members.

Item No. 8

At the Annual General Meeting of the Company held on September 29, 2015, the members had approved the re-appointment of Mr. Anup Jatia as the Executive Director of the Company for a period of five years with effect from May 1, 2016 at remuneration of ₹ 4,200,000/- per annum.

Considering the workload and performance of Mr. Jatia as Executive Director of the Company, in leading the Company to consistently improved performance over the years, the Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee, vide their meeting held on May 24, 2019, has approved the revision in the remuneration to Mr. Jatia from ₹ 4,200,000 per annum to ₹ 10,000,000 per annum, with effect from April 1, 2019, for the remainder of his term upto April 30, 2021, subject to approval of members of the Company.

The aggregate of the remuneration as aforesaid shall be within the maximum limits laid down under Section 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (including and statutory modification(s) or re-enactment thereof for the time being in force). All other terms and conditions of appointment of Mr. Jatia as Executive Director of the Company, as approved by the members at the Annual General Meeting of the Company held on September 29, 2015, remain unchanged.

Mr. Anup Jatia is concerned or interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of members.

Item No. 9

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, 2020, at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.

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

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

The Board recommends the resolution set forth in Item No. 8 for the approval of members.

Annexure forming part of the Explanatory Statement as required to be given pursuant to part II of Schedule V of the Companies Act, 2013, for payment of Remuneration to Executive Director in excess of limits specified.

I General Information

a) Nature of Industry

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.

b) Date or expected date of commencement of commercial production

The commercial production at the acrylamide plant commenced on September 20, 2013.

c) In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus

Not Applicable

d) Financial Performance based on given indicators

Consolidated Business

The Income grew by 3.77% and Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) grew by 9.72% as compared to the previous year. Profit before tax grew by 19.57% and Profit after tax grew by 18.17%.

Standalone Business

The Income grew by 15.52% and EBIDTA grew by 10.61% as compared to the previous year. Profit before tax grew by 21.39% and profit after tax grew by 19.14%.

e) Foreign Investments or collaborations

The Company has entered into a Foreign Technology License Agreement with Mitsui Chemicals, Inc., of Japan for manufacture of acrylamide monomer in India.

II Information about the appointee

a) Background Details

Mr. Anup Jatia completed his B.Sc. Engineering and Applied Science (Chemical Engineering and Economics) from the California Institute of Technology, U.S.A in 1993. He has 26 years of experience in the field of chemicals and textiles, with a deep understanding of international and local business. Mr. Jatia joined the Board of Directors in January, 2007 and was appointed as Executive Director in May, 2008.

b) Past Remuneration

The remuneration of Mr. Anup Jatia drawn by him as on 31st March 2019 is ₹ 4,200,000 per annum.

c) Recognition or awards

Mr. Anup Jatia has experience in the field of catalysis research and has co-authored a paper entitled "ZrO2 promoted with sulfate, iron, and manganese, a solid super acid catalyst capable of low temperature n-butance isomerization" which was published in Catalysis Letters in March, 1994.

d) Job profile and his suitability

Mr. Anup Jatia as Executive Director is involved in managing the growth of the Company, the company's relationship with its overseas principles, foreign technology licensor, and customers. He is the Occupier of the Company's manufacturing unit situated at Jhagadia, Gujarat and is actively involved in expansion program for the manufacture of polyacrylamide liquids (40,000MT) and polyacrylamide solids (10,000MT), as well as the techno-commercial aspects of product sales.

e) Remuneration proposed

₹ 10,000,000 per annum effective 1st April 2019.

f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration being paid to the Executive Director is comparable with the Companies of the same size in the industry having similar profitability.

g) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel

Mr. Anup Jatia is the Executive Director of the Company and is not related with the managerial personnel.

III Other Information

a) Reason of loss or inadequate profits

During the year ended 31st March, 2019, the Company has earned net profit after tax which is adequate for the payment of overall managerial remuneration limits under the Companies Act, 2013, but a little less for the limit prescribed for remuneration payable to the Executive Director.

b) Steps taken or proposed to be taken for improvement

The company is embarking on a major expansion program for the manufacture of polyacrylamide liquids (40,000MT) and polyacrylamide solids (10,000MT). Environmental Clearance has been received in October 2018.

The company is also expanding its acrylamide production facility from 14,000MT to 20,000MT per year.

In addition to the polyacrylamide project and acrylamide expansion, the company is actively pursuing other opportunities in the field of chemical manufacturing.

c) Expected increase in the productivity and profits in measurable terms

The resulting increase in productivity and profits will be adequate for payment of enhanced remuneration.

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

Name of the Director	**Mr. Shivhari Halan**	**Mr. Basant Kumar Goenka**
Date of Birth / Age	15th October, 1955 / 63 years	29th January, 1974 / 45 years
Qualification	B.Com.	B.Com. (Honors)
Expertise in specific functional areas	Mr. Halan is a businessman by profession and advises Company on industrial relations and factory management techniques.	Mr. Goenka possesses significant marketing experience and provides analysis on Company's sales efforts.
Date of Appointment on the Board	23rd January, 1996	28th March, 2003
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	To be re-appointed as an Independent Director for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting.	To be re-appointed as an Independent Director for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting.
Details of last drawn remuneration	Not Applicable	Not Applicable
Directorship held in other companies	● Konvertor Packaging Solutions Private Limited	● Accent Industries Limited ● Hindustan Wire Products Limited ● Bharat Produce Co. Ltd.
Chairmanship / Membership in Committees of other Board	NIL	NIL
Shareholding in the Company	271,800 equity shares	NIL
Relationship with Directors and KMP inter-se	None	None
Number of meetings of the Board attended during the F.Y. 2018 - 19	4/5	2/5

Name of the Director	Mr. Sujay Sheth	Mr. Anup Jatia
Date of Birth / Age	28th November, 1970 / 48 years	19th April, 1971 / 48 years
Qualification	B.Com. and Chartered Accountant	B.Sc. Engineering and Applied Science (Chemical Engineering and Economics)
Expertise in specific functional areas	Mr. Sheth's areas of experience are finance and accounting, direct taxes, corporate laws and possesses significant experience in the fields of transaction advisory, pre-acquisition studies, corporate governance, assurance and valuation. He is involved in audit, taxation, attestation and assurance functions of a wide selection of Indian and multi-national clients.	Mr. Jatia has around 2 decades of experience in the field of chemicals and textiles, with a deep understanding of international and local business.
Date of Appointment on the Board	2nd February, 2013	18th January, 2007
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	To be re-appointed as an Independent Director for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting.	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/-. Considering workload and consistent performance of the Company, remuneration sought to be paid to Mr. Jatia is ₹ 10,000,000 per annum with effect from April 1, 2019.
Details of last drawn remuneration	Not Applicable	₹ 4,200,000 per annum for F.Y. 2018 - 19
Directorship held in other companies	• AGC Networks Limited	• Accent Industries Limited • Dupoint Impex Limited • Tozai Safety Private Limited • Fukui Accent Trading (India) Pvt. Ltd. • Asian Polyacrylamides Pvt. Ltd. • Atmasantosh Foundation • Livingrose Speciality Chemicals Private Limited
Chairmanship / Membership in Committees of other Board	Audit Committee (C)* Stakeholders' Relationship Committee (C)*	NIL
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. 2018 - 19	4/5	5/5

* Chairman

By order of the Board
For Black Rose Industries Limited

Place: Mumbai
Date: May 24, 2019

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 29th Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts, for the financial year ended 31st March, 2019.

1. Financial Results - Extract

The company's standalone and consolidated performance during the financial year ended 31st March, 2019, as compared to the previous financial year is summarised below:

₹ in Lakhs

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue from Operations and Other Income	30,946.20	29,823.12	21,423.65	18,545.09
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	**2,459.60**	**2,241.78**	**2,382.07**	**2,153.63**
Less: Finance Cost	312.92	381.93	312.92	381.93
Profit before Depreciation and Tax (PBDT)	**2,146.68**	**1,859.85**	**2,069.15**	**1,771.70**
Less: Depreciation	210.94	240.94	210.94	240.94
Profit before Tax	**1,935.74**	**1,618.91**	**1,858.21**	**1,530.76**
Less: Provision for Tax	547.14	443.85	529.10	415.14
Profit after Tax	**1,388.60**	**1,175.06**	**1,329.11**	**1,115.62**
Total Comprehensive Income	**1,381.88**	**1,174.59**	**1,322.39**	**1,115.29**

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 ₹ 0.30 per equity shares of face value of ₹ 1 each for the year ended 31st March, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting.

4. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits for the financial year 2018 – 2019 in the profit and loss account.

5. Business Scenario

The economy was generally slow, and even the Indian Rupee was battered by over 15% during the year to finally end the year 6% lower. This did not stop the company from delivering a good performance. Acrylamide sales increased both domestically and internationally with the increase in plant capacity, and sales of the chemical distribution business increased with rising demand from the Indian specialty chemical sector. Going forward, the company expects the ongoing trade friction between China and the United States, the tightening of environmental restrictions in China, the resultant increase in global attention for Indian chemicals, and of course, the inevitable growth of Indian consumption to provide a strong boost to the Indian chemical sector which the company is a part of.

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

6. Deposits

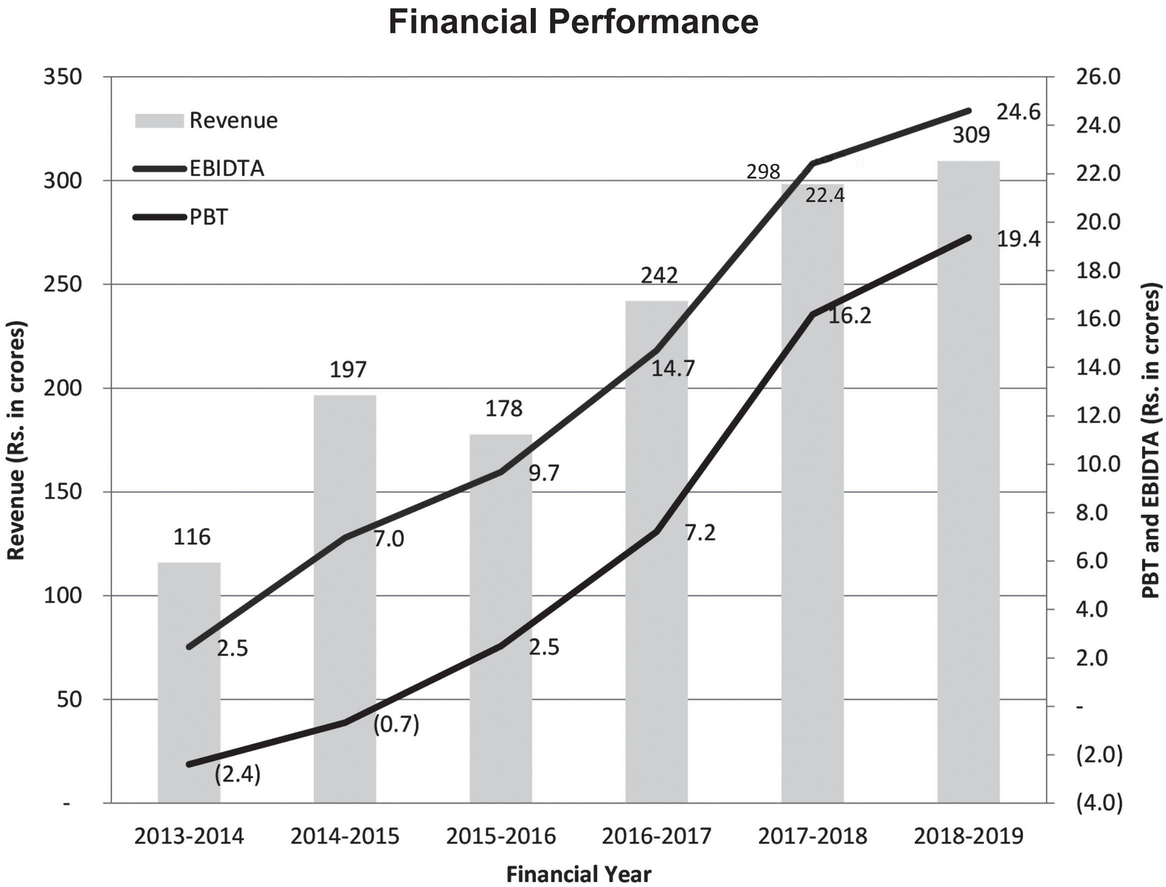
During the year under review, the company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

7. 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.

8. Performance Review

The year 2018 – 2019 saw a 10% and 11% increase in consolidated and standalone EBIDTA, respectively. Standalone revenue figures also grew significantly by 16% due to an increase in both acrylamide sales and 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 fell by 16%. Profitability continued to be strong due to increased efficiency at the acrylamide plant and good margins in the distribution business because of continuing tightening of environmental regulatory scenario in China as well as improving demand in India. The standalone EBIDTA margin for 2018-19 was 11.1% and standalone profit before tax increased by 21% to ₹ 1,858.21 lakhs.



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

9. 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.

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

During the year under review, the turnover of the company's wholly owned subsidiary incorporated in Japan reduced slightly to just under ₹ 100 crores. The profit at the subsidiary remained mostly constant at approximately ₹ 60 lakhs.

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, 2019 is attached to the financial statements hereto.

11. Directors and Key Managerial Personnel

Pursuant to the provisions of 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.

At the 24th Annual General Meeting (AGM) of the Company Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth were appointed as Independent Directors of the Company for a term of five years upto 31st March, 2019. Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth, being eligible, were re-appointed by the Board as Non – Executive Independent Directors on the Board of the Company for another term effective 1st April, 2019 to hold office till the conclusion of 33rd AGM, subject to approval of the members at the ensuing AGM of the Company.

The members in the 28th Annual General Meeting held on September 22, 2018 had appointed Mr. Ameet Nalin Parikh (DIN 0007036) as a Non – Executive Independent Director for a period of five consecutive years i.e. from May 25, 2018 to May 24, 2023.

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. C.P. Vyas shall cease to be Company Secretary and Compliance Officer of the Company with effect from close of business hours on May 31, 2019 and Mr. Nevil Avlani has been appointed as Company Secretary and Compliance Officer with effect from June 1, 2019.

Apart from the above, no other Director or Key Managerial Personnel were appointed or had retired or resigned.

12. Board Meetings and Board Committees

a. Board Meetings

The Board of Directors met five times during the financial year ended 31st March, 2019 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, 2019.

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 and the Board as a whole.

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.

13. 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, 2019.

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 2018 - 19 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

The Board of Directors of the Company has appointed 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 financial year 2019 – 20. A resolution seeking approval of the members for ratifying the remuneration payable to Cost Auditors for financial year 2019-20 is provided in the Notice of 29th Annual General Meeting of the Company.

14. 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.

Sailent features of the CSR policy and the details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure VI** forming part of this report. The CSR Policy may be accessed on the Company's website www.blackrosechemicals.com.

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, 2019, 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, 2019 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. Loans, Guarantees and Investments

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

18. 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, 2019 is given in **Annexure III** and 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. Appreciation

The Directors wish to convey their deep appreciation to all the employees, customers, vendors, and consultants / advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors also thank Company's principals and statutory authorities for their cooperation extended to the Company.

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 24, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

A. The Industry Structure and Developments

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.

The major changes in the Chinese environmental regulatory scenario started in 2017 continue to have both positive and negative effects on the Indian chemical industry - difficulty in procuring raw materials from China, and stronger demand for locally produced chemicals. Not only does the government need to invest more to address the infrastructure gaps in the country, the government also needs to increase its interaction with business and industry to understand what it can do to improve the trust between the political, bureaucratic, and economic sectors.

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.

B. 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.

With the slowdown in the global economy, the availability of products for the Indian market increased during the year.

Chemical Manufacturing

The domestic market demand of acrylamide monomer is approximately 7,500MT on a 100% solid basis, or 15,000MT 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 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.

C. Analysis of Performance

Chemical Distribution

Sales of the company's key distribution products performed well during the year. Despite early shortages in some of the products, the company was able to recover lost sales during the remaining period. Although foreign exchange rate volatility was high - starting around ₹ 66/US$, going up to ₹ 74/US$, and finally ending the year around ₹ 69/US$ - the company managed this volatility well and did not allow it to adversely affect its performance. The company increased its market presence in products such as pyridine, isophthalic acid and meta xylene, and will be adding more products during FY2020.

