September 7, 2021

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

Dear Sir,

Sub: Filing of Annual Report of the Company for the year ended 31st March, 2021

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith 31st Annual Report for the year 2020-21 alongwith AGM Notice.

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

For **Black Rose Industries Limited**

NEVIL CHARU AVLANI
Digitally signed by NEVIL CHARU AVLANI
Date: 2021.09.07 21:12:45 +05'30'

Nevil Avlani
Company Secretary and Compliance Officer

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E-mail: investor@blackrosechemicals.com l Website: www.blackrosechemicals.com
CIN No.: L17120MH1990PLC054828
Factory : Shree Laxmi Co-op. Industrial Estate Ltd., Hatkanangle, Dist. Kolhapur, Maharashtra, INDIA

Stronger Together

Black Rose Industries Limited
Annual Report 2020-21

BLACK ROSE

Stronger Together

The Company's performance was affected by the pandemic-induced lockdowns the world over, volatility in product demand and realisations, decline in container availability and increase in freight costs.

However, the Company responded to these unprecedented realities by leveraging the power of intangibles influencing its business through a complement of deep employee commitment towards the business, longstanding relationships with principals and enduring customer trust.

By leveraging these attributes, the Company did not just protect its balance sheet and liquidity; the Company strengthened its customer and product base, reported its most profitable year and positioned the business for sustainable growth.

The aggregation of the consolidated value provided by the stakeholders during a challenging phase underlined an important attribute validated in FY 2020-21 and expressed in two words - Stronger Together'.

Contents

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should kindly bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE SNAPSHOT

Our vision
At Black Rose, we aim to be the leader in our products and markets by providing high quality service to our customers. We pursue excellence in all that we undertake and take steps to continuously improve ourselves. And through the innovative application of our knowledge and our infrastructure, we aim to grow profitably and responsibly.

Leadership
The Company is led by Anup Jatia, Executive Director. Mr. Jatia possesses more than 25 years of experience in chemicals distribution and manufacturing activity with a rich global understanding of international and local businesses, cultures and practices. He has been working closely with global chemical companies in accessing their products and technologies.

Board
Black Rose is managed professionally and its strategic direction is guided by a Board comprising eminent professionals, drawn from various sectors, translating into a high standard of governance.

About us
The Company is primarily engaged in the business of distribution and manufacturing of a wide range of specialty and performance chemicals. Black Rose has its head office in Mumbai, manufacturing unit in Jhagadia, Gujarat, and warehouses in Bhiwandi (Maharashtra), Morbi and Vapi (Gujarat).

Distribution
The Company is engaged in the import and distribution of chemicals, working with brand-enhancing international principals. Possessing a diverse range of products and strong sales, distribution and logistics infrastructure, the Company addresses the growing needs of several customers across various industries. The Company is also engaged in chemical distribution in Japan through B.R. Chemicals Co. Ltd., a 100% subsidiary of the Company. The Company added a dental division to its distribution portfolio under the brand name of 'BRILDENT™'.

Manufacturing
The Company's chemical manufacturing facility is situated in Jhagadia, Gujarat. The Company commissioned South Asia's first acrylamide plant in India in September 2013. The plant currently has an installed capacity of 20,000 MTPA for merchant sales and an additional capacity for captive intermediate monomer requirements. The Company's polyacrylamide division consists of an installed capacity of 40,000 MTPA of polyacrylamide liquid.

Upcoming projects
The Company is currently setting up an acrylamide solid plant with a capacity of 3,600 MTPA and an n-methylol acrylamide plant with a capacity of 2,000 MTPA. The Company is engaged in R&D and piloting for its polyacrylamide solid plant with a capacity 10,000 MTPA.

Other businesses
The Company has a unit for the manufacture of fabrics and made-ups for industrial applications in Kolhapur (Maharashtra) and two wind energy installations in Gujarat and Rajasthan. These assets contribute less than 1% of the Company's revenues.

Financial performance (Standalone)
- Revenue from operations in FY 2020-21 stood at ₹235.10 Crore compared to ₹253.14 Crore in FY 2019-20
- Earnings before interest, depreciation, tax and amortisation (EBITDA) of the Company for FY 2020-21 was ₹39.60 Crore compared to ₹31.29 Crore in FY 2019-20
- Profit before tax for FY 2020-21 was ₹35.82 Crore compared to ₹26.41 Crore in FY 2019-20
- Profit after tax for FY 2020-21 was ₹26.75 Crore compared to ₹19.95 Crore in FY 2019-20
- The Company proposed a dividend of ₹0.45 per equity share i.e. 45% for FY 2020-21.

International certifications
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018
EcoVadis

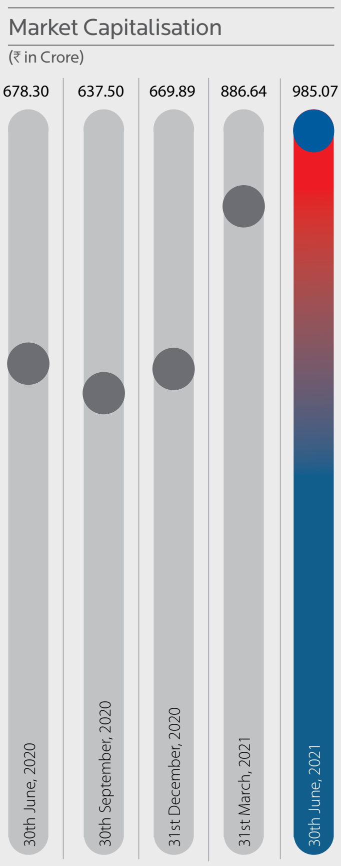
Our brand-enhancing principals
Japan
Koei Chemicals Co., Ltd.
Kuraray Co., Ltd.
Mitsubishi Gas Chemical Co., Ltd.
Mitsui Chemicals, Inc.
MT Aqua Polymer, Inc.
Nippon A & L Inc.
Okahata & Co. Ltd.
Sumitomo Chemical Co., Ltd.
Sumitomo Seika Chemicals Co., Ltd.
Sun Medical Co., Ltd.
Taoka Chemical Co., Ltd.
Toray Fine Chemicals Co., Ltd

Germany
European Salt Company GmbH & Co.
LANXESS Deutschland Gmbh

Thailand
Bara Chemical Co. Ltd.
GC Glycol Co., Ltd.

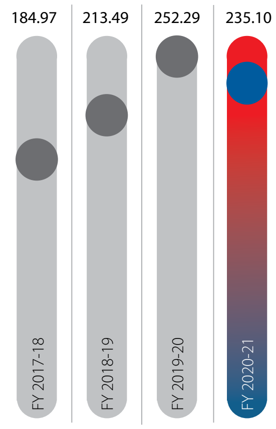
Malaysia
Petronas Chemicals Marketing (Labuan) Ltd.

China
Hebei Chengxin Co., Ltd.
Shandong Exceris Chemical Co. Ltd.



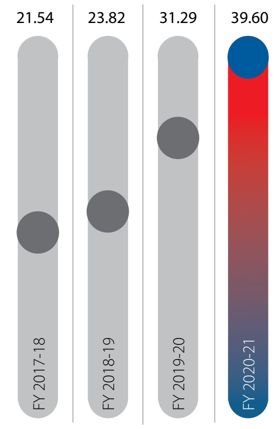
Our performance over the last few years (Standalone)

Operating revenues
(₹ in Crore)



Outcome: Revenue from operations of the Company decreased by 6.81% in FY 2020-21 due to a decline in business operations in the first quarter of the financial year on account of an outbreak of the COVID-19 pandemic.

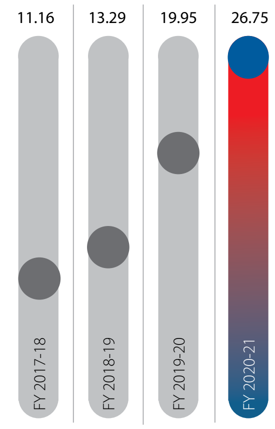
EBITDA*
(₹ in Crore)



Outcome: The Company witnessed an increase in its EBITDA on account of better realisations and decline in its operating expenses.

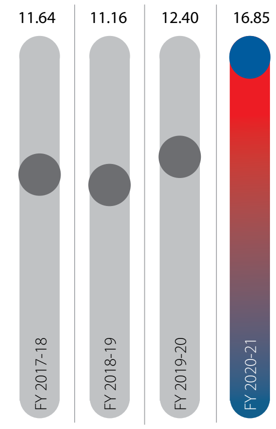
**EBITDA is net of extraordinary expenses*

Net Profit
(₹ in Crore)



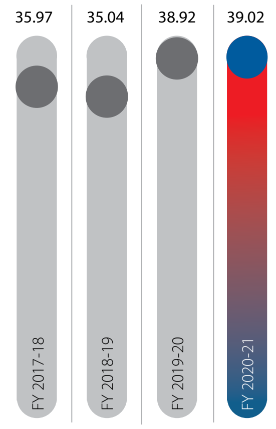
Outcome: The Company reported a 34.09% growth in its net profit.

EBITDA margin
(%)



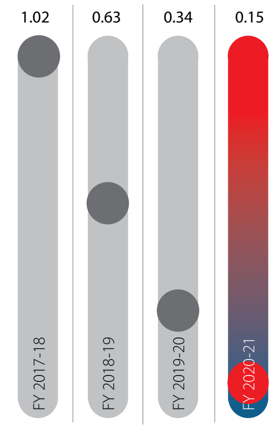
Outcome: The Company reported a 445 bps increase in EBITDA margin in FY 2020-21 due to better realisations and decline in operating expenses.

ROCE
(%)



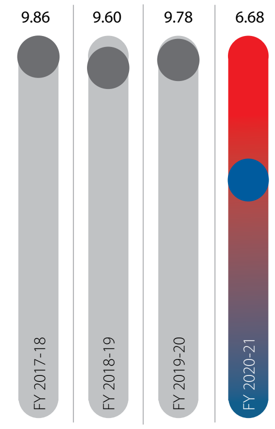
Outcome: The Company reported a 10 bps increase in ROCE during FY 2020-21.

Gearing
(X)



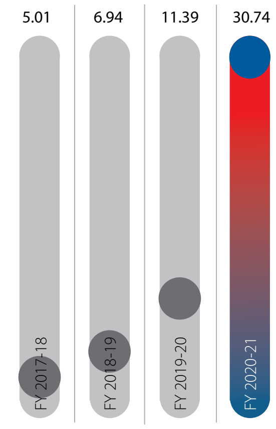
Outcome: The gearing ratio of the Company improved by 19x on account of debt repayment and increased net worth.

Average debt cost
(%)



Outcome: The debt cost of the Company decreased by 310 bps on account of a reduction in interest outflow during the year.

Interest cover
(%)



Outcome: The Company's interest cover strengthened by 19x during the year, indicating superior liquidity.

PERFORMANCE REVIEW

"The Company leveraged its intangibles to deliver a respectable performance in FY 2020-21"

Anup Jatia, Executive Director, reviews the FY 2020-21 performance of the Company

Q: Was the management pleased with the performance of the Company during the last financial year?

A: Yes, the management was pleased with the Company's performance. The Company reported a profit in each quarter despite the various challenges faced during the year, and, in fact, improved its Balance Sheet through prudent procurement timing and sustained stakeholder engagements. The Company validated the robustness of its complementary business model comprising distribution and manufacture and was able to leverage its rich experience and longstanding relationships with principals and customers during the year to be able to report its highest ever annual profit.

Q: What were some of the challenges that the Company encountered during the last financial year?

A: The Company was affected by sharp changes in market realities, which warranted responsiveness. For instance, during the first quarter of the last financial year, demand for the Company's products declined sharply. The Company responded to this uncertain phase with a considerably lower overheads structure and with a focus on payment collections and also maintained sufficient inventory for the eventual increase in demand, which came in the second quarter.

As demand picked up sharply, the Company's manufacturing team faced their biggest ever challenge. The Company successfully marshalled its manufacturing and supply chain resources to respond to a large customer requirement in the third quarter, allowing us to run our acrylamide merchant sales capacity at 100% during the period.

