



**24th Annual Report
2013-14**

**BLACK ROSE
INDUSTRIES LIMITED**

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

MR. ATMARAM JATIA	:	DIRECTOR
MR. SHIVHARI HALAN	:	DIRECTOR
MR. ANUP JATIA	:	EXECUTIVE DIRECTOR
MR. SUJAY SHETH	:	DIRECTOR
MR. BASANT KUMAR GOENKA	:	DIRECTOR

COMPOSITION OF AUDIT COMMITTEE

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

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

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

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

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

BANKERS

ING VYSYA BANK LIMITED
YES BANK LIMITED
BANK OF BARODA

AUDITORS

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

PLANT

- 1) SHREE LAXMI CO-OP. INDUSTRIAL ESTATE LTD.
PLOT NO. 11 TO 18
HATKANANGALE - 416 109,
DIST. KOLHAPUR,
MAHARASHTRA.
- 2) PLOT NO. 675, GIDC,
JHAGADIA INDUSTRIAL ESTATE,
JHAGADIA – 393 110,
DIST. BHARUCH,
GUJARAT.

CORPORATE IDENTITY NUMBER

L17120MH1990PLC054828

REGISTERED OFFICE ADDRESS

145/A, MITTAL TOWER,
NARIMAN POINT,
MUMBAI – 400021.
MAHARASHTRA.

REGISTRAR & SHARE TRANSFER AGENTS

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

COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. C. P. VYAS

CONTACT DETAILS

Fax: 022 – 2287 3022 / 4311 0114
E-mail id : vyas@texbrex.com / nevil@texbrex.com

NOTICE

Notice is hereby given that Twenty Fourth Annual General Meeting of the members of the Company will be held on Friday, September 12, 2014 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020, Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014 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, 2014 alongwith the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Atmaram Jatia, (DIN 00293154), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the third consecutive Annual General Meeting hereafter and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendations of the Audit Committee and Board of the Company, Messrs. Karnavat & Co., Chartered Accountants (ICAI Firm Registration Number 104863W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting hereafter (subject to ratification by the members at every Annual General Meeting held hereafter), at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.”

SPECIAL BUSINESS**4. Appointment of Mr. Shivhari Halan as an Independent Director**

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

“RESOLVED THAT Mr. Shivhari Halan (DIN 00220514), a Non – Executive Director of the Company appointed pursuant to the provisions of the Companies Act, 1956 and acting as an Independent Director in accordance with the Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited and whose term of office is liable to retirement by rotation be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, for a term of five (5) consecutive years upto 31st March, 2019 pursuant to the provisions of section 149, 152, read with schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.”

5. Appointment of Mr. Basant Kumar Goenka as an Independent Director

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

“RESOLVED THAT Mr. Basant Kumar Goenka (DIN 00227217), Non – Executive Director of the Company appointed pursuant to the provisions of the Companies Act, 1956 and acting as an Independent Director in accordance with the Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited and whose term of office is liable to retirement by rotation be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, for a term of five (5) consecutive years upto 31st March, 2019 pursuant to the provisions of section 149, 152, read with schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.”

6. Appointment of Mr. Sujay Sheth as an Independent Director

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

“RESOLVED THAT Mr. Sujay Sheth (DIN 3329107), a Non – Executive Director of the Company appointed pursuant to the provisions of the Companies Act, 1956 and acting as an Independent Director in accordance with the Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited and whose term of office is liable to retirement by rotation be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, for a term of five (5) consecutive years upto 31st March, 2019 pursuant to the provisions of section 149, 152, read with schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.”

7. Appointment Cost Auditor

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

“RESOLVED THAT pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (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 Messrs S. Poddar & Co., Cost Accountants (Firm Registration Number 000366) 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, 2015 at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.”

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

**C.P.Vyas
Company Secretary**

Place: Mumbai
Date: August 8, 2014

REGISTERED OFFICE:

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

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company, provided a member holding more than 10%, of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
3. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty – eight hours) before the time fixed for holding the meeting.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.

5. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business at item no. 4 to 7 of the Notice is annexed hereto.
6. Pursuant to Clause 49 of the Listing Agreement, the details of the Directors seeking re-appointment/ appointment at the ensuing Annual General Meeting are provided in the Corporate Governance Report.
7. The Register of Members and the Share Transfer Books of the Company will remain close from Wednesday, September 10, 2014 to Friday, September 12, 2014 (both days inclusive).
8. Those members who have so far not encashed their Dividend Warrants for the financial year 2010 – 2011, may claim or approach the Company's Share Transfer Agents for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 125 of the Companies Act, 2013 on July 14, 2018.
9. Securities & Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as Dividend to the Members (where core banking details are available) or to print the bank account details of the members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank).

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

- i) The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;
 - ii) The Registrar & Share Transfer Agents of the Company (R&T) (in case of the shares held in physical form).
10. Members holding shares in demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/mandates or registration of nomination are to be instructed to their Depository Participants only, as the company or its Registrars and Share Transfer Agents cannot act on any such request received directly from the Members holding shares in demat mode.
 11. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Shareholders are requested to bring the same along with them.
 12. Members who hold the shares in the dematerialised form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
 13. Members and Proxies attending the meeting are requested to bring the Annual Report to the meeting as extra copies will not be distributed.
 14. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
 15. Notice of this Annual General Meeting, Audited Financial Statements for 2013 - 2014 along with Directors' Report and Auditors' Report are available on the website of the Company, www.blackrosechemicals.com.
 16. In keeping with Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests members who have not registered their E-mail addresses so far, to register their E-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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 4, 2014 at 9.00 a.m. and ends on Saturday September 6, 2014 at 6.00 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 August 1, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

- ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iii) Click on "Shareholders" tab.
- iv) Now select "BLACK ROSE INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".
- v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID.
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field. 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. For the convenience of the members, we have generated the PIN and printed on "Process and manner for availing e-voting Facility"
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> <ul style="list-style-type: none"> Members who have not updated their DOB with the Company/Depository Participant are requested to enter 01/08/2014.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date i.e. August 1, 2014 or PIN printed on “Process and manner of availing e-voting facility” in the Dividend Bank details field.</p>
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Please enter the DOB or Dividend Bank Details in order to login.

- ix) Members holding shares in demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc).
 - x) After entering these details appropriately, click on “SUBMIT” tab.
 - xi) 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.
 - xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xiii) Click on the EVSN for “BLACK ROSE INDUSTRIES LIMITED” on which you choose to vote.
 - xiv) 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.
 - xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
 - xvi) 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.
 - xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - xix) You can also update your mobile number and e – mail if in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Members forget the password and the same needs to be reset.
18. The company has appointed Messrs. P.C. Surana & Co., Practicing Chartered Accountants, as Scrutinisers (hereinafter referred as ‘Scrutiniser’) for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
19. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

20. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.blackrosechemicals.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to Bombay Stock Exchange Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 to 6

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Bombay Stock Exchange Limited, appointed Mr. Shivhari Halan (DIN 00220514), Mr. Basant Kumar Goenka (DIN 00227217) and Mr. Sujay Sheth (DIN 3329107), as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have atleast one - third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Further, Section 149 of the Act provides that an Independent Director shall hold office for a term upto five (5) consecutive years on the Board of the Company and their office will not be subject to retirement by rotation. It is further clarified that any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term of appointment of Independent Directors.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors from April 1, 2014 up to March 31, 2019.

Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth, Non - Executive Directors of the Company, have given a declaration to the Board that they meet the criteria of Independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

The Company has received notice in writing under the provisions of Section 160 of the Act from a member along with a deposit of requisite amount proposing the candidature for appointment of aforesaid Directors as Independent Directors.

Details in respect of the aforesaid three Directors are furnished in the Corporate Governance Report. All are eminent personalities in their respective fields. Your Directors consider that their continued association with the Company would be of immense benefit to the Company. In view thereof, the Board recommends for approval of the shareholders for the appointment of Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth, Directors of the company as Independent Directors of the company pursuant to the provisions of the Companies Act, 2013 for a term of five (5) consecutive years upto 31st March, 2019 and hold office which shall not be liable to determination by retirement of directors by rotation.

The terms and conditions of appointment of the above Independent Directors shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day, excluding Saturday.

None of the Directors and Key Managerial Personnel or their relatives except Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth, respectively, are concerned or interested in the Resolution mentioned at Item No. 4 to 6 of the Notice.

The Board recommends the resolution set forth in item no. 4 to 6 for the approval of members.

Item No. 7

The Company is directed, under Section 148 of the Companies Act, 2013 to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of Messrs. S. Poddar & Co., Cost Accountants (Firm Registration Number 000366) as the Cost Auditors of the Company to conduct Cost Audits relating to Chemicals Division of the Company for the year ending 31st March, 2015, at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.

Messrs. S. Poddar & Co., Cost Accountants has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In compliance with the provisions of section 148 of the Act, the appointment of Messrs. S. Poddar & Co., Cost Accountants as the Cost Auditor 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. 7 of the Notice.

The Board recommends the resolution set forth in item no. 7 for the approval of members.

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

Place: Mumbai
Date: August 8, 2014

**C.P.Vyas
Company Secretary**

REGISTERED OFFICE:

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

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

Your Directors are pleased to present this Twenty Fourth Annual Report, together with the Audited Financial Accounts of the company, for the year ended 31st March, 2014.

Financial Results (Consolidated)

₹ in Lacs

	Year ended 31.3.2014	Year ended 31.3.2013
Revenue from Operations and Other Income	11,596.70	12,237.43
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	245.25	551.08
Less: Finance Costs	274.56	152.84
Profit before Depreciation and Tax (PBDT)	(29.31)	398.24
Less: Depreciation	215.50	116.13
Profit before Tax	(244.81)	282.11
Less: Provision for Tax	26.99	116.38
Profit after Tax	(271.80)	165.73

Operational Performance

The year 2013 – 2014 was adversely affected by the extreme volatility in the Indian Rupee which saw rates as strong as ₹ 54 per US\$ and as weak as ₹ 69 per US\$. This resulted in the company booking an EBIDTA loss in the 3rd quarter of the year. Revenue improved in the 4th quarter with the stabilising of the Indian Rupee and with increase in sales of resorcinol and acrylamide. The company closed the year with a reduction of 5% in consolidated sales and 55% reduction in EBITDA compared to the previous year.

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

Dividend

Due to losses during the year, your Directors are unable to recommend payment of a dividend for the financial year 2013 – 2014.

Business Scenario

Unlike the Indian economy, the global economic scenario in FY2013-14 improved over the previous year. Major economies witnessed an improvement in growth, although pressure was still seen in the Eurozone and in China. The business environment in India was poor due to tight market liquidity, high inflation, volatile currency, and lack of clarity within the government.

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

Manufacturing Facility at Jhagadia, Gujarat

India's and South Asia's first and only acrylamide plant set up by the company commenced commercial operations during the year. An in-depth explanation about the plant and its product is given in the *Management Discussion and Analysis Report*.

Wholly Owned Subsidiary in Japan – B.R. Chemicals Co., Ltd.

During the year under review, the turnover of the company's wholly owned subsidiary incorporated in Japan reduced from 37 crores to 31 crores. Now in its third year of operation, the subsidiary has continued to show a small profit, making a small positive contribution to the company's financial results.

Your Directors expect the subsidiary to continue contributing around 30% of the company's turnover.

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

Companies Act

The Companies Bill was passed by the Lok Sabha on December 18, 2012, and by the Rajya Sabha on August 8, 2013. On receiving the assent of the Hon'ble President, the Companies Bill was notified as the Companies Act, 2013, on August 29, 2013, replacing the Companies Act, 1956.

The company will be governed by the various provisions of the Companies Act, 2013, and by the rules made thereunder according to Central Government notifications issued in this regard in the Official Gazette from time to time.

Corporate Governance

A *Report on Corporate Governance* is presented as a separate section which forms a part of this Annual Report.

A certificate from the statutory auditors of your company regarding compliance with the corporate governance requirements as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited is annexed to the Directors' Report.

Directors

Pursuant to section 152 of the Companies Act, 2013, Mr. Atmaram Jatia (DIN 00293154), Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

As per the provisions of the Companies Act, 2013, independent directors are required to give a declaration that they meet the criteria of independence in the first board meeting in which they participate as a director and thereafter at the first meeting of the Board in each financial year. Accordingly, existing directors of the company, Mr. Shivhari Halan (DIN 00220514), Mr. Basant Kumar Goenka (DIN 00227217) and Mr. Sujay Sheth (DIN 3329107) have declared their status of independence as per the criteria laid down under section 149(6) of the Companies Act, 2013. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has perused their declarations and has found them to be meeting the criteria of independence. Further, in view of their experience and expertise relevant to the company's operations, the Board of Directors has deemed it prudent to recommend to the shareholders at the ensuing Annual General Meeting their appointment as Independent Directors, not liable to retirement by rotation pursuant to the provisions of section 149 and 152 read with schedule IV and other applicable provisions of the Companies Act, 2013.

In compliance with the Clause 49 IV (G) of the Listing Agreement, brief resume of the directors, their expertise and other details of the directors proposed for re-appointment are provided in the Corporate Governance Report. Appropriate resolutions for re-appointment of the Directors are being placed for approval of the members at the ensuing Annual General Meeting.

Awards and Recognitions

The company did not receive any awards or recognitions during FY2014.

Corporate Social Responsibility

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

The company supports over 350 women working in 10 centres across rural Maharashtra by providing training and work opportunities to them. The merchandise produced by these centres is purchased and supplied to leading industries in India as well as in Japan. We believe education is the key to growth and eradication of poverty and the company also regularly donates to charities such as the Ramakrishna Mission Students' Home.

Directors' Responsibility Statement

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

- i) the applicable standards have been followed in preparation of annual accounts,
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2014, and the profit of the company for the year ended on that date,
- iii) they have taken appropriate and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- iv) they have prepared the attached Statement of Accounts for the year ended March 31, 2014 on a going concern basis.

Deposits

The company has accepted fixed deposits during the year, and complied with all the statutory provisions. The company has no overdue deposits as on March 31, 2014.

Consolidated Financial Statements

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

The financial statements have been prepared as per Revised Schedule VI prescribed by the Ministry of Corporate Affairs. The previous year figures have been regrouped in accordance with the Revised Schedule VI of the Companies Act, 1956.

Committees of Board of Directors

Pursuant to Section 177 and 178 of the Companies Act, 2013 and the rules made thereunder and in accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, your Board of Directors has constituted three committees, namely Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee.

Particulars of Employees

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

Auditors

The statutory auditors of the company, Messrs. Karnavat & Company, Chartered Accountants, (ICAI Firm Registration Number 104863W) hold office until the conclusion of the ensuing Annual General Meeting. As per the transition provisions of Section 139 and 141 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the company recommends for members approval the re-appointment of the auditors to hold office from the conclusion of the Meeting until the conclusion of the third consecutive Annual General Meeting hereafter (subject to ratification by the members at every Annual General Meeting).

The company has received a written consent and a certificate from the auditors to the effect that their reappointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and that they are not disqualified for such re-appointment.

Auditors' Comments

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

Listing

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

Other Particulars

Particulars relating to conservation of energy, research and development, technology absorption, and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the annexure to this report.

Acknowledgement

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

Cautionary Statement

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

For and on behalf of the Board

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai

Dated: May 27, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

A. *The Economy*

The performance of the economy over the past two years has been disappointing with India's economic growth rate of less than 5% during FY 2013 - 14 and around 5% in the FY 2012 - 13.

Year 2014 has reserved its place as the definitive year of change. The elections ushered in a new leadership with a mission to reboot the economy, deliver stability and efficient governance.

Expectedly, the uncertainty of FY2013 which spilled through FY2014 left us grappling with a high current account deficit and fiscal deficit levels. Though the current account deficit was eventually brought under control, the fiscal deficit is still a cause for concern.

The country is looking forward to a better day with the new government, and it remains to be seen how much of these expectations are met.

B. *The Industry*

Chemical

The main activity of the company is the sales and distribution of specialty and performance chemicals. The company also exports to and sources chemicals for its foreign principals. The chemicals sold domestically by the company are mostly imported from Japan, Germany, Korea, and China, while some are procured from domestic manufacturers. The company works closely with all its principals and customers and strives to function as a reliable partner and supplier to them.

In September 2013, the company commenced operations at India's first and only acrylamide monomer plant. Located in Gujarat, the plant has a capacity of 10,000MT per annum and was set up under technology license from Mitsui Chemicals, Inc., of Japan.