Acrylamide

Domestic sales of acrylamide during the year grew despite the challenges faced from a slowdown in some of the key user sectors. The volatility in raw material prices seen from the end of Q2 to the middle of Q3 provided the company with an opportunity to increase its market share. International demand for acrylamide remained extremely strong, especially for applications related to mining, enhanced oil recovery and friction reducers (fracking). With demand increasing both at home and abroad, the company has decided to increase its acrylamide production capacity from 14,000MT to 20,000MT by Q3 FY2020.

Textiles

The textile division's sale remained constant over the previous year at approximately ₹ 1.5 crores.

Renewable Energy

During the year under review, both the company's windmills performed according to the prevailing meteorological conditions. There was an approximately 4% rise in revenue over the previous year.

D. Financial Review

During the period under review, we achieved strong revenue growth despite intense competition across markets. The Standalone and Consolidated financial highlights for FY 2018-19 are as follows:

₹ in Lakhs

Particulars	Consolidated			Standalone		
	31.03.2019	31.03.2018	Change	31.03.2019	31.03.2018	Change
Revenue from Operations and Other Income	30,946.20	29,823.12	1,123.08	21,423.65	18,545.09	2,878.56
EBIDTA	2,459.60	2,241.78	217.82	2,382.07	2,153.63	228.44
PBT	1,935.74	1,618.91	316.83	1,858.21	1,530.76	327.45
PAT	1,388.60	1,175.06	213.54	1,329.11	1,115.62	213.49

Ratios	Standalone			Consolidated			
	2019	2018	Change	2019	2018	Change	
Debtors Turnover	6.91	5.83	1.08	9.98	8.61	1.27	Times
Inventory Turnover	5.70	5.71	-0.01	8.87	10.07	-1.20	Times
Interest Coverage	6.94	5.01	1.93	7.19	5.24	1.95	Times
Current	1.62	1.32	0.29	1.65	1.34	0.31	Times
Debt Equity	0.63	1.02	-0.39	0.62	1.00	-0.38	Times
Operating Profit Margin	10.17	10.34	-0.17	7.28	6.72	0.56	%
Net Profit Margin	6.20	6.02	0.19	4.49	3.94	0.55	%
Return on Net Worth	28.27	32.14	-3.87	28.72	33.15	-4.43	%

Key Financials

Consolidated Business

The Income grew by 3.77% and Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) grew by 9.72% as compared to the previous year. Profit before tax grew by 19.57% and Profit after tax grew by 18.17%.

Standalone Business

The Income grew by 15.52% and EBIDTA grew by 10.61% as compared to the previous year. Profit before tax grew by 21.39% and profit after tax grew by 19.14%.

F. Outlook

The Indian chemical industry is the third largest in Asia and sixth largest in the world. 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. However, delays in government approvals, requirements of various NOCs, poor infrastructure, and scarcity of funding slow down India's potential to grow. Nevertheless, with increasing domestic demand and lack of other competitive regions, India is bound to become the location of choice for both multinationals and domestic companies to invest in manufacturing facilities. The Company intends to take advantage of the growing interest in Indian manufacturing and constantly evaluates opportunities in this sector.

Acrylamide

The company is expanding its acrylamide production from 14,000MT to 20,000MT, primarily due to the strong rise in acrylamide exports. Raw material (acrylonitrile) prices are expected to remain subdued in the coming year due to slowdown in other applications of acrylonitrile such as acrylic fiber and ABS as well as new capacities coming up 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.

New Project - Polyacrylamide

The company obtained Environment Clearance for its polyacrylamide plant in October 2018. Building construction will begin in early June 2019, and plant construction is expected to be completed within FY2020. Operations of the 40,000MT polyacrylamide liquids plant will commence first, followed by the 10,000MT polyacrylamide solids plant. The 100,000MT polyacrylamide solids market in India is being catered almost entirely through imports (domestic production is less than 1000MT in a year).

G. 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 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**

  The operations of the Company 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.

- **Information security risk**

  We are increasingly dependent on IT systems and are exposed to breach of information security that can cause availability of sensitive information to the company's competitors. We have an information and security monitoring system to safeguard leaking of such sensitive information to the company's competitors

- **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.

H. Internal Control Systems

Our internal financial control framework commensurate with the size and operations of the business and is in line with requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Unit / functional heads are responsible for ensuring compliance with the policies and procedures laid down by the management. Our internal control systems are routinely tested by the Management, Statutory Auditors and Internal Auditors.

I. Internal Audit

The internal audit is conducted by an independent audit firm comprising of chartered accountants. The internal audit function carries out a focused and risk based annual internal audit plan approved by the Audit Committee. The internal audit reports are reviewed by the Audit Committee periodically.

J. Development in Human Resources and 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.

K. 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). Environmental Clearance has been received in October 2018. Expected cost of the expansion is ₹ 60 crores.

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 100,000MT 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 and the company expects to gain significantly from a first-mover advantage in this field.

The company is also expanding its acrylamide production facility from 14,000MT to 20,000MT per year. The expected cost of expansion is ₹ 3 crores.

In addition to the polyacrylamide project and acrylamide expansion, 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 SEBI (Listing Obligation and Disclousure Requirements) Regulations, 2015, 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

The table below depicts the standard components of remuneration package:

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 & RETIREMENT

a. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

b. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management

Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

IV. EVALUATION

a. Criteria for evaluating Non-executive Board members:

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

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

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

Ability to:

- apply professional knowledge to assigned duties so as to achieve a high standard of performance.
- use resources economically and judiciously.
- fulfill responsibilities in the development and training of staff.
- display foresight and plan beyond immediate needs.
- delegate responsibilities and exercise required degree of guidance and supervision.
- motivate subordinates effectively to produce desired results.
- maintain morale and look after the management of staff.
- exercise control over subordinates and gain their confidence.

c. Criteria for evaluating performance of Other Employees:

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

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

Communication of this Policy:

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

Implementation:

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

Amendment:

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

ANNEXURE II TO DIRECTORS' REPORT

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 III TO DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019
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	34.61
2	Wholesale of industrial chemicals	46691	63.44

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, 2018]				No. of Shares held at the end of the year [As on 31st March, 2019]				% 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, 2018]				No. of Shares held at the end of the year [As on 31st March, 2019]				% 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 - Foreign Portfolio Investors	-	-	-	-	136,095	-	136,095	0.27	(+)0.27
Sub-total (B)(1)	**800**	**200**	**1,000**	**0.00**	**136,895**	**200**	**137,095**	**0.27**	**(+)0.27**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	734,144	15,400	749,544	1.47	442,565	10,600	453,165	0.89	(-)0.58
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,885,764	2,775,260	7,661,024	15.02	4,840,189	1,851,280	6,691,469	13.12	(-)1.90
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,940,681	0	2,940,681	5.77	3,350,803	0	3,350,803	6.57	(+)0.80
c) Others (specify)									
Non Resident Indians									
Repatriable	859,143	0	859,143	1.68	853,267	0	853,267	1.67	(-)0.01
Non - Repatriable	37,667	0	37,667	0.07	28,972	0	28,972	0.06	(-)0.01
Directors and Relatives	0	271,800	271,800	0.53	0	271,800	271,800	0.53	(-)0.00
Hindu Undivided Families	212,531	4,200	216,731	0.42	156,109	3,500	159,609	0.31	(-)0.11
Clearing Members	12,558	0	12,558	0.02	4,587	0	4,587	0.01	(-)0.01
Trusts	2	0	2	0.00	2	0	2	0.00	0.00
IEPF	0	0	0	0.00	799,381	0	799,381	1.57	(+)1.57
Sub-total (B)(2)	**9,682,490**	**3,066,660**	**12,749,150**	**25.00**	**10,475,875**	**2,137,180**	**12,613,055**	**24.73**	**(-)0.27**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**9,683,290**	**3,066,860**	**12,750,150**	**25.00**	**10,612,770**	**2,137,380**	**12,750,150**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**47,933,140**	**3,066,860**	**51,000,000**	**100.00**	**10,612,770**	**2,137,380**	**12,750,150**	**25.00**	**0.00**

B) Shareholding of Promoters

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

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

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

D) Shareholding Pattern of top ten Shareholders as on March 31, 2019 (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	791,084	1.55	01.04.2018				
				01.03.2019	(+)10,000	Transfer	801,084	1.57
				31.03.2018			801,084	1.57
2	Chitralekha Todi	676,421	1.33	01.04.2018				
				11.05.2018	(-)3,659	Transfer	672,762	1.32
				01.06.2018	(+)2,500	Transfer	675,262	1.32
				08.06.2018	(+)652	Transfer	675,914	1.33
				17.08.2018	(-)34,454	Transfer	641,460	1.26
				31.03.2019			641,460	1.26
3	Citrine Fund Limited	0	0.00	01.04.2018				
				01.06.2018	(+)16,078	Transfer	16,078	0.03
				13.07.2018	(-)2,689	Transfer	13,389	0.03
				29.09.2018	(+)38,817	Transfer	52,206	0.10

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
				05.10.2018	(+)53,245	Transfer	105,451	0.21
				12.10.2018	(+)17,938	Transfer	123,389	0.24
				19.10.2018	(+)12,706	Transfer	136,095	0.27
				31.03.2019			136,095	0.27
4	IEPF	0	0.00	01.04.2018				
				14.09.2018	(+)100	Transfer	100	0.00
				21.09.2018	(+)7,501	Transfer	7,601	0.01
				29.09.2018		Transfer	799,381	1.57
				31.03.2018			799,381	1.57
5	Neha Subhash Idnany	99,777	0.20	01.04.2018				
				06.04.2018	(+)5,540	Transfer	105,317	0.21
				13.04.2018	(+)11,183	Transfer	116,500	0.23
				20.04.2018	(+)4,695	Transfer	121,195	0.24
				27.04.2018	(+)15,115	Transfer	136,310	0.27
				08.06.2018	(+)7,699	Transfer	144,009	0.28
				31.03.2019			144,099	0.28
6	Niche Financial Services Private Limited	226,376	0.44	01.04.2018				
				10.08.2018	(+)2,522	Transfer	228,898	0.45
				17.08.2018	(+) 9,428	Transfer	238,326	0.47
				31.03.2019			238,326	0.47
7	Rhea Todi	616,602	1.21	01.04.2018				
				31.03.2019			616,602	1.21
8	Ruchi Todi	765,000	1.50	01.04.2018				
				31.03.2019			765,000	1.50
9	Sujata Todi	765,000	0.00	01.04.2018				
				31.03.2019			765,000	1.50
10	Yasin Lukamanbhai Gadhia	117,658	0.23	01.04.2018				
				31.08.2018	(+)12,779	Transfer	130,437	0.26
				07.09.2018	(+)10,082	Transfer	140,519	0.28
				14.09.2018	(+)8,461	Transfer	148,980	0.29
				29.09.2018	(+)7,100	Transfer	156,080	0.31
				12.10.2018	(+)2,151	Transfer	158,231	0.31
				19.10.2018	(+)13,027	Transfer	171,258	0.34
				16.11.2018	(+)4,612	Transfer	175,870	0.34
				14.12.2018	(+)892	Transfer	176,762	0.35
				11.01.2019	(+)8	Transfer	176,770	0.35
				15.02.2019	(+)800	Transfer	177,570	0.35
				22.02.2019	(+)850	Transfer	178,420	0.35
11	Naresh Pachisia	70,000	0.14	01.04.2018				
				30.11.2018	(+)25,000	Transfer	95,000	0.19
				30.03.2019	(+)40,000	Transfer	135,000	0.26
				31.03.2019			135,000	0.26

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	01.04.2018				
				31.03.2019			271,800	0.53
2	Mr. Sujay Sheth	0	0	01.04.2018				
				31.03.2019			0	0
3	Mr. Anup Jatia	0	0	01.04.2018				
				31.03.2019			0	0
4	Mr. Basant Kumar Goenka	0	0	01.04.2018				
				31.03.2019			0	0
5	Mrs. Garima Tibrawalla	0	0	01.04.2018				
				31.03.2019			0	0
6	Mr. Chiranjilal P. Vyas	0	0	01.04.2018				
				31.03.2019			0	0
7	Mr. Ratan Agrawal	14,100	0.03	01.04.2018				
				31.03.2019			14,100	0.03
				31.03.2018			14,100	0.03

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

₹ in Lakhs

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Total Indebtedness
i) Principal Amount	2,744.79	785.00	3,529.79
ii) Interest accrued but not due	-	10.91	10.91
Total (i+ii)	**2,744.79**	**795.91**	**3,540.70**
Change in Indebtedness during the financial year			
* Addition	-	-	-
* Reduction	543.68	22.34	566.02
Net Change	**(543.68)**	**(22.34)**	**(566.02)**
Indebtedness at the end of the financial year			
i) Principal Amount	2,201.11	770.00	2,971.11
ii) Interest accrued but not due	-	3.57	3.57
Total (i+ii)	**2,201.11**	**773.57**	**2,974.68**

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Amount in ₹

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

B. Remuneration to other directors

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors					Total
		Mr. Shivhari Halan	Mr. Ameet Parikh	Mr. Sujay Sheth	Mr. Basant Kumar Goenka	Mrs. Garima Tibrawalla	
1	**Independent Directors**						
	Fee for attending board meetings	80,000	60,000	80,000	40,000	20,000	280,000
	Commission	-		-	-	-	-
	Others, please specify	-		-	-	-	-
	Total (1)	**80,000**	**60,000**	**80,000**	**40,000**	**20,000**	**280,000**
2	**Other Non-Executive Directors**						
	Fee for attending board committee meetings	-		-	-	-	-
	Commission	-		-	-	-	-
	Others, please specify	-		-	-	-	-
	Total (2)	-		-	-	-	-
	Total (B)=(1+2)	**80,000**	**60,000**	**80,000**	**40,000**	**20,000**	**280,000**
	Total Managerial (A+B) Remuneration						**4,480,000**
	Overall Ceiling as per the Act						**7,200,000**

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	-	1,055,000	2,170,355	3,225,355
	(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	**-**	**1,055,000**	**2,170,355**	**3,225,355**

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	Not Applicable				
Punishment					
Compounding					

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) Replacement of existing sodium vapour lamps in FLP fittings with LED lamps within Process plant to minimize power consumption.

   ii) 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 ₹ 13.78 lakhs on the same during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign exchange outgo : ₹ 16,501.89 lakhs
2. Foreign exchange earned : ₹ 3,274.22 lakhs

ANNEXURE V TO DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018 – 19, 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	NIL	16.09	3.16
2	Mr. Shivhari Halan Independent Director	NIL	NIL	NIL	NIL
3	Mr. Sujay Sheth Independent Director	NIL	NIL	NIL	NIL
4	Mr. Basant Kumar Goenka Independent Director	NIL	NIL	NIL	NIL
5	Ms. Garima Tibrawalla Independent Director	NIL	NIL	NIL	NIL
6	Mr. Chiranjilal P. Vyas Company Secretary	1,055,000	3.43	4.04	0.79
7	Mr. Ratan Kumar Agrawal Chief Financial Officer	2,170,355	19.65	8.32	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 decreased by 5.16% compared to the previous financial year due to increase in the remuneration of managerial employees.
2	The number of permanent employees on the rolls of the Company.	61 employees as on March 31, 2019
3	The explanation on the relationship between average increase in remuneration and performance of the Company.	The average increase in remuneration was mainly dependent on market movements with a view towards retention of quality employees while keeping in mind the overall performance of the company.
4	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	Total KMP remuneration of ₹ 7,425,355 was 5.58% 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 16.35% as compared with the percentile increase in the managerial remuneration of 19.49%. 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 ₹ 22,925 lakhs as of 31st March, 2018 to ₹ 23,333 lakhs as of 31st March, 2019. Over the same period price earning ratio decreased from 20.53 to 17.66. The company's stock price as on 31st March, 2019 has increased by 815% to ₹ 45.75 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.