In the fourth quarter, the Company's exports were affected by customers struggling to accept the sudden increase in freight costs. Customers eventually were forced to embrace the new global reality and exports picked up again.

The point that we wish to convey is that the market scenario kept evolving continuously, with erstwhile stable factors turning volatile, warranting a different organisational preparedness and responsiveness, which we were successful in incorporating into our business.

Q: What were some financial upsides that you would like to highlight for investors?

A: Despite the operational challenges that we encountered, we achieved an EBITDA margin of 16.85%. Even during the challenging first quarter of the last year, the Company delivered an EBITDA of ₹3.96 Crore on a topline of ₹26.29 Crore and reported an interest cover of around 8x, which validated our business model and liquidity. During the third quarter, revenues peaked at ₹74.42 Crore and EBITDA rebounded to ₹13.94 Crore while interest outflow declined to ₹21 Lakh, translating into an interest cover of around 63x. The Company's revenues would have been higher but for the reduced exports in the fourth quarter and delayed arrival of some distribution products due to logistical disruptions arising out of low container availability.

Q: What was the principal factor behind the Company's proactive responsiveness?

A: The Company's flexibility and agility were the result of a better leverage of the power of intangibles invested in the Company's business. The Company enjoys longstanding relationships with its principals; during a volatile year when availability of products was often a challenge, the Company continued to access material on-time and in-full, making it possible to service the downstream needs of its customers. The Company did not just access material at a time of disruptions, the Company also worked closer with downstream consumers, projected demand better and the result is that it helped its principals sell more in India during that challenging period. In an environment when the capacity utilisation of a number of downstream players was affected on account of erratic material supply, our customers continued to protect their capacity utilisation on account of assured supplies. The result is that we strengthened the respect of our eco-system during the year under review; there was a greater traction in working with organised and systems-driven companies like ours during the year.

Q: What else contributed to the Company's stable performance during a volatile year?

A: During the slowdown of the first quarter of the last financial year, the management strengthened its inward focus. The Company examined every cost; it scrutinised every process; it introspected and re-appraised a number of things that would earlier have been taken for granted. The result is that individual roles became more defined; operational streamlining improved organisational effectiveness. The upsides of this re-tuning phase were evident from the second quarter onwards when the Company virtually trebled its revenue output with a corresponding increase in margins and surplus. The result of this rebooting and re-setting perspective was that the complement between the Company's manufacturing and distribution proved effective during FY 2020-21. Besides, we strengthened our customer engagement by not just providing the requirement material quantity on-time and in-full; we provided customers with an understanding of market dynamics with informed advice on whether they needed to work with larger inventories. By extending a tangible engagement to an intangible value, we deepened our stakeholder relationships that took their business ahead.

Q: What else did the Company do to strengthen its competitiveness in a volatile period?

A: The Company took informed procurement calls during the course of the year, especially during the volatile first quarter of FY 2020-21, when prices and volumes declined appreciably in the international markets and our international principals were facing a difficult market situation. At this point, the Company supported its principals by procuring larger quantities of distribution products and raw materials. Our actions were appreciated by our stakeholders when demand recovered attractively thereafter and we were able to service our customers with reliability.

Q: Shareholders would be keen to know whether the Company's expansion programs (acrylamide that became effective from January 2020 and polyacrylamide liquid from August 2020) proved effective in FY 2020-21.

A: The acrylamide expansion could not have come into play at a better time. During the third quarter, we saw a sudden increase in demand from the oil and gas sector, which we could not have met without our augmented capacity. Besides, the polyacrylamide liquid (ceramic binder) that we marketed to the ceramic tiles sector encountered growing demand from Morbi tile manufacturers who increased exports as a number of countries that earlier imported from China now sought alternative global suppliers. The Company continues to explore every opportunity to add new projects to its portfolio, broad-basing its foundation and strengthening its sustainability.

Q: How does the Company intend to strengthen its business during the current financial year?

A: The Company intends to begin the commercial production of two products during the current financial year. The Company intends to commission its acrylamide solid plant by the third quarter of FY 2021-22 at a cost of ₹8 Crore that will be funded completely from accruals. What makes our extension into this product exciting is that the world buys this product only from China; by the virtue of our manufacturing this product in India, we would be replacing imports, strengthening the Make in India emphasis and creating a strong platform for exports.

The second product that we intend to manufacture is n-methylol acrylamide (NMA), a speciality monomer and import substitute used globally in the coatings and adhesives sector. The capital expenditure for the product will be minimal as existing equipment can be mostly used. The manufacture of this product is expected to commence in the third quarter of FY 2021-22.

The cumulative revenue from sales of these two products at full capacity utilisation is expected to be around ₹100 Crore, which, in turn, will enhance our revenues and will improve margins across the foreseeable future with no drag on our debt or interest outflow.

Q: What can shareholders expect from the Company's performance during the current financial year?

A: The Company expects to post higher revenues during the current financial year over the last financial year, the extent of increase being dependent on factors such as export freight, container availability and the ever-changing COVID situation. Overall, we expect to see improved revenues following a widening of the vaccination drive across countries, decline in lockdown conditions and a revival in consumer spending.

This scenario along with the commissioning of production of two new products - acrylamide solid and n-methylol acrylamide (NMA) - from the third quarter of FY 2021-22 are likely to strengthen our revenues for the current year.

The Company's business model is robust and we hope to take advantage of the larger cash corpus available to us to grow our business across the foreseeable future.

BUSINESS MODEL

The priorities around which we have selected to do business

Solutions provider: At Black Rose, we play diverse roles (manufacturer, importer and distributor) by focusing on speciality and performance chemicals. The combination of reliable import and manufacture makes us a preferred solutions provider; we leverage our extensive procurement network to provide high quality materials. The result is an on-time and in-full complement that enhances relationship stability.

Secured expansions: At Black Rose, we enhance manufacturing capacity in phases, especially after creating a market through product supply, creating a critical mass of demand, building manufacturing capacity and seamlessly replacing imported material with proprietary delivery.

Product diversification: The Company has selected to be present in the speciality and performance chemical spaces where demand is foreseeable and volatility compared to the commodity segment is lower. The sector provides room for adjacent extension or diversification.

Knowledge-driven: We possess a deep understanding of the eco-systems of our principals and customers, providing an intimate understanding of demand-supply patterns. The result is that Black Rose has graduated from mere material supplier to a knowledge-driven partner that takes the business of customers ahead by facilitating informed decision-making. Black Rose possesses strong R&D and technological insights to develop products, capitalising on market knowledge for its growth.

Integrated and complementary: A proportion of acrylamide in our company is consumed for manufacturing polyacrylamide, a downstream product that provides the Company with a wider value-chain, absorb price swings better, enhance quality control, and flexibility in sales. In our distribution business, we provide a basket of relevant products that address the various needs of customers, graduating us into a preferred vendor.

Relationship-driven: The Company's holistic service has helped the Company enter into multi-year relationships with clients. Besides, the Company enjoys direct distribution relationships with its principals.

Amortisation: The Company's acrylamide and polyacrylamide manufacturing units are located in a single location in Jhagadia, making it possible to amortise infrastructure costs, resulting in a lower capital cost per installed ton.

Black Rose provides its customers with a complete solution

Complete business solution

Distribution + Manufacturing

Distribution

Large portfolio > Servicing any-time and any-quantity needs of customers > Multi-year relationships (principals and customers) > High revenue visibility

+

Manufacturing

Adequate scale > State-of-the-art technologies > Competitive manufacturing cost > High process and product integrity > Forward integration

+

Environment compliance

High priority> Stringent norms> Process-driven compliance > Investment in HSE assets

+

Attractive profitability

Robust cash flows > Steady receivables cycle > Accrual-driven reinvestment

=

Black Rose: Partner of choice for stakeholders

Our distribution business

67.54
% of standalone revenue

Overview

Black Rose Industries Limited has been involved in the business of specialty chemicals and performance chemicals distribution since 2006. The Company is an influential player in the specialty and performance chemicals distribution market in India. The Company expanded its product portfolio, customers and principals, strengthening the business. The Company deepened its recall as a distribution company that customers and principals could trust for on-time delivery of products of the right quality.

Performance

The Company's distribution business dipped by 9.75% in FY 2020-21, and its share of revenues decreased from 69.19% in FY 2019-20 to 67.54% in FY 2020-21. In the early part of the year, the Company leveraged its position as a dependable distribution partner in obtaining continuous supplies from its principals at a time when alternative importers dependent on China were affected by the lockdowns of Q4 FY 2019-20 as well as political disturbances arising out of border tensions between the two countries. By the ability to sustain a reasonable distribution throughput, the Company's gross distribution margins strengthened 7.40% during the year. The availability of most distributed products remained robust, although supplies of ethanolamines from Thailand and meta cresol from Germany were limited through the year.

The Company's key principals comprise brand-enhancing partners like Sumitomo Chemical, Mitsui Chemicals, Taoka Chemical, LANXESS Deutschland and GC Glycol, among others. The products that made up for the largest share of the Company's distribution portfolio comprised resorcinol, meta cresol, ethanolamines and isophthalic acid, among others.

Black Rose introduced a dental division in the Company's distribution business in FY 2019-20, the impact of which was experienced during the last financial year. Under the BRILDENT brand, the Company imports quality products from Sun Medical Company, Japan. The product acceptance reported progress during the year under review.

The Company reported appreciable growth in FY 2020-21 on account of an evolving mindset of Indian users that preferred to work with distributors over traders due to uninterrupted delivery even during global shortages (e.g. disruptions in the Chinese chemical manufacturing sector) and preferential pricing during the global economic slowdown.

Outlook

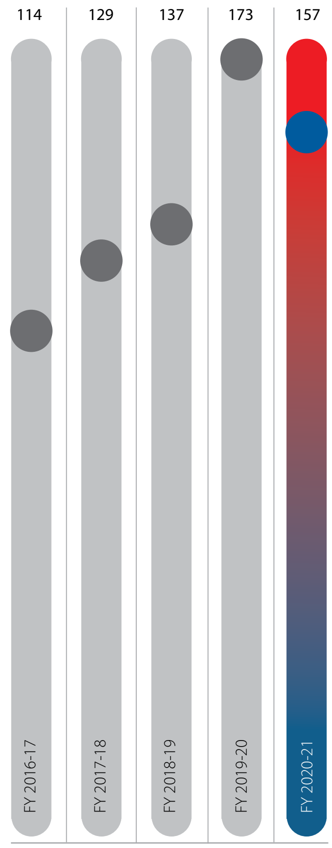
The robustness in India's chemicals consuming sector is expected to continue in FY 2021-22 following the relaxation of the lockdown and projected to reach a market value of USD 300 billion by 2025, strengthening the Company's distribution business. (Source: Maier Vidorno)

The gross distribution margins of the Company are anticipated to remain healthy for some time as logistics disruption and high raw material costs could sustain high realisations.

Besides, the improvement is expected to sustain on account of better sales and higher realisations of products like isophthalic acid and acrylonitrile.

Revenues from our chemical distribution business

₹ in Crore



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Our acrylamides manufacturing business

29.59
% of standalone revenue

Overview
Until 2010, acrylamide was distributed by Black Rose in India. When Mitsui Chemicals, the Company's principal, discontinued the manufacture of acrylamide solids and focused on producing only liquids, the Company perceived an opportunity. Instead of incurring high logistics cost on the import of acrylamide liquid, a product containing 50% of water, Black Rose requested for an exclusive license from Mitsui Chemicals to manufacture the product in India. Despite the lack of manufacturing experience, Mitsui accepted the request on account of Black Rose's strong terrain knowledge, direct end-user base and enduring relationship with Mitsui Chemicals.

Sectorial overview
The global market size for acrylamide liquids is pegged at 2.7 million MTPA, which is expected to grow at a CAGR of 4.6% between 2021 and 2026.

The domestic market size is considered to be 10,000 MTPA excluding captive consumption by acrylamide manufacturers.