The Indian chemicals industry, which earned revenues in the range of USD 155 - 160 billion in 2013, is likely to grow at a rate of 11-12 percent during the next three years. Owing to reduced overall industrial output, commodity and bulk chemicals are likely to experience slow growth, while the specialty chemicals segment is expected to show considerable growth.

The growth of the Indian chemical industry also depends on various internal and external factors. A strong overseas market is needed for companies to expand their capacities, and a robust domestic market can be fueled by sustained infrastructural growth which unfortunately has taken a beating due to graft and indecision in the past years. With the ushering in of a new government, expectations are high that a positive change is on the cards.

Textile

The company's operations in this sector are the manufacture of fabrics, yarn, and textile made ups. The fabric produced is used for the manufacture of made-ups by the company, which are then sold domestically or exported.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub. Furthermore, with recent FTAs between India and other countries, textiles from India are in a position of advantage vis a vis those made in other countries when imported in countries which have an FTA with India.

The textiles sector has witnessed a spurt in investment during the last five years. The Government has allowed 100 per cent FDI in the sector through the automatic route. In the 12th Five Year Plan (2012-17), the government plans to spend USD 9.1 billion on textiles as against USD 4 billion in the 11th Plan.

The textile industry has witnessed many challenges, including upgradation of pollution control systems, volatile raw material prices, and reduction in labor availability. Overcoming these factors, the country's textile industry continues to grow. The company's main focus on the textile business is with Japan, where an FTA with India provides us a strong competitive advantage over countries such as China.

Renewable Energy

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

Wind has emerged as the most promising renewable energy source in India. The country had an installed wind capacity of 19.1 GW, making it the world's fifth-largest wind energy producer.

Despite poor pace of capacity addition in the states like Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra, India retained its position in top five world wind energy markets.

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

Chemical Distribution

A significant portion of the company's revenue comes from its chemical business, the domestic prices of which are affected by global prices of feedstock, foreign exchange rates, and market dynamics. Any slowdown in global economic growth, cyclical downturns in the industry, and major changes in the foreign exchange rates may adversely effect margins, business, financial condition and results of operations.

India imports a large volume of chemicals, starting from commodities to high performance chemicals. In addition to its existing range, the company has identified new opportunities in the field of performance chemicals such as epoxy hardeners, water treatment chemicals, and rubber processing aids during the last fiscal year, and continues to work on developing the markets for these. The sale of performance chemicals involves extensive interaction with customers' R&D teams and requires specialised efforts. The company has taken concrete steps to strengthen its ability to deal in such products and expects good growth from this field in the years ahead.

Chemical Manufacturing

Acrylamide monomer demand in India is currently pegged at approximately 6,000MT (as solid) and is met largely through imports from China. The market for acrylamide and its products is likely to rapidly grow with new investments in the downstream sector and with the demand for acrylamide polymers from the oil-field and shale gas industries.

The company saw this opportunity and set up its acrylamide plant in the state of Gujarat. It is today the only producer of acrylamide in India and in South Asia. The company monitors this industry very closely and works closely with its clients to promote the growth of the downstream industries.

Textiles

The company believes that there are strong opportunities for India in the textile industry, especially in the export of cotton textiles and in trade with Japan and other countries where India has an FTA. Countries such as Bangladesh and Myanmar are also vying for similar overseas opportunities and we need to remain competitive to beat this threat.

Renewable Energy

With the shortage of power in our nation, there are unlimited opportunities in the field of renewable energy. However, weak transmission infrastructure, delay in payments from SEBs, and frequent changes in taxation policies lend financial uncertainty to projects. The company has no plans to enter into any further renewable energy projects at this time.

General

The company has built up its goodwill amongst Japanese companies over the years through its activities as a distributor for several Japanese chemical producers. These relationships also bring new opportunities. The company regularly assesses these new opportunities and chooses them after weighing the associated risks.

The threat to the company from volatile exchange rates is high, and as such the company has a risk management policy to allow it to ensure that such risks are managed properly.

D. Analysis of Performance**Speciality Chemicals**

The turnover from the speciality chemicals business including acrylamide was ₹ 69.5 crores in the year under review, as compared to ₹ 66 crores in the previous year, an increase in turnover by 5.3%. The operation of the acrylamide plant was low in the first several months after commencement of operations as several customers need specific product approvals to begin procurement from our new plant. The distribution business saw a slowdown as the volatile and depreciating rupee caused a reduction in demand in the 2nd and 3rd quarters. The 4th quarter fortunately saw a stabilising of the currency and this was reflected in our business with a marked improvement in sales during this period. The company added new products such as ortho toluidine and toluene diisocyanate to improve revenues and reach.

Performance Chemicals

The turnover from the performance chemicals business was ₹ 11.1 crores in the year under review, as compared to ₹ 15.2 crores in the previous year, a decrease in turnover by 27%. This was mainly due to a fall in sales of cyanoacrylate adhesives and polyacrylamides. Demand was subdued as the sudden cost increase caused by the depreciating currency exchange rate made some of our products uncompetitive. The year also saw the introduction of two new rubber chemicals.

Textiles

The textile division's sale was ₹ 1.1 crores in the year under review. A new range of industrial textile products was under development during the year.

Renewable Energy

During the year under review, both the company's windmills performed somewhat below expectations due to unfavorable meteorological conditions. They generated a total of 2,779,924 units of power valued at ₹108.35 lacs as compared to 3,116,849 units valued at ₹120.8 lacs in the previous year.

E. Outlook

In FY2015, with the stability in currency and generally positive expectations from the economy, we expect a significant improvement in the company's revenues.

Acrylamide

We expect an increase in revenues during FY2015 as our output steadily increases. Many customer approvals have been obtained during FY2014 and exports have also begun. Despite the increase in revenue, profitability may remain under pressure due to plant-related depreciation and interest costs.

Chemical Distribution

The company is strengthening the chemical distribution business through addition of new products and focused marketing efforts of existing ones. Investments in manpower and warehousing have been stepped up and the outlook is promising for the year.

Textiles

Competition from countries such as Myanmar and Bangladesh is increasing, putting pressure on margins. The company has added a new range of industrial textile products and is making strong efforts to develop this business.

The economy appears to be slowly recovering and much-needed currency stability as well as government improvement seems to have set in. The company continues to explore growth opportunities and expects a consolidated turnover of ₹ 165 - 175 crores for the current year.

F. Risk and Concerns

The economic environment, currency movements, market dynamics, payment defaults by buyers, and other unforeseen events could negatively impact our revenues and operating results. Also, any inability to manage our growth could disrupt our business and reduce our profitability.

Our success depends in large part on our management team and key personnel and our ability to attract and retain them.

G. Risk Management

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 top management and the identification is in relation to business strategy, foreign exchange movements, operations, statutory legal compliances, information technology, and financial reporting.

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.

H. Internal Control Systems

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

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

I. Development in Human Resources Industrial Relations

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

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

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

J. Capital Expenditure and Expansion Plans

There is no planned capital expenditure and expansion during the year. However, the company is closely monitoring the movement in acrylamide and its downstream products to ensure that opportunities are suitably evaluated.

ANNEXURE TO DIRECTORS' REPORT

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended March 31, 2014

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**I. Conservation of Energy****a) Energy conservation measures taken**

Furthering our commitment to growing responsibility, we are working on reducing the ecological impact of our operations. We are committed to minimising the consumption of energy and fresh water, preserving natural habitat and reducing waste. Our plant in Jhagadia is run on very low energy consumption and will recycle water within the plant for minimum water consumption and has a zero water discharge policy.

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

The company has invested in an environmentally friendly process in the upcoming plant for manufacture of acrylamide monomer with minimal energy consumption.

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

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

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

A. Power and Fuel Consumption	Year Ended 31.03.2014	Year Ended 31.03.2013
1. Electricity		
a) Purchase Units	405,196	50,147
Total Amount (₹ In Lacs)	28.80	3.63
Rate/Unit (₹)	7.11	7.23
b) Own generation		
i) Through diesel generator		
Units	10,236	NIL
Units per litre of diesel oil	3.66	NIL
Cost/unit (₹)	16.12	NIL
ii) Through steam turbine	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Others / Internal Generation	NIL	NIL

II. Research and Development

The company assists its principals and customers in the research and development of products and product application.

Technology absorption

The Company makes a constant endeavor to use the latest and most efficient and up-to-date technology in its activities.

Foreign Exchange Earnings and Outgo

1. Foreign exchange outgo	:	₹ 40,884,107
2. Foreign exchange earned	:	₹ 10,988,043

For and on behalf of the Board

Place: Mumbai
Dated: May 27, 2014

Shivhari Halan
Director

Anup Jatia
Executive Director

REPORT ON CORPORATE GOVERNANCE

A COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The company 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.

The company also believes that transparency, accountability and compliance of various laws are the key elements for achieving good corporate governance.

B BOARD OF DIRECTORS

The Board of Directors comprises of five members as at 31st March, 2014, of whom one is Executive Director and remaining four are Non – Executive Directors.

In view of the above 80% of the Board of Directors of the Company comprises of Non – Executive Director and 60% of the Board of Directors comprises of Independent Directors.

Director	Executive / Independent/ Non-Executive	Board Meeting attended / held	Attendance at the AGM	Sitting Fee Paid	Directorship in other Companies Incorporated in India(*)	Number of Committees (other than Black Rose Industries Limited) in which Chairman / Member (**)	No. of shares held in the company
Mr. Atmaram Jatia(#)	Non-Executive	3/7	No	No	Nil	Nil	Nil
Mr. Shivhari Halan	Independent, Non-Executive	5/7	Yes	Yes	Nil	Nil	271,800
Mr. Anup Jatia	Executive	7/7	Yes	No	1	Nil	Nil
Mr. Sujay Sheth	Independent, Non-Executive	7/7	Yes	Yes	2	6	Nil
Mr. Basant Kumar Goenka	Independent, Non-Executive	1/7	No	No	1	Nil	Nil

(*) Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s. 25 of the Companies Act, 1956 and Indian LLPs.

(**) Includes only Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee, Ethic and Compliance Committee, Executive Committee and Board Subcommittee.

(#) Appointed on Board with effect from May 24, 2013

During the financial year 2013 – 2014 Seven Meetings of the Board of Directors were held on April 29, 2013, May 24, 2013, July 26, 2013, August 8, 2013, September 23, 2013, October 31, 2013, and February 13, 2014.

C BRIEF NOTE ON THE DIRECTORS SEEKING APPOINTMENT / RE – APPOINTMENT AT THE 24TH ANNUAL GENERAL MEETING

In compliance with Clause 49 IV (G) of the Listing Agreement with the Bombay Stock Exchange Limited, brief resume, expertise and details of other directorships, membership in committees of Directors of other companies and shareholding in the Company of the Directors proposed to be appointed/re-appointed are as under:

Name of Director	Mr. Atmaram Jatia	Mr. Shivhari Halan	Mr. Basant Kumar Goenka	Mr. Sujay Sheth
DIN	00293154	00220514	00227217	3329107
Date of Appointment as Director	24/05/2013	23/01/1996	28/03/2003	02/02/2013
Qualification	B.Sc. (Chemical Engineering)	B.Com	B.Com	Chartered Accountant
Brief Resume & Expertise in specific functional area	Mr. Atmaram Jatia, aged 72 years, has a B.Sc. (Chemical Engineering Degree from University of Wisconsin, Madison, U.S.A. Mr. Jatia has extensive work experience in international trade and finance for over four decades. Mr. Jatia provides guidance to the Board from time to time.	Mr. Shivhari Halan, aged 58 years, is a Commerce Graduate. He is a businessman by profession and advises company on industrial relations and factory management techniques.	Mr. Basant Kumar Goenka, aged 40 years, is a Commerce Graduate with Honors, DSM, NIIT, LA (QMI – affiliated to ICRA, U.K.). He possesses significant marketing experience and provides analysis on company's sales efforts.	Mr. Sujay Sheth, aged 43 years, is Commerce Graduate from Mumbai University and is also a fellow member of the Institute of Chartered Accountants of India. 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.
*Directorships in other Public Limited Companies	NIL	NIL	<ul style="list-style-type: none"> - Accent Industries Limited - Bharat Produce Co. Limited - Hindustan Wire Products Limited 	<ul style="list-style-type: none"> - AGC Networks Limited - Essar Securities Limited
**Committee Positions held in Companies (excluding Black Rose Industries Limited) C – Chairman M – Member	<u>Audit Committee</u> NIL	<u>Audit Committee</u> NIL	<u>Audit Committee</u> NIL	<u>Audit Committee</u> AGC Networks Limited (C) Essar Securities Limited (M) <u>Shareholders' / Investors' Grievance Committee</u> AGC Networks Limited (C) Essar Securities Limited (M)

- (*) Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s. 25 of the Companies Act, 1956 and Indian LLPs.
- (**) Includes only Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee, Ethic and Compliance Committee, Executive Committee and Board Subcommittee.

D COMMITTEES

Currently Black Rose has three Committees of the Board viz. Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration 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

Composition

As at March 31, 2014 the Audit Committee of the company comprises of three directors as members viz. Mr. Anup Jatia, Executive Director, Mr. Shivhari Halan and Mr. Sujay Sheth, both Non – Executive Independent Directors. The Chairman of the Committee was Mr. Sujay Sheth.

All the members have requisite accounting, financial and management expertise.

Terms of Reference

The terms of reference of Audit Committee are in accordance with the guidelines stipulated under Clause 49 of the Listing Agreement and are in accordance with Section 292A of the Companies Act, 1956. The Committee is entrusted with the following responsibilities:

- 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.

Meeting and Attendance

During the year, four meetings of the Audit Committee were held and were attended by all the members of the Committee.

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**Composition**

As on March 31, 2014, the Stakeholders Relationship Committee comprises of three directors as member and is headed by Mr. Basant Kumar Goenka as Chairman. The other members of the Committee are Mr. Shivhari Halan and Mr. Anup Jatia.

Terms of Reference

1. The Committee looks into the redressal of Shareholders'/Investors' Complaints/Grievances pertaining to transfer or credit of shares, non receipt of annual reports, dividend payments, bonus shares and any other miscellaneous complaints.
2. The Committee oversees and reviews all matters connected with transfer and transmission of securities, dematerialisation and rematerialisation of securities and also inter-alia approves issue of duplicate, split of share certificates, allotment letters and certificates, etc.
3. 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.

Meeting and Attendance

During the year, a meetings of the Stakeholders Relationship Committee was held and was attended by all the members of the Committee.

Minutes of the meetings of the Stakeholders Relationship 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.

To expedite the share transfer process in the interest of the investors, the power to approve equity share transfer was delegated to Mr. C.P.Vyas, Company Secretary of the Company and Mr. Nevil Avlani, Assistant Company Secretary of the Company severally.

M/s. Satellite Corporate Services Private Limited is the Registrar and Share Transfer Agents both for physical as well as electronic mode. The said Mr. C. P. Vyas act as Compliance Officer.

The table below gives the number of complaints received, resolved and pending during the year 2013 – 2014.

Number of Complaints		
Received	Resolved	Pending
NIL	NIL	NIL

3 REMUNERATION COMMITTEE**Composition**

As at March 31, 2014, the remuneration committee comprises of three directors as members viz. Mr. Shivhari Halan, Mr. Sujay Sheth and Mr. Basant Kumar Goenka.

The Chairman of the Committee is Mr. Shivhari Halan.

Terms of Reference

1. Appointment/Re-appointment of Executive Director/Managing Director.
2. To review the performance of the Executive Director/Managing Director.
3. To recommend the Board of Directors of the Company Salary, Perquisites, Bonus and Commission to be paid to the Company's Executive Director/Managing Director after considering the Company's performance.
4. To review and approve the remuneration of Top Management Executives of the Company.

Meeting and Attendance

During the year, a meeting of the Remuneration Committee was held and was attended by all the members of the Committee.

E GENERAL BODY MEETING

YEAR	VENUE	DAY AND DATE	TIME	NUMBER OF SPECIAL RESOLUTIONS
2012 – 2013	Kilachand Conference Room, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020	Friday, 12 th July, 2013	11:30 a.m.	3
2011 – 2012	Walchand Centre for Business Training, 3rd Floor, Indian Merchant Chambers, IMC Bldg., IMC Marg, Churchgate, Mumbai-400020	Friday, 28 th September, 2012	11:30 a.m.	1
2010 – 2011	Kilachand Conference Room, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai-400020	Thursday, 7 th July, 2011	11:30 a.m.	2

F RESOLUTION PASSED THROUGH POSTAL BALLOT

No Resolution was passed through postal ballot during the financial year 2013 – 2014.