   Overview of the projects or programes undertaken / proposed to be undertaken either directly or through implementing agency:

   a) Patang Scholars Program

   The Patang Scholars Program is a joint initiative by Atmasantosh Foundation and NIT - Dharma Bharathi Mission. The program is for talented students from underprivileged background who need financial support to pursue higher education. This program provides scholarship and imparts holistic development to the selected students.

   b) SHIELD Program

   SHIELD offers first-aid training and mental health awareness workshops for participants aged 13 and above. Run by Atmasantosh Foundation the first-aid and safety training workshop teaches participants the basic skills and procedures for medical emergencies while the mental health awareness workshop instructs participants on the signs and symptoms of mental illness and how to effectively address it.

c) Vidya Sahyog Program

The Program focuses on strengthening literacy, employability, educational infrastructure, and health and safety facilities in rural areas across India. Run by Atmasantosh Foundation, the program also offers scholarship opportunities to students studying in school and colleges in rural areas.

d) Mobility and Eye Care Camps

Ratna Nidhi Charitable Trust provides health care assistance by organising mobility camps to provide artificial aids like Jaipur foot, calipers, crutches, hand etc. to empower differently-abled individuals. It also runs eye care camps to provide free spectacles with prescribed glasses to students.

e) Aviral Gyan Pariyojana

The Disha Foundation of Jaipur supports special education to intellectually disabled students from the age 5 to 25 years by providing materials, equipment and infrastructural facilities. Disha Foundation also provides pre-vocational and vocational training in cooking, stitching, art and craft and machine handling to students between the age 14 to 25 years. The Foundation also supports development of educational infrastructure in rural India.

f) Bhavishya - Yaan

The Rotary Club of Bombay runs a student enrichment program in six municipal schools and impacts about 1,400 underprivileged children. They are taught spoken English, computer skills and life skills, besides being given exposure to various off-sites that provide vital education helping them to become chartered accountants, engineers and the like.

The Composition of the CSR Committee.

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

1. **Average net profit of the Company for last three financial years:** ₹ 1,367.84 Lakhs
2. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹ 27.36 Lakhs
3. **Details of CSR spent during the financial year:**

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

Financial Year	Amount (₹ in Lakhs)
2016 – 17	6.40
2017 – 18	16.61
2018 – 19	27.36
Total	**50.37**

b) Amount unspent, if any: ₹ 44.87 Lakhs

c) Manner in which the amount spent during the financial year is detailed below:

CSR Project or Activity Identified	Relevant Section of Schedule VII in which the project is covered	Project or programs 1) Local area or other 2) Specify the State and District where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (₹ in Lakhs)	Amount Spent on the projects or program subheads (₹ in Lakhs)	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount Spent: Direct or through Implementing Agency
Patang Scholars Program	(ii)	Mumbai, Maharashtra	15.00	5.50	5.50	Through Implementing Agency (Atmasantosh Foundation)
SHIELD Program	(i)	Mumbai, Maharashtra				
Vidya Sahyog Program	(i)&(ii)	Pan India				
Mobility and Eye Care Camps	(i)	Bharuch, Gujarat	5.00	-	-	Through Implementing Agency (Ratna Nidhi Charitable Trust)
Aviral Gyan Pariyojana	(ii)	Jaipur and Jhunjhunu, Rajasthan	40.00	-	-	Through Implementing Agency (Disha Foundation)
Bhavishya-Yaan	(ii)	Mumbai, Maharashtra	1.00	-	-	Through Implementing Agency (Rotary Club of Bombay)

4. **Reason for not spending the aforesaid amount mentioned at point no. 3 on CSR Activities.**

During the year under review, the Company was unable to spend the CSR amount mentioned at point no. 3(b) as scalable programs were identified after thorough research only towards the end of the year. As the programs have now been identified, the amount will be added to the CSR budget for the financial year 2019 – 2020 and the company intends to spend it accordingly.

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, 2019

[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 2019 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 2019 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 (SS – 1) and general meetings (SS – 2) are complied.

(ii) The provisions of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 including its amendment.

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. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and 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 last year. The Company was required to spend Corporate Social responsibility Activities last year but since the amount was small they spent the aggregate amount in this financial year under review.

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: 15.05.2019

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 six members as at 31st March, 2019 of whom one is Executive Director and remaining five are Independent Non – Executive Directors.

In view of the above 83.33% 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	Number of Directorships in Public Compaies including BRIL (*)	Number of Committees (including Black Rose Industries Limited) in which Chairman / Member (**)		Name of Listed entities where Directors are on Board
					Member	Chairman	
Mr. Anup Jatia	Executive Director	5/5	Yes	3	2	Nil	- Black Rose Industries Limited
Mr. Ameet Parikh	Independent / Non-executive	3/5	No	3	1	Nil	- Black Rose Industries Limited - Axtel Industries Limited
Mr. Basant Kumar Goenka	Independent / Non-executive	2/5	No	4	1	Nil	- Black Rose Industries Limited
Mrs. Garima Tibrawalla	Independent / Non-executive	1/5	No	4	Nil	Nil	- Black Rose Industries Limited - O P Vanyjya Limited
Mr. Shivhari Halan	Independent / Non-executive	4/5	Yes	1	2	1	- Black Rose Industries Limited
Mr. Sujay Sheth	Independent / Non-executive	4/5	Yes	2	3	3	- Black Rose Industries Limited - AGC Networks Limited

(*) Excludes Directorships in Private Limited Companies, Foreign Companies, Companies registered under section 8 of the Companies Act, 2013 and LLPs.

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

During the financial year 2018 – 2019 Five Meetings of the Board of Directors were held on May 25, 2018, August 13, 2018, November 12, 2018, December 7, 2018 and February 8, 2019.

Disclosures of relationships between directors inter-se

As at March 31, 2019, the Board comprises of 6 directors. None of the Directors are related to each other.

Equity Shareholding of the Non – Executive Directors in the Company as on March 31, 2019

Sl. No.	Name of the Non – Executive Director	No. of Shares
1	Mr. Ameet Nalin Parikh	-
2	Mr. Basant Kumar Goenka	-
3	Mrs. Garima Tibrawalla	-
4	Mr. Shivhari Halan	271,800
5	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.

Confirmation on the conditions specified in Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

i) Knowledge – understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan(s), governance structure, risks and threat, potential opportunities) and knowledge of the industry in which the Company operates.

ii) Skills – attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.

iii) Strategic thinking and decision making.

iv) Financial skills.

v) Operational skills.

vi) Technical / Professional skills and specialized knowledge to assist the ongoing aspects of the business

C COMMITTEES

Currently Black Rose 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.

a. 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.

b. 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	1

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 2018 – 2019

Number of Complaints		
Received	Resolved	Pending
1	1	NIL

3 NOMINATION AND REMUNERATION COMMITTEE

a. 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.

b. 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

c. 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.

d) Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is mentioned in the Boards' Report.

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and for the Managing and Executive Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth and diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees, etc.

4. REMUNERATION TO DIRECTORS

a) During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non – Executive Directors apart from sitting fees.

b) The Non-Executive Directors, including Independent Directors, are paid sitting fees for attending the meetings of the Board. The Company pays a sitting fees of ₹ 20,000 per meeting per director for attending meetings of the Board. No sitting fees are paid for attending the meetings of the Committee.

c) The Company has not granted Stock Options to any of its Directors.

d) Remuneration Paid to Directors during 2018 - 19

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. Ameet Nalin Parikh	Independent / Non – Executive Director	60,000	-	60,000
3	Mr. Basant Kumar Goenka	Independent / Non – Executive Director	40,000	-	40,000
4	Mr. Garima Tibrawalla	Independent / Non – Executive Director	20,000	-	20,000
5	Mr. Shivhari Halan	Independent / Non – Executive Director	80,000	-	80,000
6	Mr. Sujay Sheth	Independent / Non – Executive Director	80,000	-	80,000

5. 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
2017 – 2018	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai-400020	Saturday, September 22, 2018	11:30 a.m
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.

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 2018 – 2019.

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 22, 2018	Saturday	11:30 a.m.	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers' IMC Marg, Churchgate, Mumbai – 400020.

2. **Financial Year:** April 1 – March 31

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, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

   The company has paid annual listing fees for the financial year 2019 – 2020 to the exchange where the shares of the Company is listed.

5. **Stock Code:** 514183

6. **Market Price Data**

Month	High Price (₹)	Low Price (₹)
April, 2018	52.15	45.95
May, 2018	53.00	46.70
June, 2018	49.90	40.15
July, 2018	48.75	37.00
August, 2018	53.80	42.00
September, 2018	48.85	42.10
October, 2018	54.50	43.00
November, 2018	54.00	46.50
December, 2018	49.75	44.70
January, 2019	52.85	39.00
February, 2019	45.80	38.00
March, 2019	51.00	42.40

7. Black Rose Share Performance

Month	BSE Sensex (Closing Points)	Closing Price (₹)
April, 2018	35,160.36	49.95
May, 2018	35,322.38	48.30
June, 2018	35,423.48	43.20
July, 2018	37,606.58	46.10
August, 2018	38,645.07	44.10
September, 2018	36,227.14	46.55
October, 2018	34,442.05	49.45
November, 2018	36,194.30	47.50
December, 2018	36,068.33	45.20
January, 2019	36,256.69	42.80
February, 2019	35,867.44	44.05
March, 2019	38,672.91	45.75

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

The Registrars can be contacted between 10:00 a.m. and 3:00 pm.

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.

As per directives issued by Securities and Exchange Board of India, it is compulsorily to trade in the company's equity shares in dematerialized form.

10. Distribution of Shareholding as at 31st March, 2019

Particulars	Number of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	15,247	2,305,174	4.52
501 – 1000	676	575,078	1.13
1,001 – 5,000	496	1,174,071	2.30
5,001-10,000	82	607,153	1.19
10,001-50,000	89	1,892,054	3.71
50,001-1,00,000	10	712,843	1.40
1,00,001 and above	16	43,733,627	85.75
TOTAL	**16,616**	**51,000,000**	**100.00**

11. Dematerilisation of Shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholders is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL / CDSL to Registrar and Share Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

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, 2019, 95.84% 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, 2019, 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. Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 during FY 2018-19 were in the ordinary course of business and on arm's length pricing basis and therefore no approval of the Board of Directors or Shareholders is applicable under the provisions of Section 188 of the Companies Act, 2013.

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

Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company's website www.blackrosechemicals.com.

2. Statutory Compliance, Penalties and Strictures

The Company had paid a penalty of ₹ 54,280 imposed by the stock exchange for inadvertently not attaching Annual Report for the FY 2017-18 with the covering letter uploaded on BSE listing center.

The Company requested the exchange for waiver of above penalty stating it was a human error and shall be considered as a mistake and not a violation of Regulation 34 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 and the moment we were advised of the mistake, the same was rectified immediately and the Annual Report was uploaded, but the request was not acceded by the Exchange and the Company has to pay the fine.

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.

- Reporting of Internal Auditors: The internal auditor reports directly to the audit committee and they attends in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee.
- Modified Opinion in auditors Report: Company's financial statements for the year ended March 31, 2019 do not contain any modified audit opinion

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 duly complied with the requirements specified in 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. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) – Not Applicable

8. Certificate from M/s. ND & Associates, Company Secretary in Whole-Time Practice is attached (which forms integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board / Ministry of Corporate Affairs of any such statutory authority.

9. There was no such instance during FY 2018 – 19 when the board has not accepted any recommendation of any committee of the board.

10. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is apart is given below.

₹ in Lakhs

Payment to Statutory Auditors	FY 2018-19
Audit Fees	3.00
Other Services including reimbursement of expenses	1.98
Total	**4.98**

11. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year : Nil
b. Number of complaints disposed of during the financial year : Nil
c. Number of complaints pending as on end of the financial year : Nil

12. In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

13. There was no instance during FY 2018-19 of Non – Compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Disclosure with respect to demat suspense account/unclaimed suspense account: **Not Applicable**

15. 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.

16. 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.

17. 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 24th May, 2019. A copy of the certificate is annexed to this Annual Report.

H TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the provisions of Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) rules, 2016 (hereinafter referred to as “IEPF Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2011 have been transferred to the IEPF. The details of the unclaimed dividend so transferred are available on the Company’s website www.blackrosechemicals.com.

Members who have not encashed the divided warrant(s) for dividend declared by the Company for the year ended 31st March, 2017 and 31st March, 2018 may forward their claims to the Company’s Registrar and Share Trnasfer Agents before they due to be transferred to the IEPF.

In accordance with Section 124(6) of the Companies Act, 2013, read with the IEPF rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed are transferred to the IEPF. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during financial year 2018-19. The details of such shares transferred have been uploaded on the Company’s website www.blackrosechemicals.com.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The members / claimant is required to make an online application to the IEPF Authority in Form No. IEPF – 5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The members / claimant can file only one consolidated claim in a financial year as per the IEPF rules.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Last date for claiming unpaid dividend
31st March, 2017	12/10/2017	12/10/2024
31st March, 2018	10/10/2018	10/10/2025

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and ScheduleV Para C Clause (10)(i) of the SEBI
(Listing Obligation and Disclosure Requirements) Regulations 2015)

To,
The Members
Black Rose IndustriesLimite
145A, Mittal Tower,
Nariman Point,Mumbai – 400 021

We have examined the relevant registers, records, forms, returns and disclosure received from the Directors of Black Rose Industries Limited having CIN L17120MH1990PLC054828 and having registered office at 145A, Mittal Tower, Nariman Point, Mumbai – 400 021(hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C sub Clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications including Directors Identification number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of The Director	DIN	Date of appointment in the Company
1.	Shivhari Mahabirprasad Halan	00220514	23/01/1996
2.	Basant Kumar Goenka	00227217	28/03/2003
3.	Anup Jatia	00351425	01/05/2013
4.	Sujay Rajababu Sheth	03329107	28/03/2003
5.	Garima Tibrawalla	00203909	24/03/2015
6.	Ameet Nalin Parikh	00007036	25/05/2018

Ensuring the eligibility for the appointment or continuity of every Director on the Board of above referred Company is the responsibility of the management of the Company. Our responsibility is to express an opinion as stated above based on our verification. This certificate is neither an assurance as to the future viability of the company or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 20.05.2019

For **ND & Associates**

Neeta H. Desai
Practising Company Secretary
COP No. 4741

Declaration

May 24, 2019

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, 2019.

Thanking You,

For **Black Rose Industries Limited**

Anup Jatia
Executive Director
DIN: 00351425

CEO / CFO Certification

May 24, 2019

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, 2019 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 31 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 : May 24, 2019

Neeta H. Desai
Practising Company Secretary
COP : 4741

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF
BLACK ROSE INDUSTRIES LIMITED

1. *Opinion*

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **BLACK ROSE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

2. *Basis for Opinion*

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

3. *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Our Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, effect of variable considerations and the appropriateness of the basis used to recognise revenue at a point in time or over a period of time.	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. Our procedures did not identify any material exceptions.

2	Defined benefit obligation The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

4. Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibility for the audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

7.2 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 it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 separate Report in Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would have impact on its financial position;

ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

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

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 24, 2019

BLACK ROSE INDUSTRIES LIMITED
ANNEXURE-A TO INDEPENDENT AUDITOR'S 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, 2019. 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 Property, Plant and Equipments (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, GST, 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, GST, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2019, 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 Income Tax and Sales Tax that have not been deposited:

Name of the Statute	Nature of Dues	Amount of Demand net of deposits (₹)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax and Interest	₹ 38,32,129/-	F.Y. 2009-10	Commissioner (Appeals)
Central Sales Tax Act, 1956	Tax and Interest	₹ 71,05,587/-	F.Y. 2010-11	Commissioner (Appeals)
Central Sales Tax Act, 1956	Tax, Interest and Penalty	₹ 47,29,426/-	F.Y. 2011-12	Commissioner (Appeals)
Central Sales Tax Act, 1956	Tax and Interest	₹ 53,72,712/-	F.Y. 2012-13	Commissioner (Appeals)
Value Added Tax Act, 2002	Tax, Interest and Penalty	₹ 2,69,536/-	F.Y. 2011-12	Commissioner (Appeals)
Value Added Tax Act, 2002	Tax and Interest	₹ 3,00,190/-	F.Y. 2013-14	Commissioner (Appeals)
Income Tax Act, 1961	Tax and Interest	₹ 1,77,16,719/-	A.Y. 2016-17	CIT (Appeals)

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.

ix. 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.

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

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 24, 2019

BLACK ROSE INDUSTRIES LIMITED

ANNEXURE-B TO INDEPENDENT AUDITOR'S 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, 2019.