Investment
Mitsui's bio-catalytic technology with zero liquid discharge (ZLD) and no by-products was licensed to Black Rose in 2010. The capital investment was relatively low and the operating cost was highly competitive when compared with copper-based and other technologies. The Company created adequate infrastructure for prospective expansions and product extensions. The result is that each follow-on capex was completed at a relatively low capital cost per ton.

Strengths
The Company's product is respected for a high consistent quality, globally competitive technology, service-driven approach and a global distribution footprint.

Brand
The Company's BRILMIDE® acrylamide product is available in solution form, packed in drums, IBCs and tankers. It is used in the manufacturing of flocculants, ceramic binders, adhesives, textile auxiliaries, paper chemicals, paint emulsions and processing aids for mining, oil and gas chemicals, etc.

Capacity utilisation
Although capacity utilisation varied during the year with changes in domestic and export demand, the Company continued to maintain its high market share in India. The Company achieved a capacity utilisation of around 100% during the third quarter of the year under review.

Production
The Company commenced the commercial production of acrylamides in September 2013 with an initial manufacturing capacity of 10,000 MTPA (expanded to 14,000 MTPA in November 2018 and to 20,000 MTPA for merchant sales in January 2020). Additional capacity is available for the captive consumption needs for manufacturing polyacrylamide.

Markets
The Company is the largest supplier of acrylamide to the Indian chemical industry. By the virtue of competitive manufacture, the Company exported a large proportion (22%, FY 2020-21) to ten countries. Exports would have been higher if global logistics costs had not increased drastically towards the end of the year.

Acrylonitrile
Acrylonitrile is the key raw material for the production of acrylamide. One kilogram of acrylamide (50% basis) consumes ~0.4 kg. of acrylonitrile.

The global acrylonitrile capacity in 2020 stood at an approximate 7.05 million MTPA, with the demand being pegged at ~5.85 million MTPA.

A sharp rise in the price of acrylonitrile was seen during the fourth quarter of FY 2020-21. The Company was able to capitalise on this due to its well-planned procurements.

Oil and gas end-user application
In Q3 FY 2020-21, a significant but temporary end-user demand from the oil and gas sector helped the Company utilise its full capacity.

Acrylamide Solid
The market size for acrylamide powder in India was 2,300 MTPA in FY 2020-21. The Company plans to manufacture acrylamide powder at its Jhagadia plant (projected capacity of 3,600 TPA) with annual revenue generation potential of ₹65 Crore.

With companies the world over seeking an alternative to China (the only supplier of this product), the decision of the Company is an opportunity to emerge as a significant global product provider.

N-methylol Acrylamide (NMA)
Black Rose has developed a process to manufacture n-methylol acrylamide (NMA), a specialty monomer available in the domestic and international markets, which India imports from Europe. The Company's extension into this space will help neutralise imports in addition providing an export opportunity. The Company acquired the environmental clearance for the production of 2,000 metric tons of NMA, which is used in the textiles and coating industries. The Company is currently at the piloting stage of NMA production.

Outlook
The Company intends to widen its global footprint to address global demand following the addition of acrylamide solid and NMA to its portfolio. Domestic demand of the product is expected to grow further along with healthy growth in exports demand.

Our polyacrylamides manufacturing business

2.34

% of standalone revenue

Overview

Polyacrylamide (PAM) represent a class of polymers that are water-soluble and formed solely from acrylamide or together with other monomers. The product is used as flocculating agent for water and waste water treatment, thickening agent, binder, super absorbent polymer, soil conditioner, filtering aid, lubricant, and oil recovery chemical, to name some of their common applications. The Company is currently manufacturing polyacrylamide liquid for use in the ceramic tile sector.

Sectorial overview

The global market size of PAM is USD 4.5 billion. The domestic size of PAM liquid has been pegged at 120,000 MTPA and for PAM solid at 10,000 MTPA (excluding demand from the oil and gas sector of approximately 90,000 MTPA).

Capacity

The Company increased the installed capacity to manufacture polyacrylamide liquid from 6,600 MTPA to 40,000 MTPA in August 2020. The Company is also planning to set up a 10,000 MTPA capacity for polyacrylamide solids.

Integration

The Company utilises captively produced acrylamide in the manufacture of polyacrylamide liquid.

R&D

The Company's R&D team developed a proprietary process for the manufacture of polyacrylamide liquid - BRILBIND® CE01ceramic binder - using an understanding of the required performance characteristics and product knowledge. Research into an improvement in process and quality is a continuous part of the R&D effort.

End-user segments

BRILBIND® CE01ceramic binder is consumed in the ceramic tile sector as a processing aid to provide green strength to vitrified tiles.

Ceramic tiles demand

The polyacrylamide liquid produced by Black Rose has been well received in the ceramic tile industry of Morbi in Gujarat. The product witnessed an increase in its share of the Morbi market towards the end of FY 2020-21 as the Company continued to supply its product across different units. The Company's logistics and warehousing support translated into reliable and consistent supply partnerships. The Company continues to focus on increasing market penetration through high levels of service and product quality.

Outlook

The second wave of COVID-19 resulted in a number of migrant workers moving out from Morbi. The demand for binder in the tile industry was negatively impacted due to logistics problems causing a delay in the export of tiles in Q1 and Q2 FY 2021-22. However, with the increase in housing demand and gradual return to 'normalcy', sales of the BRILBIND® CE01ceramic binder are expected to grow in FY 2021-22.

The polyacrylamide liquid produced by Black Rose has been well received in the ceramic tile industry of Morbi in Gujarat. The product witnessed an increase in its share in Morbi market towards the end of FY 2020-21 as the Company continued to supply its product across different units.

How we intend to expand our business

Overview
Black Rose intends to grow its manufacturing and distribution businesses through relationship-driven initiatives.

Acrylamide Solid
The Company is commissioning a 3,600 MTPA plant in Jhagadia for the manufacture of acrylamide powder, generating a potential annual revenue of ₹65 Crore. The Company aims to replace 100% of imports of this product into India with additional capacity planned to serve large global requirements. Currently, this product is manufactured only in China, which provides the Company with an opportunity to emerge as a China alternative. The Company intends to commence commercial production in Q3 FY 2021-22.

N-Methylol Acrylamide
The Company plans to commence the production of n-methylol acrylamide (NMA), a specialty monomer, used in the textiles and coatings industry. Environmental clearance for a capacity of 2,000 MTPA was obtained. The Company began piloting trial and expects to be in production in Q3 FY 2021-22. The product is expected to generate additional revenues of ₹35 Crore.

Polyacrylamide Solids
The Company intends to induct polyacrylamide solids into its manufacturing portfolio with a 10,000 MTPA polyacrylamide solids plant after the completion of its ongoing product expansions of acrylamide solid and NMA. The polyacrylamide solids segment is an attractive prospect; demand for this product is rising within India and worldwide. This product is expected to generate potential annual revenues of ₹200 Crore at full capacity.

Outlook
The Company will seek to grow its businesses, both organically and inorganically, while broadening its products portfolio.

HEALTH, SAFETY AND ENVIRONMENT

How we strengthened our business sustainability

Overview

Sustainable business practices are gaining visibility from stakeholders the world over. Strict environmental compliances are helping manufacturers reduce the depletion of resources and water; they are helping moderate pollution and enhance stakeholder confidence in the sustainability of operations.

The Company emphasises sustainability through products manufactured using economically sound processes focused on moderating energy consumption, moderating the use of natural resources while reducing the negative impact on the environment, while enhancing employee, community and product safety.

Besides, there is a greater emphasis on the alignment of business existence with United Nation's 10 principles for manufacturing responsibility and environmental sustainability covering human rights, labour interests, environment responsibility and anti-corruption initiatives.

4 R's approach

At Black Rose, we aim to strengthen our environment commitment through the validated 4 R's approach (renewable, recycling, replace and reduce).

1 ***Reduce:*** The Company generated the same output as in the previous year with a lower power consumption and lower energy cost. The Company achieved Zero Liquid Discharge (ZLD), where even the smallest proportion of unused water was recycled into the operations. This resulted in a number of benefits for the Company and environment, including better plantation, feasibility studies and increase in the use of renewable energy.

2 ***Recycling:*** The Company discouraged the use of virgin packaging, encouraging recycling. The Company also focuses on the efficient utilisation of raw materials; we recover waste and redeploy responsibly (in line with the conviction that 'every kilo counts').

3 ***Replace:*** The Company graduated from the use of CFLs to sodium vapour bulbs to energy-efficient LEDs.

4 ***Renewable:*** The Company is a net green energy producer; the Company shifted its focus towards renewable energy and aims one day to carry out all of its operations through renewable energy. The Company has two wind energy installations in Gujarat and Rajasthan.

Inventory facilities

At Black Rose, we have created warehousing centers in large consuming markets. The Company's Morbi facility stores inventory that is redistributed. The complement of bulk storage facilities has helped the Company reduce transportation distances, servicing markets with speed and economy using the validated hub-and-spoke model.

Acrylamide expansion in efficiencies

The expansion of our acrylamide capacity not only generates volume but enhances resource efficiency.

EcoVadis

EcoVadis is a platform where major companies across the world have cooperated to be evaluated on certain standard parameters in terms of Environment, Health, Safety and Security (EHSS).

Black Rose falls in the top half globally on this platform, an index of its commitment to responsible health, safety and environment.

Our CSR commitment

34.32

₹ in Lakh, CSR spending of the Company, FY 2020-21

Overview

India is among the first countries to have made Corporate Social Responsibility (CSR) mandatory following an amendment in the Companies Act, 2013.

At Black Rose, the Company has taken a number of initiatives to pay back to society.

Our programs such as Patang Scholars Program, Vidhya Sahyog Program and Aviral Gyan Pariyojna are enriching numerous lives in urban and rural India by providing opportunities to overcome educational and social gaps.

Initiatives

Patang Scholars Program

With the help of our implementing agency, Atmasantosh Foundation, the Company provides educational scholarships to underprivileged students.

Vidya Sahyog Program

The Vidya Sahyog Program is an opportunity for students from unprivileged backgrounds to complete their higher studies and achieve career goals. This Pan-Indian program has benefited around 50 students, helping them to achieve their educational and career goals.

Aviral Gyan Pariyojana

Aviral Gyan Pariyojna aims to develop educational and social infrastructure for empowering communities in rural, under developed and/or other areas. Black Rose, through its implementing agency Atmasantosh Foundation, constructed an Atal Tinkering Lab (ATL) for a government-run high school in Rajasthan. ATL Lab helps students in learning complex subjects experimentally. It helps them engage in academics more confidently, ensuring active student participation.

Relief and Rehabilitation Aid

Through this program, the Company provides relief aid such as food, clothes, clean drinking water, etc. to the victims of natural disasters and emergencies.

The detailed CSR activities of the Company have been covered in Annexure IV of the Board's Report forming a part of this annual report.

The following is our CSR spending across various programmes

3.27

₹ in Lakh, Patang Scholars Program

2.47

₹ in Lakh, Vidya Sahyog Program

27.76

₹ in Lakh, Aviral Gyan Pariyojana

0.82

₹ in Lakh, Relief and rehabilitation aid

BLACK ROSE

BLACK ROSE INDUSTRIES LIMITED

Registered Office: 145/A, Mittal Towers, Nariman Point, Mumbai - 400 021, India.
CIN No.: L17120MH1990PLC054828
Tel.: +91 22 4333 7200 / 2282 4075 I Fax: +91 22 2287 3022
E-mail: investor@blackrosechemicals.com **Website:** www.blackrosechemicals.com

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the members of the Company will be held on Wednesday, 29th September, 2021 at 11:30 a.m. (Indian Standard Time) through Video Conferencing/Other Audio Visual Means organized by the Company, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 145/A, Mittal Tower, Nariman Point, Mumbai 400021.

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Report of the Board of Directors and the Auditors thereon; and

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Report of the Auditors thereon.

2. To declare Dividend on equity shares for the financial year 2020-2021.

3. To appoint a Director in place of Mr. Sandeep Chokhani, (DIN 02346782), who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of M/s. PKJ & Co., Chartered Accountants (ICAI Firm Registration Number 124115W) as approved by members at the Twenty Seventh Annual General Meeting, and to authorise the Board of Directors to fix their remuneration for the financial year ending 31st March, 2022.