G DISCLOSURES

There was no material transaction with any of the related parties. None of the transactions recorded were in conflict with the interests of the Company. All the related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company. The details of related party transactions are disclosed in Note No. 30 of Notes to financial statements of the Annual Report.

The Company has received sufficient disclosures from promoters, directors or the management wherever applicable.

The Company has complied with applicable statutory rules, regulations and guidelines notified by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the Stock Exchange. There was no default on any related issue during the last three years.

H MEANS OF COMMUNICATION WITH SHAREHOLDERS

The quarterly/half yearly/annual un-audited/audited financial results of the Company are sent to the stock exchange immediately after they are approved by the Board of Directors. In addition, these results are simultaneously posted on the website of the Company at www.blackrosechemicals.com. The company has not made any presentations to institutional investors or to the analysts.

The results were published in the following newspapers:

1. Free Press Journal (English Language)
2. Navshakti (Vernacular Language)

Press reports are given on important occasions.

I GENERAL SHAREHOLDERS' INFORMATION

1 Financial Year: April - March

2 Dividend Payment Date

Your Directors does not recommend any dividend for the financial year 2013 – 2014.

3 Listing on Stock Exchange

The equity shares of the company are listed on Bombay Stock Exchange Limited.

The company has paid annual listing fees for the financial year 2014 – 2015.

4 Stock Code: 514183

5 Market Price Data

Month	High Price (₹)	Low Price (₹)
April, 2013	5.15	4.76
May, 2013	5.52	4.30
June, 2013	5.55	4.20
July, 2013	5.00	3.90
August, 2013	4.79	3.99
September, 2013	4.92	4.05
October, 2013	4.25	3.75
November, 2013	4.05	3.81
December, 2013	4.19	3.80
January, 2014	5.57	4.10
February, 2014	5.20	4.60
March, 2014	5.20	2.96

6 Black Rose Share Performance

Month	Sensex (Closing Points)	Price (Closing Price)
April, 2013	19,504	4.95
May, 2013	19,760	4.70
June, 2013	19,396	5.20
July, 2013	19,346	4.00
August, 2013	18,620	4.70
September, 2013	19,380	4.05
October, 2013	21,165	3.80
November, 2013	20,792	3.95
December, 2013	21,171	4.00
January, 2014	20,514	5.00
February, 2014	21,120	4.75
March, 2014	22,386	4.49

7 Registrar and Share Transfer Agents

M/s. Satellite Corporate Services Private Limited
B-302, Sony Apartment, Off. Andheri Kurla Road,
Jarimari, Sakinaka, Mumbai-400072.

Tel: 022-2852 0461 / 62.

Fax: 022-2851 1809

E-mail: service@satellitecorporate.com

8 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 8 – 10 days from the date of receipt, if the documents are complete in all respects. Mr. C.P. Vyas, Company Secretary and Mr. Nevil Avlani, Assistant Company Secretary are severally empowered by the Board of Directors of the Company to approve transfers.

9 Distribution of Shareholding as on 31st March, 2014

Particulars	Number of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	14157	2896905	5.68
501 – 1000	658	551697	1.08
1,001 – 5,000	421	1006612	1.97
5,001-10,000	72	528741	1.04
10,001-50,000	65	1337301	2.62
50,001-1,00,000	6	383929	0.75
1,00,001 and above	11	44294815	86.86
TOTAL	15417	51000000	100.00

10 Dematerialisation of Shares and liquidity

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

As on March 31, 2014, 93.69% of the total paid up equity share capital of the Company are in dematerialisation form.

11 Industry: Specialty Chemicals**12 Address for Correspondence**

145-A, Mittal Tower,
Nariman Point,
Mumbai - 400 021.
Tel: 022-4333 7200

13 E-mail ID of the grievance redressal division/compliance office exclusive for the purpose of registering complaints by investors

vyas@texbrex.com / nevil@texbrex.com

14 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The company has not issued any ADRs/GDRs/Warrants or any Convertible Instruments.

15 Plant Location

The company's monomer plant is located at Plot No. 675, GIDC, Jhagadia, Jhagadia Industrial Estate, Jhagadia – 393 110, Bharuch, Gujarat.

16 Contact person for clarification on financial statements

For clarification on financial statements please contact Mr. C. P. Vyas

E-mail: vyas@texbrex.com

Ph: +91 22 4311 0100

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

May 27, 2014

The Board of Directors
Black Rose Industries Limited
145/A, Mittal Tower,
Nariman Point,
Mumbai – 400 021.

Dear Sirs,

Sub: Declaration

Pursuant to Clause 49 (I) (D) of the listing agreement with Bombay Stock Exchange Limited, I, Anup Jatia, Executive Director of Black Rose Industries Limited 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 March 31, 2014.

Thanking You,
For **Black Rose Industries Limited**

Anup Jatia
Executive Director

DIN: 00351425
Address: 111-A, Somerset House,
61 G, Bhulabhai Desai Road,
Mumbai - 400 026.

May 27, 2014

The Board of Directors
Black Rose Industries Limited
145/A, Mittal Tower,
Nariman Point, Mumbai – 400 021.

We, the undersigned in our respective capacities as Executive Director and General Manager - Finance, certify to the Board in terms of requirement of Clause 49 (V) of the Listing Agreement with Bombay Stock Exchange Limited that:

- 1) We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2014 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 do further certify that there has been
 - i) No significant changes in internal control over financial reporting during the year;
 - ii) No significant changes in accounting policies during the year;
 - iii) No instances of significant fraud of which they we are aware during the year.

For **Black Rose Industries Limited**

Anup Jatia
Executive Director

Ratan Agrawala
General Manager – Finance

DIN: 00351425
Address: 111-A, Somerset House,
61 G, Bhulabhai Desai Road,
Mumbai – 400 026.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

BLACK ROSE INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by BLACK ROSE INDUSTRIES LIMITED, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the Clause 49 of the above-mentioned Listing Agreement.

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

(Viral Joshi)
Partner
Membership No. 137686

192, Dr. D. N. Road
Mumbai - 400 001
Dated: 27th May, 2014

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF
BLACK ROSE INDUSTRIES LIMITED*****Report on the Financial Statements***

We have audited the accompanying financial statements of **BLACK ROSE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the **loss** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.

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

192, Dr. D. N. Road
Mumbai – 400 001
Dated: 27th May, 2014

(Viral Joshi)
Partner
Membership No. 137686

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**(Referred to in paragraph 4 of our report of even date)**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we further report that:-

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion during the year, the Company has not disposed off a substantial part of the fixed assets so as to affect the going concern status of the Company.
- ii. In respect of its inventories:
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In respect of Loans, secured or unsecured, granted or taken by the company to/ from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a-d) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraph 4(iii)(b) to 4(iii)(d) of the aforesaid Order are not applicable to the Company.
 - (e-g) The Company has not taken loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of paragraph 4(iii)(f) to 4(iii)(g) of the aforesaid Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- vii. In our opinion, the Company has an internal audit system by its internal staff which commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, as at 31-03-2014, for a period of more than six months from the date they became payable except for the followings:

Nature of dues	Financial year	Amount (Rs)
Central Sales- tax	2007-08	68,690/-
Central Sales- tax	2008-09	84,138/-
Central Sales- tax	2009-10	74,568/-

- (c) As on 31-03-2014, according to the records of the Company, the following are the disputed dues on account of Income Tax that have not been deposited.

Name of the Statute	Nature of Dues	Amount of Demand (Net of Deposits)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Demand of Penalty raised u/s 271(1)(C)	Rs. 2,31,686/-	A.Y. 205-06	CIT (Appeals)

- x. The Company does not have accumulated losses. The Company has incurred cash losses during the financial year covered by our audit but it has not incurred any cash losses in the immediately preceding financial year.
- xi. 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.

- xii. Based on our examination of documents and records and according to the explanations given to us by the management we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the aforesaid Order are not applicable.
- xiii. The Company is not a nidhi/mutual benefit/society therefore paragraph 4(xiii) of the said order is not applicable.
- xiv. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the Company has held all the shares, securities, and other investments in its own name.
- xv. The Company has not given any guarantee for loans taken by others from Bank or financial institution, and accordingly requirement of Paragraph 4(xv) of the aforesaid Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us by the management, term loans outstanding at the beginning of the year and those raised during the year were *prima-facie* applied for the purpose for which the loans were obtained.
- xvii. According to the cash flow statement on the Balance Sheet date, and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have, *prima-facie*, been used for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of The Companies Act, 1956 and therefore Paragraph 4 (xviii) of the aforesaid Order is not applicable.
- xix. During the period covered by our audit report, the Company has not issued debentures and therefore paragraph 4 (xix) of the aforesaid Order is not applicable.
- xx. During the period covered by our audit report, the Company has not raised money by way of public issues and, therefore, paragraph 4(xx) of the aforesaid Order is not applicable.
- xxi. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

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

192, Dr. D. N. Road
Mumbai - 400 001
Dated: 27th May, 2014

(Viral Joshi)
Partner
Membership No. 137686

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As At 31-03-2014 ₹	As At 31-03-2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	38,720,000
Reserves and Surplus	3	136,049,836	99,043,884
		187,049,836	137,763,884
2 Non-Current Liabilities			
Long Term Borrowings	4	176,274,347	84,973,651
Deferred Tax Liabilities (Net)	5	22,539,775	20,605,004
Long Term Provisions	6	876,366	864,742
		199,690,488	106,443,397
3 Current Liabilities			
Short Term Borrowings	7	176,689,631	130,350,003
Trade Payables	8	290,821,877	155,339,957
Other Current Liabilities	9	38,590,434	35,561,135
Short Term Provisions	10	2,895,767	4,499,115
		508,997,709	325,750,210
Total		895,738,033	569,957,491
II. ASSETS			
1 Non Current Assets			
Fixed Assets			
Tangible Assets	11	396,460,405	79,609,521
Intangible Assets		24,370,051	327,652
Capital Work-in-Progress		-	177,419,268
		420,830,456	257,356,441
Non Current Investments	12	1,620,600	1,620,600
Long Term Loans and Advances	13	7,042,735	6,207,574
Other Non-Current Assets	14	4,590,978	723,168
		13,254,313	8,551,342
2 Current Assets			
Inventories	15	186,663,902	81,800,163
Trade Receivables	16	223,467,628	171,902,458
Cash and Bank Balances	17	6,288,125	10,047,225
Short Term Loans and Advances	18	39,746,227	34,090,604
Other Current Assets	19	5,487,382	6,209,258
		461,653,264	304,049,708
Total		895,738,033	569,957,491

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686
For and on behalf of the Board of Directors
Shivhari Halan
Director
Anup Jatia
Executive Director

Place: Mumbai

Date: May 27, 2014

C.P.Vyas
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
INCOME			
Revenue from Operations	20	847,516,793	843,477,815
Other Income	21	8,010,978	3,744,268
Total Revenue		855,527,771	847,222,083
EXPENDITURE			
Cost of Materials consumed	22	77,178,808	3,058,360
Purchase of traded goods	23	766,174,561	695,834,705
Changes in inventories of finished goods, work- in- progress and Traded goods	24	(88,132,224)	48,168,276
Employee Benefits Expense	25	20,450,544	10,877,427
Finance Cost	26	27,455,658	15,283,984
Depreciation and Amortization Expenses	27	21,550,165	11,613,047
Other Expenses	28	55,615,352	34,437,969
Total Expenditure		880,292,864	819,273,768
Profit before Tax		(24,765,093)	27,948,315
Less: Tax Expenses			
Current Tax		-	12,020,000
Deferred Tax		1,934,770	(392,703)
Wealth Tax		18,427	18,586
Earlier years adjustments		745,758	(8,071)
		2,698,955	11,637,812
Profit for the period		(27,464,048)	16,310,503
Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	33		
Basic		(0.58)	0.42
Diluted		(0.58)	0.42

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of KARNAVAT & CO.

For and on behalf of the Board of Directors

Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Date: May 27, 2014

C.P.Vyas
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-2014 ₹	2012-2013 ₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	(24,765,093)	27,948,315
Adjustments for:		
Depreciation	21,550,163	11,613,047
(Profit) on sale of fixed assets	-	(1,107)
Interest expenses	21,767,706	9,596,984
Interest income	(1,772,245)	(593,241)
Unrealised foreign exchange (Gain)/Loss	(6,051,593)	(3,474,272)
Provision for expenses, gratuity & leave encashment	5,606,537	1,955,687
Excess provisions written back	(35,782)	(101,433)
Rental income	(738,000)	(738,000)
Sundry balances written off	(768,149)	(10,921)
Operating profit before working capital changes	14,793,544	46,195,059
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(58,354,995)	(6,894,421)
(Increase)/Decrease in inventories	(104,863,739)	47,466,801
Increase/(Decrease) in trade and other payables	139,475,387	(19,242,423)
Cash generated from operating activities	(8,949,803)	67,525,017
Less : Direct taxes (net of refund)	4,892,928	350,486
Total cash generated from operating activities	(13,842,731)	67,174,531
Cash generated from prior period items (net)	-	-
Net cash flow from / (used in) operating activities	(13,842,731)	67,174,531
B. Cash Flow From Investing Activities		
Sale of fixed assets	-	6,600
Purchase of fixed assets / Capital work in progress	(185,046,751)	(70,979,204)
Interest income	450,152	593,241
Rental income	738,000	738,000
Cash generated from investing activities	(183,858,599)	(69,641,363)
Less : Income-tax paid at source	73,800	73,800
Net Cash flow from / (used in) investing activities	(183,932,399)	(69,715,163)
C. Cash Flow from Financing activities		
Proceeds from borrowings	137,640,324	12,120,571
Proceeds from Issue of Equity Shares	76,750,000	-
Interest expenses	(20,377,024)	(9,596,984)
Net cash flow / (used in) from financing activities	194,013,300	2,523,587
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,761,830)	(17,045)
Cash and cash equivalent as on 1.4.2013 (Opening Balance)	10,050,762	10,067,807
Cash and cash equivalent as at 31.3.2014 (Closing Balance)	6,288,932	10,050,762

Notes:**1) Reconciliation of cash and cash equivalents**

As per Balance Sheet- Note -17	6,288,125	10,047,225
Add:- Foreign exchange loss on revaluation of foreign currency	807	3,541
As per Cash flow statement	<u>6,288,932</u>	<u>10,050,766</u>

2) Cash and cash equivalents comprises of

a) Cash in hand	235,121	442,351
b) Bank balance in current accounts	1,377,614	1,481,325
c) Unpaid dividend account	95,689	95,809
c) In fixed deposit account	4,580,508	8,031,281
	<u>6,288,932</u>	<u>10,050,766</u>

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

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

For and on behalf of the Board of Directors

Viral Joshi

Partner

Membership No. 137686

Shivhari Halan

Director

Anup Jatia

Executive Director

Place: Mumbai

Date: May 27, 2014

C.P.Vyas

Company Secretary

1 Significant Accounting Policies

a) Nature of Operations

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

b) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

c) Use of Estimates

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

d) Revenue Recognition

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

(i) Sale of goods

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

(ii) Export entitlement

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

(iii) Interest

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

(iv) Dividends

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

e) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable 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 realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

f) Cash and Cash Equivalents

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

g) Tangible Fixed Assets

(i) All Fixed Assets are stated at cost less accumulated depreciation.

(ii) Leasehold land is amortised equally on straight-line basis over the period of lease.

(iii) All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalised.

h) Depreciation on Tangible Fixed Assets

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and the manner prescribed under Schedule XIV of the Companies Act, 1956. Fixed Assets except Plant & Machinery whose Written Down Value as at the beginning of the year is less than 5% of the cost are not depreciated.

i) Intangible Assets

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

All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalised.

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

j) Foreign Currency Transactions and Balances

(i) Initial recognition

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

(ii) Conversion

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

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

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

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

l) Investments

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

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

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

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

m) Retirement and other employee benefits

(i) Retirement Benefits

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

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

(ii) Leave Encashment

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

n) Borrowing Costs

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

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

o) Leases

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

p) Earnings Per Share

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

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

q) Income Taxes

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

Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date or as on date of approval of Statement of Accounts whichever is later. The deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

r) Impairment of Tangible and Intangible Assets

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

s) Provision, Contingent Liabilities and Contingent Assets

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

t) Research & Development Expenditure

Expenditure on Research & Development is charged as expense in the year in which it is incurred.