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, 2019 in conjunction with our audit of the Standalone Ind AS 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 Standalone Ind AS 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, 2019, 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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 24, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in Lakhs

	Note No.	As At 31-03-2019	As At 31-03-2018
I ASSETS			
1 Non Current Assets			
(a) Property, Plant and Equipments	2	3,262.93	3,410.10
(b) Intangible Assets	2	7.38	10.64
(c) Capital Work-in-Progress	2	21.65	-
		3,291.96	**3,420.73**
(d) Financial Assets			
(i) Investments	3	16.21	16.21
(ii) Other Financial Assets	4	0.32	52.23
(e) Other Non-Current Assets	5	54.16	181.60
		70.69	**250.04**
2 Current Assets			
(a) Inventories	6	3,311.91	2,615.96
(b) Financial Assets			
(i) Trade Receivables	7	2,797.08	3,382.73
(ii) Cash and Cash Equivalents	8	34.56	65.87
(iii) Bank Balances other than Cash and Cash Equivalents	9	445.93	284.55
(iv) Loans	10	16.94	10.99
(v) Other Financial Assets	11	87.60	86.13
(c) Other Current Assets	12	621.62	304.61
(d) Current Tax Assets (Net)	13	112.66	-
Total		**7,428.30**	**6,750.85**
		10,790.94	**10,421.62**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	14	510.00	510.00
(b) Other Equity		4,192.07	2,961.48
		4,702.07	**3,471.48**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,058.19	1,404.58
(ii) Provisions	16	33.93	27.87
(b) Deferred Tax Liabilities (Net)	17	401.54	414.20
		1,493.66	**1,846.65**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,523.54	1,760.59
(ii) Trade Payables	19	2,467.00	2,691.26
(iii) Other Financial Liabilities	20	413.48	387.01
(b) Other Current Liabilities	21	161.75	124.71
(c) Provisions	22	29.44	30.40
(d) Current Tax Liabilities (Net)	13	-	109.51
		4,595.21	**5,103.48**
Total		**10,790.94**	**10,421.62**

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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 24, 2019

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, 2019

₹ in Lakhs except EPS

		Note No.	For the year ended 31-03-2019	For the year ended 31-03-2018
I	**INCOME**			
	Revenue from operations	23	21,348.91	18,497.29
	Other income	24	74.74	47.80
	Total Revenue		**21,423.65**	**18,545.09**
II	**EXPENDITURE**			
	Cost of materials consumed	25	5,366.85	3,543.34
	Purchase of traded goods	26	11,827.70	11,177.68
	Changes in inventories of finished goods, work-in-progress and traded goods	27	(298.73)	(239.68)
	Employee benefits expense	28	381.66	363.92
	Finance cost	29	312.92	381.93
	Depreciation and amortization expenses	30	210.94	240.94
	Other expenses	31	1,764.10	1,546.19
	Total Expenditure		**19,565.44**	**17,014.32**
III	**PROFIT BEFORE TAX (I-II)**		**1,858.21**	**1,530.76**
	TAX EXPENSES			
	Current tax		541.76	492.14
	Deferred tax		(12.66)	(17.18)
	Earlier years adjustments		-	(59.82)
			529.10	**415.14**
IV	**PROFIT FOR THE PERIOD**		**1,329.11**	**1,115.62**
	OTHER COMPREHENSIVE INCOME			
	Items that will not be classified to Profit and Loss (Net of Tax)			
	Acturial Gain/(Loss) on employee benefits		(0.43)	0.26
	Items that will be classified to Profit and Loss (Net of Tax)			
	Gain/(Loss) on hedging instruments		(6.29)	(0.59)
V	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**		**1,322.39**	**1,115.29**
	Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	40		
	Basic		2.59	2.19
	Diluted		2.59	2.19

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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

For and on behalf of the Board of Directors

Padam Jain
Partner
Membership No. 71026

Shivhari Halan
Director
DIN: 00220514

Anup Jatia
Executive Director
DIN: 00351425

Place: Mumbai
Date: May 24, 2019

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		2018-2019	2017-2018
A	**Cash Flow From Operating Activities**		
	Net profit before tax and extraordinary items	1,858.21	1,530.76
	Adjustments for:		
	Depreciation	210.94	240.94
	(Profit) on sale of fixed assets	(1.40)	-
	Loss on sale of fixed assets	3.52	-
	Interest expenses	290.78	370.39
	Interest income	(28.52)	(28.82)
	Unrealised foreign exchange (Gain)/Loss	(88.32)	(6.33)
	Provision for expenses, gratuity and leave encashment	38.18	62.34
	Prior Period Items	0.43	-
	Sundry balances written back	(11.88)	(2.28)
	Insurance Claim Received	-	(8.32)
	Interest Subsidy Received	(15.91)	(27.90)
	Rental Income	(19.32)	(16.70)
	Bad Debts written off	37.16	22.56
	Operating profit before working capital changes	**2,273.87**	**2,136.64**
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	906.04	(153.51)
	(Increase)/Decrease in inventories	(695.95)	(163.33)
	Increase/(Decrease) in trade and other payables	(834.06)	(238.63)
	Cash generated from operating activities	**1,649.90**	**1,581.17**
	Less: Direct taxes (net of refund)	620.14	420.86
	Net cash flow from/(used in) operating activities	**1,029.76**	**1,160.31**
B	**Cash Flow From Investing Activities**		
	Sale of fixed assets	25.14	-
	Purchase of fixed assets/Capital work-in-progress	(109.43)	(46.80)
	Interest income	28.52	28.82
	Rental income	19.32	16.70
	Cash generated from investing activities	**(36.45)**	**(1.28)**
	Less: Income-tax paid at source	1.93	1.67
	Net Cash flow from/(used in) investing activities	**(38.38)**	**(2.95)**
C	**Cash Flow from Financing activities**		
	Proceeds from borrowings	(583.43)	(728.99)
	Interest Subsidy Received	12.87	27.90
	Interest Expenses	(290.78)	(370.39)
	Net cash flow/(used in) from financing activities	**(861.34)**	**(1,071.48)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**130.05**	**85.88**
	Cash and cash equivalent as at the beginning of the year	350.43	264.55
	Cash and cash equivalent as at the end of the year	**480.48**	**350.43**
	Notes:		
	1) Cash and cash equivalents comprises of		
	a) Cash in hand	4.20	5.53
	b) Bank balance in current accounts	30.35	60.34
	c) Unpaid dividend account	4.16	3.14
	c) In fixed deposit account	441.77	281.42
		480.48	**350.43**

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

As per our report of even date attached

For and on behalf of
PKJ and CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 24, 2019

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, 2019

₹ in Lakhs

EQUITY SHARE CAPITAL	Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
Paid up capital (Refer Note No. 14)	510.00	-	510.00

OTHER EQUITY

For the year ended 31-03-2019 ₹ in Lakhs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
Balance as at 1st April, 2018	**30.00**	**62.40**	**644.70**	**2,224.38**	**2,961.48**
Prior Period Errors	-	-	-	0.43	0.43
Total Comprehensive Income for the year	-	-	-	1,322.39	1,322.39
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**3,547.20**	**4,284.30**
Dividend (Including Dividend Distribution Tax)	-	-	-	(92.23)	(92.23)
Transfer to / from Retained Earnings	-	-	-	-	-
Balance as at 31st March, 2019	**30.00**	**62.40**	**644.70**	**3,454.97**	**4,192.07**

For the year ended 31-03-2018 ₹ in Lakhs

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**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1 COMPANY OVERVIEW 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, Maharashtra, 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 separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

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.

Whenever the Company changes the presentation or classification of items in its financial statements materially, the Company reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the board of directors on 24th May, 2019.

c) Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost of the 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 depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

Depreciation on property plant and equipment added/disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

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 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

Effective 1st April, 2018, the Company has applied Ind AS 115 “Revenue from contracts with customers” which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 “Revenue” and Ind AS 11 “Construction Contracts”. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

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 at the rate of 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.

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.

x) Current versus Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

i) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

ii) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

iii) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

iv) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

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 and 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.

Recent legal pronouncements:

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

i) IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

Currently operating lease expenses are charged to statement of profit and loss account. As regards accounting requirements of lessor are concerned IND AS 116, substantially carries forward the requirements in IND AS 17. In accordance with the standard the company will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value. The company is currently evaluating the effect of adoption as on the transition date.

In accordance with the standard the company will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value. The company is currently evaluating the effect of adoption as on the transition.

ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment needs to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is proposing to use retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application without adjusting comparatives. The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application. The exposure at default is the amount outstanding at the balance sheet.

iii) Amendment to Ind AS 12 – Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Company is currently evaluating the effect of this amendment on the financial statements.

iv) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company is currently evaluating the effect of this amendment on the financial statements.

v) Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate

The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendments on the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. Property, Plant and Equipments

₹ in Lakhs

Particular	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01-04-2018	Additions / Disposals	Other Adjustments	Cost as at 31-03-2019	As at 01-04-2018	For the year	Adjustment/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
TANGIBLE ASSETS										
Leasehold Land	375.48	-	-	375.48	0.26	0.05	-	0.32	375.17	375.22
Factory Building *	1,404.26	0.67	-	1,404.93	352.73	46.18	-	398.91	1,006.02	1,051.53
Office Equipments	25.24	1.48	-	26.72	20.09	3.31	-	23.40	3.32	5.16
Electric Installation	58.70	-	-	58.70	50.86	0.89	-	51.75	6.94	7.84
Factory Equipments	8.34	3.33	-	11.66	4.28	0.61	-	4.89	6.77	4.05
Plant and Machinery (Owned)	1,976.95	11.52	-	1,988.47	485.06	108.20	-	593.26	1,395.21	1,491.89
Furniture and Fittings	47.47	-	-	47.47	32.92	3.58	-	36.50	10.96	14.55
Computers	36.45	0.70	-	37.15	33.79	1.22	-	35.01	2.14	2.66
Printer	0.52	0.13	-	0.65	0.48	0.05	-	0.53	0.12	0.04
Vehicles	135.97	69.95	68.75	137.17	68.81	15.71	(41.50)	43.03	94.14	67.16
Wind Mills	873.52	-	-	873.52	483.53	27.86	-	511.38	362.13	389.99
Total (A)	**4,942.90**	**87.78**	**68.75**	**4,961.92**	**1,532.81**	**207.68**	**(41.50)**	**1,698.99**	**3,262.93**	**3,410.09**
Previous Year	4,896.20	46.81	0.10	4,942.91	1,329.10	203.71	-	1,532.81	3,410.10	
INTANGIBLE ASSETS										
Software	28.54	-	-	28.54	17.90	3.26	-	21.16	7.38	10.64
Technical Know-how	269.60	-	-	269.60	269.60	-	-	269.60	-	-
Total (B)	**298.14**	**-**	**-**	**298.14**	**287.50**	**3.26**	**-**	**290.76**	**7.38**	**10.64**
Previous Year	298.14	-	-	298.14	250.28	37.23	-	287.50	10.64	
Total (A+B)	**5,241.04**	**87.78**	**68.75**	**5,260.06**	**1,820.32**	**210.94**	**(41.50)**	**1,989.76**	**3,270.31**	**3,420.72**
Previous Year	5,194.35	46.81	0.10	5,241.05	1,579.37	240.94	-	1,820.31	3,420.73	
CAPITAL WORK-IN-PROGRESS	-	21.65	-	21.65	-	-	-	-	21.65	-
Previous Year	-	-	-	-	-	-	-	-	-	

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		31-03-2019	31-03-2018
3	**Non Current Investments**		
	Unquoted		
	Investments measured at cost		
	Investment in wholly-owned foreign subsidiary		
	60 (31st March, 2018) 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**
	Aggregate amount of Unquoted Investments	16.21	16.21
4	**Other Financial Non-Current Assets**		
	Fixed deposits with Bank with original maturity of more than 12 months*	0.32	52.23
		0.32	**52.23**
	* 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	46.34	45.34
	MAT Credit Entitlement	-	128.72
	MEIS License	2.44	2.52
	Duty Drawback Receivable	5.39	5.02
		54.16	**181.60**
6	**Inventories**		
	(valued at lower of cost or net realisable value) (As certified by the management)		
	Raw material and components	1,318.68	836.69
	[includes in transit ₹ 266.29 Lakhs (31st March, 2018 - ₹ 43.42 Lakhs)]		
	Work-in-progress	127.15	101.88
	Finished Goods	29.13	142.24
	Traded Goods	1,763.22	1,433.04
	[includes in transit ₹ 440.16 Lakhs (31st March, 2018 - ₹ 1167.68 Lakhs)		
	Stores and spares and Packing Materials	73.73	102.11
		3,311.91	**2,615.96**
7	**Trade Receivable**		
	Unsecured, Considered good		
	Outstanding for a period exceeding six months from date they are due for payment	19.85	22.71
	Others	2,777.23	3,360.01
	Doubtful	28.39	87.03
		2,825.47	3,469.76
	Less: Provision for doubtful debts	(28.39)	(87.03)
		2,797.08	**3,382.73**
8	**Cash and Cash Equivalents**		
	Cash on hand	4.20	5.53
	Other Bank Balances		
	In Current Accounts	30.35	60.34
		34.56	**65.87**
9	**Bank Balances other than Cash and Cash Equivalents**		
	In Fixed Deposits account		
	Fixed Deposits with original maturity for less than 3 months*	-	42.15
	Fixed Deposits with original maturity for more than 3 months but less than 12 months*	277.76	-
	Current Maturities of Fixed Deposits with original maturity for more than 12 months*	164.01	239.26
	Enmarked Balance with Bank for Unpaid Dividends	4.16	3.14
		445.93	**284.55**
	* Lodged as Security Banks as Margin money for Trade Credit and L/C facilities.		
10	**Current Loans**		
	Unsecured, considered good unless otherwise stated		
	Loans and advances to staff	0.07	8.32
	Loans and advances to officers of the Company	7.00	-
	Security Deposits to others	9.88	2.68
		16.94	**10.99**
11	**Other Financial Current Assets**		
	Interest accrued but not due on Bank Deposits	4.45	2.82
	Interest accrued and due on Loans	1.02	4.78
	Interest accrued on Security Deposits with MSEB and Dakshin Gujarat	2.12	1.55
	Interest Subsidy receivable	80.02	76.98
		87.60	**86.13**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		31-03-2019	31-03-2018
12	**Other Current Assets**		
	Prepaid Expenses	29.16	20.89
	Balances with Statutory Government authorities	500.52	163.79
	Advances recoverable in cash or kind or for value to be received		
	- Unsecured, Considered Good	91.94	119.93
	- Unsecured, Considered Doubtful	45.39	-
	- Less: Provision for doubtful debts	(45.39)	-
		621.62	**304.61**
13	**Current Tax Assets/(Liabilities) (Net)**		
	Income Tax Deposits	1,037.43	415.36
	Less: Provisions for Income Tax	924.77	524.88
		112.66	**(109.51)**
14	**Equity Share Capital**		
	Authorised Shares		
	800 Lakhs (31st March, 2018: ₹ 800 Lakhs) Equity Shares of ₹ 1/- each	800.00	800.00
		800.00	**800.00**
	Issued, Subscribed and fully paid up Shares		
	510 Lakhs (31st March, 2018: ₹ 510 Lakhs) Equity Shares of ₹ 1/- each	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	31-03-2019		01-04-2018	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the period	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**

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

	31-03-2019	31-03-2018
Holding Company:	Nos.	Nos.
Wedgewood Holdings Limited, Mauritius		
Equity Shares of ₹ 1/-each fully paid	28,800,000	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	31-03-2019		31-03-2018	
	Nos.	% of holding	Nos.	% of holding
Name of the shareholder:				
Wedgewood Holdings Ltd., Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Ltd., Hong Kong	9,210,000	18.06	9,210,000	18.06

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 24, 2019 has recommended Dividend of ₹ 0.30 per Equity Share (30% of face value i.e. ₹ 1) for the Financial Year 2018-2019, subject to approval of the members at the ensuing Annual General Meeting (Financial Year 2017-2018 - ₹ 0.15).

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.

₹ in Lakhs

		31-03-2019	31-03-2018
15	**Non-Current Borrowings**		
	Secured		
	a) Term Loans		
	Loan from Banks and Financial Institutions [Refer Note No. 15(a)(i), (ii) and (iii)]	677.57	1,004.20
	Total Secured	**677.57**	**1,004.20**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	31-03-2019	31-03-2018
Unsecured		
b) Deposits [Refer Note No. 15(b)(i)]	770.00	765.00
c) Other Loans and Advances		
Interest Free Security Deposits [Refer Note No. 15(c)(i)]	7.50	7.50
Total Unsecured	**777.50**	**772.50**
	1,455.07	**1,776.70**
Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No. 20)	(396.88)	(372.12)
	1,058.19	**1,404.58**

Note No. 15 (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 Lakhs commencing from 5th October, 2017 and ending on 2nd September, 2020.

(ii) Term Loan

From Kotak Mahindra Bank Limited

Nature of security

a) First charge 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 and Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

Rate of Interest

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

Terms of Repayment

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

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

(iii) Vehicle Loan

From Daimler Financial Services Private Limited

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.64 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 0.86 Lakhs commencing from 4th August, 2018 and ending on 4th July, 2021.