SPECIAL BUSINESS

5. **Revision in terms of remuneration of Mr. Anup Jatia, Executive Director.**

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

   "**RESOLVED THAT** in partial modification of resolution no. 8 passed at the Annual General Meeting of the Company held on 29th September, 2020 and pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves the revision in terms of remuneration of Mr. Anup Jatia, Executive Director of the Company, as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice, with effect from 1st April, 2021, for the remainder of his term upto 30th April, 2024, as set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting.

   RESOLVED FURTHER THAT save and except as aforesaid, the Ordinary Resolution approved and passed by the Members vide Annual General Meeting dated 29th September, 2020 with respect to the appointment of Mr. Anup Jatia, Executive Director of the Company, shall continue to remain in full force and effect.

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

6. **Revision in terms of remuneration of Mr. Sandeep Chokhani, Whole – Time Director.**

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

   "**RESOLVED THAT** in partial modification of resolution no. 10 passed at the Annual General Meeting of the Company held on 29th September, 2020 and pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves the revision in terms of remuneration of Mr. Sandeep Chokhani, Whole – Time Director of the Company, as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice, with effect from 1st April, 2021, for the remainder of his term upto 25th June, 2023.

   RESOLVED FURTHER THAT save and except as aforesaid, the Ordinary Resolution approved and passed by the Members vide Annual General Meeting dated 29th September, 2020 with respect to the appointment of Mr. Sandeep Chokhani, Executive Director of the Company, shall continue to remain in full force and effect.

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

7. **Appointment of Cost Auditors**

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

   "**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including and statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government the appointment of M/s. Poddar & Co., Cost Accountants (Firm Registration Number 101734) as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for the year ending on 31st March, 2022 at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company be and is hereby approved.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

By order of the Board
For Black Rose Industries Limited

Place: Mumbai
Date: 26th August, 2021

Nevil Avlani
Company Secretary

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No. 5, 6 and 7 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

2. In view of the massive outbreak of COVID-19 pandemic, social distancing is a norm to be followed and pursuant to General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars") has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 31st AGM of the Company shall be conducted through VC/OAVM.

3. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. Authorized representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. authorizing them to attend the AGM, by e-mail to investor@blackrosechemicals.com.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd September, 2021 to Wednesday, 29th September, 2021 (both days inclusive).

PROCESS FOR DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

6. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant (DP). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.blackrosechemicals.com, websites of the Stock Exchange i.e. BSE Limited and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

7. Process for registration of e-mail addresses for obtaining Notice of the AGM along with Annual Report for FY 2020-21:

   Members holding shares in physical form at requested to visit the link http://www.satellitecorporate.com/formproducure.php and download Bank Mandate form. You are requested to duly fill the form and send a scanned copy of the form alongwith the required documents as mentioned in the form to the Registrar at service@satellitecorporate.com. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, members may write to service@satellitecorporate.com.

8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at investor@blackrosechemicals.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

9. NSDL will be providing facility for voting through remote e-Voting, for participation in the 31st AGM through VC/OAVM and e-Voting during the 31st AGM.

10. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come first-served basis.

11. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 22 "Step 1: Access to NSDL e-Voting system". After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN 117011 of Company will be displayed.

12. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.

13. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.

14. Members who need assistance before and during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at evoting@nsdl.co.in or call on 1800-1020-990 and 1800-224-430.

15. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

16. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

17. Members who would like to express their views or ask questions during the AGM may send their questions in advance to company mentioning their Name, DP ID and Client ID/Folio Number, Mobile Number at mention Company's e-mail ID at investor@blackrosechemicals.com. Questions/ queries received by the Company till 5.00 p.m. on Monday, 27th September, 2021 shall only be considered and responded during the AGM. The questions will be suitably replied by the company.

18. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

19. All the shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.

20. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is pleased to provide the facility remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

21. The remote e-Voting period commences on Sunday, 26th September, 2021 at 9.00 a.m. and will end on Tuesday, 28th September, 2021 at 5.00 p.m. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 22nd September, 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing Sunday, 26th September, 2021 to Tuesday, 28th September, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

22. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	A. NSDL IDeAS facility If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. If you are not registered, follow the below steps: 1. Option to register is available at https://eservices.nsdl.com. 2. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5 above. B. e-voting website of NSDL 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43.

II. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the

attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. In case you have not registered your e-mail address with the Company/Depository, please follow instructions mentioned above in this notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 117011" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from Depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

23. In case shares are held in physical mode, you are requested to visit the link http://www.satellitecorporate.com/formproducure.php and download Bank Mandate form. You are requested to duly fill the form and send a scanned copy of the form alongwith the required documents as mentioned in the form to the Registrar at service@satellitecorporate.com.

24. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

General Guidelines for shareholders:

25. Institutional shareholders/Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc.) who are authorized to vote by emailing at investor@blackrosechemicals.com

26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

27. In case of any queries for e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-224-430 or send a request at evoting@nsdl.co.in.

28. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.

29. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send

through e-mail and holding shares as of the cut-off date i.e. Wednesday, 22nd September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company at investors@blackrosechemicals.com. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800-1020-990 and 1800-224-430. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 22nd September, 2021 may follow steps mentioned in the Notice of the AGM under point 22 "Access to NSDL e-Voting system.

30. Mr. Chiranjilal Vyas, Company Secretary in Whole – Time Practice, (Membership No. 1728, COP: 23433), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.

31. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

32. The results shall be declared not less than 48 (forty-eight) hours from conclusion of the AGM.

33. The results along with the report of the Scrutinizer shall be placed on the website of the Company www.blackrosechemicals.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

Documents open for inspection

34. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on investor@blackrosechemicals.com

35. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, shall be available for inspection by following the steps mentioned at note no. 22 "Step 1: Access to NSDL e-Voting system". After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN 117011 of the Company.

DIVIDEND RELATED INFORMATION:

36. Final dividend for the financial year ended 31st March, 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Monday, 4th October, 2021 within the statutory time limit, to those members whose names appear on the Register of Members as on Wednesday, 22nd September, 2021.

37. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

38. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.

39. Members holding shares in physical form at requested to visit the link http://www.satellitecorporate.com/formproducure.php and download Bank Mandate form. You are requested to duly fill the form and send a scanned copy of the form alongwith the required documents as mentioned in the form to the Registrar at service@satellitecorporate.com.

40. In case, the Company is unable to pay the dividend to any by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.

41. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

    a. All Shareholders are requested to ensure that the below information and details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with Satellite Corporate Services Limited, on or before the Record Date i.e. Wednesday, 22nd September, 2021.

       Please note that the following information and details, if already registered with the Satellite Corporate Services Limited and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

       i. Valid Permanent Account Number (PAN)*.

       ii. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2020-21.

       iii. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited, Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc.

iv. Email Address.

v. Residential Address.

*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

b. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2021-22 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% Section 206AA of the Income Tax Act, 1961.

However, in case the dividend is not exceeding ₹5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%.

Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

c. For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

i. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;

ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident;

iii. Self-declaration in Form 10F; and

iv. Self-declaration in the attached format certifying:

- Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
- Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
- Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.

d. Kindly note that the aforementioned documents are required to be submitted at service@satellitecorporate.com on or before Wednesday, 22nd September, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post Wednesday, 22nd September, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

e. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

f. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.

42. The MCA had notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/ claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed amounts lying with the Company are available on the website of the Company at www.blackrosechemicals.com and on MCA's website. The

details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2021 shall be updated in due course. The Member(s) whose dividend/shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPF/refund.html.

OTHERS:

43. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

44. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Satellite Corporate Services Private Limited by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at service@satellitecorporate.com. The original cancelled cheque should bear the name of the member. Alternatively, members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

ANNEXURE I TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

At the Annual General Meeting of the Company held on 29th September, 2020, the members has approved the re-appointment of Mr. Anup Jatia as the Executive Director of the Company for a period of three years with effect from 1st May, 2021 at remuneration of ₹10,000,000 per annum.

Considering the performance of the Company and the workload of Mr. Jatia as Executive Director of the Company, in leading the Company to consistently improved performance over the years, the Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee, vide their meeting held on 13th August, 2021, has approved, in addition to the remuneration approved by the members at the Annual General Meeting of the Company held on 29th September, 2020, payment of commission to Mr. Jatia not exceeding 5% per annum of the net profit of the company calculated in accordance with Section 198 of the Companies Act, 2013 and the rules made thereunder, for the remainder of his term upto 30th April, 2024, subject to approval of members of the Company.

The gross remuneration shall be categorized as follows:-

i) Basic Salary:

₹ 10,000,000/- (Rupees One Crore only) per annum

ii) Subject to availability of profit at the rate not more than 5% per annum of the net profit for the year. The Board of Directors will determine the commission payable within the overall ceiling laid down in Section 197 of the Companies Act, 2013 and Schedule V as may be applicable from time to time.

The aggregate of the remuneration as aforesaid shall be within the maximum limits laid down under Section 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force). All other terms and conditions of appointment of Mr. Jatia as Executive Director of the Company, as approved by the members at the Annual General Meeting of the Company held on 29th September, 2020, remain unchanged.

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

Details of Mr. Anup Jatia are provided in the "Annexure II" to the Notice pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standards issued by ICSI.

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

The Board recommends the resolution set out at Item No. 5 of this Notice for the approval of members.

Item No. 6:

At the Annual General Meeting of the Company held on 29th September, 2020, the members has approved the appointment of Mr. Sandeep Chokhani as Whole – Time Director of the Company for a period of three years with effect from 26th June, 2020 at a fixed gross remuneration (other than the Provident Fund, Bonus and Gratuity) of ₹ 4,348,200 per annum and an one-time joining bonus of ₹ 1,200,000.

In consideration of the performance of his duties, the Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee, vide their meeting held on 13th August, 2021, has approved, in addition to the remuneration approved by the members at the Annual General Meeting of the Company held on 29th September, 2020, payment of commission to Mr. Chokhani not exceeding 0.50% per annum of the net profit of the company calculated in accordance with Section 198 of the Companies Act, 2013 and the rules made thereunder, for the remainder of his term upto 25th June, 2023, subject to approval of members of the Company.

The gross remuneration shall be categorized as follows:-

i) Basic Salary:

₹ 3,480,000/- (Rupees Thirty Four Lakh Eighty Thousand only) per annum

ii) Perquisites and Allowances:

₹ 868,200/- (Rupees Eight Lakh Sixty Eight Thousand Two Hundred Only) per annum on account of allowances and perquisites like House Rent Allowance/Flat Rent and Maintenance, Phone and Communication Allowance, Medical Allowance, Uniform Allowance, Newspaper and Periodicals Allowance, Transport (Commutation Allowance).

iii) Subject to availability of profit at the rate of not more than 0.50% per annum of the net profit for the year. The Board of Directors will determine the commission payable within the overall ceiling laid down in Section 197 of the Companies Act, 2013 and Schedule V as may be applicable from time to time.

In addition to Basic Salary and Perquisites and Allowances, Mr. Chokhani shall be entitled to following benefits:

iv) Provident Fund:

Contribution to the Provident Fund shall be as per the rules of the Company.

v) Gratuity:

Gratuity payable in accordance with the rules and regulations in force in the Company from time to time and subject to applicable laws.

vi) Bonus:

The Bonus is payable @ 10% of Basic Salary per annum.

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-Time Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

The aggregate of the remuneration as aforesaid shall be within the maximum limits laid down under Section 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force). All other terms and conditions of appointment of Mr. Chokhani as Whole – Time Director of the Company, as approved by the members at the Annual General Meeting of the Company held on 29th September, 2020, remain unchanged.

Mr. Sandeep Chokhani is concerned or interested in the said resolution.

Details of Mr. Sandeep Chokhani are provided in the "Annexure II" to the Notice pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standards issued by ICSI.

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

The Board recommends the resolution set out at Item No. 6 of this Notice for the approval of members.