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
2 Share Capital		
Authorised Shares		
80,000,000 (31st March, 2013: 80,000,000)	80,000,000	80,000,000
Equity Shares of ₹ 1/- each		
	80,000,000	80,000,000
Issued, Subscribed and fully paid up Shares		
51,000,000 (31st March, 2013: 38,720,000)	51,000,000	38,720,000
Equity Shares of ₹ 1/- each		
	51,000,000	38,720,000

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

	31-03-2014		31-03-2013	
	Nos.	₹	Nos.	₹
At the beginning of the period	38,720,000	38,720,000	38,720,000	38,720,000
Add: Shares issued during the year	12,280,000	12,280,000	-	-
Outstanding at the end of the period	51,000,000	51,000,000	38,720,000	38,720,000

b) Terms/Rights attached to equity shares

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

During the year ended 31st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil (31st March, 2013 ₹ Nil).

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

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

	31-03-2014 Nos	31-03-2013 Nos
Holding Company		
Name of the Company		
Wedgewood Holdings Limited, Mauritius.		
Equity Shares of ₹ 1/- each fully paid	28,800,000	8,800,000
	28,800,000	28,800,000

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

	31-03-2014		31-03-2013	
	Nos.	% of holding	Nos.	% of holding
Equity shares of ₹ 1/- each fully paid				
Name of the shareholder				
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	74.38
Triumph Worldwide Ltd., Hong Kong	9,210,000	18.06	-	-
Shravan Kumar Todi	3,070,000	6.02	-	-

Notes to Financial Statements for the year ended 31st March, 2014
3 Reserve and Surplus

	31-03-2014	31-03-2013
	₹	₹
a) Capital Reserve	3,000,000	3,000,000
b) General Reserve	6,240,000	6,240,000
c) Securities Premium Reserves		
Balance as per the last financial statements	-	-
Add: Amount received on issue of shares	64,470,000	-
	<u>64,470,000</u>	<u>-</u>
d) Surplus in the statement of profit and loss		
Balance as per the last financial statements	89,803,884	73,493,381
Profit/(Loss) for the year	(27,464,048)	16,310,503
Less: Appropriations	-	-
Net surplus in the statement of profit and loss	<u>62,339,836</u>	<u>89,803,884</u>
Total Reserves and Surplus	<u>136,049,836</u>	<u>99,043,884</u>

4. Long Term Borrowings
Secured
a) Term Loans

Loan from bank [refer note no. 4(a)(i)]

153,734,418

1,112,176

Loan from other party [refer note no. 4(a)(ii)]

16,955,684

23,727,737

Total Secured
170,690,102
24,839,913
Unsecured
b) Deposits

Public Deposits [refer note no. 4(b)(i)]

21,500,000

22,000,000

c) Trade Deposit from related party

Inter Body Corporate Deposit [refer note no. 4(c)(i)]

2,000,000

9,200,000

d) Other Loans and Advances

Interest Free Inter Corporate Deposits

-

34,604,445

Interest Free Security Deposits [refer note no. 4(d)(i)]

1,500,000

1,500,000

Total Unsecured
25,000,000
67,304,445
195,690,102
92,144,358

Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (refer note no. 9)

(19,415,755)

(7,170,707)

176,274,347
84,973,651

Notes to Financial Statements for the year ended 31st March, 2014**Note : 4 (a)**

Secured Loan:

Vehicle Loan**(i) From ICICI Bank Ltd.**Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 11.08% p.a. (P.Y.11.08% p.a.)

Terms of RepaymentEquated monthly installment of ₹ 45,260/- commencing from 1st October, 2012 and ending on 1st April, 2015.**From Kotak Mahindra Bank Ltd.**Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.27 % p.a.

Terms of RepaymentEquated monthly installment of ₹ 19,360/- commencing from 10th August, 2013 and ending on 10th June, 2016.**From Bank of Baroda**Nature of security

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

Rate of Interest

The rate of interest is p.a. 12.70 % p.a.

Terms of Repayment

Repayable in 84 months as under:

FY 2015 - 12 monthly installments of ₹ 10.00 Lacs

FY 2016 - 12 monthly installments of ₹ 13.33 Lacs

FY 2017 - 12 monthly installments of ₹ 16.67 Lacs

FY 2018 - 12 monthly installments of ₹ 29.33 Lacs

FY 2019 - 12 monthly installments of ₹ 29.33 Lacs

FY 2020 - 12 monthly installments of ₹ 29.33 Lacs

FY 2021 - 12 monthly installments of ₹ 28.51 Lacs

(ii) Loan from other party

From Tata Capital Financial Services Limited

Nature of security

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

Notes to Financial Statements for the year ended 31st March, 2014

- b) First & exclusive charge by way of hypothecation on all trade receivables.
c) Unconditional and irrevocable personal guarantee of a Executive Director, Mr. Anup Jatia.

Rate of Interest

The rate of interest is p.a. 14.75% p.a. (P.Y. 14.75% p.a.)

Terms of Repayment

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

Note : 4 (b)

	31-03-2014 ₹	31-03-2013 ₹
(i) Unsecured Loan		
Public Deposits		
Received from related party (refer note no. 31)	21,500,000	21,500,000
Received from others	-	500,000
	21,500,000	22,000,000
<u>Rate of Interest</u>		
The rate of interest is 12.50% p.a. (P.Y. 12.50% p.a.)		
<u>Terms of Repayment</u>		
Repayable after 1 year but before 2 years on maturity.	-	500,000
Repayable on or after 21.03.2015 on maturity.	21,500,000	21,500,000
	21,500,000	22,000,000

Note : 4(c)

(i) Trade Deposit from related party		
Inter Body Corporate Deposit		
Black Rose Trading Private Limited	2,000,000	9,200,000
<u>Terms of Repayment</u>		
Repayable anytime on or after 16.02.2014 but before 16.02.2015		

Note : 4(d)
Other Loans and Advances

(i) Security Deposits		
Received from related party (refer note no. 31)	1,500,000	1,500,000

5. Deferred Tax Liabilities (Net)

(Disclosure as per AS-22)

Items leading to deferred tax liability

Difference in depreciation in block of fixed assets as per tax books and financials books	39,146,961	21,498,249
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Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
Less:		
<u>Items leading to deferred tax assets</u>		
Carry Forward of Business Losses	(15,643,441)	-
Expenses allowable on Payment basis	(963,745)	(893,244)
Net (Deferred Tax Liability)	22,539,775	20,605,004
The amount of deferred tax liability provision written back to statement of profit and loss is ₹ 1,934,767/- (P.Y. provision made ₹ 392,703/-)		
6. Long Term Provisions		
Provisions for employees benefits		
Provision for gratuity (refer note no. 29)	727,319	727,837
Provisions for leave benefits (refer note no. 29)	149,047	136,905
	876,366	864,742
7. Short Term Borrowings		
a) Secured [refer note no. 7(a)(i)]		
<u>Repayable on demand</u>		
Cash Credit from banks	93,756,954	38,426,159
Short Term Working Capital Demand Loan from Bank	10,000,000	10,000,000
Trade Credit	25,132,677	81,923,844
	128,889,631	130,350,003
b) Unsecured Deposits [refer note no. 7(b)(i)]		
<u>Repayable on demand</u>		
Inter Corporate Deposits	37,000,000	-
Public Deposits	10,800,000	-
	47,800,000	-
Note No : 7(a)(i)		
Secured		
Cash Credit from ING Vysya Bank Limited	47,586,668	6,260,733
Cash Credit from Yes Bank	32,118,309	32,165,426
Cash Credit from Bank of Baroda	14,051,977	-
WCDL from Yes Bank	10,000,000	10,000,000
Trade Credit from ING Vysya Bank Limited	12,005,308	59,202,321
Trade Credit from Yes Bank	13,127,369	22,721,523
	128,889,631	130,350,003

Nature of security

Hypothecation of stocks and book debts of the company, present and future, and pledge of office premises and corporate guarantee of Black Rose Trading Pvt. Ltd.

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

Rate of Interest

Effective cost for the above loans are in the range of 12.50% p.a. to 14.00% p.a. (P.Y. 13 % p.a. to 14.25% p.a.)

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014	31-03-2013
	₹	₹
Note No : 7(b)(i)		
Rate of Interest	12.50%	N.A.
8. Trade payables		
Trade payables (Refer note no. 38)	290,821,877	155,339,957
	290,821,877	155,339,957
9. Other Current Liabilities		
Current maturities of long term borrowings (refer note no. 4)	19,415,755	7,170,707
Interest accrued but not due on borrowings	311,445	117,030
Interest accrued and due on borrowings (including deposits from public)	1,165,637	512,426
Unpaid Dividend *	95,689	95,809
Foreign Currency Forward Contract Payable (Net)	3,342,319	944,194
Payable for other expenditure	6,785,979	1,616,665
Payable for capital expenditure	-	17,792,351
Other non-trade liabilities	219,203	100,413
Advance from Customers	2,854,053	4,195,846
VAT/CST Payable	2,737,021	1,793,467
TDS payable	1,623,879	814,466
Rates & Taxes payable	39,454	407,761
	38,590,434	35,561,135
* Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
10. Short Term Provisions		
Provisions for employee benefits		
Salary and Reimbursements	2,275,052	1,445,750
Contribution to Provident Fund	191,807	108,275
Gratuity	321,956	114,579
Leave benefits	106,952	59,124
Other Provisions		
Provision for taxes (Net of Deposits) [refer note no. 13(a)]	-	2,771,387
	2,895,767	4,499,115

Notes to Financial Statements for the year ended 31st March, 2014

11. Fixed Assets

Particular	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		
	Cost as at 01.04.2013	Additions / Disposals	Other Adjustments	Cost as at 31.03.2014	As at 01.04.2013	For the year	Adjustment on Disposals	Cost as at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS:									
Leasehold Land [refer note no. 11(a)]	406,572	32,608,331	-	33,014,903	-	5,264	-	5,264	406,572
Factory Building *	21,160,126	116,535,180	-	137,695,306	14,269,974	2,713,589	-	16,983,563	6,890,152
Office Equipments	951,489	838,814	-	1,790,303	242,367	65,698	-	308,065	709,122
Electric Installation	4,999,194	41,885	-	5,041,079	4,909,397	90,493	-	4,999,890	89,797
Factory Equipments	305,388	-	-	305,388	289,342	11,922	-	301,264	16,046
Plant & Machinery	6,099,141	182,300,640	-	188,399,781	2,503,924	4,352,026	-	6,855,950	3,595,217
Furniture & Fittings	3,629,202	850,578	-	4,479,780	1,710,895	162,020	-	1,872,915	1,918,307
Computers	2,463,797	586,081	-	3,049,878	1,608,082	324,533	-	1,932,615	855,715
Printer	-	29,578	-	29,578	-	2,391	-	2,391	27,187
Vehicles	9,929,610	817,477	-	10,747,087	3,974,779	997,573	-	4,972,352	5,954,831
Wind Mills [refer note no 11(b)]	87,351,734	-	-	87,351,734	28,177,972	9,032,171	-	37,210,143	59,173,762
Total (A)	137,296,253	334,608,564	-	471,904,817	57,686,732	17,757,680	-	75,444,412	79,609,521
INTANGIBLE ASSETS:									
Software	492,542	874,884	-	1,367,426	164,890	228,595	-	393,485	327,652
Royalty	-	26,960,000	-	26,960,000	-	3,563,890	-	3,563,890	-
Total (B)	492,542	27,834,884	-	28,327,426	164,890	3,792,485	-	3,957,375	327,652
Total (A+B)	137,788,795	362,443,448	-	500,232,243	57,851,622	21,550,165	-	79,401,787	79,937,173
Previous Year	133,826,606	3,967,453	-	137,794,059	46,244,346	11,613,047	507	57,856,886	79,937,173
CAPITAL WORK-IN-PROGRESS									
	-	-	-	-	-	-	-	-	177,419,268

Note No 11(a)

Leasehold land cost is stated at balance of original cost less amount amortised upto 31.03.2014

Note No 11(b)

Depreciation on Wind Mills is provided on Triple Shift Basis

* Including part of Factory Building given on lease.

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
12. Non Current Investments		
Trade Investments (valued at cost unless stated otherwise) Unquoted.		
Investment in Wholly-owned foreign subsidiary 60 (P.Y.60) Capital Stock of JPY 50,000 each fully paid up in B.R.Chemicals Co. Ltd., Osaka Japan	1,620,600	1,620,600
	1,620,600	1,620,600
Aggregate amount of Unquoted Investments	<u>1,620,600</u>	<u>1,620,600</u>
13. Long Term Loans and Advances		
Other Loans and Advances (Unsecured, considered good)		
Security Deposit to Government authorities and others	3,158,787	3,539,785
Prepaid Expenses	-	308,644
Advance Income Tax (Net of provision for taxation) [refer note no. 13 (a)]	1,524,803	-
MAT Credit Entitlement	2,359,145	2,359,145
	7,042,735	6,207,574
Note 13(a):		
Provision for taxes (net of Deposits) comprises of:		
Income Tax Deposits	18,113,403	14,303,990
Less: Provision for Taxation	(16,588,600)	(17,075,377)
	1,524,803	(2,771,387)
14. Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [refer note no. 17]	4,819,820	998,203
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [refer note no. 19]	(937,709)	(937,709)
	3,882,111	60,494
Add: Duty Drawback receivable	708,867	662,674
	4,590,978	723,168
15. Inventories (valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components [includes in transit ₹ Nil (31 st March, 2013 - ₹ Nil)] [refer note no. 22(a)(ii)]	16,847,152	857,756
Work-in-progress [refer note no. 24(a)(ii)]	5,446,466	1,435,581
Finished Goods [refer note no. 24(a)(iii)]	5,165,165	556,502
Traded Goods [includes in transit ₹ 83,801,317/- (31 st March, 2013 - ₹ 38,677,348/-) [refer note no. 24(a)(i)]	158,385,396	78,872,720
Stores and spares	819,723	77,604
	186,663,902	81,800,163

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
16. Trade receivable [refer note no. 16(a)]		
Unsecured, Considered good unless stated otherwise :		
Outstanding for a period exceeding six months from date they are due for payment	5,337,429	6,395,608
Others	218,130,199	165,506,850
Doubtful	862,139	862,139
	<u>224,329,767</u>	<u>172,764,597</u>
Allowances for doubtful receivables	(862,139)	(862,139)
	<u>223,467,628</u>	<u>171,902,458</u>
Note No : 16 (a)		
Of the above amount shown in Others Trade receivables includes, amount due from companies in which company's director is interested as director		
Black Rose Trading Private Limited	153,652	19,988,323
Tozai Safety Private Limited	872,440	2,890,897
Fukui Accent Trading (India) Private Limited	-	29,250
Accent Industries Limited	2,474,324	877,526
	<u>3,500,416</u>	<u>23,785,996</u>
17. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	234,314	438,810
Other Bank Balances		
In Current Accounts	1,377,614	1,481,325
In Unpaid dividend account	95,689	95,809
In Fixed Deposits account		
Deposits with original maturity for more than 3 months but less than 12 months*	4,580,508	8,031,281
Deposits with original maturity for more than 12 months*	4,819,820	998,203
	<u>11,107,945</u>	<u>11,045,428</u>
Less:		
Amount disclosed under non-current assets:		
Deposit with original maturity of more than 12 months (refer note no. 14)	(4,819,820)	(998,203)
	<u>6,288,125</u>	<u>10,047,225</u>
* Out of the above Fixed Deposits :		
Given as Margin money for Trade Credit and L/C facilities.	9,329,833	8,958,990
Given against Bank Guarantee	10,000	10,000
Given to Sales Tax Authority Gujarat	60,494	60,494
	<u>9,400,327</u>	<u>9,029,484</u>

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014	31-03-2013
	₹	₹
18 Short Term Loans and Advances		
Unsecured, considered good unless otherwise stated		
Capital Advances	-	8,195,183
Security Deposit to Government authorities and others	568,200	194,700
Security Deposit to related parties	1,650,000	1,650,000
Prepaid Expenses	2,878,586	1,806,647
Loans and advances to staff	1,835,000	900,000
Loans and Advances to a Officer of the company	165,925	400,000
Other Loans and Advances		
Balances with Statutory Government authorities	18,803,569	3,915,678
Inter Body Corporate loan	2,062,911	5,410,084
Loans and advances to other parties	2,585,563	2,139,250
Advances recoverable in cash or kind or for value to be received	9,196,473	9,479,062
	39,746,227	34,090,604
19. Other Current Assets		
Unsecured, considered good unless otherwise stated		
Current maturities of Fixed deposits with Bank with original maturity of more than 12 months	937,709	937,709
Unamortised Expenditure		
Unamortised premium on forward contract in foreign currency	729,901	533,679
Other Assets		
Interest accrued but not due on Bank Deposits	1,448,068	808,352
Interest accrued and due on Loans	538,301	1,914,912
Interest accrued on Security Deposits with MSEB	23,914	16,394
Duty Drawback Accrued	-	40,910
Interest Subsidy receivable	1,179,329	1,494,759
Import Entitlements	630,160	462,544
	5,487,382	6,209,259
20. Revenue from Operations		
a) Sale of products [refer note no. 20(a)(i)]	845,585,111	840,824,946
	845,585,111	840,824,946
b) Other Operating Revenue		
Dividend on Traded Shares	3,343	11,300
Export Entitlement	46,193	106,112
Interest Subsidy	506,505	1,904,589
Consultancy Fees	-	183,068
Commission	1,375,641	447,800
	1,931,682	2,652,869
Revenue from Operations	847,516,793	843,477,815