Note No. 15 (b)

₹ in Lakhs

	31-03-2019	31-03-2018
(i) Unsecured Loan:		
Deposits		
Received from Director	770.00	765.00
	770.00	**765.00**

Rate of Interest

The rate of interest is 14.00% p.a.

Terms of Repayment

Repayable on or after 36 months

Note No. 15 (c):

Other Loans and Advances

	31-03-2019	31-03-2018
(i) Security Deposits		
Received from related party	7.50	7.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		31-03-2019	31-03-2018
16	**Non-Current Provisions**		
	Provisions for employees benefits		
	Provision for Gratuity (Refer Note No. 37)	29.47	24.46
	Provisions for Leave Benefits	4.46	3.42
		33.93	**27.87**
17	**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	415.68	427.02
	Less:		
	Items leading to deferred tax assets		
	Expenses allowable on Payment basis	(14.14)	(12.82)
	Net (Deferred Tax Liability)	**401.54**	**414.20**
18	**Current Borrowings**		
	a) **Secured [Refer Note No. 18(a)]**		
	Repayable on demand		
	Cash Credit from Banks	420.77	1,372.89
	Trade Credit	1,102.77	367.70
		1,523.54	**1,740.59**
	b) **Unsecured Deposits**		
	Repayable on demand		
	Inter Corporate Deposits	-	20.00
		-	**20.00**
		1,523.54	**1,760.59**

Note No. 18(a):

Nature of security

a) Secured by pari-pasu charge with Kotak Mahindra Bank and 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 and Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

		31-03-2019	31-03-2018
19	**Trade payables**		
	Trade payables (Refer Note No. 44)	2,467.00	2,691.26
		2,467.00	**2,691.26**
20	**Other Financial Current Liabilities**		
	Current maturities of long term borrowings (Refer Note No. 15)	396.88	372.12
	Interest accrued but not due on borrowings	3.57	10.91
	Unpaid Dividend *	4.16	3.14
	Provision for Mark to Market Loss on Open Forward Contract	8.87	0.84
		413.48	**387.01**
*	Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
21	**Other Current Liabilities**		
	Payable for other expenditure	67.62	81.58
	Other Non Trade Liabilities	0.68	2.24
	Advance from Customers	82.07	27.58
	TDS payable	11.33	13.20
	Rates and Taxes payable	0.05	0.11
		161.75	**124.71**
22	**Current Provisions**		
	Provisions for employee benefits		
	Salary and Reimbursements	22.33	20.31
	Contribution to Provident Fund	2.29	2.18
	Gratuity	3.90	7.18
	Leave benefits	0.91	0.74
		29.44	**30.40**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		₹ in Lakhs For the year ended 31-03-2019	For the year ended 31-03-2018
23	**Revenue from Operations**		
	a) Sale of products [Refer Note No. 23(a)(i)]	21,014.88	18,359.59
		21,014.88	**18,359.59**
	b) Other Operating Revenue		
	Export Entitlement	113.09	51.07
	Insurance Claim Received	-	8.32
	Exchange difference	148.79	55.03
	Commission Income	29.09	0.28
	Miscellaneous Income	43.05	23.00
		334.03	**137.69**
	Revenue from Operations	**21,348.91**	**18,497.29**
	Note No. 23(a)(i):		
	Details of Sale of products		
	Chemicals	20,781.43	18,117.49
	Textiles	124.14	133.04
	Wind Energy	109.30	100.16
	Others	-	8.90
		21,014.88	**18,359.59**
24	**Other Income**		
	Interest income		
	From Bank	24.97	15.03
	From Others	3.56	13.80
		28.52	**28.82**
	Profit on sale of Asset	1.40	-
	Provision for Doubtful Debts written back	13.62	-
	Other non-operating income	31.20	18.97
		74.74	47.80
25	**Cost of materials consumed [Refer Note No. 25(a)]**		
	Inventory at the beginning of the year	836.84	945.12
	Add: Purchases	5,792.24	3,435.06
	Add: Transfer from traded goods	56.46	-
		6,685.53	**4,380.17**
	Less: Inventory at the end of the year	1,318.68	836.84
		5,366.85	**3,543.34**
	Note No. 25(a):		
	(i) Details of materials consumed		
	Chemical	5,350.88	3,520.21
	Yarn	12.79	16.92
	Fabrics	3.18	6.21
		5,366.85	**3,543.34**
	(ii) Details of inventory of raw materials		
	Chemical	1,300.89	835.85
	Yarn	0.23	0.23
	Fabric	17.57	0.76
		1,318.68	**836.84**
26	**Purchase of traded goods**		
	Chemicals	11,761.87	11,078.11
	Textiles	65.83	99.57
		11,827.70	**11,177.68**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		For the year ended 31-03-2019	For the year ended 31-03-2018
27	**(Increase)/Decrease in Inventories**		
	Opening traded goods	1,433.10	1,201.22
	Transferred to manufacturing	56.46	-
	Closing traded goods [Refer Note No. 27(a)(i)]	1,763.22	1,433.10
		(386.57)	**(231.88)**
	Opening work-in-progress	101.88	41.78
	Closing work-in-progress [Refer Note No. 27(a)(ii)]	127.15	101.88
		(25.27)	**(60.09)**
	Opening finished goods	142.24	194.54
	Closing finished goods [Refer Note No. 27(a)(iii)]	29.13	142.24
		113.11	**52.30**
	Total (Increase)/Decrease in Inventories	**(298.73)**	**(239.68)**
	Note No. 27(a):		
	Details of inventories at the end of the year		
	(i) Traded goods		
	Chemicals	1,756.88	1,421.37
	Textiles	0.06	3.30
	Others	6.27	8.42
		1,763.22	**1,433.10**
	(ii) Work-in-progress		
	Chemical	123.04	85.20
	Textiles	4.11	16.67
		127.15	**101.88**
	(iii) Finished goods		
	Chemical	14.45	128.22
	Textiles	14.69	14.02
		29.13	**142.24**
28	**Employee benefit expenses**		
	Salaries, wages and bonus	360.72	343.89
	Contribution to provident fund and other funds	13.08	13.31
	Staff welfare expenses	7.86	6.72
		381.66	**363.92**
29	**Finance costs**		
	Interest on borrowings	282.81	349.59
	Bill discounting charges	1.35	1.22
	Bank charges on facilities	6.62	19.59
	Applicable loss on foreign currency transactions and translation	22.15	11.54
		312.92	**381.93**
30	**Depreciation and amortization expenses**		
	Depreciation of tangible assets	207.63	203.66
	Amortization of tangible assets	0.05	0.05
	Amortization of intangible assets	3.26	37.23
		210.94	**240.94**
31	**Other expenses**		
	Power and fuel	123.43	104.76
	Rent	41.37	18.65
	Rates and taxes	11.03	8.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	For the year ended 31-03-2019	For the year ended 31-03-2018
Insurance	11.74	12.38
Repairs and maintenance		
- Plant and machinery	21.24	20.75
- Buildings	4.66	5.87
- Others	10.16	7.39
Legal and professional fees	64.88	53.18
Royalty	67.54	141.87
Payment to auditors [Refer Note No. 31(a)]	5.80	4.59
Selling and distribution expenses	130.77	158.99
Brokerage expenses	67.50	57.95
Windmill maintenance charges	19.85	15.19
Travelling and conveyance	44.18	55.88
Provision for doubtful debts	-	87.97
Bad debts written off	37.16	22.56
Communication costs	12.56	7.21
Printing and stationery	4.84	4.10
Labour and jobwork charges	18.91	18.91
Packing material consumed	693.87	442.30
Utility material consumed	15.05	3.18
Export expenses	185.80	142.84
Security charges	7.81	5.64
Corporate office expenses	12.07	14.10
Office expenses	13.59	12.92
Office electricity expenses	2.77	2.33
Warehousing charges	21.41	24.28
Vehicle expenses	11.45	8.94
Share trading expenses	-	0.02
Donation	0.01	0.28
Bank charges	40.57	23.70
CSR expenses	5.50	-
Loss on sale of assets	3.52	-
Miscellaneous expenses	53.06	58.50
	1,764.10	**1,546.19**
Note No. 31(a):		
Details of Payment to Auditors		
As Auditor		
Audit fees	3.00	2.50
Tax audit fees	0.75	0.55
Limited review	0.60	0.45
VAT audit fees	0.25	-
In other capacity		
Certification fees	0.38	0.25
Reimbursement of expenses including tax	-	0.01
	4.98	**3.76**
Cost Auditor		
As audit fees	0.83	0.83
	0.83	**0.83**
	5.80	**4.59**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

32 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 Lakhs

(i)

31-Mar-19	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	-	-	88	88	-	-	88	88
Trade Receivables	7	-	-	2,797	2,797	-	-	2,797	2,797
Cash and Cash Equivalents	8	-	-	35	35	-	-	35	35
Bank Balances other than Cash and Cash Equivalents	9	-	-	446	446	-	-	446	446
Loans	10	-	-	17	17	-	-	17	17
		-	**-**	**3,399**	**3,399**	**-**	**-**	**3,399**	**3,399**
Financial Liabilities									
Borrowings	15 & 18	-	-	2,582	2,582	-	-	2,582	2,582
Provisions	16	-	-	34	34	-	-	34	34
Trade Payables	19	-	-	2,467	2,467	-	-	2,467	2,467
Other Financial Liabilities	20	-	-	413	413	-	-	413	413
		-	**-**	**5,496**	**5,496**	**-**	**-**	**5,496**	**5,496**

₹ in Lakhs

(ii)

31-Mar-18	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	-	-	138	138	-	-	138	138
Trade Receivables	7	-	-	3,383	3,383	-	-	3,383	3,383
Cash and Cash Equivalents	8	-	-	66	66	-	-	66	66
Bank Balances other than Cash and Cash Equivalents	9	-	-	285	285	-	-	285	285
Loans	10	-	-	11	11	-	-	11	11
		-	**-**	**3,899**	**3,899**	**-**	**-**	**3,899**	**3,899**
Financial Liabilities									
Borrowings	15 & 18	-	-	3,165	3,165	-	-	3,165	3,165
Provisions	16	-	-	28	28	-	-	28	28
Trade Payables	19	-	-	2,691	2,691	-	-	2,691	2,691
Other Financial Liabilities	20	-	-	387	387	-	-	387	387
		-	**-**	**6,271**	**6,271**	**-**	**-**	**6,271**	**6,271**

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 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 Shareholder's wealth.

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

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt (Long Term Bank and other borrowings)	1,058.19	1,404.58
Equity	4,702.07	3,471.48
Debt to Equity (Net)	**0.23**	**0.40**

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.

34 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, 2019 would have been decreased/increased by ₹ 18.07 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 Lakhs	No. of Contracts
As on 31.03.2019	1,530,078.52	1,058.20	18
As on 31.03.2018	972,130.00	633.63	8

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

	As on 31.03.2019		As on 31.03.2018	
Particulars	Amount in US$	₹ in Lakhs	Amount in US$	₹ in Lakhs
Trade Payable	2,994,665.62	2,071.11	3,692,603.50	2,406.84
Secured Trade Credit	1,594,520.00	1,102.77	569,500.00	371.20
Trade receivable	781,819.83	540.63	537,269.55	350.19
Advance to Suppliers	26,040.00	18.01	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As on 31.03.2019		As on 31.03.2018	
Particulars	**Amount in JPY**	**₹ in Lakhs**	**Amount in JPY**	**₹ in Lakhs**
Trade Payable	9,497,584.00	59.28	15,703,300.00	96.56
Trade Receivable	1,839,989.00	11.49	-	-

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 ₹ 26.33 Lakhs. (Previous Year - ₹ 23.41 Lakhs).

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 31st March, 2019 is 0.71% 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 Lakhs

Particulars	Refer Note	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Borrowings	15, 18 & 20	1,920.43	280.69	-	777.50
		(1,760.59)	(1,004.20)	-	(772.50)
Trade payable	19	2,467.00	-	-	-
		(2,691.26)		-	-
Other financial liabilities	20	12.44	-	-	-
		(11.74)	-	-	-
Employee benefit / expense liabilities	16	33.93	-	-	-
		(27.87)	-	-	-
Unclaimed dividends	20	4.16	-	-	-
		(3.14)	-	-	-

Figures in brackets are in respect of previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

35 Income Taxes (Ind AS 12)

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

₹ in Lakhs

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit Before Tax	1,858.21	1,530.76
Applicable tax rate @ 29.12% (March 31, 2018 @ 34.61%)	541.11	529.77
Effect of tax exempt income	-	-
Effect of non-deductible expenses	73.68	125.26
Effect of allowances for tax purpose	(80.12)	(91.12)
Effect of tax paid at a lower rate	-	-
Effect of previous year adjustments	-	(86.71)
Others	7.09	14.94
Total	**541.76**	**492.14**

(ii) The Company has announced a proposed dividend of ₹ 0.30/- per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 31.46 Lakhs 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 ₹ 19.32 Lakhs (March 31, 2018 - ₹ 16.70 Lakhs).

(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.

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 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 Lakhs

	Gratuity and other post employment benefit plans	As at 31st March, 2019	As at 31st March, 2018
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	31.64	25.30
	Adjustment of:		
	Interest Cost	2.37	1.71
	Current Service Cost	4.10	3.93
	Past Service Cost	-	1.07
	Actuarial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	-	-
	Benefit paid directly by the Employer	(5.35)	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	0.75	(1.11)
	Actuarial (Gains)/Losses on Obligation - Due to Experience	(0.14)	0.74
	Balance at the end of the year	**33.37**	**31.64**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	Gratuity and other post employment benefit plans	As at 31st March, 2019	As at 31st March, 2018
(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)	(33.37)	(31.64)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus / (Deficit))	(33.37)	(31.64)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(33.37)**	**(31.64)**
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	4.10	3.93
	Net Interest Cost	2.37	1.71
	Past Service Cost	-	1.07
	Expenses Recognized	**6.48**	**6.71**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	0.61	(0.37)
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**0.61**	**(0.37)**
(vi)	**Maturity profile of defined benefit obligation**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	3.90	7.18
	2nd Following Year	3.90	3.27
	3rd Following Year	3.81	3.23
	4th Following Year	3.75	3.69
	5th Following Year	3.52	2.91
	Sum of Years 6 To 10	17.11	13.06
	Sum of Years 11 and above	16.75	15.78
(vii)	**Sensitivity analysis for significant assumptions**		
	Projected Benefit Obligation on Current Assumptions	33.37	31.64
	Delta Effect of +1% Change in Rate of Discounting	(1.68)	(1.39)
	Delta Effect of -1% Change in Rate of Discounting	1.87	1.54
	Delta Effect of +1% Change in Rate of Salary Increase	1.64	1.36
	Delta Effect of -1% Change in Rate of Salary Increase	(1.62)	(1.34)
	Delta Effect of +1% Change in Rate of Employee Turnover	(3.84)	(0.32)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.42	0.35
(viii)	**Actuarial Assumptions**		
	Discount Rate (p.a.)	7.07%	7.50%
	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**	7 years	6 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

*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.

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

(xiii) Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition and 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 ₹ 12.87 Lakhs (March 31, 2018 ₹ 27.91 Lakhs).

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 Atmasantosh Foundation	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 Lakhs

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Sales	-	-	-	-	150.36
	-	-	-	-	(122.71)
Purchases	-	-	-	-	58.17
	-	-	-	-	(76.85)
Rent Paid	-	-	-	-	25.12
	-	-	-	-	(7.40)
Directors Remuneration	-	-	42.00	-	-
	-	-	(42.00)	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Fees Paid	-	-	10.55	-	-
	-	-	(9.90)	(1.10)	-
Salary Paid	-	-	18.89	-	-
	-	-	(17.58)	-	-
Interest Paid	-	-	100.80	-	-
	-	-	(113.14)	-	-
Rent Received	-	-	-	-	19.32
	-	-	-	-	(10.01)
Loan Given	-	-	11.70	-	-
	-	-	-	-	-
Donation Given	-	-	-	-	5.50
	-	-	-	-	-
Loan Repayment Received	-	-	4.70	-	-
	-	-	-	-	-
Reimbursement of Expenses Paid	-	-	-	-	0.02
	-	-	-	-	(0.12)
Reimbursement of Expenses Received	-	-	-	-	2.63
	-	-	-	-	(1.22)

₹ in Lakhs

Balance as at 31st March, 2019	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
	-	-	-	-	(7.50)
Loan Given	-	-	7.00	-	-
	-	-	-	-	-
Unsecured Deposit Payable	-	-	720.00	-	-
	-	-	(720.00)	-	-
Interest Payable (Net of T.D.S.)	-	-	-	-	-
	-	-	(7.70)	-	-

Note: Figures of previous year are given in brackets.