Item No. 7:

Under the provisions of Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records of the Company be conducted by a Cost Accountant in Practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Poddar & Co., Cost Accountants (Firm Registration Number 101734) as the Cost Auditors of the Company for the year ending 31st March, 2022, at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company.

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

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

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

The Board recommends the ordinary resolution set forth in Item No. 7 of this Notice for the approval of members.

ANNEXURE II

Details of Directors seeking appointment / re-appointment and fixation of remuneration at the forthcoming Annual General Meeting pursuant to Clause 1.2.5 of Secretarial Standards-2 on General Meetings

Name of the Director	Mr. Sandeep Chokhani	Mr. Anup Jatia
Date of Birth / Age	3rd May 1972 / 49 years	19th April 1971 /50 years
Qualification	Bachelor's degree in Chemical Plant Engineering from Mumbai University and has done training in the areas of ISO/IMS and Leadership Program from Indian Institute of Management, Ahmedabad.	B.Sc. Engineering and Applied Science (Chemical Engineering and Economics) from California Institute of Technology
Expertise in specific functional areas	Mr. Sandeep Chokhani possesses over 25 years of rich experience in Chemical Industry across wide spectrum of chemistry which includes Aromatic Chemicals, Monomers, Polymers, Dye Intermediaries, Amines, Surfactants, Personal Care and Anti Oxidants and has competency in identifying, evaluating and executing new business opportunities.	Mr. Jatia has more than 25 years of experience in the field of chemicals and textiles, with a deep understanding of international and local business.
Date of Appointment on the Board	1st April, 2020	18th January, 2007
Terms and conditions of appointment/ re-appointment along with details of remuneration sought to be paid	Mr. Chokhani has consented to retire by rotation at the ensuing Annual General Meeting, for compliance with the requirement of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment. In addition to the remuneration approved by the members at the Annual General Meeting of the Company held on September 29, 2020, payment of commission to Mr. Chokhani not exceeding 0.50% per annum of the net profit of the company calculated in accordance with Section 198 of the Companies Act, 2013 and the rules made thereunder.	At the Annual General Meeting held on September 29, 2020, Mr. Anup Jatia was re-appointed as Executive Director of the Company for a period of 3 years with effect from May 1, 2021, liable to retire by rotation at the Annual General Meeting in accordance with Section 152 of the Companies Act, 2013. In addition to the remuneration approved by the members at the Annual General Meeting of the Company held on September 29, 2020, payment of commission to Mr. Jatia not exceeding 5% per annum of the net profit of the company calculated in accordance with Section 198 of the Companies Act, 2013 and the rules made thereunder.
Details of last drawn remuneration	₹ 5,610,336 per annum (includes one-time joining bonus of ₹ 1,200,000/-).	₹ 10,000,000 per annum
Directorship held in other companies	Narpoli Industrial Estate Private Limited	1. Accent Industries Limited 2. Tozai Safety Private Limited 3. Fukui Accent Trading (India) Pvt. Ltd. 4. Asian Polyacrylamides Pvt. Ltd. 5. Atmasantosh Foundation 6. Livingrose Speciality Chemicals Private Limited
Chairmanship / Membership in Committees of other Board	NIL	NIL
Shareholding in the Company	NIL	NIL
Relationship with Directors and KMP inter – se	None	None
Number of meetings of the Board attended during the F.Y. 2020 - 21	4/4	4/4

Place: Mumbai
Date: 26th August, 2021

By order of the Board
For Black Rose Industries Limited

REGISTERED OFFICE:
145/A, Mittal Tower,
Nariman Point, Mumbai – 400 021

Nevil Avlani
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report on the business and operations performance of the Company, together with the Audited Financial Statements, for the financial year ended 31st March, 2021.

1. Financial Results - Extract

The company's standalone and consolidated performance during the financial year ended 31st March, 2021, as compared to the previous financial year is summarised below:

₹ in Lakh

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Revenue from Operations and Other Income	38,051.06	37,350.05	23,568.04	25,314.14
Earnings Before Interest Depreciation Tax Amortisation and Exceptional Items (EBIDTAE)	4,057.53	3,343.31	3,960.41	3,252.17
Less: Exceptional Items	-	123.66	-	123.66
Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)	4,057.53	3,219.66	3,960.41	3,128.51
Less: Finance Cost	120.44	254.25	120.44	254.25
Profit Before Depreciation and Tax (PBDT)	3,937.09	2,965.40	3,839.97	2,874.26
Less: Depreciation	257.82	233.44	257.82	233.44
Profit Before Tax	3,679.27	2,731.97	3,582.15	2,640.82
Less: Provision for Tax	934.79	666.71	907.31	647.53
Profit After Tax	2,744.48	2,065.25	2,674.84	1,993.29
Total Comprehensive Income	2,745.20	2,086.84	2,675.57	2,014.88

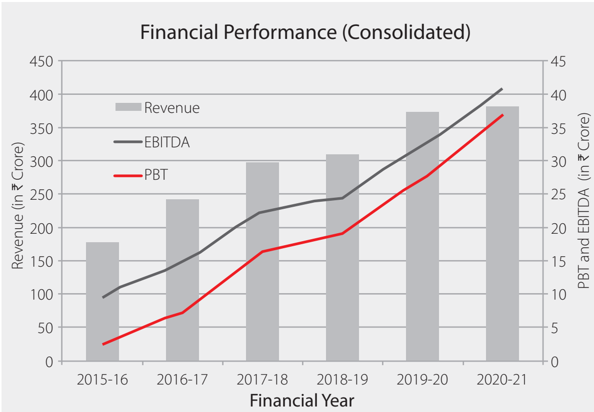
2. Nature of Business

The company is primarily in the business of chemical manufacturing and chemical distribution. The company also manufactures textiles and made-ups, and owns windmills for the generation and sale of renewable energy.

The chemical manufacturing business is focused on the production and sale of acrylamide and polyacrylamide liquid, and going forward will concentrate on adding acrylamide solid, n-methylol acrylamide (NMA), and polyacrylamide solid to its manufacturing portfolio. The chemical distribution business consists mainly of import and sales of specialty and performance chemicals manufactured by overseas and domestic principals. The renewable energy activity supplies the State Electricity Boards of Rajasthan and Gujarat with wind-generated power while the textile business is engaged in the manufacture of fabrics and industrial made-ups.

3. Performance Review

The year 2020-21 saw a 26% and 26.50% increase in consolidated and standalone EBITDA, respectively. Standalone revenue figures were affected by the impact of the pandemic decreasing marginally by 7%. The top 5 products of the distribution business continued to deliver strong results and accounted for more than 75% of the department's sales. Revenues at our subsidiary in Japan increased by 20% YoY. Profitability on both EBITDA and net profit basis improved due to increased productivity at the acrylamide plant and strong margins in the distribution business. The standalone EBITDA margin for 2020-21 was 16.80% and standalone profit before tax increased by 35.70% to ₹ 3,582 Lakh.



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

4. Dividend

For FY 2020-21, based on the Company's performance, the Directors are pleased to recommend an equity dividend of ₹ 0.45 per equity share of face value of ₹ 1 each for the year ended 31st March, 2021, subject to approval of the members at the ensuing Annual General Meeting.

5. Transfer to Reserves

The Directors have not proposed to transfer any amount to the general reserve and has decided to transfer ₹ 2,675.57 Lakh to retained earnings for the FY 2020-21. The closing balance of the retained earnings of the Company as at 31st March, 2021, after all appropriation and adjustments was ₹ 7,770.97.

6. Business Scenario

The impact of COVID-19 was most severe during the first quarter of the year. Subsequently businesses revived during the next two quarters. However, again as we approached the end of the year the second wave of the pandemic began to adversely impact economies globally. The impact in India was most severe. Furthermore, disruption in supply chains due to international logistics logjam and the unprecedented rise in chemical prices across the board saw major raw materials and intermediaries trading at life-time highs. The Indian rupee which started the year weak at ₹ 76 to the US Dollar recovered during the year to close at around ₹ 73 per US Dollar at the end of the year.

Despite such challenges, the company delivered its best ever annual profits this year which was made possible by its proactive approach in dealing with these adversities by pre-planning its procurement, logistics, and sales strategy. During the year, the chemical distribution segment added new principals and products further strengthening its presence in both the domestic market. The manufacturing segment also achieved its highest ever annual turnover and profits despite substantial setback in the first quarter of the year. Looking ahead, the company plans to expedite its roll out of acrylamide solid and n-methylol acrylamide (NMA) during the year FY22, both of which are import substitutes.

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

7. Acrylamide Plant at Jhagadia, Gujarat

The company's acrylamide plant underwent further expansion during Q4 of the previous year. The total installed capacity after expansion is 20,000MT per annum for merchant sales and an additional 12,000MT for captive consumption. This additional capacity was useful in catering to the spurt in demand during the third quarter of the year.

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

8. Polyacrylamide Liquid Plant at Jhagadia, Gujarat

The company continued to add new customers for its BRILBIND CE01 during the year by conducting plant level trials with various end customers during the year. The plant expansion to 40,000MT was also commissioned in FY21.

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

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

The Company has one subsidiary as on 31st March, 2021. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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

During the year under review, the turnover of the company's wholly owned subsidiary increased by 20% to over ₹ 144 Crore.

The performance and financial position of company's subsidiary B.R. Chemicals Co., Ltd. for the year ended 31st March, 2021 is attached to the financial statements hereto.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiary in Form No. AOC-1 is attached to the financial statements of the Company.

10. Effects of the COVID-19 Pandemic

The company regularly evaluated the impact of COVID-19 pandemic on its business operations, liquidity and financial position during FY21.

Sales during the first quarter of the year was subdued due to lack of demand from a majority of the company's domestic customers during the months of April and May as they were overstocked with raw materials and finished products due to reduced manufacturing operations. However, during the second quarter of FY2020-21 it picked up sharply during the months of August and September due to a return of demand after a prolonged lockdown and period of reduced purchases. The company achieved pre-COVID level sales in Q3 FY2020-21.

Despite the reduction in domestic demand, the company's export volumes remained consistent and were largely unaffected by the COVID situation until the fourth quarter when disruption in the logistics and supply chain started to have a negative impact on exports.

During the first quarter of this financial year India experienced a massive second wave of Covid-19 infections due to the Delta variant which resulted in lockdowns and reduction in domestic demand and manufacturing activities. The exports also continued to be hit by extraordinarily high freight costs coupled with unavailability of vessel space and containers.

11. Material Changes and Commitments

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

12. Directors and Key Managerial Personnel

At the 30th Annual General Meeting of the Company held on 29th September, 2020 following appointment/re-appointment was approved by the members:

a) Mr. Rishabh Rajendra Saraf (DIN 00161435) was appointed as Independent Non – Executive Director of the Company.

b) Mrs. Garima Tibrawalla (DIN 00203909) was re-appointed as Non-Executive Independent Director of the Company to hold the office for a second term of five years from 29th September, 2020.

c) Mr. Anup Jatia (DIN 00351425) was re-appointed as Executive Director of the Company for a period of three years commencing from 1st May, 2021 as his present term of appointment was expiring on 30th April, 2021 which is earlier than the ensuing Annual General Meeting.

d) Mr. Sandeep Chokhani (DIN 02346782) was appointed as an Additional Director from 1st April, 2020 and subsequently, was appointed as a Whole-Time Director of the Company for a period of three years commencing from 26th June, 2020.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Chokhani (DIN 02346782), Whole-Time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief Profile of Mr. Chokhani is provided in the Notice convening the 31st Annual General Meeting of the Company for reference of the members.

Mr. Shivhari Halan had tendered his resignation from the position of Non–Executive Independent Director of the Company, before the expiry of his term on 3rd April, 2020 due to his growing work commitments at his other businesses.

Further, resignation letter of Mr. Halan contains confirmation that there is no other material reason other than those provided in his resignation letter.