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
Note no. 20(a)(i)		
Details of Sale of products		
Chemicals	823,409,311	814,251,529
Textiles	11,340,520	11,839,881
Wind Energy	10,835,280	12,151,938
Others	-	2,581,598
	845,585,111	840,824,946
21. Other Income		
Interest income		
From Bank	961,150	814,507
From Others	811,095	2,089,221
	1,772,245	2,903,728
Profit on sale of fixed assets	-	1,107
Other non-operating income (net of expenses directly attributable to such income ₹ Nil (31 st March 2013 - ₹ Nil)	6,238,733	839,433
	8,010,978	3,744,268
22. Cost of Materials consumed [refer note no. 22(a)]		
Inventory at the beginning of the year	857,756	156,280
Add: Purchases	93,168,204	3,759,836
	94,025,960	3,916,116
Less: Inventory at the end of the year	16,847,152	857,756
	77,178,808	3,058,360
Note no. 22(a)		
(i) Details of Materials consumed		
Chemical	72,263,366	-
Yarn	4,444,893	2,060,884
Fabrics	470,549	997,477
	77,178,808	3,058,361
(ii) Details of Inventory of raw materials		
Chemical	12,023,716	-
Yarn	1,735,954	202,923
Fabric	3,087,482	654,833
	16,847,152	857,756
23. Purchase of Traded Goods		
Chemicals	762,583,225	692,667,512
Textiles	3,591,336	1,387,666
Others	-	1,779,527
	766,174,561	695,834,705

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014	31-03-2013
	₹	₹
24. (Increase)/Decrease in Inventories		
Opening Traded Goods	78,872,720	126,273,965
Closing Traded Goods [refer note no. 24(a)(i)]	158,385,396	78,872,720
	(79,512,676)	47,401,245
Opening Work-in-progress	1,435,581	1,524,202
Closing Work-in-progress [refer note no. 24(a)(ii)]	5,446,466	1,435,581
	(4,010,885)	88,621
Opening Finished Goods	556,502	1,234,912
Closing Finished Goods [refer note no. 24(a)(iii)]	5,165,165	556,502
	(4,608,663)	678,410
Total (Increase)/Decrease in Inventories	(88,132,224)	48,168,276
Note no. 24(a)		
Details of inventories at the end of the year		
(i) Traded Goods		
Chemicals	154,137,683	74,915,517
Textiles	185,778	185,778
Others	4,061,935	3,771,426
	158,385,396	78,872,720
(ii) Work-in-progress		
Chemical	3,613,136	-
Textiles	1,833,330	1,435,581
	5,446,466	1,435,581
(iii) Finished Goods		
Chemical	3,324,134	-
Textiles	1,840,128	555,499
Others	903	1,003
	5,165,165	556,502
25. Employee Benefit expenses		
Salaries, Wages and Bonus	19,111,283	10,085,489
Contribution to Provident fund and other funds	928,131	545,651
Staff Welfare expenses	411,130	246,287
	20,450,544	10,877,427
26. Finance Costs		
Interest on borrowings	21,378,394	9,043,158
Bill Discounting Charges	58,693	324,152
Bank Charges on facilities	330,619	859,130
Applicable loss on foreign currency transactions and translation	5,687,952	5,057,544
	27,455,658	15,283,984
27. Depreciation and Amortisation Expenses		
Depreciation of Tangible Assets	17,752,416	11,462,305
Amortisation of Tangible Assets	5,264	5,264
Amortisation of Intangible Assets	3,792,485	145,478
	21,550,165	11,613,047

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014	31-03-2013
	₹	₹
28 Other Expenses		
Power and Fuel	3,149,944	362,525
Rent	2,375,527	2,559,483
Rates and Taxes	407,537	36,211
Insurance	999,865	760,279
Repairs and Maintenance		
Plant and Machinery	135,331	12,587
Buildings	316,974	263,077
Others	325,647	234,458
Legal and Professional fees	5,728,969	1,378,426
Payment to auditor [Note no. 28(a)]	299,440	453,238
Exchange difference (net) other than considered in finance cost	6,879,100	3,193,134
Sundry Balance written off	63,915	23,107
Selling & Distribution expenses	3,366,193	3,472,909
Brokerage expenses	4,642,782	4,185,575
Windmill Maintenance Charges	1,406,414	1,342,635
Travelling and Conveyance	4,167,131	2,546,104
Communication costs	1,022,565	1,009,308
Printing and Stationery	245,562	179,887
Labour and Jobwork Charges	4,027,568	3,106,351
Packing Material consumed	2,713,139	500,008
Export expenses	571,734	499,169
Security Charges	332,100	10,336
Corporate office expenses	1,349,729	808,503
Office Expenses	1,444,449	907,403
Office Electricity Expenses	697,195	682,140
Warehousing Charges	1,992,812	2,027,023
Vehicle expenses	1,391,439	964,063
Share Trading expenses	9,756	19,024
Donation	28,500	41,000
Bank Charges	3,105,057	1,732,441
Logistics expenses	808,315	754,011
Miscellaneous expenses	1,610,663	373,554
	55,615,352	34,437,969
Note No: 28(a)		
Details of Payment to Auditor		
As Auditor		
Audit Fees	110,000	110,000
Tax Audit Fees	40,000	40,000
Limited Review	30,000	30,000
In Other capacity		
Consultancy Service	-	110,000
Certification Fees	60,000	62,666
Reimbursement of expenses including service tax	29,664	47,089
	269,664	399,755

Notes to Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
Cost Auditor		
As Audit fees	26,500	52,000
Reimbursement of service tax	3,276	1,483
	29,776	53,483
	299,440	453,238
29 Disclosures as per AS-15 (Revised) - Employee Benefits Gratuity and other post employment benefit plans.	31st March, 2014 ₹	31st March, 2013 ₹
(a) The gratuity charged to the statement of profit and loss for the year includes provision as per the actuarial valuation as per the requirement of Accounting Standard 15 (Revised) as notified under Companies (Accounting Standards) Rules 2006 as well as payment made for the year towards gratuity.		
The actuarial valuation is done at the year end using 'Projected Unit Credit' method and it covers all regular employees.		
The following table sets out the status of the gratuity plan as required under AS-15 (Revised) (As certified by actuary)		
(i) Assumptions		
Discount Rate (p.a.)	8.25%	8.75%
Rate of escalation in Salary (p.a.)	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 Years	60 Years
(ii) Obligation at beginning of the year	842,416	833,438
Service cost	151,893	134,908
Interest Cost	69,499	72,926
Benefits settled	(316,560)	-
Actuarial (gains)/losses	302,027	(198,856)
Obligation at end of the year	1,049,275	842,416
(iii) Expenses/(Income) recognised in statement of Profit & Loss.		
Service cost	151,893	134,908
Interest cost	69,499	72,926
Actuarial (gain) / loss	302,027	(198,856)
Net gratuity cost	523,419	8,978
(iv) Amount recognised in Balance Sheet		
Liability at the end of the period	1,049,275	842,416
Difference	(1,049,275)	(842,416)
Net amount recognised in Balance Sheet	(1,049,275)	(842,416)
(b) Provision for leave salary has been made on actuarial valuation as per the requirement of Revised Accounting Standard 15.		
(c) The above actuarial valuation does not include gratuity and leave salary payable to Executive Director, Mr. Anup Jatia.		

Notes to Financial Statements for the year ended 31st March, 2014
30 Segment Accounting (AS-17)

The Company's segment reporting are as follows

SEGMENT REVENUE

Sales/Income

	31 st March, 2014	31 st March, 2013
	₹	₹
Textiles	11,340,520	11,839,880
Chemicals	824,831,146	814,986,509
Renewable Energy	11,341,785	14,060,837
Total Segment Revenue	847,513,451	840,887,226

SEGMENT RESULTS

Profit before interest and tax

Textiles	366,557	129,051
Chemicals	18,640,407	54,085,208
Renewable Energy	718,741	3,466,051
Total Segment Results	19,725,705	57,680,310
Less: Finance Cost	27,457,657	15,284,317
Other unallocable expenses net off unallocable income	17,033,580	14,447,842
Total Profit before Tax	(24,765,532)	27,948,151

CAPITAL EMPLOYED

Segment Assets less Segment Liabilities

Textiles	28,703,654	25,306,768
Chemicals	124,577,417	75,978,469
Renewable Energy	36,557,617	39,601,262
Add: Unallocable corporate assets net off unallocable corporate liabilities	(2,789,849)	(3,122,615)
Total Capital Employed	187,048,839	137,763,884

31 Disclosure of Related Party Transactions (In accordance with AS-18 and as required by clause 32 of listing agreement with the stock exchange)

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

a) Information about related parties :
List of related parties and relationships:

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

Notes to Financial Statements for the year ended 31st March, 2014
b) Related parties transactions

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Sales	-	-	-	34,782,966
	-	-	-	(102,992,434)
Purchase	-	-	-	7,821,716
	-	-	-	(48,477,051)
Rent Paid	-	-	-	480,000
	-	-	-	(480,000)
Directors Remuneration	-	-	3,000,000	-
	-	-	(3,000,000)	-
Interest Paid	-	-	1,312,500	1,380,156
	-	-	(1,312,500)	(1,375,002)
Interest Received	-	-	-	55,392
	-	-	-	(389,339)
Rent Received	-	-	-	738,000
	-	-	-	(738,000)
Unsecured Deposit Received and Repaid	-	-	450,000	-
Trade Deposit Received	-	-	-	-
Reimbursement of Expenses Paid	-	-	-	717,433
	-	-	-	(116,083)
Reimbursement of Expenses Received	-	-	-	2,573,677
	-	-	-	(2,738,088)
Payment of dividend	-	-	-	-
Advance given for incorporation earlier converted into investment	-	-	-	-
Balance as at 31st March, 2014				
Security Deposit Payable	-	-	-	1,500,000
	-	-	-	(1,500,000)
Security Deposit Receivable	-	-	-	1,650,000
	-	-	-	(1,650,000)
Trade Receivables	-	-	-	3,500,416
	-	-	-	(23,785,996)
Advance given Against Purchases	-	-	-	-
	-	-	-	(589,241)
Trade Payables	-	-	-	678,120
	-	-	-	(20,329)
Inter Body Corporate Loan Receivable	-	-	-	-
	-	-	-	(2,150,000)
Unsecured Deposit Payable	-	-	10,500,000	11,000,000
	-	-	10,500,000)	(11,000,000)
Trade Deposit Payable	-	-	-	2,000,000
	-	-	-	(9,200,000)
Directors Remuneration Payable	-	-	188,000	-
	-	-	(210,000)	-
Interest Receivable (Net of T.D.S.)	-	-	-	-
	-	-	-	(138,550)
Interest Payable (Net of T.D.S.)	-	-	291,267	105,103
	-	-	(291,267)	(105,103)

Notes to Financial Statements for the year ended 31st March, 2014

Notes :

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

32 Leases (AS-19)

(a) The company has given part of its lease hold factory building on operating lease basis for a period of 5 years. The lease agreement is of non-cancellable in nature and renewable at the end of the expiry period at the option of both the lessor and the lessee, and there are no exceptional/ restrictive covenants in the lease agreements. There is no contingent rent.

(b) Particulars of Asset given on lease

	31st March, 2014	31st March, 2013
	₹	₹
Assets - Factory Building		
(i) Gross carrying amount at the end of the year	137,695,306	21,160,126
(ii) Accumulated depreciation at the end of the year	16,983,563	14,269,974
(iii) Depreciation charged to statement of profit and loss for the period	2,713,589	706,748

Note : The figures given above are for whole of the asset as per books of account and not for the part area of the asset given on lease.

(c) The lease rental recognised income in the statement of profit and loss during the current financial year is ₹ 732,000/- (P.Y. ₹ 732,000/-)

(d) Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	732,000	732,000
Later than one year and not later than five years.	671,000	1,403,000
	<u>1,403,000</u>	<u>2,135,000</u>

33 Earnings per share (AS-20)

	31st March, 2014	31st March, 2013
	₹	₹

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

Total operation for the year

Profit after tax	(27,464,048)	16,310,503
------------------	--------------	------------

Weighted average number of shares outstanding at the year end

	Nos.	Nos.
Equity shares outstanding at the beginning of the year	38,720,000	38,720,000
Add: Shares issued during the year.	12,280,000	-
Total Weighted average Equity shares outstanding at the end of the current year	47,097,315	38,720,000
Basic and diluted earnings per share (₹)	(0.58)	0.42
Face value per share (₹)	1	1

Notes to Financial Statements for the year ended 31st March, 2014
34 Impairment of Assets (AS-28)

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

35 Contingent Liabilities

Contingent liabilities not provided for in respect of :

- (i) Bank Guarantee given to Government authorities ₹ 15,000/- (P.Y. ₹ 15,000/-)
- (ii) Central Sales Tax liability of ₹ 936,172/- (P.Y. ₹ 2,677,976/-) as per MVAT Audit completed in the current financial year, as the said liability is on account of non receipt of 'C' forms from various payable customers and the company is awaiting the receipt of said forms. The liabilities if any will be accounted in the books of account in the year in which the final liability is determined.
- (iii) Disputed Income Tax demands of ₹ 231,686/- (Previous Year ₹ 231,686/-) for which company has gone in appeal. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

36 Capital and other commitments
31st March, 2014 31st March, 2013

	₹	₹
Capital commitment not provided for (net of advances of ₹ Nil /-) (P.Y. ₹ 8,195,183/-)	-	82,879,706

37 Capitalisation of Expenditure

The company has capitalised the following revenue expenses by debiting to statement of profit and loss and transferring the same to capital work-in-progress (CWIP) account for its project at Jhagadia, Gujarat. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

	31st March, 2014	31st March, 2013
	₹	₹
Interest	22,427,302	18,857,483
Project related Expenses	97,137,219	66,203,731
	<u>119,564,521</u>	<u>85,061,214</u>

During the year, project at Jhagadia was completed and consequently all pre-operative expenses lying under capital work-in-progress were apportioned to the assets created upon completion of project.

- 38** The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been given.

39 Value of Imports calculated on CIF basis
31st March, 2014 31st March, 2013

	₹	₹
Raw Materials	8,010,955	-
Capital Goods	30,138,500	-
	<u>38,149,455</u>	<u>-</u>

Notes to Financial Statements for the year ended 31st March, 2014

40 Expenditure in Foreign Currency	31 st March, 2014	31 st March, 2013
	₹	₹
Interest on short term borrowings	716,251	1,033,742
Royalty	1,453,182	-
Travelling	565,219	370,840
	<u>2,734,652</u>	<u>1,404,582</u>

41 Imported and Indigenous raw materials, components consumed:

	% of total consumption	Value	% of total consumption	Value
	31 st March, 2014	31 st March, 2014	31 st March, 2013	31 st March, 2013
		₹		₹
Raw Materials				
Imported	2.33%	1,800,989	-	-
Indigenously obtained	97.67%	75,377,818	100.00%	3,058,361
	<u>100.00%</u>	<u>77,178,807</u>	<u>100.00%</u>	<u>3,058,361</u>

42 Earnings in foreign currency	31 st March, 2014	31 st March, 2013
	₹	₹
Exports at F.O.B. Value	9,749,615	16,616,832
Commission Income	1,229,578	446,713
Consultancy Fees	-	183,068
Others	8,850	-
	<u>10,988,043</u>	<u>17,246,613</u>

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

	Amount in US\$	Amount in ₹	No. of Contracts
Forward contract to sell			
			For Hedging of foreign currency sales
As on 31.03.2014	-	-	-
As on 31.03.2013	25,750	1,398,482	1
Forward contract to buy			
			For Hedging of foreign currency purchases
As on 31.03.2014	1,083,136	64,901,509	13
As on 31.03.2013	1,337,712	72,651,139	25

Notes to Financial Statements for the year ended 31st March, 2014**b) Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars	As on 31.03.2014		As on 31.03.2013	
	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	1,470,737	88,126,559	1,436,577	78,020,482
Secured Trade Credit	-	-	133,569	7,254,121
Trade receivable	46,042	2,758,837	59,400	3,226,014

- 44** The amount of Deferred Premium/Discount on Foreign Exchange Forward Contract to be recognised in statement of Profit & Loss in the subsequent year is ₹ 573,506/- (Previous Year ₹ 549,393/-)
- 45** In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 46** The balances of debtors, creditors and deposits are subject to confirmation and reconciliation.
- 47** (i) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
(ii) Figures have been rounded off to the nearest rupee.