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

₹ in Lakhs

	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(A)	**Basic EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,322	1,115
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Basic EPS (₹) (i)/(ii)	**2.59**	**2.19**
(B)	**Diluted EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,322	1,115
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Diluted EPS (₹) (i)/(ii)	**2.59**	**2.19**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

41 Contingent Liabilities (Ind AS 37)

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

(i) Central Sales Tax liability of ₹ 17.22 Lakhs (P.Y. ₹ 35.28 Lakhs) 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 ₹ 210.40 Lakhs (P.Y ₹ 210.95 Lakhs) in respect of Bond Transfer Sales. The issue was decided by the Honorable Maharashtra Sales Tax Tribunal in favour of assessees, However, the department has filed an appeal against the order in Bombay High Court. The above demands have been kept in abeyance. In another case, this question was forwarded to the Bombay High Court for it's opinion, who gave it's opinion in favour of the Department and against the dealer.

(iii) Disputed Value Added Tax demands of ₹ 5.70 Lakhs (Previous Year ₹ 5.70 Lakhs) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(iv) Disputed Income Tax demands of ₹ 177.18 Lakhs (Previous Year ₹ Nil) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(b) Guarantees:

The Company has issued corporate guarantees as under :

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

42 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.

43 Corporate Social Responsibility

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended March 31, 2019 is ₹ 27.35 Lakhs (March 31, 2018 ₹ 14.97) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013. However, during the year, the Company has spent ₹ 5.50 Lakhs (March 31, 2018 ₹ Nil) towards its CSR activities and the balance will be added to the CSR Budget for the Financial Year 2019-2020.

44 Some of the suppliers have sent their intimations of them being the Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. However, there were no amounts unpaid as at the year end together with interest paid / payable beyond a stipulated peiod as required under the said Act.

In respect of other suppliers, the Company has not received any intimation regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given to that extent.

₹ in Lakhs

45 Value of Imports calculated on CIF basis	**31st March, 2019**	**31st March, 2018**
Raw Materials	5,633.89	3,494.42
Traded Goods	10,362.68	8,574.18
Others	395.18	197.21
	16,391.75	**12,265.81**

₹ in Lakhs

46 Expenditure in Foreign Currency	**31st March, 2019**	**31st March, 2018**
Interest on short term borrowings	30.00	9.30
Membership and Subscription	5.72	4.22
Royalty	67.54	141.87
Travelling	6.88	10.58
Seminar and Conference Expenses	-	0.91
	110.14	**166.88**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

47 Imported and indigenous raw materials, components consumed ₹ in Lakhs

	% of total consumption 31st March, 2019	Value 31st March, 2019	% of total consumption 31st March, 2018	Value 31st March, 2018
Raw Materials				
Imported	88.73%	4,762.00	93.33%	3,307.16
Indigenously obtained	11.27%	604.85	6.67%	236.18
	100.00%	**5,366.85**	**100.00%**	**3,543.34**

₹ in Lakhs

48 Earnings in foreign currency	31st March, 2019	31st March, 2018
Exports at F.O.B. Value	3,245.13	1,279.04
Commission Income	29.09	-
	3,274.22	**1,279.04**

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

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 ₹ in lakhs.

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

For and on behalf of the Board of Directors

Padam Jain
Partner
Membership No. 71026

Shivhari Halan
Director
DIN: 00220514

Anup Jatia
Executive Director
DIN: 00351425

Place: Mumbai
Date: May 24, 2019

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

FORM AOC - 1

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

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

PART "A" : SUBSIDIARIES

Sl. No.	Particulars		Name of Subsidiary Company	
			B.R. Chemicals Co., Ltd.	
1	Financial year ending on		31-03-2019	31-03-2018
2	Reporting Currency		JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹	0.6242	0.6149
4	% of shareholding	%	100	100
5	No. of Shares		60	60
				₹ in Lakhs
6	Share Capital		16.21	16.21
7	Reserves and Surplus		130.90	71.05
8	Total Assets		155.46	120.26
9	Total Liabilities		155.46	120.26
10	Investments		-	-
11	Turnover		9,523.34	11,272.55
12	Profit / (Loss) before Taxation		77.54	88.15
13	Provision for Taxation		18.04	28.85
14	Profit /(Loss) after Taxation		59.50	59.30
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, 2018 to 31st March, 2019.

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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 24, 2019

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

Opinion

We have audited the accompanying consolidated financial statements of **BLACK ROSE INDUSTRIES LIMITED** (hereinafter referred to as the 'Holding Company") and its one foreign subsidiary Company (together referred to as "Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Our Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, effect of variable considerations and the appropriateness of the basis used to recognise revenue at a point in time or over a period of time.	Principal Audit Procedures We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. Our procedures did not identify any material exceptions.
2	Defined benefit obligation The valuation of the retirement benefit schemes in the Holding Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements one foreign subsidiary Company, whose financial statements reflect total assets of ₹ 155.46 Lakhs as at March 31, 2019, total revenue of ₹ 9524.03 Lakhs and Net Profit of ₹ 59.50 Lakhs for the year ended on that date, as considered in the consolidated financial statements. whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the information and explanation provided by the management..

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated 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, 2019, 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, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.
   f) The Holding 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 Ind AS 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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

(Padam Jain)
Partner
Membership No. 71026

Place: Mumbai
Dated: May 24, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in Lakhs

	Note No.	As At 31-03-2019	As At 31-03-2018
I ASSETS			
1 Non Current Assets			
(a) Property, Plant and Equipments	2	3,262.93	3,410.09
(b) Intangible Assets	2	7.38	10.64
(c) Capital Work-in-Progress	2	21.65	-
		3,291.96	**3,420.73**
(d) Financial Assets			
(i) Other Financial Assets	3	0.32	52.23
(e) Other Non-Current Assets	4	54.16	181.60
		54.48	**233.83**
2 Current Assets			
(a) Inventories	5	3,311.91	2,615.96
(b) Financial Assets			
(i) Trade Receivables	6	2,805.53	3,446.90
(ii) Cash and Cash Equivalents	7	178.38	120.45
(iii) Bank Balances other than Cash and Cash Equivalents	8	445.93	284.55
(iv) Loans	9	16.94	10.99
(v) Other Financial Assets	10	87.60	86.13
(c) Other Current Assets	11	624.88	306.78
(d) Current Tax Assets (Net)	12	109.27	-
Total		**7,580.44**	**6,871.76**
		10,926.88	**10,526.32**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	13	510.00	510.00
(b) Other Equity		4,325.49	3,034.77
		4,835.49	**3,544.77**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,058.19	1,404.58
(ii) Provisions	15	33.93	27.87
(b) Deferred Tax Liabilities (Net)	16	401.54	414.20
		1,493.66	**1,846.65**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,524.79	1,761.51
(ii) Trade Payables	18	2,467.89	2,691.81
(iii) Other Financial Liabilities	19	413.48	387.01
(b) Other Current Liabilities	20	162.13	125.80
(c) Provisions	21	29.44	30.40
(d) Current Tax Liabilities (Net)	12	-	138.37
		4,597.73	**5,134.90**
Total		**10,926.88**	**10,526.32**

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 and CO.** Chartered Accountants Firm Regn. No. 124115W	**For and on behalf of the Board of Directors**	
Padam Jain Partner Membership No. 71026	**Shivhari Halan** Director DIN: 00220514	**Anup Jatia** Executive Director DIN: 00351425
Place: Mumbai Date: May 24, 2019	**C.P. Vyas** Company Secretary	**Ratan Agrawal** Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs except EPS

		Note No.	For the year ended 31-03-2019	For the year ended 31-03-2018
I	**INCOME**			
	Revenue from operations	22	30,871.43	29,770.19
	Other income	23	74.77	52.93
	Total Revenue		**30,946.20**	**29,823.12**
II	**EXPENDITURE**			
	Cost of materials consumed	24	5,366.85	3,543.34
	Purchase of traded goods	25	21,218.56	22,280.10
	Changes in inventories of finished goods, work- in- progress and traded goods	26	(298.73)	(224.07)
	Employee benefits expense	27	397.54	378.61
	Finance cost	28	312.92	381.93
	Depreciation and amortization expenses	29	210.94	240.94
	Other expenses	30	1,802.38	1,603.36
	Total expenditure		**29,010.46**	**28,204.21**
III	**PROFIT BEFORE TAX (I-II)**		**1,935.74**	**1,618.91**
	TAX EXPENSES			
	Current tax		559.80	520.85
	Deferred tax		(12.66)	(17.18)
	Earlier years adjustments		-	(59.82)
			547.14	**443.85**
IV	**PROFIT FOR THE PERIOD**		**1,388.60**	**1,175.06**
	OTHER COMPREHENSIVE INCOME			
	Items that will not be classified to Profit and Loss (Net of Tax)			
	Acturial Gain/(Loss) on employee benefits		(0.43)	0.37
	Items that will be classified to Profit and Loss (Net of Tax)			
	Gain/(Loss) on hedging instruments		(6.29)	(0.84)
V	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**		**1,381.88**	**1,174.59**
	Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	40		
	Basic		2.71	2.30
	Diluted		2.71	2.30

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 and CO.
Chartered Accountants
Firm Regn. No. 124115W

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 24, 2019

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, 2019

₹ in Lakhs

		2018-2019	2017-2018
A	**Cash Flow From Operating Activities**		
	Net profit before tax and extraordinary items	1,935.74	1,618.91
	Adjustments for:		
	Depreciation	210.94	240.94
	(Profit) on sale of fixed assets	(1.40)	-
	Loss on sale of fixed assets	3.52	-
	Increase/(Decrease) in foreign currency translation reserve	0.63	6.21
	Interest expenses	290.78	370.39
	Interest income	(28.56)	(28.85)
	Unrealised foreign exchange (Gain)/Loss	(88.32)	(6.33)
	Provision for expenses, gratuity and leave encashment	38.18	62.34
	Prior Period Items	0.43	(5.11)
	Sundry balances written back	(11.87)	(2.28)
	Insurance Claim Received	-	(8.32)
	Interest Subsidy Received	(15.91)	(27.90)
	Rental Income	(19.32)	(16.70)
	Bad Debts written off	37.16	22.56
	Operating profit before working capital changes	**2,352.00**	**2,225.86**
	Adjustments for:		
	(Increase)/Decrease in trade and other receivables	342.00	289.22
	(Increase)/Decrease in inventories	(695.95)	(147.73)
	Increase/(Decrease) in trade and other payables	(259.25)	(723.15)
	Cash generated from operating activities	**1,738.80**	**1,644.20**
	Less: Direct taxes (net of refund)	620.14	478.12
	Total cash generated from operating activities	**1,118.66**	**1,166.08**
	Net cash flow from/(used in) operating activities	**1,118.66**	**1,166.08**
B	**Cash Flow From Investing Activities**		
	Sale of fixed assets	25.14	-
	Purchase of fixed assets / Capital work-in-progress	(109.43)	(46.80)
	Interest Income	28.56	28.85
	Rental Income	19.32	16.70
	Cash generated from investing activities	**(36.41)**	**(1.26)**
	Less: Income-tax paid at source	1.93	1.67
	Net Cash flow from/(used in) investing activities	**(38.34)**	**(2.93)**
C	**Cash Flow from Financing activities**		
	Proceeds from borrowings	(583.11)	(729.06)
	Interest Subsidy Received	12.87	27.90
	Interest Expenses	(290.78)	(370.39)
	Net cash flow/(used in) from financing activities	**(861.02)**	**(1,071.55)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**219.31**	**91.60**
	Cash and cash equivalent as at the beginning of the year	405.00	313.40
	Cash and cash equivalent as at the end of the year	**624.31**	**405.00**
	Notes:		
	1) Cash and cash equivalents comprises of		
	a) Cash in hand	4.27	5.89
	b) Bank balance in current accounts	174.12	114.56
	c) Unpaid dividend account	4.16	3.14
	c) In fixed deposit account	441.77	281.41
		624.31	**405.00**

2) Direct Tax paid are treated as arising from operating activity and not bifurcated in investment and financing activities.

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

4) Figures in brackets represent outflows.

As per our report of even date attached

For and on behalf of
PKJ and CO.
Chartered Accountants
Firm Regn. No. 124115W

For and on behalf of the Board of Directors

Padam Jain
Partner
Membership No. 71026

Shivhari Halan
Director
DIN: 00220514

Anup Jatia
Executive Director
DIN: 00351425

Place: Mumbai
Date: May 24, 2019

C.P. Vyas
Company Secretary

Ratan Agrawal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

EQUITY SHARE CAPITAL	Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
Paid up capital (Refer Note No. 13)	510.00	-	510.00

OTHER EQUITY

For the year ended 31-03-2019 ₹ in Lakhs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign Exchange Fluctuation reserve on Consolidation	Total Equity
Balance as at 1st April, 2018	**30.00**	**62.40**	**644.70**	**2,290.88**	**6.79**	**3,034.77**
Prior Period Errors	-	-	-	0.43	-	0.43
Total Comprehensive Income for the year	-	-	-	1,381.88	0.63	1,382.51
Total Comprehensive Income/(loss) for the year	**30.00**	**62.40**	**644.70**	**3,673.19**	**7.42**	**4,417.71**
Dividend (Including Dividend Distribution Tax)	-	-	-	(92.23)	-	(92.23)
Transfer to / from Retained Earnings	-	-	-	-	-	-
Balance as at 31st March, 2019	**30.00**	**62.40**	**644.70**	**3,580.96**	**7.42**	**4,325.49**

For the year ended 31-03-2018 ₹ in Lakhs

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign Exchange Fluctuation reserve 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**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1 COMPANY OVERVIEW 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, Maharashtra, 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 separate financial statements, as far as possible, except as specifically mentioned in the Notes to Accounts.

d) The financial statements of the subsidiary company used into the consolidation are drawn upto the same reporting date as that of the Holding Company.

Significant Accounting Policies

a) Statement of compliance

These Separate financial statements (also known as Consolidated Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

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 Holding Company and the currency of the primary economic environment in which the Holding Company operates.

These Consolidated Financial Statements are prepared, to the extent possible, based on information available with the management in respect of its Subsidiary Company.

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 at the rate of 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 Group, 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 Group 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 Group 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 Group 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 Group are recognized at the proceeds received.

s) Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Group 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 Group 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 Group 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 Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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 Group'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 Group 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 Group 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 Group 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 Group'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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

i) Useful Lives of Property, Plant and Equipment

The Group 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 Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Recent legal pronouncements:

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

i) IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

Currently operating lease expenses are charged to statement of profit and loss account. As regards accounting requirements of lessor are concerned IND AS 116, substantially carries forward the requirements in IND AS 17.

In accordance with the standard the Group will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value. The Group is currently evaluating the effect of adoption as on the transition date.

In accordance with the standard the Group will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value. The Group is currently evaluating the effect of adoption as on the transition.

ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment needs to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is proposing to use retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application without adjusting comparatives. The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application. The exposure at default is the amount outstanding at the balance sheet.

iii) Amendment to Ind AS 12 – Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Group is currently evaluating the effect of this amendment on the financial statements.

iv) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Group is currently evaluating the effect of this amendment on the financial statements.

v) Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate

The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Group is in the process of evaluating the impact of this amendments on the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. Property, Plant and Equipments

₹ in Lakhs

Particular	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01-04-2018	Additions / Disposals	Other Adjustments	Cost as at 31-03-2019	As at 01-04-2018	For the year	Adjustment/ Disposals	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
TANGIBLE ASSETS										
Leasehold Land	375.48	-	-	375.48	0.26	0.05	-	0.32	375.17	375.22
Factory Building *	1,404.26	0.67	-	1,404.93	352.73	46.18	-	398.91	1,006.02	1,051.53
Office Equipments	25.24	1.48	-	26.72	20.09	3.31	-	23.40	3.32	5.16
Electric Installation	58.70	-	-	58.70	50.86	0.89	-	51.75	6.94	7.84
Factory Equipments	8.34	3.33	-	11.66	4.28	0.61	-	4.89	6.77	4.05
Plant and Machinery (Owned)	1,976.95	11.52	-	1,988.47	485.06	108.20	-	593.26	1,395.21	1,491.89
Furniture and Fittings	47.47	-	-	47.47	32.92	3.58	-	36.50	10.96	14.55
Computers	36.45	0.70	-	37.15	33.79	1.22	-	35.01	2.14	2.66
Printer	0.52	0.13	-	0.65	0.48	0.05	-	0.53	0.12	0.04
Vehicles	135.97	69.95	68.75	137.17	68.81	15.71	(41.50)	43.03	94.14	67.16
Wind Mills	873.52	-	-	873.52	483.53	27.86	-	511.38	362.13	389.99
Total (A)	**4,942.90**	**87.78**	**68.75**	**4,961.92**	**1,532.81**	**207.68**	**(41.50)**	**1,698.99**	**3,262.93**	**3,410.09**
Previous Year	4,896.20	46.80	0.10	4,942.90	1,329.10	203.71	-	1,532.81	3,410.09	
INTANGIBLE ASSETS										
Software	28.54	-	-	28.54	17.90	3.26	-	21.16	7.38	10.64
Technical Know-how	269.60	-	-	269.60	269.60	-	-	269.60	-	-
Total (B)	**298.14**	**-**	**-**	**298.14**	**287.50**	**3.26**	**-**	**290.76**	**7.38**	**10.64**
Previous Year	298.14	-	-	298.14	250.28	37.23	-	287.50	10.64	
Total (A+B)	**5,241.04**	**87.78**	**68.75**	**5,260.06**	**1,820.32**	**210.94**	**(41.50)**	**1,989.76**	**3,270.31**	**3,420.72**
Previous Year	5,194.35	46.80	0.10	5,241.04	1,579.37	240.94	-	1,820.31	3,420.73	
CAPITAL WORK IN PROGRESS	-	21.65	-	21.65	-	-	-	-	21.65	-
Previous Year	-	-	-	-	-	-	-	-	-	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		31-03-2019	31-03-2018
3	**Other Financial Non-Current Assets**		
	Fixed deposits with Bank with original maturity of more than 12 months*	0.32	52.23
		0.32	**52.23**
	* Lodged as Security with Government Departments and Banks as Margin money for Trade Credit and L/C facilities.		
4	**Other Non-Current Assets**		
	Security Deposit to Government authorities and others	46.34	45.34
	MAT Credit Entitlement	-	128.72
	MEIS License	2.44	2.52
	Duty Drawback Receivable	5.38	5.02
		54.16	**181.60**
5	**Inventories**		
	(valued at lower of cost or net realisable value) (As certified by the management)		
	Raw Materials and components	1,318.68	836.69
	[includes in transit ₹ 266.29 Lakhs (31st March, 2018 - ₹ 43.42 Lakhs)]		
	Work-in-progress	127.15	101.88
	Finished Goods	29.13	142.24
	Traded Goods	1,763.22	1,433.04
	[includes in transit ₹ 440.16 Lakhs (31st March, 2018 - ₹ 1167.68 Lakhs)		
	Stores and spares and Packing Materials	73.73	102.11
		3,311.91	**2,615.96**
6	**Trade Receivable**		
	Unsecured, Considered good		
	Outstanding for a period exceeding six months from date they are due for payment	19.85	86.87
	Others	2,785.69	3,360.02
	Doubtful	28.39	87.03
		2,833.92	3,533.93
	Less: Provision for doubtful debts	(28.39)	(87.03)
		2,805.53	**3,446.90**
7	**Cash and Cash Equivalents**		
	Cash on hand	4.27	5.89
	Other Bank Balances		
	In Current Accounts	174.12	114.56
		178.38	**120.45**
8	**Bank Balances other than Cash and Cash Equivalents**		
	In Fixed Deposits account		
	Fixed Deposits with original maturity for less than 3 months*	-	42.15
	Fixed Deposits with original maturity for more than 3 months but less than 12 months*	277.76	-
	Current Maturities of Fixed Deposits with original maturity for more than 12 months*	164.01	239.26
	Enmarked Balance with Bank for Unpaid Dividends	4.16	3.14
		445.93	**284.55**
	* 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	0.07	8.32
	Loans and advances to officers of the Company	7.00	-
	Security Deposits to others	9.88	2.68
		16.94	**10.99**
10	**Other Financial Current Assets**		
	Interest accrued but not due on Bank Deposits	4.45	2.82
	Interest accrued and due on Loans	1.02	4.78
	Interest accrued on Security Deposits with MSEB and Dakshin Gujarat	2.12	1.55
	Interest Subsidy receivable	80.02	76.98
		87.60	**86.13**
11	**Other Current Assets**		
	Prepaid Expenses	29.16	20.89
	Balances with Statutory Government authorities	500.52	163.79
	Advances recoverable in cash or kind or for value to be received		
	- Unsecured, Considered Good	95.20	122.10
	- Unsecured, Considered Doubtful	45.39	-
	- Less: Provision for doubtful debts	(45.39)	-
		624.88	**306.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	31-03-2019	31-03-2018
12 Current Tax Assets/(Liabilities) (Net)		
Income Tax Deposits	1,037.43	415.36
Less: Provisions for Income Tax	928.16	553.73
	109.27	**(138.37)**
13 Equity Share Capital		
Authorised Shares		
800 Lakhs (31st March, 2018: ₹ 800 Lakhs) Equity Shares of ₹ 1/- each	800.00	800.00
	800.00	**800.00**
Issued, Subscribed and fully paid up Shares		
510 Lakhs (31st March, 2018: ₹ 510 Lakhs) Equity Shares of ₹ 1/- each	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	31-03-2019		01-04-2018	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the period	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**

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

	31-03-2019	31-03-2018
Holding Company:	Nos.	Nos.
Wedgewood Holdings Limited, Mauritius		
Equity Shares of ₹ 1/-each fully paid	28,800,000	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	31-03-2019		31-03-2018	
	Nos.	% of holding	Nos.	% of holding
Name of the shareholder:				
Wedgewood Holdings Ltd., Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Ltd., Hong Kong	9,210,000	18.06	9,210,000	18.06

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 24, 2019 has recommended Dividend of ₹ 0.30 per Equity Share (30% of face value i.e. ₹ 1) for the Financial Year 2018-2019, subject to approval of the members at the ensuing Annual General Meeting (Financial Year 2017-2018 - ₹ 0.15).

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.

₹ in Lakhs

	31-03-2019	31-03-2018
14 Non-Current Borrowings		
Secured		
a) Term Loans		
Loan from Banks and Financial Institutions [Refer Note No. 14(a)(i), (ii) and (iii)]	677.57	1,004.20
Total Secured	**677.57**	**1,004.20**

₹ in Lakhs

		31-03-2019	31-03-2018
	Unsecured		
b)	**Deposits [Refer Note No.14(b)(i)]**	770.00	765.00
c)	**Other Loans and Advances**		
	Interest Free Security Deposits [Refer Note No.14(c)(i)]	7.50	7.50
	Total Unsecured	**777.50**	**772.50**
		1,455.07	**1,776.70**
	Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No. 19)	(396.88)	(372.12)
		1,058.19	**1,404.58**

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 Lakhs commencing from 5th October, 2017 and ending on 2nd September, 2020.

(ii) **Term Loan**

From Kotak Mahindra Bank Limited

Nature of security

a) First charge 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 and Plot No. 11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

Rate of Interest

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

Terms of Repayment

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

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

(iii) **Vehicle Loan**

From Daimler Financial Services Private Limited

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.64 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 0.86 Lakhs commencing from 4th August, 2018 and ending on 4th July, 2021.

Note No. 14 (b)

₹ in Lakhs

		31-03-2019	31-03-2018
(i)	**Unsecured Loan:**		
	Deposits		
	Received from Director	770.00	765.00
		770.00	**765.00**

Rate of Interest

The rate of interest is 14.00% p.a.

Terms of Repayment

Repayable on or after 36 months

Note No. 14 (c):

Other Loans and Advances

		31-03-2019	31-03-2018
(i)	**Security Deposits**		
	Received from related party	7.50	7.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	31-03-2019	31-03-2018
15 Non-Current Provisions		
Provisions for employees benefits		
Provision for Gratuity (Refer Note No. 36)	29.47	24.46
Provisions for Leave Benefits	4.46	3.42
	33.93	**27.87**
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	415.68	427.02
Less:		
Items leading to deferred tax assets		
Expenses allowable on Payment basis	(14.14)	(12.82)
Net (Deferred Tax Liability)	**401.54**	**414.20**
17 Current Borrowings		
a) Secured [Refer Note No. 17(a)]		
Repayable on demand		
Cash Credit from Banks	420.77	1,372.89
Trade Credit	1,102.77	367.70
	1,523.54	**1,740.59**
b) Unsecured Deposits		
Repayable on demand		
Inter Corporate Deposits	-	20.00
Loan from others	**1.25**	**0.92**
	1.25	**20.92**
	1,524.79	**1,761.51**

Note No. 17(a):

Nature of security

a) Secured by pari-pasu charge with Kotak Mahindra Bank and 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 and Plot No.11 to 18 at Shri Laxmi Sahakari Aodhyogik Vasahat, Hatkanangale, Dist. Kolhapur.

₹ in Lakhs

	31-03-2019	31-03-2018
18 Trade payables		
Trade payables (Refer Note No. 43)	2,467.89	2,691.81
	2,467.89	**2,691.81**
19 Other Financial Current Liabilities		
Current maturities of long term borrowings (Refer Note No. 14)	396.88	372.12
Interest accrued but not due on borrowings	3.57	10.91
Unpaid Dividend *	4.16	3.14
Provision for Mark to Market Loss on Open Forward Contract	8.87	0.84
	413.48	**387.01**
* Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
20 Other Current Liabilities		
Payable for other expenditure	67.70	82.22
Other Non Trade Liabilities	0.68	2.24
Advance from Customers	82.07	27.58
TDS payable	11.63	13.64
Rates and Taxes payable	0.05	0.11
	162.13	**125.80**
21 Current Provisions		
Provisions for employee benefits		
Salary and Reimbursements	22.33	20.31
Contribution to Provident Fund	2.29	2.18
Gratuity	3.90	7.18
Leave benefits	0.91	0.74
	29.44	**30.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	For the year ended 31-03-2019	For the year ended 31-03-2018
22 Revenue from Operations		
a) Sale of products [Refer Note No. 22(a)(i)]	30,538.22	29,632.15
	30,538.22	**29,632.15**
b) Other Operating Revenue		
Export Entitlement	113.09	51.07
Insurance Claim Received	-	8.32
Exchange difference	147.32	55.38
Commission Income	29.09	0.28
Miscellaneous Income	43.71	23.00
	333.20	**138.04**
Revenue from Operations	**30,871.43**	**29,770.19**
Note No. 22(a)(i):		
Details of Sale of products		
Chemicals	30,304.77	29,390.05
Textiles	124.14	133.04
Wind Energy	109.30	100.16
Others	-	8.90
	30,538.22	**29,632.15**
23 Other Income		
Interest Income		
From Bank	24.97	15.03
From Others	3.59	13.82
	28.56	**28.85**
Profit on sale of Asset	1.40	-
Provision for Doubtful Debts written back	13.62	-
Other non-operating income	31.20	24.09
	74.77	**52.93**
24 Cost of Materials consumed [Refer Note No. 24(a)]		
Inventory at the beginning of the year	836.84	945.12
Add: Purchases	5,792.24	3,435.06
Add: Transfer from traded goods	56.46	-
	6,685.53	**4,380.17**
Less: Inventory at the end of the year	1,318.68	836.84
	5,366.85	**3,543.34**
Note No. 24(a):		
(i) Details of Materials consumed		
Chemical	5,350.88	3,520.21
Yarn	12.79	16.92
Fabrics	3.18	6.21
	5,366.85	**3,543.34**
(ii) Details of Inventory of raw materials		
Chemical	1,300.89	835.85
Yarn	0.23	0.23
Fabric	17.57	0.76
	1,318.68	**836.84**
25 Purchase of Traded Goods		
Chemicals	21,152.73	22,180.53
Textiles	65.83	99.57
	21,218.56	**22,280.10**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

		For the year ended 31-03-2019	For the year ended 31-03-2018
26	**(Increase)/Decrease in Inventories**		
	Opening traded goods	1,433.10	1,216.82
	Transferred to manufacturing	56.46	-
	Closing traded goods [Refer Note No. 27(a)(i)]	1,763.22	1,433.10
		(386.57)	**(216.28)**
	Opening work-in-progress	101.88	41.78
	Closing work-in-progress [Refer Note No. 27(a)(ii)]	127.15	101.88
		(25.27)	**(60.09)**
	Opening finished goods	142.24	194.54
	Closing finished goods [Refer Note No. 27(a)(iii)]	29.13	142.24
		113.11	**52.30**
	Total (Increase)/Decrease in Inventories	**(298.73)**	**(224.07)**
	Note No. 26(a):		
	Details of inventories at the end of the year		
	(i) Traded Goods		
	Chemicals	1,756.88	1,421.37
	Textiles	0.06	3.30
	Others	6.27	8.42
		1,763.22	**1,433.10**
	(ii) Work-in-progress		
	Chemical	123.04	85.20
	Textiles	4.11	16.67
		127.15	**101.88**
	(iii) Finished Goods		
	Chemical	14.45	128.22
	Textiles	14.69	14.02
		29.13	**142.24**
27	**Employee Benefit expenses**		
	Salaries, wages and bonus	376.59	358.58
	Contribution to provident fund and other funds	13.08	13.31
	Staff welfare expenses	7.86	6.72
		397.54	**378.61**
28	**Finance Costs**		
	Interest on borrowings	282.81	349.59
	Bill discounting charges	1.35	1.22
	Bank charges on facilities	6.62	19.59
	Applicable loss on foreign currency transactions and translation	22.15	11.54
		312.92	**381.93**
29	**Depreciation and Amortization Expenses**		
	Depreciation of tangible assets	207.63	203.66
	Amortization of tangible assets	0.05	0.05
	Amortization of intangible assets	3.26	37.23
		210.94	**240.94**
30	**Other Expenses**		
	Power and fuel	123.43	104.76
	Rent	50.17	26.78
	Rates and taxes	11.07	10.75
	Insurance	12.41	13.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	For the year ended 31-03-2019	For the year ended 31-03-2018
Repairs and maintenance		
Plant and machinery	21.24	20.75
Buildings	4.66	5.87
Others	10.16	7.39
Legal and professional fees	77.23	64.60
Royalty	67.54	141.87
Payment to auditor [Refer Note no.30(a)]	5.80	4.59
Selling and distribution expenses	132.61	161.05
Brokerage expenses	70.92	75.24
Windmill maintenance charges	19.85	15.19
Travelling and conveyance	50.95	63.89
Provision for doubtful debts	-	87.97
Bad debts written off	37.16	22.56
Communication costs	14.41	8.50
Entertainment expenses	-	1.24
Printing and stationery	4.90	4.16
Labour and jobwork charges	18.91	18.91
Packing material consumed	693.87	442.30
Utility material consumed	15.05	3.18
Export expenses	185.80	142.84
Security charges	7.81	5.64
Corporate office expenses	12.12	14.10
Office expenses	13.59	12.92
Office electricity expenses	2.77	2.33
Warehousing charges	21.41	24.28
Vehicle expenses	11.45	8.94
Share trading expenses	-	0.02
Donation	0.01	0.28
Bank charges	40.57	23.70
CSR expenses	5.50	-
Loss on sale of assets	3.52	-
Miscellaneous expenses	55.52	62.98
	1,802.38	**1,603.36**
Note No. 30(a):		
Details of Payment to Auditor		
As Auditor		
Audit fees	3.00	2.50
Tax audit fees	0.75	0.55
Limited review	0.60	0.45
VAT audit fees	0.25	-
In other capacity		
Certification fees	0.38	0.25
Reimbursement of expenses including tax	-	0.01
	4.98	**3.76**
Cost Auditor		
As Audit fees	0.83	0.83
	0.83	0.83
	5.80	**4.59**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

31 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 Lakhs

(i)

31-Mar-19	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	-	-	88	88	-	-	88	88
Trade Receivables	6	-	-	2,806	2,806	-	-	2,806	2,806
Cash and Cash Equivalents	7	-	-	178	178	-	-	178	178
Bank Balances other than Cash and Cash Equivalents	8	-	-	446	446	-	-	446	446
Loans	9	-	-	17	17	-	-	17	17
		-	**-**	**3,535**	**3,535**	**-**	**-**	**3,535**	**3,535**
Financial Liabilities									
Borrowings	14 and 17	-	-	2,583	2,583	-	-	2,583	2,583
Provisions	15	-	-	34	34	-	-	34	34
Trade Payables	18	-	-	2,468	2,468	-	-	2,468	2,468
Other Financial Liabilities	19	-	-	413	413	-	-	413	413
		-	**-**	**5,498**	**5,498**	**-**	**-**	**5,498**	**5,498**

₹ in Lakhs

(ii)

31-Mar-18	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	-	-	138	138	-	-	138	138
Trade Receivables	6	-	-	3,447	3,447	-	-	3,447	3,447
Cash and Cash Equivalents	7	-	-	120	120	-	-	120	120
Bank Balances other than Cash and Cash Equivalents	8	-	-	285	285	-	-	285	285
Loans	9	-	-	11	11	-	-	11	11
		-	**-**	**4,001**	**4,001**	**-**	**-**	**4,001**	**4,001**
Financial Liabilities									
Borrowings	14 & 17	-	-	3,166	3,166	-	-	3,166	3,166
Provisions	15	-	-	28	28	-	-	28	28
Trade Payables	18	-	-	2,692	2,692	-	-	2,692	2,692
Other Financial Liabilities	19	-	-	387	387	-	-	387	387
		-	**-**	**6,273**	**6,273**	**-**	**-**	**6,273**	**6,273**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

32 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 Shareholder's Wealth.