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

13. Declaration from Independent Directors

The Company has received following declarations from all the Independent Directors confirming that:

a) the meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.

b) In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs, Manesar.

c) In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

14. Board Meetings and Board Committees

a. Board Meetings

Four meetings of the Board of the Directors were held during the year under review. The Corporate Governance Report, which is part of this report, contains the details of the meetings of the Board.

b. Committees

Pursuant to Section 177 and 178 of the Companies Act, 2013 and the rules made thereunder and in accordance with Listing Regulations, the Board of Directors has constituted five Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

A details pertaining to the composition of the Board and its committees are provided in the Corporate Governance Report, which is a part of this report.

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

During the year there was no complaint received from any employee and hence no compliant is outstanding as on 31st March 2021.

Securities and Exchange Board of India (SEBI) vide its notification dated 5th May, 2021 notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 made Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2021 with regard to Risk Management Committee applicable to top 1,000 listed entities based on market capitalization, calculated as on 31st March, 2021. Thus, provisions with regard to Risk Management Committee became applicable to the company from 5th May, 2021.

c. Evaluations

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

Independent Directors had shared their views amongst themselves, the performance of non-independent directors and the Board as a whole, taking into account the views of executive and non-executive directors.

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

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

15. Auditors

a. Statutory Auditor

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. PKJ & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the 32nd Annual General Meeting. However, their appointment as Statutory Auditors of the company is subject to ratification by the members at every Annual General Meeting.

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

b. Cost Auditor

Pursuant to the provisions of the Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records.

M/s. Poddar & Co., Cost Accountants, Mumbai, was appointed as Cost Auditor of the Company for conducting the cost audit for the financial year 2020-21.

The Board after considering the recommendations of its Audit Committee, appointed the aforesaid firm as cost auditors for the financial year 2021-22 and appropriate resolutions in this connection has been included in the Notice of Annual General Meeting. The said auditor have furnished a consent letter regarding their eligibility for appointment as Cost Auditor of the Company.

c. Secretarial Auditor

The Board of Directors has appointed M/s. ND & Associates, Practicing Company Secretary, Mumbai, as Secretarial Auditor of the Company for the financial year 2020-21 and secretarial audit report for the financial year ended 31st March, 2021 issued by the secretarial auditor forms part of this report.

16. Statutory Audit Report, Secretarial Audit Report and Cost Audit Report

The statutory auditor's report, secretarial auditor's report and the cost auditor's report do not contain any qualification, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

17. Extract of Annual Return

The Annual Return of the Company as on 31st March, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.blackrosechemicals.com.

18. Loans, Guarantees and Investments

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

19. Deposits

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

20. Consolidated Financial Statements

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

21. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

i) in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

iii) have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) have prepared the annual accounts on a going concern basis;

v) have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi) have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

vii) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

22. Internal Financial Controls and Compliance Framework

Internal financial control over financial reporting have been designed to provide reasonable assurance with regards to recording and providing reliable financial information and complying with applicable accounting standards. These controls are reviewed periodically, and the Company continuously tries to verify these controls to increase its reliability.

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

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

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

23. BRIL Employee Stock Option Scheme

The Board of Directors of the company at their meeting held on 26th June, 2020 and the members of the company at their meeting held on 29th September, 2020 approved BRIL Employee Stock Option Scheme 2020 ("BRIL ESOS 2020") for grant of stock options to 'Eligible Employees' of the company. The scheme was introduced for eligible employees of the company with an objective to motive employees giving them opportunity to participate and gain from the company's performance thereby acting as a retention tool as well as align the efforts of such talent towards long term value creation of the organization.

24. Risk Management

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

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

25. Vigil Mechanism and Reporting of Frauds

The Company has framed Vigil Mechanism/Whistle Blower Policy ("Policy") to enable Directors and employees to report genuine concerns or grievances, unethical behavior and irregularities, fraud, if any, which could adversely affect the Company's operations to the Audit Committee Chairman.

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

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

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

27. Contracts and Arrangements with Related Parties

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

28. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report initiatives taken from an environmental, social and governance perspective in the prescribed format is available as a separate section of this Annual Report.

29. Orders passed by Regulators or Courts or Tribunals

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

30. Listing

The company's shares are listed on the BSE and the applicable listing fees have been paid.

31. Managerial Remuneration and Particulars of Employees

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

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

32. Corporate Social Responsibility (CSR)

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

Salient features of the CSR policy and the details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure IV** forming part of this report. The CSR Policy is available on the website of the company.

33. Disclosure Requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis including the Business Responsibility Report are attached, which form part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable secretarial standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

34. Service of Documents through Electronic Means

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

35. Acknowledgements

The Board of Directors place on record sincere gratitude and appreciation to all the employees at all levels for

their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation to its principal's, customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

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

Anup Jatia	**Sandeep Chokhani**
Executive Director	*Director*
Place: Mumbai	
Dated: 26th August, 2021	Dated: 27th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

A. The Industry Structure and Developments

Chemical

Specialty and performance chemical distribution accounts for the major share of the company's revenues. The company's manufacturing unit located in Jhagadia, Gujarat, is engaged in the production of a) acrylamide at South Asia's first acrylamide monomer plant and b) polyacrylamide liquid. The acrylamide plant has an installed capacity of 32,000MT of which 20,000MT is available for merchant sales and balance for the company's captive intermediate monomer requirement for the production of polyacrylamide. The polyacrylamide liquid plant which had an installed capacity of 6,600MT at the start of the year has now been expanded to 40,000MT during FY21.

With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth. India's chemicals industry is de-licensed, except for few hazardous chemicals. The Indian government has also taken several steps during the year to facilitate ground level improvements in infrastructure, feedstock availability, and true ease in doing business under its "Atmanirbhar Bharat" initiative.

Renewable Energy and Textile

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

The company also operates in the textile sector as a manufacturer of fabrics and textile made-ups such as industrial safety gloves.

Both these businesses put together account for less than 1% of the total revenue of the company.

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

Chemical Distribution

A major portion of the company's revenue comes from its chemical distribution business. The company enjoys strong and transparent relationships directly with leading global chemical manufacturers due to which we are able to work with fair pricing policy leading to long-standing customer relationships, provide uninterrupted service to tap emerging opportunities and markets, and expand our footprint in the Indian chemical sector.

With several lockdowns and plant outages, the availability of products for the Indian market was erratic during the year. This was further impacted by supply chain constraints, increased logistics costs, and currency fluctuations in the second half of the year. Economic slowdown, downturn in user industries, and tightening liquidity may adversely impact business, margins, and results of operations. The company addressed these adversities by pre-planning its procurement, logistics, and sales strategy.

Chemical Manufacturing

Acrylamide

The domestic market demand of acrylamide monomer is approximately 13,000MT on a 100% solid basis, or 26,000MT on the basis of acrylamide 50% solution. The company produces and supplies acrylamide solution to this market. In addition to the domestic market, there is a strong export demand as well. The price of acrylamide is mainly affected by changes in the cost of its key raw material, acrylonitrile (also used to manufacture acrylic fiber and ABS polymers). Domestic market forces as well as International market forces also influence acrylamide prices. Acrylamide solid is imported from China by a number of chemical traders and end users, and import duties are 7.5% on the same. Acrylonitrile prices went up from $900 per MT in the first quarter to $3200 per MT by the year end. However, due to the company remained largely unaffected by this sudden spurt due to its astute procurement planning and policy of maintaining adequate stock raw material at all times. The company was able to cash in on the opportunity of a one time additional sales order during the third quarter.

Polyacrylamide Liquid

The domestic market demand of polyacrylamide liquid is approximately 120,000MT. Polyacrylamides represent a class of polymers that are water-soluble and formed solely from acrylamide or together with other monomers. They are widely used as flocculating agent, thickening agent, binders, super absorbent polymers, soil conditioners, filtering aid, lubricant and oil recovery agent. The company has scaled up its capacity to produce 40,000MT polyacrylamide liquids during FY21. The polyacrylamide liquid currently being produced is used as a binder in the ceramic tile industry.

Renewable Energy and Textiles

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

There are good opportunities for India in the production of cotton-based textiles and in trade with Japan and other countries where India has an FTA. However, increasing labor costs and high transport and logistics costs are giving countries such as Bangladesh and Vietnam an edge over Indian businesses in some areas. The company's interest in this sector is limited, and the company does not intend to invest further resources in this business.

C. Analysis of Performance

Chemical Distribution

At the start of the year, the company benefited due to its position as a distributor in obtaining uninterrupted supplies from its principals while other importers dependent on China were affected by the lockdowns there during Q4 FY20 and the subsequent political disturbances due to border tensions. Although availability remained robust for most products, supplies of ethanolamines from Thailand and meta cresol from Germany remained limited during the year and the company lost more than ₹ 17 Crore of sales due to these shortfalls. Gross distribution margins increased by 7.40% during the year and are expected to remain healthy for some time as logistics delays and high raw material costs keep market prices elevated.

Acrylamide

Although sales and production in Q1 FY21 was hit by the COVID lockdown, improvements were seen during Q2 and especially in Q3 when the company was running at close to 100% of its merchant sales capacity thanks to a large short-term order received from the oil and gas sector. Raw material (acrylonitrile) prices started the year at below $900/MT and gradually increased until October 2020, after which the increases became more rapid and prices finally touched a peak of US$3,200/MT in March 2021. The company was able to improve profitability due to better operating efficiencies and because it stayed largely insulated from these sudden raw material price shocks as it maintained sufficient stocks of raw material.

Sales would have been higher if it were not for the significant reduction in export volumes caused initially by the COVID-related overseas demand reduction and later by the multifold increase in overseas freight costs which caught global customers initially by surprise. With end product prices now globally reflecting these costs, export volumes have started to return to normal.

Plant production during FY20 and FY21 was largely unchanged. With the return to normalcy in overseas markets, the company plans to expand its footprint in the export markets while waiting for the domestic market to recover from the latest lockdown. With the start of the acrylamide powder plant during FY22, the company expects to garner an even larger market share by replacing Chinese powder imports with its product.

Polyacrylamide Liquid

The company launched its ceramic binder product, BRILBIND CE01, in the ceramic tile industry of Morbi in the previous year. Being a performance chemical, the product requires testing and validation before clients begin full scale procurement of the same. The year started slowly with the lockdown during Q1 FY20 but sales picked up every quarter as the product continued to gain acceptance in the market. The company is continuously increasing its market share and continues to conduct more R&D to further improve the performance and add additional grades to the range. The plant expansion to 40,000MT was completed during the year and the company is in a strong position to deliver larger volumes whenever required.

D. Financial Review

Analysis of the profit and loss statement

Revenues: Standalone revenue from operations reported a 6.81% dip from ₹ 252.29 Crore in 2019-20 to reach ₹ 235.10 Crore in 2020-21. Other incomes of the Company reported a 31.93% decrease and accounted for a 0.25% share of the Company's revenues reflecting the Company's dependence on its core business operations.

Expenses: Total expenses of the Company decreased by 11.37% from ₹ 225.5 Crore in 2019-20 to ₹ 199.86 Crore in 2020-21 due to decrease in operational scale/volume. Cost of material consumed decreased by 19.19% from ₹ 51.54 Crore in 2019-20 to ₹ 41.65 Crore in 2020-21 accounting for 17.71% of the Company's total revenue. Employee benefit expenses increased by 24.34% from ₹ 4.93 Crore in 2019-20 to ₹ 6.13 Crore in 2020-21, accounting for 2.61% of the Company's total revenue.

Analysis of the Balance Sheet Sources of funds:

The capital employed by the Company increased by 27.54% from ₹ 74.39 Crore as on 31st March 2020 to ₹ 94.88 Crore as on 31st March, 2021 owing to reinvestment of Profit/Surplus. Return on capital employed, a measurement of returns derived from every rupee invested in the business decreased, by 156 basis points from 40.58% in 2019-20 to 39.02 % in 2020-21.

The net worth of the Company increased by 38.29% from ₹ 65.21 Crore as on 31st March, 2020 to ₹ 90.18 Crore as on 31st March, 2021 owing to increase in reserves and surpluses. The Company's equity share capital comprising 51,000,000 equity shares of Re. 1 each remained unchanged during the year under review.