As per our report of even date attached
For and on behalf of KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

For and on behalf of the Board of Directors

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Date: May 27, 2014

C.P.Vyas
Company Secretary

Information regarding Subsidiary Companies for the Financial Year ended 31st March, 2014

Sr. No.	Particulars	Name of Subsidiary Company		
		B.R. Chemicals Co., Ltd.		
1	Financial year ending on		3/31/2014	3/31/2013
2	Currency		JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹	0.5853	0.5762
4	Extent of holdings in Subsidiary Company	%	100	100
5	No. of Shares		60	60
₹ in lacs				
6	Share Capital		16.21	16.21
7	Reserves		1.86	(1.12)
8	Liabilities		21.99	43.14
9	Total Liabilities		40.05	58.23
10	Total Assets		40.05	58.23
11	Investments		-	-
12	Turnover		3,041.39	3,765.07
13	Profit / (Loss) before Taxation		2.84	2.63
14	Provision for Taxation		-	-
15	Profit /(Loss) after Taxation		2.84	2.63
16	Interim Dividend		-	-
17	Proposed Dividend		-	-

As per our report of even date attached

For and on behalf of KARNAVAT & CO.

Chartered Accountants

Firm Regn. No. 104863W

Viral Joshi

Partner

Membership No. 137686

For and on behalf of the Board of Directors

Shivhari Halan

Director

Anup Jatia

Executive Director

Place: Mumbai

Date: May 27, 2014

C.P.Vyas

Company Secretary

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **BLACK ROSE INDUSTRIES LIMITED** ("the Company") and its one foreign subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that gives a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) In the case of the Consolidated Statement of Profit and Loss, of the **loss** of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statement of one foreign subsidiary Company, whose financial statements reflect total assets of Rs. 40.94 Lacs as at March 31, 2014, total revenue of Rs. 3041.42 Lacs and Net Profit of Rs. 2.84 Lacs. These financial statements have not been audited and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the information and explanation provided by the management.

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

(Viral Joshi)
Partner
Membership No. 137686

Place: Mumbai
Dated: 27th May, 2014.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As At 31-03-2014 ₹	As At 31-03-2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	51,000,000	38,720,000
Reserves and Surplus	3	136,235,730	98,931,766
		187,235,730	137,651,766
2 Non-Current Liabilities			
Long Term Borrowings	4	176,274,347	84,973,651
Deferred Tax Liabilities (Net)	5	22,539,775	20,605,004
Long Term Provisions	6	876,366	864,742
		199,690,488	106,443,397
3 Current Liabilities			
Short Term Borrowings	7	176,777,426	130,350,003
Trade Payables	8	292,764,635	159,635,307
Other Current Liabilities	9	38,633,916	35,580,687
Short Term Provisions	10	2,895,767	4,499,115
		511,071,744	330,065,112
Total		897,997,962	574,160,275
II. ASSETS			
1 Non Current Assets			
Fixed Assets			
Tangible Assets	11	396,460,405	79,609,521
Intangible Assets		24,370,051	327,652
Capital Work-in-Progress		-	177,419,268
		420,830,456	257,356,441
Long Term Loans and Advances	12	7,042,735	6,207,575
Other Non-Current Assets	13	4,590,978	723,168
		11,633,713	6,930,743
2 Current Assets			
Inventories	14	188,294,136	81,800,163
Trade Receivables	15	223,467,628	176,248,327
Cash and Bank Balances	16	8,429,811	11,006,445
Short Term Loans and Advances	17	39,620,856	34,263,382
Other Current Assets	18	5,721,363	6,554,774
		465,533,793	309,873,091
Total		897,997,962	574,160,275

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached
For and on behalf of KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

For and on behalf of the Board of Directors

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Date: May 27, 2014

C.P.Vyas
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
INCOME			
Revenue from Operations	19	1,151,655,866	1,219,984,798
Other Income	20	8,013,777	3,758,042
Total Revenue		1,159,669,643	1,223,742,840
EXPENDITURE			
Cost of Materials consumed	21	77,178,808	3,058,360
Purchase of traded goods	22	1,060,061,231	1,055,277,067
Changes in inventories of finished goods, work- in- progress and Traded goods	23	(89,762,459)	48,168,276
Employee Benefits Expense	24	22,583,312	13,831,677
Finance Cost	25	27,455,658	15,283,984
Depreciation and Amortisation Expenses	26	21,550,165	11,613,047
Other Expenses	27	65,084,183	48,299,116
Total Expenditure		1,184,150,898	1,195,531,528
Profit before Tax		(24,481,255)	28,211,312
Less: Tax Expenses			
Current Tax		-	12,020,000
Deferred Tax		1,934,770	(392,703)
Wealth Tax		18,427	18,586
Earlier years adjustments		745,758	(8,071)
		2,698,955	11,637,812
Profit for the period		(27,180,210)	16,573,500
Earnings per Equity Share	33		
(Nominal Value of share ₹ 1/- each)			
Basic		(0.58)	0.42
Diluted		(0.58)	0.42

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached
For and on behalf of KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

For and on behalf of the Board of Directors

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Date: May 27, 2014

C.P.Vyas
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-2014	2012-2013
	₹	₹
A. Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	(24,481,255)	28,211,312
Adjustments for:		
Depreciation	21,550,165	11,613,047
(Profit) on sale of fixed assets	-	(1,107)
Increase/(Decrease) in foreign currency translation reserve	14,174	(107,218)
Interest expenses	21,767,706	9,596,984
Interest income	(1,772,343)	(606,969)
Unrealised foreign exchange (Gain)/Loss	(6,051,592)	(3,474,272)
Provision for expenses, gratuity & leave encashment	5,606,537	1,955,687
Excess provisions written back	(35,782)	(101,433)
Rental income	(738,000)	(738,000)
Sundry balances written off	(768,149)	(10,921)
Operating profit before working capital changes	<u>15,091,462</u>	<u>46,337,110</u>
Adjustments for:		
(Increase)/Decrease in trade and other receivables	(53,599,445)	(11,270,833)
(Increase)/Decrease in inventories	(106,493,973)	47,466,801
Increase/(Decrease) in trade and other payables	137,146,723	(14,958,781)
Cash generated from operating activities	<u>(7,855,233)</u>	<u>67,574,297</u>
Less : Direct taxes(net of refund)	4,892,928	350,486
Total cash generated from operating activities	<u>(12,748,161)</u>	<u>67,223,811</u>
Cash generated from prior period items (net)	-	-
Net cash flow from / (used in) operating activities	<u>(12,748,161)</u>	<u>67,223,811</u>
B. Cash Flow From Investing Activities		
Sale of fixed assets	-	6,600
Purchase of fixed assets / Capital work in progress	(185,046,751)	(70,979,204)
Increase in Share Capital	76,750,000	-
Interest income	450,250	606,969
Rental income	738,000	738,000
Cash generated from investing activities	<u>(107,108,500)</u>	<u>(69,627,635)</u>
Less : Income-tax paid at source	73,800	73,800
Net Cash flow from / (used in) investing activities	<u>(107,182,300)</u>	<u>(69,701,435)</u>

	2013-2014	2012-2013
	₹	₹
C. Cash Flow from Financing activities		
Proceeds from borrowings	137,728,119	12,120,571
Interest expenses	(20,377,024)	(9,596,984)
Net cash flow / (used in) from financing activities	117,351,095	2,523,587
Net increase in cash and cash equivalents (A+B+C)	(2,579,366)	45,964
Net increase / (decrease) in cash and cash equivalents (A+B+C)	11,009,984	10,964,020
Cash and cash equivalent as at 31.3.2014 (Closing Balance)	8,430,617	11,009,984
Notes:		
1) Reconciliation of cash and cash equivalents		
As per Balance Sheet- Note 16	8,429,811	11,006,446
Add:- Foreign exchange loss on revaluation of foreign currency	807	3,537
As per Cash flow statement	8,430,617	11,009,983
2) Cash and cash equivalents comprises of		
a) Cash in hand	243,307	454,453
b) Bank balance in current accounts	3,511,113	2,428,441
c) Unpaid dividend account	95,689	95,809
c) In fixed deposit account	4,580,508	8,031,281
	8,430,617	11,009,983

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

As per our report of even date attached
For and on behalf of KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

Place: Mumbai
Date: May 27, 2014

For and on behalf of the Board of Directors

Shivhari Halan
Director

Anup Jatia
Executive Director

C.P.Vyas
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

1 Significant Accounting Policies on Consolidated Accounts

Principles of consolidation

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

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

Other Significant Accounting Policies

a) Nature of Operations

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

b) Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

c) Use of Estimates

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

d) Revenue Recognition

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

(i) Sale of goods

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

(ii) Export entitlement

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

(iii) Interest

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

(iv) Dividends

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

e) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable 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 realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

f) Cash and Cash Equivalents

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

g) Tangible Fixed Assets

(i) All Fixed Assets are stated at cost less accumulated depreciation.

(ii) Leasehold Land is amortised equally on straight-line basis over the period of lease.

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

h) Depreciation on Tangible Fixed Assets

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and the manner prescribed under Schedule XIV of the Companies Act, 1956. Fixed Assets except Plant & Machinery whose Written Down Value as at the beginning of the year is less than 5% of the cost are not depreciated.

i) Intangible Assets

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

j) Foreign Currency Transactions and Balances

(i) Initial recognition

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

(ii) Conversion

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

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

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

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

l) Investments

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

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

In accordance with the Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

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

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

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

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

(ii) Leave Encashment

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

n) Borrowing Costs

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

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

o) Leases

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

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of

an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q) Income Taxes

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

Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date or as on date of approval of Statement of Accounts whichever is later. The deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

r) Impairment of Tangible and Intangible Assets:

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

s) Provision, Contingent Liabilities and Contingent Assets

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

t) Research & Development Expenditure

Expenditure on Research & Development is charged as expense in the year in which it is incurred.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014		31-03-2013	
	₹		₹	
2 Share Capital				
Authorised Shares				
80,000,000 (31 st March, 2013: 80,000,000)	80,000,000		80,000,000	
Equity Shares of ₹ 1/- each	<u>80,000,000</u>		<u>80,000,000</u>	
Issued, Subscribed and fully paid up Shares				
51,000,000 (31 st March, 2013: 38,720,000)	51,000,000		38,720,000	
Equity Shares of ₹ 1/- each	<u>51,000,000</u>		<u>38,720,000</u>	
a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
Equity Shares	Nos.	₹	Nos.	₹
At the beginning of the period	38,720,000	38,720,000	38,720,000	38,720,000
Add: Bonus Shares issued during the year	-	-	-	-
Add: Shares issued during the year	12,280,000	12,280,000	-	-
Outstanding at the end of the period	<u>51,000,000</u>	<u>51,000,000</u>	<u>38,720,000</u>	<u>38,720,000</u>
b) Terms/Rights attached to equity shares				
The company has only one class of equity share having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share and dividend per share on pari passu basis. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors except interim dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31 st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil (31 st March, 2013 ₹ Nil).				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.				
c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates				
Holding Company	31-03-2014		31-03-2013	
Name of the Company	Nos.		Nos.	
Wedgewood Holdings Limited, Mauritius.				
Equity Shares of ₹ 1/- each fully paid	28,800,000		28,800,000	
	<u>28,800,000</u>		<u>28,800,000</u>	
d) Details of shareholders holding more than 5% share in the company				
	31-03-2014		31-03-2013	
Equity shares of ₹ 1/- each fully paid	Nos.	% of holding	Nos.	% of holding
Name of the shareholder				
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	74.38
Triumph Worldwide Ltd., Hong Kong	9,210,000	18.06	-	-
Shravankumar Todi	3,070,000	6.02	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014	31-03-2013
	₹	₹
3 Reserve and Surplus		
a) Capital Reserve	3,000,000	3,000,000
b) General Reserve	6,240,000	6,240,000
c) Securities Premium Reserves		
Balance as per the last financial statements	-	-
Add: Amount received on issue of shares	64,470,000	-
	<u>64,470,000</u>	<u>-</u>
d) Foreign exchange fluctuation reserves on consolidation		
Balance as per the last financial statements	100,434	207,652
Add : Exchange gain on translation during the year	14,174	(107,218)
Closing Balance	<u>114,608</u>	<u>100,434</u>
e) Surplus in the statement of profit and loss		
Balance as per the last financial statements	89,591,332	73,017,832
Profit for the year:	(27,180,210)	16,573,500
Less: Appropriations	-	-
Net surplus in the statement of profit and loss	62,411,122	89,591,332
Total Reserves and Surplus	<u>136,235,730</u>	<u>98,931,766</u>
4. Long Term Borrowings		
Secured		
a) Term Loans		
Loan from bank [refer note no. 4(a)(i)]	153,734,418	1,112,176
Loan from other party [refer note no. 4(a)(ii)]	16,955,684	23,727,737
Total Secured	<u>170,690,102</u>	<u>24,839,913</u>
Unsecured		
b) Deposits		
Public Deposits [refer note no. 4(b)(i)]	21,500,000	22,000,000
c) Trade Deposit from related party		
Inter Body Corporate Deposit [refer note no. 4(c)(i)]	2,000,000	9,200,000
d) Other Loans and Advances		
Interest Free Inter Corporate Deposits	-	34,604,445
Interest Free Security Deposits [refer note no. 4(d)(i)]	1,500,000	1,500,000
Total Unsecured	<u>25,000,000</u>	<u>67,304,445</u>
	<u>195,690,102</u>	<u>92,144,358</u>
Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (refer note no. 9)	(19,415,755)	(7,170,707)
	<u>176,274,347</u>	<u>84,973,651</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014**Note : 4 (a)****Secured Loan**Vehicle Loan**(i) From ICICI Bank Ltd.**Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 11.08% p.a. (P.Y.11.08% p.a.)

Terms of Repayment

Equated monthly installment of ₹45,260/- commencing from 1st October, 2012 and ending on 1st April, 2015.

From Kotak Mahindra Bank Ltd.Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.27 % p.a.

Terms of Repayment

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

From Bank of BarodaNature of security

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

Rate of Interest

The rate of interest is p.a. 12.70 % p.a. (P.Y. Nil)

Terms of Repayment

Repayable in 84 months as under:

FY 2015 - 12 monthly installments of ₹ 10.00 Lacs

FY 2016 - 12 monthly installments of ₹ 13.33 Lacs

FY 2017 - 12 monthly installments of ₹ 16.67 Lacs

FY 2018 - 12 monthly installments of ₹ 29.33 Lacs

FY 2019 - 12 monthly installments of ₹ 29.33 Lacs

FY 2020 - 12 monthly installments of ₹ 29.33 Lacs

FY 2021 - 12 monthly installments of ₹ 28.51 Lacs

Notes to Consolidated Financial Statements for the year ended 31st March, 2014
(ii) Loan from other party

From Tata Capital Financial Services Limited.

Nature of security

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

Rate of Interest

The rate of interest is p.a. 14.75% p.a.(P.Y. 14.75% p.a.)

Terms of Repayment

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

Note : 4 (b)
(i) Unsecured Loan

Public Deposits

Received from related party (refer note no. 30)

Received from others

31-03-2014	31-03-2013
₹	₹
21,500,000	21,500,000
-	500,000
21,500,000	22,000,000

Rate of Interest

The rate of interest is 12.50% p.a. (P.Y. 12.50% p.a.)

Terms of Repayment

Repayable after 1 year but before 2 years on maturity.

Repayable on or after 21.03.2015 on maturity.