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

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt (Long Term Bank and other borrowings)	1,058.19	1,404.58
Equity	4,835.49	3,544.77
Debt to Equity (Net)	**0.22**	**0.40**

In addition, the Holding 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 Holding Company.

33 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 Holding 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 Holding Company's profit for the year ended 31st March, 2019 would have been decreased/increased by ₹ 18.07 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 Holding 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.

Holding Company's 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 Lakhs	No. of Contracts
As on 31.03.2019	1,530,078.52	1,058.20	18
As on 31.03.2018	972,130.00	633.63	8

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

	As on 31.03.2019		As on 31.03.2018	
Particulars	Amount in US$	₹ in Lakhs	Amount in US$	₹ in Lakhs
Trade Payable	2,994,665.62	2,071.11	3,692,603.50	2,406.84
Secured Trade Credit	1,594,520.00	1,102.77	569,500.00	371.20
Trade receivable	781,819.83	540.63	537,269.55	350.19
Advance to Suppliers	26,040.00	18.01	-	-

	As on 31.03.2019		As on 31.03.2018	
Particulars	**Amount in JPY**	**₹ in Lakhs**	**Amount in JPY**	**₹ in Lakhs**
Trade Payable	9,497,584.00	59.28	15,703,300.00	96.56
Trade Receivable	1,839,989.00	11.49	-	-

The Holding 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 ₹ 26.33 Lakhs. (Previous Year - ₹ 23.41 Lakhs).

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

c) Price Risks

The Holding 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 Holding Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Holding 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 Holding 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 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 31st March, 2019 is 0.71% 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 Lakhs

Particulars	**Refer Note**	**Less than 1 year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Borrowings	14, 17 & 19	1,921.67	280.69	-	777.50
		(1,761.51)	(1,004.20)	-	(772.50)
Trade payable	18	2,467.89	-	-	-
		(2,691.81)	-	-	-
Other financial liabilities	19	12.44	-	-	-
		(11.74)	-	-	-
Employee benefit / expense liabilities	15	33.93	-	-	-
		(27.87)	-	-	-
Unclaimed dividends	19	4.16	-	-	-
		(3.14)	-	-	-

Figures in brackets are in respect of previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

34 Income Taxes (Ind AS 12)

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

₹ in Lakhs

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Holding Company's Profit Before Tax	1,858.20	1,530.76
Applicable tax rate @ 29.12% (March 31, 2018 @ 34.61%)	541.11	529.77
Effect of Tax Exempt Income	-	-
Effect of Non-Deductible expenses	73.68	125.26
Effect of Allowances for tax purpose	(80.12)	(91.12)
Effect of Tax paid at a lower rate	-	-
Effect of Previous year adjustments	-	(86.71)
Others	7.09	14.94
Total	**541.76**	**492.14**

(ii) The Holding Company has announced a proposed dividend of ₹ 0.30/- per share and accordingly, the dividend distribution tax on account of the same amounting to ₹ 31.46 Lakhs shall be recognized once the dividend is paid.

35 Operating Lease (Ind AS 17)

(a) Operating lease income recognised in the Consolidated Statement of Profit and Loss amounting to ₹ 19.32 Lakhs (March 31, 2018 - ₹ 16.70 Lakhs).

(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.

36 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 Holding Company and is in accordance with the rules of the Holding Company for payment of gratuity.

Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Holding Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Holding 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 Lakhs

	Gratuity and other post employment benefit plans	As at 31st March, 2019	As at 31st March, 2018
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	31.64	25.30
	Adjustment of:		
	Interest Cost	2.37	1.71
	Current Service Cost	4.10	3.93
	Past Service Cost	-	1.07
	Actuarial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	-	-
	Benefit paid directly by the Employer	(5.35)	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	0.75	(1.11)
	Actuarial (Gains)/Losses on Obligation - Due to Experience	(0.14)	0.74
	Balance at the end of the year	**33.37**	**31.64**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	Gratuity and other post employment benefit plans	As at 31st March, 2019	As at 31st March, 2018
(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)	(33.37)	(31.64)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus / (Deficit))	(33.37)	(31.64)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(33.37)**	**(31.64)**
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	4.10	3.93
	Net Interest Cost	2.37	1.71
	Past Service Cost	-	1.07
	Expenses Recognized	**6.48**	**6.71**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	0.61	(0.37)
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**0.61**	**(0.37)**
(vi)	**Maturity profile of defined benefit obligation**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	3.90	7.18
	2nd Following Year	3.90	3.27
	3rd Following Year	3.81	3.23
	4th Following Year	3.75	3.69
	5th Following Year	3.52	2.91
	Sum of Years 6 To 10	17.11	13.06
	Sum of Years 11 and above	16.75	15.78
(vii)	**Sensitivity analysis for significant assumptions**		
	Projected Benefit Obligation on Current Assumptions	33.37	31.64
	Delta Effect of +1% Change in Rate of Discounting	(1.68)	(1.39)
	Delta Effect of -1% Change in Rate of Discounting	1.87	1.54
	Delta Effect of +1% Change in Rate of Salary Increase	1.64	1.36
	Delta Effect of -1% Change in Rate of Salary Increase	(1.62)	(1.34)
	Delta Effect of +1% Change in Rate of Employee Turnover	(3.84)	(0.32)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.42	0.35
(viii)	**Actuarial Assumptions**		
	Discount Rate (p.a.)	7.07%	7.50%
	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**	7 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 Holding 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.

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

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

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

37 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 ₹ 12.87 Lakhs (March 31, 2018 ₹ 27.91 Lakhs).

38 Related party disclosures (Ind AS 24)

(A) Information about related parties:

Holding company	Wedgewood Holdings Limited, Mauritius

(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 Atmasantosh Foundation	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 Lakhs

Nature of Transactions	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Sales	-	-	-	150.36
	-	-	-	(122.71)
Purchases	-	-	-	58.17
	-	-	-	(76.85)
Rent Paid	-	-	-	25.12
	-	-	-	(7.40)
Directors Remuneration	-	42.00	-	-
	-	(42.00)	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Nature of Transactions	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(v)
Fees Paid	-	10.55	-	-
	-	(9.90)	(1.10)	-
Salary Paid	-	18.89	-	-
	-	(17.58)	-	-
Interest Paid	-	100.80	-	-
	-	(113.14)	-	-
Rent Received	-	-	-	19.32
	-	-	-	(10.01)
Loan Given	-	11.70	-	-
	-	-	-	-
Donation Given	-	-	-	5.50
	-	-	-	-
Loan Repayment Received	-	4.70	-	-
	-	-	-	-
Unsecured Deposit Received	-	-	-	-
	-	-	-	-
Reimbursement of Expenses Paid	-	-	-	0.02
	-	-	-	(0.12)
Reimbursement of Expenses Received	-	-	-	2.63
	-	-	-	(1.22)

₹ in Lakhs

Balance as at 31st March, 2019	Holding Co.	Key Management Personnel	Relatives of Key Management Personnel	Other related parties as in 31(a)(iv)
Security Deposit Received	-	-	-	7.50
	-	-	-	(7.50)
Loan Given	-	7.00	-	-
	-	-	-	-
Unsecured Deposit Payable	-	720.00	-	-
	-	(720.00)	-	-
Interest Payable (Net of T.D.S.)	-	-	-	-
	-	(7.70)	-	-

Note: Figures of previous year are given in brackets.

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

₹ in Lakhs

	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(A)	**Basic EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,382	1,175
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Basic EPS (₹) (i)/(ii)	**2.71**	**2.30**
(B)	**Diluted EPS:**		
	(i) Net Profit attributable to Equity Shareholders	1,382	1,175
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	51,000,000	51,000,000
	Diluted EPS (₹) (i)/(ii)	**2.71**	**2.30**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

40 Contingent Liabilities (Ind AS 37)

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

(i) Central Sales Tax liability of ₹ 17.22 Lakhs (P.Y. ₹ 35.28 Lakhs) 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 ₹ 210.40 Lakhs (P.Y ₹ 210.95 Lakhs) in respect of Bond Transfer Sales. The issue was decided by the Honorable Maharashtra Sales Tax Tribunal in favour of assessees, However, the department has filed an appeal against the order in Bombay High Court. The above demands have been kept in abeyance. In another case, this question was forwarded to the Bombay High Court for it's opinion, who gave it's opinion in favour of the Department and against the dealer.

(iii) Disputed Value Added Tax demands of ₹ 5.70 Lakhs (Previous Year ₹ 5.70 Lakhs) for which Holding Company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(iv) Disputed Income Tax demands of ₹ 177.18 Lakhs (Previous Year ₹ Nil) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(b) Guarantees:

The Holding Company has issued corporate guarantees as under:

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

41. 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 and Others (Shares and 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 Lakhs**

Particular	Textiles		Chemicals		Renewable Energy		Others		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue												
Gross Turnover	148.85	149.35	30,690.56	29,564.13	104.88	100.72	-	8.92	-	-	30,944.30	29,823.12
Net Turnover	**148.85**	**149.35**	**30,690.56**	**29,564.13**	**104.88**	**100.72**	**-**	**8.92**	**-**	**-**	**30,944.30**	**29,823.12**
Segment Result before Interest and Taxes	**(40.88)**	**15.14**	**2,548.45**	**2,200.47**	**55.44**	**55.77**	**(2.15)**	**5.33**	**(312.20)**	**(275.87)**	**2,248.66**	**2,000.84**
Less: Interest Expense	-	-	(308.27)	(381.40)	-	-	-	-	(4.65)	(0.53)	(312.92)	(381.93)
Add: Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	**(40.88)**	**15.14**	**2,240.18**	**1,819.07**	**55.44**	**55.77**	**(2.15)**	**5.33**	**(316.85)**	**(276.40)**	**1,935.74**	**1,618.91**
Current Tax	-	-	-	-	-	-	-	-	(559.80)	(461.03)	(559.80)	(461.03)
Deferred Tax	-	-	-	-	-	-	-	-	12.66	17.18	12.66	17.18
Profit after Tax	**(40.88)**	**15.14**	**2,240.18**	**1,819.07**	**55.44**	**55.77**	**(2.15)**	**5.33**	**(863.99)**	**(720.25)**	**1,388.60**	**1,175.06**
Other Information												
Segment Assets	138.70	225.26	10,090.38	8,973.52	407.24	421.99	-	-	290.55	905.55	10,926.87	10,526.32
Segment Liabilities	5.10	5.30	5,550.28	5,928.39	0.89	0.08	-	-	535.11	1,047.78	6,091.38	6,981.55

- Inter segment pricing are at arm's length basis.
- As per Indian Accounting Standard 108 - Operating Segments, the Group 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 and Yarn.
  - 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 and Securities.

ii) Secondary Segment Information

₹ in Lakhs

	2018-19	2017-18
a) Segment Revenue		
Local sales	26,931.71	25,087.04
Export Sales	4,012.59	4,736.08
	30,944.30	**29,823.12**
b) Segment Assets		
Local Assets	10,368.26	10,160.98
Export Assets	558.62	365.34
	10,926.88	**10,526.32**

42 Corporate Social Responsibility:

The amount required to be spent by Holding Company under Section 135 of the Companies Act, 2013 for the year ended March 31, 2019 is ₹ 27.35 Lakhs (March 31, 2018 ₹ 14.97 Lakhs) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013. However, during the year, the Holding Company has spent ₹ 5.50 Lakhs (March 31, 2018 ₹ Nil) towards its CSR activities and the balance will be added to the CSR Budget for the Financial Year 2019-2020.

43 Some of the suppliers have sent their intimations of them being the Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 to Holding Company. However, there were no amounts unpaid as at the year end together with interest paid / payable beyond a stipulated peiod as required under the said Act.

In respect of other suppliers, the Holding Company has not received any intimation regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given to that extent.

₹ in Lakhs

44 Value of Imports calculated on CIF basis	**31st March, 2019**	**31st March, 2018**
Raw Materials	5,633.89	3,494.42
Traded Goods	10,362.68	8,574.18
Others	395.18	197.21
	16,391.75	**12,265.81**

₹ in Lakhs

45 Holding Company's Expenditure in Foreign Currency	**31st March, 2019**	**31st March, 2018**
Interest on short term borrowings	30.00	9.30
Membership and subscription	5.72	4.22
Royalty	67.54	141.87
Travelling	6.88	10.58
Seminar and conference expenses	-	0.91
	110.14	**166.88**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

46 Imported and indigenous raw materials, components consumed ₹ in Lakhs

	% of total consumption 31st March, 2019	Value 31st March, 2019	% of total consumption 31st March, 2018	Value 31st March, 2018
Raw Materials				
Imported	88.73%	4,762.00	93.33%	3,307.16
Indigenously obtained	11.27%	604.85	6.67%	236.18
	100.00%	**5,366.85**	**100.00%**	**3,543.34**

₹ in Lakhs

47 **Holding Company's Earnings in foreign currency**	31st March, 2019	31st March, 2018
Exports at F.O.B. Value	3,886.44	4,525.32
	29.09	-
	3,915.53	**4,525.32**

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

49 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 ₹ in lakhs.

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

Padam Jain
Partner
Membership No. 71026

Place: Mumbai
Date: May 24, 2019

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 29th Annual General Meeting of the Company held on Monday, September 23, 2019 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.

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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

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 29th Annual General Meeting of the Company, to be held on Monday, September 23, 2019 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, 2019.		
2	Declaration of Dividend on equity shares.		
3	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.		
4	Ratification of appointment of M/s. PKJ and Co., Chartered Accountants as Statutory Auditors of the Company.		
5	Re-appointment of Mr. Shivhari Halan as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.		
6	Re-appointment of Mr. Basant Kumar Goenka as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.		
7	Re-appointment of Mr. Sujay Sheth as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.		
8	Revision in Remuneration of Mr. Anup Jatia, Executive Director of the Company.		
9	Appointment of M/s. Poddar and Co., Cost Accountants as Cost Auditors of the Company.		

Signed this ____________________________ day of _______________, 2019

Signature of Shareholder: _________________________________

Signature of Proxy holder(s): ______________________________

Affix ₹ 1/- Revenue Stamp

Notes:

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

BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

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

BALLOT FORM FOR VOTING ON ANNUAL GENERAL MEETING RESOLUTIONS

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

I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated May 24, 2019 (29th AGM to be held on September 23, 2019), 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 31st March, 2019.			
2	Declaration of Dividend on equity shares.			
3	Appointment of Mr. Anup Jatia, who has consented to retires by rotation.			
4	Ratification of appointment of M/s. PKJ and Co., Chartered Accountants as Statutory Auditors of the Company.			
SPECIAL BUSINESS				
5	Re-appointment of Mr. Shivhari Halan as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.			
6	Re-appointment of Mr. Basant Kumar Goenka as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.			
7	Re-appointment of Mr. Sujay Sheth as an Non – Executive Independent Director of the Company for a second term from 1st April, 2019 till the conclusion of 33rd Annual General Meeting of the Company.			
8	Revision in Remuneration of Mr. Anup Jatia, Executive Director of the Company.			
9	Appointment of M/s. Poddar and Co., Cost Accountants as Cost Auditors of the Company.			

Place:

Date:

Signature of Member or Authorised Representative

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 16, 2019 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 and 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, 2019.** 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.

Notes

Notes

To,

If undelivered, please return to

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