Long-term debt of the Company decreased by 93.93% from ₹ 4.53 Crore as on 31st March, 2020 to ₹ 0.27 Crore as on 31st March, 2021 owing to repayment of debt. Long-term debt-equity ratio of the Company stood at 0.0031 in 2020-21 compared to 0.0695 in 2019-20.

Finance costs of the Company decreased by 52.63% from ₹ 2.54 Crore in 2019-20 to ₹ 1.20 Crore in 2020-21 following the repayment of liabilities. The Company's interest cover stood at a comfortable 30.74x in 2020-21 (11.87 x in 2019-20).

Applications of funds:

Fixed assets (gross) of the Company increased by 2.54% from ₹ 54.24 Crore as on 31st March 2020 to ₹ 55.62 Crore as on 31st

March, 2021 owing to purchase plant & machinery, vehicle etc. Depreciation on tangible assets increased by 6.59% from ₹ 2.12 Crore in 2019-20 to ₹ 2.26 Crore in 2020-21 owing to an increase in fixed assets during the year under review.

Working capital management:

Current assets of the Company marginally increased by 0.12 % from ₹ 98.58 Crore as on 31st March, 2020 to ₹ 98.70 Crore as on 31st March 2021. The current and quick ratios of the Company stood at 2.12 and 1.55, respectively in 2020-21 compared to 1.55 and 0.82, respectively in 2019-20.

Inventories including raw materials, work-in-progress and finished goods among others increased by 17.10 % from ₹ 38.67 Crore as on 31st March, 2020 to ₹ 45.29 Crore as on 31st March, 2021 owing to an increase in business operation. The inventory cycle changed from 66.73 days of turnover equivalent in 2019-20 to 89.54 days of turnover equivalent in 2020-21.

Trade receivables decreased by 6.82% from ₹ 47.00 Crore as on 31st March, 2020 to ₹ 43.79 Crore as on 31st March, 2021. More than 99.36% of receivable were considered unsecured and good. The Company contained its debtor turnover cycle within 71.66 days of turnover equivalent in 2020-21 compared to 54.50 days in 2019-20.

Cash and bank balances of the Company increased by 0.81% from ₹ 5.18 Crore as on 31st March, 2020 to ₹ 5.23 Crore as on 31st March 2021.

Loans and advances made by the Company increased by 25.19% from ₹ 1.50 Crore as on 31st March, 2020 to ₹ 1.88 Crore on account of increase in advances paid to supplier.

Margins

The EBIDTA margin of the Company increased by 395 basis points from 12.80% in 2019-20 to 16.85% while the net profit margin of the Company improved by 347 basis points.

E. Key Ratios

Particulars	2019-20	2020-21
EBIDTA/Turnover (%)	12.89%	16.85%
Debt-Equity Ratio	0.34	0.15
Return On Equity (%)	30.60%	29.66%
Book Value Per Share (₹)	1	1
Earnings Per Share (₹)	3.91	5.24
Debtors Turnover (Days)	54.50	71.66
Inventory Turnover (Days)	66.73	89.54
Interest Coverage Ratio (X)	11.87	30.74
Current Ratio (X)	1.55	2.12
Debt Equity Ratio (X)	0.34	0.15
Operating Profit Margin (%)	11.97%	15.75%
Net Profit Margin (%)	7.88%	11.35%

F. Outlook

India's chemical industry was estimated to be worth USD 178 billion in FY20 and has a significant potential to reach USD 300 billion by FY25. In terms of demand, the industry has grown at approximately 1.3 times the country's average GDP growth in the last five years and shows a strong linkage with its GDP. In order to achieve its target of USD 300 billion by FY25, the chemical industry needs to grow at a CAGR of 11% in the next five years, which is possible considering Government initiatives such as the economic stimulus package, Production Linked Incentive (PLI) Scheme, tax and labour reforms, setting up of the National Infrastructure Pipeline (NIP) and various chemical industry specific policies and schemes, including its public procurement policy, mandatory BIS standards, skill development programs and renewal of the PCPIR policy.

The specialty chemicals segment has grown at an impressive rate of approximately 11.70% in terms of value in the last five years. The COVID-19 pandemic had a positive impact on the demand for flavours and fragrances, personal care chemicals, nutraceutical ingredients and surfactants as a result of increased consumption of hygiene products, packaged foods, energy drinks and nutraceuticals. The pandemic had a neutral or negative impact on the demand for other products such as polymer additives, paints and coatings, dyes and pigments, water treatment chemicals, and textile and construction chemicals due to the lockdown. The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

Chemical Distribution

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

Acrylamide

The company has been expanding its domestic and international footprint in the acrylamide business and expects its acrylamide capacity utilization to increase in the second half of the year considering overall economic revival after the second wave of the pandemic. Raw material (acrylonitrile) prices are expected to remain flat to bearish due to lack decreasing demand from major applications of acrylonitrile such as acrylic fiber and as well as new capacity coming up in China.

Polyacrylamide Liquid

Customer trial and performance evaluations for the company's BRILBIND™ ceramic binder are being carried out successfully and the company has been adding new customers consistently. Expected revenue at full annual capacity utilization of 40,000MT is approximately ₹ 100 Crore.

Polyacrylamide Solid

First phase of the plant building construction was completed in early 2020. R&D work on the 10,000MT polyacrylamide solid plant continues. However, the company has prioritized work on the setup of the acrylamide solid and the n-methylol acrylamide (NMA) plant at present which has the potential to bring in an additional ₹ 100 Crore of annual revenue at planned initial capacity.

G. Risk and Concerns

The Board of Directors reviews the Company's business risks and formulate strategies to mitigate those risks. The Board of Directors is responsible for proactively managing risks with appropriate mitigation measures and ensuring their implementation thereof.

The Company provides overall framework of Risk Management in the Company. The Board of Directors is responsible for the assessment, formulation and implementation of guidelines, managing key risks, risk minimization procedures and periodicals review. Your Company is exposed to a number of risks such as economic, regulatory, taxation and environmental risks.

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.

Below are some of the other key risks and concerns in our business:

- Health and safety risk

  Health and safety are closely monitored, this is predominantly due to the nature of the job; manufacturing of chemicals that are hazardous in nature. The Company is aware of and adhere to different laws and regulations in order to keep employees safe and company compliant. Your Company identifies potential safety hazards and conducts regular workplace inspections to help prevent incidents and injuries.

- Environmental and Social risk

  The company deals with environmental and social risk with the same care and discipline as any other business risk, and thus undertake to robust review of process to take the social and environmental impact in our business decisions. We prefer to address the issue by working on ways to appropriate safeguards to the environment and more sustainable practices. By facilitating the adoption of more sustainable practices, we are able to better serve the society and the environment in which they operate.

- Raw material price fluctuations

  Companies have a hard time correctly judging the risk of strongly fluctuating raw material costs. During production, manufacturers may rely on a significant amount of raw materials, and as a result impact by price volatility in the raw materials they procure directly and indirectly forces the company to revise the prices of its finished goods has to be updated.

  When raw material prices become volatile, managing the business process cost-effectively becomes difficult.

- Execution

  Executive risk are the risk that a company's business plans will not be successful when they are put into action due to internal or external factors such as change in weather conditions, procurement of goods, cost overruns etc. The Company manages to mitigate through acquiring adequate resources, careful communications, effective governance, and adaptive execution processes.

- Quality Risk

  The Company aims at quality products in conformance to the specifications and thus incorporate quality into the design of products and processes, as well as to predict potential quality problems prior to manufacture and delivery of the product thereby ensuring the need of the Customers and simultaneously comply with regulatory requirements. The Company employs strong process discipline to enhance the quality of the product.

- Currency Volatility

  Currency fluctuations are a natural outcome of floating exchange rates, which is the norm for most major economies. Numerous factors influence exchange rates, including a country's economic performance, the outlook for inflation, interest rate differentials, capital flows and so on. A currency's exchange rate is typically determined by the strength or weakness of the underlying economy. In view of the same, the company reviews and revises the prices of its products in the event of significant currency movement. The company also has the policy of systematically hedging its trade exposures using forward contracts. Wherever possible transactional currencies are aligned to the reporting currency in order to obviate exchange fluctuation impact.

- Economic Downturn

  The current economic downturn that the Company is facing is COVID – 19 pandemic. The COVID-19 pandemic has severely impacted lives and livelihoods across the globe. The long-term implication on societies and economies will be far reaching and are yet unknown. The Company had faced significant operational disturbances initially due to nation-wide lockdown. However, the Company has achieved pre-COVID level sales in Q3 FY21.

- Competition

  In an increasingly global market, companies face rising levels of competition. Competitive risk is the potential for actions of the competitor to negatively impact the business and thus results in lower costs and prices, higher product quality, and better customer service. Your Company manages the risk by responding to the competitors as its top priority. The Company endeavors in improving customer service by being more responsive to their needs and expectations.

- Financing

  Financial risks strike at the heart of a business, starving it of resources and hampering cash flow. Financial risk can appear in many forms – from customers who fail to pay for their purchases, suppliers who fail to ship inventory, high interest costs, obligation to pay back debts of the Company. Your Company efficiently evaluates the business operation and limits the amount of loans and reduces the amount of loan availing from banks as much as it can.

- Information security risk

  Information security risk involves identifying, assessing and treating risk to the confidentiality, integrity and availability of an organizations assets. This risk impacts the organization with the threats and vulnerabilities associated with the operation and use of information systems and the environments in which those systems operate. The Company forcuses on mitigating the risk through selection, implementation, maintenance, and continuous monitoring of preventive, detective, and corrective security controls to protect information assets from compromise or to limit the damage to the organization.

- Attracting and retaining talent

  Your Company attaches high importance to attract, retain and engage a talented pool of individuals at its plants and offices.

H. Internal Control Systems

The Company's internal controls ensure compliance with all applicable laws and regulations and facilitates optimum utilization of available resources and protects the interests of all stakeholders.

Your Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and timely preparation of reliable financial information, adherence with relevant statutes and compliance with related party transactions.

The internal control systems that deploy an amalgam of modern and traditional audit tools are routinely tested, certified and upgraded as required by the Statutory Auditors as well as the Internal Auditors to ensure both relevance and comprehensiveness. Significant audit observations and follow-up actions and recommendations thereon are also reported to the Board of Directors and the Audit Committee for their review.

The Company continuously strives to evolve, improve and implement the best practices for each of its major functional areas with a view to strengthen its internal control systems.

I. Internal Audit

The Internal Audit function consists of professionally qualified accountants specialists adequately skilled and resourced to deliver audit assurances at highest levels. The Audit Committee reviews the Report provided by Internal Auditors.

The Audit Committee are regularly apprised of the internal audit findings and regular updates are provided of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company.

J. Development in Human Resources and Industrial Relations

The Company's core focus areas are building organizational capability and capacity, leverage and nurture key talent and enhance people utilization aligned with the business strategy.

The company ensures strict adherence to its internal codes towards discrimination on any ground. The objectives of individuals contributing towards the growth of the Company across levels, are seamlessly linked to the organisational philosophy and objectives, which provides them with a sense of purpose and direction. The Company continues to conduct periodic review of employee performance and enable actionable feedback. It believes that everything is made possible by its people – the Company's biggest strength.

Industrial relations at the plants location remained harmonious. 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. The company's grievance re-dressal mechanisms ensure that employees can raise issues and concerns and have them addressed in time.

K. Capital Expenditure and Expansion Plans

The Indian domestic market consumes acrylamide in two forms – liquid (70% of the market) and powder (30% of the market). For acrylamide solid, the entire Indian demand (3500MT) as well as global demand is catered to by producers in China. The company plans to manufacture 3,600MT acrylamide solid at its Jhagadia plant per annum. At an investment of ₹ 8 Crore, the potential additional revenue would be ₹ 65 Crore per annum. The company aims to replace 100% of India's imports while further capacities are planned to serve larger global requirements. Pilot trials have been completed and the company plans to start commercial production during Q3 FY22.