-	500,000
21,500,000	21,500,000
21,500,000	22,000,000

Note No : 4(c)
(i) Trade Deposit from related party

Inter Body Corporate Deposit

Black Rose Trading Private Limited

Terms of Repayment

Repayable anytime on or after 16.02.2014 but before 16.02.2015

2,000,000	9,200,000
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Note No : 4(d)
Other Loans and Advances
(i) Security Deposits

Received from related party (refer note no. 30)

1,500,000	1,500,000
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Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
5 Deferred Tax Liabilities (Net) (Disclosure as per AS-22)		
Items leading to deferred tax liability		
Difference in depreciation in block of fixed assets as per tax books and financials books	39,146,961	21,498,248
Less:		
Items leading to deferred tax assets		
Carry Forward of Business Losses	(15,643,441)	(893,244)
Expenses allowable on Payment basis	(963,745)	-
Net (Deferred Tax Liability)	22,539,775	20,605,004
The amount of deferred tax liability provision written back to statement of profit and loss is ₹ 1,934,767/- (P.Y. provision made ₹ 392,703/-)		
6 Long Term Provisions		
a) Provisions for employees benefits		
Provision for gratuity (refer note no. 28)	727,319	727,837
Provisions for leave benefits (refer note no. 28)	149,047	136,905
	876,366	864,742
7. Short Term Borrowings		
a) Secured [refer note no. 7(a)(i)]		
Repayable on demand		
Cash Credit from banks	93,756,954	38,426,159
Short Term Working Capital Demand Loan from Bank	10,000,000	10,000,000
Trade Credit	25,132,677	81,923,844
	128,889,631	130,350,003
b) Unsecured Deposits [refer note no. 7(b)(i)]		
Repayable on demand		
Inter Corporate Deposits	37,000,000	-
Deposit from Public	10,800,000	-
Loan from others	87,795	-
	47,887,795	-
Note No : 7(a)(i)		
Secured		
Cash Credit from ING Vysya Bank Limited	47,586,668	6,260,733
Cash Credit from Yes Bank	32,118,309	32,165,426
Cash Credit from Bank of Baroda	14,051,977	-
WCDL from Yes Bank	10,000,000	10,000,000
Trade Credit from ING Vysya Bank Limited	12,005,308	59,202,321
Trade Credit from Yes Bank	13,127,369	22,721,523
	128,889,631	130,350,003

Notes to Consolidated Financial Statements for the year ended 31st March, 2014
Nature of security

Hypothecation of stocks and book debts of the company, present and future, and pledge of office premises and corporate guarantee of Black Rose Trading Pvt. Ltd.

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

Rate of Interest

Effective cost for the above loans are in the range of 12.50% p.a. to 14.00% p.a. (P.Y. 13 % p.a. to 14.25% p.a.)

	31-03-2014	31-03-2013
	₹	₹
Note No : 7(b)(i)		
Rate of Interest	12.50%	N.A.
8 Trade payables		
Trade payables (Refer note no. 37)	292,764,635	159,635,307
	292,764,635	159,635,307
9. Other Current Liabilities		
Current maturities of long term borrowings (refer note no. 4)	19,415,755.00	7,170,707
Interest accrued but not due on borrowings	311,445.00	117,030
Interest accrued and due on borrowings (including deposits from public)	1,165,637.00	512,426
Unpaid Dividend *	95,689.00	95,809
Foreign Currency Forward Contract Payable (Net)	2,038,912.00	944,194
Foreign Currency Forward Contract ING Vysya Bank	1,303,407.00	-
Payable for other expenditure	6,785,979.00	1,616,667
Payable for capital expenditure	-	17,792,351
Other non-trade liabilities	219,203.00	100,413
Advance from Customers	2,854,053.00	4,195,846
VAT / CST Payable	2,737,021.00	1,793,467
TDS payable	1,667,361.00	834,016
Rates & Taxes payable	39,454.00	407,761
	38,633,916	35,580,687
* Amount due to be credited to Investor Education and Protection Fund is ₹ Nil		
10. Short Term Provisions		
Provisions for employee benefits:		
Salary and Reimbursements	2,275,052	1,445,750
Contribution to Provident Fund	191,807	108,275
Gratuity	321,956	114,579
Leave benefits	106,952	59,124
Other Provisions		
Provision for taxes (Net of Deposits) [refer note no. 12(a)]	-	2,771,387
	2,895,767	4,499,115

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

11. Fixed Assets

(Amount in ₹)

Particular	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK			
	Cost as at 01.04.2013	Additions / Disposals	Other Adjustments	Cost as at 31.03.2014	As at 01.04.2013	For the year	Adjustment on Disposals	Cost as at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS:										
Leasehold Land [refer note no. 11(a)]	406,572	32,608,331	-	33,014,903	-	5,264	-	5,264	33,009,639	406,572
Factory Building *	21,160,126	116,535,180	-	137,695,306	14,269,974	2,713,589	-	16,983,563	120,711,743	6,890,152
Office Equipments	951,489	838,814	-	1,790,303	242,367	65,698	-	308,065	1,482,238	709,122
Electric Installation	4,999,194	41,885	-	5,041,079	4,909,397	90,493	-	4,999,890	41,189	89,797
Factory Equipments	305,388	-	-	305,388	289,342	11,922	-	301,264	4,124	16,046
Plant & Machinery	6,099,141	182,300,640	-	188,399,781	2,503,924	4,352,026	-	6,855,950	181,543,831	3,595,217
Furniture & Fittings	3,629,202	850,578	-	4,479,780	1,710,895	162,020	-	1,872,915	2,606,865	1,918,307
Computers	2,463,797	586,081	-	3,049,878	1,608,082	324,533	-	1,932,615	1,117,263	855,715
Printer	-	29,578	-	29,578	-	2,391	-	2,391	27,187	-
Vehicles	9,929,610	817,477	-	10,747,087	3,974,779	997,573	-	4,972,352	5,774,735	5,954,831
Wind Mills [refer note no 11(b)]	87,351,734	-	-	87,351,734	28,177,972	9,032,171	-	37,210,143	50,141,591	59,173,762
Total (A)	137,296,253	334,608,564	-	471,904,817	57,686,732	17,757,680	-	75,444,412	396,460,405	79,609,521
INTANGIBLE ASSETS:										
Software	492,542	874,884	-	1,367,426	164,890	228,595	-	393,485	973,941	327,652
Royalty	-	26,960,000	-	26,960,000	-	3,563,890	-	3,563,890	23,396,110	-
Total (B)	492,542	27,834,884	-	28,327,426	164,890	3,792,485	-	3,957,375	24,370,051	327,652
Total (A+B)	137,788,795	362,443,448	-	500,232,243	57,851,622	21,550,165	-	79,401,787	420,830,456	79,937,173
Previous Year	133,826,606	3,967,453	-	137,794,059	46,244,346	11,613,047	507	57,856,886	79,937,173	-
CAPITAL WORK-IN-PROGRESS	-	-	-	-	-	-	-	-	-	177,419,268

Note No 11(a)

Leasehold land cost is stated at balance of original cost less amount amortised upto 31.03.2014

Note No 11(b)

Depreciation on Wind Mills is provided on Triple Shift Basis

* Including part of Factory Building given on lease.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
12 Long Term Loans and Advances		
Other Loans and Advances		
(Unsecured, considered good)		
Security Deposit to Government authorities and others	3,158,787	3,539,787
Prepaid Expenses		308,643
Advance Income Tax (Net of provision for taxation) [refer note no. 12(a)]	1,524,803	-
MAT Credit Entitlement [refer note no. 33]	2,359,145	2,359,145
	<u>7,042,735</u>	<u>6,207,575</u>
Note 12(a)		
Provision for taxes (Net of Deposits) comprises of:		
Income Tax Deposits	18,113,403	14,303,990
Less: Provision for Taxation	(16,588,600)	(17,075,377)
	<u>1,524,803</u>	<u>(2,771,387)</u>
13 Other Non-Current Assets		
Fixed deposits with Bank with original maturity of more than 12 months [refer note no. 16]	4,819,820	998,203
Less: Current maturities of Fixed deposits with Bank with original maturity of more than 12 months [refer note no. 18]	(937,709)	(937,709)
	3,882,111	60,494
Duty Drawback receivable	708,867	662,674
	<u>4,590,978</u>	<u>723,168</u>
14 Inventories		
(valued at lower of cost or net realisable value)		
(As certified by the management)		
Raw Materials and components [includes in transit ₹ Nil (31 st March, 2013 - ₹ Nil)] [refer note no. 21(a)(ii)]	16,847,152	857,756
Work-in-progress [refer note no. 23(a)(ii)]	5,446,465	1,435,581
Finished Goods [refer note no. 23(a)(iii)]	5,165,165	556,502
Traded Goods [includes in transit ₹ 38,677,348/- (31 st March, 2013 - ₹ 38,677,348/-) [refer note no. 23(a)(i)]	160,015,631	78,872,720
Stores and spares	819,723	77,604
	<u>188,294,136</u>	<u>81,800,163</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
15 Trade receivable [refer note no. 15(a)]		
Unsecured, Considered good unless stated otherwise:		
Outstanding for a period exceeding six months from date they are due for payment	5,337,429	6,395,609
Others	218,130,199	169,852,718
Doubtful	862,139	862,139
	<u>224,329,767</u>	<u>177,110,466</u>
Allowances for doubtful receivables	(862,139)	(862,139)
	<u>223,467,628</u>	<u>176,248,327</u>
Note No : 15 (a)		
Of the above amount shown in Others Trade receivables includes, amount due from companies in which company's director is interested as director		
Black Rose Trading Private Limited	153,652	19,988,323
Tozai Safety Private Limited	872,440	2,890,897
Fukui Accent Trading (India) Private Limited	-	29,250
Accent Industries Limited	2,474,324	877,526
	<u>3,500,416</u>	<u>23,785,996</u>
16. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	242,501	450,916
Other Bank Balances		
In Current Accounts	3,511,113	2,428,440
In Unpaid dividend account	95,689	95,809
In Fixed Deposits account		
Deposits with original maturity for more than 3 months but less than 12 months*	4,580,508	8,031,281
Deposits with original maturity for more than 12 months*	4,819,820	998,203
	<u>13,249,631</u>	<u>12,004,649</u>
Less:		
Amount disclosed under non-current assets:		
Deposit with original maturity of more than 12 months. (refer note no. 14)	(4,819,820)	(998,203)
	<u>8,429,811</u>	<u>11,006,445</u>
* Out of the above Fixed Deposits :		
Given as Margin money for Trade Credit and L/C facilities.	9,329,833	8,958,990
Given against Bank Guarantee	10,000	10,000
Given to Sales Tax Authority Gujarat	60,494	60,494
	<u>9,400,327</u>	<u>9,029,484</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	31-03-2014 ₹	31-03-2013 ₹
17 Short Term Loans and Advances		
Unsecured, considered good unless otherwise stated		
Capital Advances	-	8,195,183
Security Deposit to Government authorities and others	568,200	194,700
Security Deposit to related parties	1,650,000	1,650,000
Prepaid Expenses	2,878,586	1,979,425
Loans and advances to staff	1,835,000	900,000
Loans and Advances to a Officer of the company	165,925	400,000
Other Loans and Advances		
Balances with Statutory Government authorities	18,678,198	3,915,678
Inter Body Corporate loan	2,062,911	5,410,084
Loans and advances to other parties	2,585,563	2,139,250
Advances recoverable in cash or kind or for value to be received	9,196,473	9,479,062
	39,620,856	34,263,382
18. Other Current Assets		
Unsecured, considered good unless otherwise stated		
Current maturities of Fixed deposits with Bank with original maturity of more than 12 months	937,709	937,709
Unamortised Expenditure		
Unamortised premium on forward contract in foreign currency	729,901	533,679
Pre-Operative Expenses of subsidiary company	233,981	345,515
Other Assets		
Interest accrued but not due on Bank Deposits	1,448,068	808,352
Interest accrued and due on Loans	538,301	1,914,912
Interest accrued on Security Deposits with MSEB	23,914	16,394
Duty Drawback Accrued	-	40,910
Interest Subsidy receivable	1,179,329	1,494,759
Import Entitlements	630,160	462,544
	5,721,363	6,554,774

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
19. Revenue from Operations		
a) Sale of products [refer note no. 19(a)(i)]	1,149,724,184	1,217,331,930
	1,149,724,184	1,217,331,930
b) Other Operating Revenue		
Dividend on Traded Shares	3,343	11,300
Export Entitlement	46,193	106,112
Interest Subsidy	506,505	1,904,589
Consultancy Fees	-	183,068
Commission	1,375,641	447,799
	1,931,682	2,652,868
Revenue from Operations	1,151,655,866	1,219,984,798
Note no. 19(a)(i)		
Details of Sale of products		
Chemicals	1,127,548,384	1,190,758,513
Textiles	11,340,520	11,839,880
Wind Energy	10,835,280	12,151,939
Others	-	2,581,598
	1,149,724,184	1,217,331,930
20. Other Income		
Interest income		
From Bank	961,150	828,235
From Others	811,193	2,089,221
	1,772,343	2,917,456
Profit on sale of fixed assets	-	1,107
Other non-operating income (net of expenses directly attributable to such income ₹ Nil (31 st March 2013 - ₹ Nil)	6,241,434	839,479
	8,013,777	3,758,042

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
21. Cost of Materials consumed [refer note no. 21(a)]		
Inventory at the beginning of the year	857,756	156,280
Add: Purchases	93,168,204	3,759,836
	<u>94,025,960</u>	<u>3,916,116</u>
Less: Inventory at the end of the year	16,847,152	857,756
	<u>77,178,808</u>	<u>3,058,360</u>
Note no. 21(a)		
(i) Details of Materials consumed		
Chemical	72,263,366	-
Yarn	4,444,893	2,060,883
Fabrics	470,549	997,477
	<u>77,178,808</u>	<u>3,058,360</u>
(ii) Details of Inventory of raw materials		
Chemical	12,023,716	-
Yarn	1,735,954	202,923
Fabric	3,087,482	654,833
	<u>16,847,152</u>	<u>857,756</u>
22. Purchase of Traded Goods		
Chemicals	1,056,469,895	1,052,109,874
Textiles	3,591,336	1,387,666
Others	-	1,779,527
	<u>1,060,061,231</u>	<u>1,055,277,067</u>
23. (Increase)/Decrease in Inventories		
Opening Traded Goods	78,872,720	126,273,965
Closing Traded Goods [refer note no. 23(a)(i)]	160,015,631	78,872,720
	<u>(81,142,911)</u>	<u>47,401,245</u>
Opening Work-in-progress	1,435,581	1,524,202
Closing Work-in-progress [refer note no. 23(a)(ii)]	5,446,466	1,435,581
	<u>(4,010,885)</u>	<u>88,621</u>
Opening Finished Goods	556,502	1,234,912
Closing Finished Goods [refer note no. 23(a)(iii)]	5,165,165	556,502
	<u>(4,608,663)</u>	<u>678,410</u>
Total (Increase)/Decrease in Inventories	<u>(89,762,459)</u>	<u>48,168,276</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
Note no. 23(a)		
Details of inventories at the end of the year		
(i) Traded Goods	-	
Chemicals	155,767,918	74,915,517
Textiles	185,778	185,778
Others	4,061,935	3,771,426
	160,015,631	78,872,720
(ii) Work-in-progress		
Chemical	3,613,136	-
Textiles	1,833,330	1,435,581
	5,446,466	1,435,581
(iii) Finished Goods		
Chemical	3,324,134	-
Textiles	1,840,128	555,499
Others	903	1,003
	5,165,165	556,502
24. Employee Benefit expenses		
Salaries, Wages and Bonus	21,244,051	13,039,739
Contribution to Provident fund and other funds	928,131	545,651
Staff Welfare expenses	411,130	246,287
	22,583,312	13,831,677
25. Finance Costs		
Interest on borrowings	21,378,394	9,043,158
Bill Discounting Charges	58,693	324,152
Bank Charges on facilities	330,619	859,130
Applicable loss on foreign currency transactions and translation	5,687,952	5,057,544
	27,455,658	15,283,984
26. Depreciation and Amortisation Expenses		
Depreciation of Tangible Assets	17,752,416	11,462,305
Amortisation of Tangible Assets	5,264	5,264
Amortisation of Intangible Assets	3,792,485	145,478
	21,550,165	11,613,047

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
27 Other Expenses		
Power and Fuel	3,149,944	362,525
Rent	2,736,829	2,994,418
Rates and Taxes	452,391	36,210
Insurance	1,004,678	769,927
Repairs and Maintenance		
Plant and Machinery	135,331	12,587
Buildings	316,974	263,077
Others	325,647	234,458
Legal and Professional fees	5,801,677	1,461,145
Payment to auditor [Note no. 27(a)]	299,440	453,238
Exchange difference (net) other than considered in finance cost	6,809,718	3,193,134
Sundry Balance written off	63,915	23,107
Selling & Distribution expenses	11,305,877	15,556,078
Brokerage expenses	4,642,782	4,185,575
Windmill Maintenance Charges	1,406,414	1,342,635
Travelling and Conveyance	4,745,088	2,824,033
Communication costs	1,151,703	1,122,143
Entertainment Expenses	39,713	103,726
Pre- Operative expenses written off	121,108	131,222
Printing and Stationery	252,366	184,046
Labour and Jobwork Charges	4,027,568	3,106,351
Packing Material consumed	2,713,139	500,008
Export expenses	571,734	499,169
Security Charges	332,100	10,336
Corporate office expenses	1,349,729	808,503
Office Expenses	1,444,449	907,403
Office Electricity Expenses	697,195	682,140
Warehousing Charges	1,992,812	2,027,023

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	For the year ended 31-03-2014 ₹	For the year ended 31-03-2013 ₹
Vehicle expenses	1,391,439	964,063
Share Trading expenses	9,756	19,024
Donation	28,500	41,000
Bank Charges	3,217,388	2,155,457
Logistics expenses	808,315	754,011
Miscellaneous expenses	1,738,464	571,344
	<u>65,084,183</u>	<u>48,299,116</u>
Note No: 27(a)		
Details of Payment to Auditor		
As Auditor		
Audit Fees	110,000	110,000
Tax Audit Fees	40,000	40,000
Limited Review	30,000	30,000
In Other capacity		
Consultancy Service	-	110,000
Certification Fees	60,000	62,666
Reimbursement of expenses including service tax	29,664	47,089
	<u>269,664</u>	<u>399,755</u>
Cost Auditor		
As Audit fees	26,500	52,000
Reimbursement of service tax	3,276	1,483
	<u>29,776</u>	<u>53,483</u>
	<u>299,440</u>	<u>453,238</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014
28 Disclosures as per AS-15 (Revised) - Employee Benefits

	31 st March, 2014	31 st March, 2013
	₹	₹
Gratuity and other post employment benefit plans.		
(a) The gratuity charged to the statement of profit and loss for the year includes provision as per the actuarial valuation as per the requirement of Accounting Standard 15 (Revised) as notified under Companies (Accounting Standards) Rules 2006 as well as payment made for the year towards gratuity.		
The actuarial valuation is done at the year end using 'Projected Unit Credit' method and it covers all regular employees.		
The following table sets out the status of the gratuity plan as required under AS-15 (Revised)		
(As certified by actuary)		
(i) Assumptions		
Discount Rate (p.a.)	8.25%	8.75%
Rate of escalation in Salary (p.a.)	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 Years	60 Years
(ii) Obligation at beginning of the year	842,416	833,438
Service cost	151,893	134,908
Interest Cost	69,499	72,926
Benefits settled	(316,560)	-
Actuarial (gains)/losses	302,027	(198,856)
Obligation at end of the year	1,049,275	842,416
(iii) Expenses/(Income) recognised in statement of Profit & Loss		
Service cost	151,893	134,908
Interest cost	69,499	72,926
Actuarial (gain) / loss	302,027	(198,856)
Net gratuity cost	523,419	8,978
(iv) Amount recognised in Balance Sheet		
Liability at the end of the period	1,049,275	842,416
Difference	(1,049,275)	(842,416)
Net amount recognised in Balance Sheet	(1,049,275)	(842,416)
(b) Provision for leave salary has been made on actuarial valuation as per the requirement of Revised Accounting Standard 15.		
(c) The above actuarial valuation does not include gratuity and leave salary payable to Executive Director, Mr. Anup Jatia.		

Notes to Consolidated Financial Statements for the year ended 31st March, 2014
29 Segment Accounting (AS-17)

The Company's segment reporting are as follows

SEGMENT REVENUE

Sales/Income

Textiles

Chemicals

Renewable Energy

Total Segment Revenue

SEGMENT RESULTS

Profit before interest and tax

Textiles

Chemicals

Renewable Energy

Total Segment Results

Less: Finance Cost

Other unallocable expenses net off

unallocable income

Total Profit before Tax

CAPITAL EMPLOYED

Segment Assets less Segment Liabilities

Textiles

Chemicals

Renewable Energy

Add: Unallocable corporate assets net off unallocable corporate liabilities

Total Capital Employed

	31 st March, 2014	31 st March, 2013
	₹	₹
SEGMENT REVENUE		
Sales/Income		
Textiles	11,340,520	11,839,880
Chemicals	1,128,970,218	1,191,493,492
Renewable Energy	11,341,785	14,060,838
Total Segment Revenue	1,151,652,524	1,217,394,210
SEGMENT RESULTS		
Profit before interest and tax		
Textiles	366,557	129,051
Chemicals	18,923,001	54,348,205
Renewable Energy	718,741	3,466,051
Total Segment Results	20,008,299	57,943,307
Less: Finance Cost	27,456,057	15,284,317
Other unallocable expenses net off unallocable income	17,033,580	14,447,842
Total Profit before Tax	(24,481,338)	28,211,148
CAPITAL EMPLOYED		
Segment Assets less Segment Liabilities		
Textiles	28,703,654	25,306,768
Chemicals	126,268,922	75,866,349
Renewable Energy	36,557,617	39,601,262
Add: Unallocable corporate assets net off unallocable corporate liabilities	(4,409,949)	(3,122,615)
Total Capital Employed	187,120,244	137,651,764

30 Disclosure of Related Party Transactions (In accordance with AS-18 and as required by clause 32 of listing agreement with the stock exchange)

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

a) Information about related parties:

List of related parties and relationships:

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

b) Related parties transactions

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Sales	-	-	-	34,782,966
	-	-	-	(102,992,434)
Purchase	-	-	-	7,821,716
	-	-	-	(48,477,051)
Rent Paid	-	-	-	480,000
	-	-	-	(480,000)
Directors Remuneration	-	-	3,000,000	-
	-	-	(3,000,000)	-
Interest Paid	-	-	1,312,500	1,380,156
	-	-	(1,312,500)	(1,375,002)
Interest Received	-	-	-	55,392
	-	-	-	(389,339.00)
Rent Received	-	-	-	738,000
	-	-	-	(738,000)
Unsecured Deposit Received and Repaid	-	-	450,000	-
	-	-	-	-
Trade Deposit Received	-	-	-	-
	-	-	-	-
Reimbursement of Expenses Paid	-	-	-	717,433
	-	-	-	(116,083)
Reimbursement of Expenses Received	-	-	-	2,573,677
	-	-	-	(2,738,088)
Payment of dividend	-	-	-	-
	-	-	-	-
Advance given for incorporation earlier converted into investment	-	-	-	-
	-	-	-	-
Balance as at 31st March, 2014				
Security Deposit Payable	-	-	-	1,500,000
	-	-	-	(1,500,000)
Security Deposit Receivable	-	-	-	1,650,000
	-	-	-	(1,650,000)
Trade Receivables	-	-	-	3,500,416
	-	-	-	(23,785,996)
Advance given Against Purchases	-	-	-	-
	-	-	-	(589,241)
Trade Payables	-	-	-	678,120
	-	-	-	(20,329)

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

Nature of Transactions	Holding Co.	Subsidiary Co.	Key Management Personnel	Other related parties as in 31(a)(iv)
Inter Body Corporate Loan Receivable	-	-	-	-
	-	-	-	(2,150,000)
Unsecured Deposit Payable	-	-	10,500,000	11,000,000
	-	-	(10,500,000)	(11,000,000)
Trade Deposit Payable	-	-	-	2,000,000
	-	-	-	(9,200,000)
Directors Remuneration Payable	-	-	188,000	-
	-	-	(210,000)	-
Interest Receivable (Net of T.D.S.)	-	-	-	-
	-	-	-	(138,550)
Interest Payable (Net of T.D.S.)	-	-	291,267	105,103
	-	-	(291,267)	(105,103)

Notes :

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

31 Leases (AS-19)

(a) The company has given part of its lease hold factory building on operating lease basis for a period of 5 years. The lease agreement is of non-cancellable in nature and renewable at the end of the expiry period at the option of both the lessor and the lessee, and there are no exceptional/restrictive covenants in the lease agreements. There is no contingent rent.

(b) Particulars of Asset given on lease :

	31 st March, 2014 ₹	31 st March, 2013 ₹
Assets - Factory Building		
(i) Gross carrying amount at the end of the year.	137,695,306	21,160,126
(ii) Accumulated depreciation at the end of the year.	16,983,563	14,269,974
(iii) Depreciation charged to statement of profit and loss for the period.	2,713,589	706,748

Note : The figures given above are for whole of the asset as per books of account and not for the part area of the asset given on lease.

(c) The lease rental recognised income in the statement of profit and loss during the current financial year is ₹ 732,000/- (P.Y. ₹ 732,000/-)

(d) Future minimum rentals receivable under non-cancellable operating leases are as follows:

	31 st March, 2014 ₹	31 st March, 2013 ₹
Not later than one year	732,000	732,000
Later than one year and not later than five years.	671,000	1,403,000
	<u>1,403,000</u>	<u>2,135,000</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014
32 Earnings per share (AS-20)

	31 st March, 2014 ₹	31 st March, 2013 ₹
Details of the profit and No. of Equity Shares used in the basic and diluted EPS computations :		
<u>Total operation for the year</u>		
Profit after tax	(27,180,210)	16,573,500
<u>Weighted average number of shares outstanding at the year end</u>		
	Nos.	Nos.
Equity shares outstanding at the beginning of the year	38,720,000	38,720,000
Add: Shares issued during the year.	12,280,000	-
Total Weighted average Equity shares outstanding at the end of the current year	47,097,315	38,720,000
Basic and diluted earnings per share (₹)	(0.58)	0.42
Face value per share (₹)	1	1

33 Impairment of Assets (AS-28)

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

34 Contingent Liabilities

Contingent liabilities not provided for in respect of :-

- (i) Bank Guarantee given to Government authorities ₹ 15,000/- (P.Y. ₹ 15,000/-)
- (ii) Central Sales Tax liability of ₹ 936,172/- (P.Y. ₹ 2,677,976/-) as per MVAT Audit completed in the current financial year, as the said liability is on account of non receipt of 'C' forms from various payable customers and the company is awaiting the receipt of said forms. The liabilities if any will be accounted in the books of account in the year in which the final liability is determined.
- (iii) Disputed Income Tax demands of ₹ 231,686/- (Previous Year ₹ 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.

35 Capital and other commitments

	31 st March, 2014 ₹	31 st March, 2013 ₹
Capital commitment not provided for (net of advances of ₹ Nil /-) (P.Y. ₹ 8,195,183/-)	-	82,879,706

36 Capitalisation of Expenditure

During the year, the company has capitalised the following revenue expenses by debiting to statement of profit and loss and transferring the same to capital work-in-progress (CWIP) account for its on going project at Jhagadia, Gujarat. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

	31 st March, 2014 ₹	31 st March, 2013 ₹
Interest	22,427,302	18,857,483
Project related Expenses	97,137,219	66,203,731
	119,564,521	85,061,214

During the year, project at Jhagadia was completed and consequently all pre-operative expenses lying under capital work-in-progress were apportioned to the assets created upon completion of project.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

37 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclousers, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been given.

38 Value of Imports calculated on CIF basis

	31 st March, 2014	31 st March, 2013
	₹	₹
Raw Materials	8,010,955	-
Capital Goods	30,138,500	-
	<u>38,149,455</u>	<u>-</u>

39 Expenditure in Foreign Currency

	31 st March, 2014	31 st March, 2013
	₹	₹
Interest on short term borrowings	716,251	1,033,742
Royalty	1,453,182	-
Travelling and others	565,219	370,840
	<u>2,734,652</u>	<u>1,404,582</u>

40 Imported and indigenous raw materials, components consumed:

	% of total consumption	Value	% of total consumption	Value
	31 st March, 2014	31 st March, 2014	31 st March, 2013	31 st March, 2013
		₹		₹
Raw Materials				
Imported	2.33%	1,800,989	-	-
Indigenously obtained	97.67%	75,377,818	100.00%	3,058,361
	<u>100.00%</u>	<u>77,178,807</u>	<u>100.00%</u>	<u>3,058,361</u>

41 Earnings in foreign currency

	31 st March, 2014	31 st March, 2013
	₹	₹
Exports at F.O.B. Value	16,111,543	38,543,458
Commission Income	1,229,578	446,713
Consultancy Fees	-	183,068
Others	8,850	-
	<u>17,349,971</u>	<u>39,173,239</u>

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

	Amount in US\$	Amount in ₹	No. of Contracts
Forward contract to sell			
	For Hedging of foreign currency sales		
As on 31.03.2014	-	-	-
As on 31.03.2013	25,750	1,398,482	1
Forward contract to buy			
	For Hedging of foreign currency purchases		
As on 31.03.2014	1,083,136	64,901,509	12
As on 31.03.2013	1,337,712	72,651,139	25

Notes to Consolidated Financial Statements for the year ended 31st March, 2014**b) Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars	As on 31.03.2014		As on 31.03.2013	
	Amount in US\$	Amount in ₹	Amount in US\$	Amount in ₹
Trade Payable	1,470,737	88,126,559	1,436,577	78,020,482
Secured Trade Credit	-	-	133,569	7,254,121
Trade receivable	46,042	2,758,837	59,400	3,226,014

- 43 The amount of Deferred Premium/Discount on Foreign Exchange Forward Contract to be recognised in statement of Profit & Loss in the subsequent year is ₹ 573,506/- (Previous Year ₹ 549,393/-)
- 44 In the Opinion of the Board of Directors, the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 45 The balances of debtors, creditors and deposits are subject to confirmation and reconciliation.
- 46 The financial statements of the subsidiary company is unaudited figures and have been taken as approved by the Board of Directors of the subsidiary company.
- 47 The net Profit for the period of the subsidiary company after considering all the income and expenses for the 12 months period 1st April, 2013 to 31st March, 2014 is ₹ 283,844/- (P.Y. Profit of ₹ 262,997/-).
- 48 The unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of the County of Incorporation. The difference in accounting policies of the Company and its subsidiary is not material and there is no material transaction from 1st April, 2013 to 31st March, 2014 in respect of subsidiary having financial year ended 31st March, 2014.
- 49 The Consolidated Financial Statements comprises of the results of Black Rose Industries Limited (Holding Company) and Subsidiary Company viz.

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

- 50 (i) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
- (ii) Figures have been rounded off to the nearest rupee.

As per our report of even date attached
For and on behalf of KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

Viral Joshi
Partner
Membership No. 137686

For and on behalf of the Board of Directors

Shivhari Halan
Director

Anup Jatia
Executive Director

Place: Mumbai
Date: May 27, 2014

C.P.Vyas
Company Secretary



BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

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

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

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

Attendance Slip

Client ID*

Folio No.

DP ID*

No. of Shares

I hereby record my presence at the 24th Annual General Meeting of the Company held on Friday, September 12, 2014 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra.

Full Name of the Shareholder/Proxy

Signature

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

* Applicable for Investors holding shares in electronic form.



BLACK ROSE INDUSTRIES LIMITED

CIN: L17120MH1990PLC054828

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

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

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

Proxy Form

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

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

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

Name	
Address	
E-mail ID	
Signature	

or failing him / her

Name	
Address	
E-mail ID	
Signature	

or failing him / her

Name	
Address	
E-mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Friday, September 12, 2014 at 11:30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Profit and Loss Account, Balance Sheet, Report of Directors and Auditors along with Consolidated Financials for the year ended 31st March, 2014.			
2	Appointment of Mr. Atmaram Jatia, who retires by rotation			
3	Appointment of Messrs. Karnavat & Co., Chartered Accountants as Statutory Auditors of the Company.			
Special Business				
4	Appointment of Mr. Shivhari Halan as an Independent Director			
5	Appointment of Mr. Basant Kumar Goenka as an Independent Director			
6	Appointment of Mr. Sujay Sheth as an Independent Director			
7	Appointment of Messrs. S. Poddar & Co., Cost Accountant as Cost Auditors of the Company			

Signed this _____ day of _____, 2014

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix Re. 1/-
Revenue Stamp

Note:

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.

If undelivered, please return to

Black Rose Industries Limited

CIN: L17120MH1990PLC054828

145/A, Mittal Tower

Nariman Point

Mumbai – 400 021

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

E-mail ID: info@blackrosechemicals.com

www.blackrosechemicals.com