The company is also planning to start production of n-methylol acrylamide (NMA), a specialty monomer used widely in the textile and coatings industry both domestically and internationally. Environmental Clearance for a capacity of 2,000MT per annum has already been obtained. The company has started pilot trials and expects to start commercial production during Q3 FY22. Potential additional revenue from this product is ₹ 35 Crore per annum.

While work on the 10,000MT polyacrylamide solid plant continues, the company has decided to complete its expansions into acrylamide powder and n-methylol acrylamide on priority as these can be achieved in a shorter time frame. Demand for polyacrylamide solids continues to grow both domestically and internationally and this product segment remains a prime focus of the company.

The company will continue to concentrate on and grow its existing businesses while looking for new projects in the areas in which it operates.

ANNEXURE I TO DIRECTORS' REPORT

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Amount in ₹

Particulars of Investment made, Guarantee given and Loan given	Name of the Entity	Amount (₹)	Purpose for which Loan is proposed to be utilized by the recipient
		NIL	

ANNEXURE II TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

a) Steps taken or impact on conservation of energy:

i. Selection and installation of energy efficient variable frequency drive for reaction agitated vessel for existing process and on going expansion. This shall further minimize power consumption.

ii. Maintained all previous installations.

b) No steps were taken by the Company for utilizing alternate source of energy.

c) The capital investment on energy conservation equipment was ₹2 Lakh during the year.

B. TECHNOLOGY ABSORPTION

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

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

b) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology was imported during the last three years reckoned from the beginning of the financial year.

c) Details of expenditure on Research and Development:

The company has spent ₹ 41.33 Lakh on the same during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1.	Foreign exchange outgo :	₹ 246.02 Lakh
2.	Foreign exchange earned :	₹ 1,711.70 Lakh

ANNEXURE III TO DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration to Director/KMP for the financial year 2020-21 (₹)	Increase in Remuneration in the financial year 2020-21 (%)	Ratio of Remuneration of each Director / KMP to the median Remuneration of employees (times)
1	Mr. Anup Jatia Executive Director	10,000,000	NIL	40.38
2	Mr. Sandeep Chokhani Executive Director	5,610,336	NA	22.66
3	Mr. Sujay Sheth Independent Director	NIL	NIL	NIL
4	Mr. Basant Kumar Goenka Independent Director	NIL	NIL	NIL
5	Ms. Garima Tibrawalla Independent Director	NIL	NIL	NIL
6	Mr. Rishabh Saraf Independent Director	NIL	NIL	NIL
7	Mr. Ratan Kumar Agrawal Chief Finance Officer	1,980,155	NIL	8.00
8	Mr. Nevil Avlani Company Secretary	923,810	NIL	3.73

* Mr. Sandeep Chokhani was appointed as Additional Non-Executive Director w.e.f. 1st April 2020. However, he was re-designated as Whole – time Director w.e.f. 26th June, 2020 and the remuneration stated above includes One-time Joining Bonus amounting to ₹ 1,200,000/-.

Sl. No.	Requirements	Disclosure
1	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees for the financial year was decreased by 17.14% compared to the previous financial year.
2	The number of permanent employees on the rolls of the Company.	107 employees as on 31st March, 2021
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentile increase in the salaries of employees other than managerial personnel in the last financial year was 1.31% as compared with the percentile decrease in the managerial remuneration of 1.92%.
4	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, the remuneration is as per the remuneration policy of the Company.

ANNEXURE IV TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES OF THE COMPANY

as per Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. Brief outline on CSR Policy of the Company

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors of the Company, explains detailed framework for undertaking various CSR programmes in accordance with Section 135 of the Companies Act, 2013 and the rules made thereunder. Our Company contributes to the activities listed under Schedule VII of the Act for the benefit of the society by promoting education, providing educational infrastructure, providing health support, etc.

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

a) Patang Scholars Program

The program is a joint initiative by Atmasantosh Foundation and DBM India which aims to provide educational scholarship and other educational support as well as life skill training to meritorious junior college students belonging to economically weaker section. The aim of this program is to support underprivileged students and provide them with the skills and resources they require to become well-developed, successful and socially responsible leaders.

b) Patang Scholars Undergraduate Program

The program is also a joint initiative by Atmasantosh Foundation and DBM India which aims to provide educational scholarship and other educational support as well as mentorship to meritorious undergraduate college students belonging to economically weaker section. The aim of this program is to support underprivileged students who are perusing undergraduate courses enabling them to become self reliant and providing them opportunity to make them stand in the equitable society.

c) Vidya Sahyog Program

This program is to provide educational scholarship and other educational support to merit and need based students belonging to economically weaker section, and to organize health related programs in rural and other areas. The objective is to uplift the students from economically-weaker sections by providing educational scholarship and support, and to sensitize people regarding health related issues enabling them to live a healthy life.

d) Aviral Gyan Pariyojana

The program is to develop educational and social infrastructure for empowering communities in rural, under developed, and / or other areas where required. The objective of this program is to improve the quality of education by providing infrastructure facilities for organising and conducting technical courses and non-technical courses and also to enrich personal learnings, productivity and enhancing knowledge by setting up libraries, recreational centers, day care centers and other social infrastructures etc.

e) Relief and Rehabilitation Aid

The program is to provide relief aid such as food, clothes, clean drinking water, etc. to the victims affected by natural disasters helping them to cope better with the stress.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Anup Jatia	Chairman	0	0
2	Rishabh Saraf	Member	0	0
3	Sujay Sheth	Member	0	0

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

   The composition of CSR committee, CSR Policy and CSR projects/programs approved by the Board may be accessed on the Company's website at www.blackrosechemicals.com.

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

   In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the requirement of conducting an impact assessment of its CSR projects / programs is not applicable to the Company.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Nil	Nil

6. **Average net profit of the company as per section 135(5) of the Companies Act, 2013:** ₹ 2,009.93 Lakh

7. **(a) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013:** ₹ 40.20 Lakh

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 40.20 Lakh

8. **(a) CSR amount spent or unspent for the financial year**

Total amount spent for financial year (₹ in Lakh)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Companies Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Companies Act, 2013		
	Amount (₹ in Lakh)	Date of transfer	Name of the fund	Amount	Date of Transfer
34.32	11.76	27th April, 2021	NIL		

   (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the project	Items from the list of activities in schedule VII to the Act	Local Area	Location of the project		Project Duration	Amount allocated for the project (₹ in Lakh)	Amount spent in the current financial Year (₹ in Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Registration No.
1	Patang Scholars Program	Education	Yes	Maharashtra	Mumbai	3 years	8.00	3.04	4.96	NO	Atmasantosh Foundation	Registration in Process
2	Patang Scholars Program – Undergraduate Program	Education	Yes	Maharashtra	Mumbai	3 years	2.75	0.23	2.52	NO	Atmasantosh Foundation	Registration in Process
3	Vidya Sahyog Program	Education	Yes	Maharashtra, Rajasthan, Bihar, Uttar Pradesh	Mumbai, Jhunjhunu, Darbhanga, Patna, Sitamarh, Bareilly	3 years	6.75	2.47	4.28	NO	Atmasantosh Foundation	Registration in Process

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the project	Items from the list of activities in schedule VII to the Act	Local Area	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
1	Aviral Gyan Pariyojana	Education	Yes	Rajasthan	Jhunjhunu	27.76	NO	Atmasantosh Foundation	Registration in Process
2	Relief and Rehabilitation Aid	Disaster Management	Yes	Maharashtra and Gujarat	Mumbai and Bharuch	0.82	NO	Asha Sadan Jhagadia Industrial Association	CSR00004977 CSR00004516

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Amount spent on Impact Assessment, if applicable:** Not applicable

(f) **Total amount spent for the financial year:** ₹34.32 Lakh

(g) **Excess amount for set off, if any**

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 40.20 Lakh (Excludes previous year unspent amount ₹ 5.88 Lakh)
ii.	Total amount spent for the Financial Year	₹ 34.32 Lakh
iii.	Excess amount spent for the financial year [(ii)-(i)]	Not applicable
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
v.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in Lakh)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2018-19	NA	5.50	Not Applicable			17.51
2	2019-20	NA	38.98	Not Applicable			5.88
3	2020-21	11.76	34.32	Not Applicable			11.76

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sl. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Lakh)	Amount spent on the project in the reporting Financial Year (in ₹ Lakh)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakh)	Status of the project - Completed / Ongoing
1	Education	Patang Scholars Program	2018-19	5 years	50.00	5.51	26.92	Ongoing
2	Education	Vidya Sahyog Program	2019-20	4 years				

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not applicable
    (a) Date of creation or acquisition of the capital asset(s): Not applicable
    (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

For Black Rose Industries Limited

Anup Jatia
Executive Director and Chairman of CSR Committee
DIN: 00351425

Place: Mumbai
Date: 26th August, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our electronic verification (since physical verification was not possible on account of Pandemic of COVID -19 and Lockdown) of the M/s. Black Rose Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives electronically during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined electronically the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period).

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

- Factories Act, 1948
- Industrial Disputes Act,1947
- Employees Compensation Act, 1923
- Payment of Wages Act, 1936
- Payment of Gratuity Act, 1972
- Maternity Benefit Act, 1961
- Industries (Development & Regulation) Act, 1951
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Indian Contracts Act, 1872
- Income Tax Act, 1961 and Indirect Tax Laws
- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Indian Stamp Act, 1899

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board (SS – 1) and general meetings (SS – 2) are complied.

(ii) The provisions of SEBI (Listing obligations and Disclosures Requirements)

Regulations, 2015 including its amendment ;

During the period under review and as per the explanations/ representation made by the management the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

We further report that

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

The Board committees namely Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were reconstituted during the year under review.

The Company has paid dividend in the audit period and has complied with all the Dividend related and IEPF related compliances as per Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

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

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

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

(i) Public/Right/Preference issue of shares/debentures/sweat equity, etc.

(ii) Redemption/buy-back of securities.

(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Merger/amalgamation/reconstruction, etc.

(v) Foreign technical collaborations.

We further report that the Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility (CSR) is applicable to the Company. During the year, the company has spent on CSR Activities. However, a part of the amount required to be spent on CSR Activities as on 31st March, 2021 is unspent and the same has been transferred to a separate bank account opened in the name of "Black Rose Industries Ltd – Unspent Corporate Social Responsibility A/C 20-21" to be spend on an ongoing project as and when it becomes due.

The company in its last annual general meeting have passed a special resolution for issue of stock options and have approved the Employee Stock Option Scheme 2020 but as on 31st March, 2021 the scheme is not yet implemented.

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

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

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide as reasonable basis of our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws and regulations and happening.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ND & Associates
UDIN : F003262C000348631

Neeta H. Desai
Practising Company Secretary
COP No. 4741

Place : Mumbai
Date : 20th May, 2021

BUSINESS RESPONSIBILITY REPORT

This Report is prepared pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L17120MH1990PLC054828
2. **Name of the Company:** Black Rose Industries Limited
3. **Registered address:** 145-A, Mittal Tower, Nariman Point, Mumbai – 400021, Maharashtra.
4. **Website:** www.blackrosechemicals.com
5. **E-mail Id:** investor@blackrosechemicals.com
6. **Financial Year reported:** 1st April, 2020 to 31st March, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

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

8. **List three key products/services that the Company manufactures/provides**
   i. Production and Sale of Acrylamide
   ii. Production and Sale of Polyacrylamide
   iii. Chemical Distribution
9. **Total number of locations where business activity is undertaken by the Company**
   (a) Number of International Locations (Provide details of major 5) : NIL (on standalone basis)
   (b) Number of National Locations:

Manufacturing Plants	2
Distribution Centers	4
Production of Energy - Windmills	2
Offices including Registered Office/Head Office	3

10. **Markets served by the Company:**

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital:	₹ 510 Lakh
2.	Total Turnover:	₹ 23,509.88 Lakh
3.	Total profit after taxes:	₹ 2,674.84 Lakh
4.	Total Spending on Corporate Social Responsibility as percentage of profit after tax:	The Company's total spending on CSR for the financial year 2020-21 is ₹ 34.32 Lakh which is 1.28% of Profit after Tax.
5.	List of activities in which expenditure in 4 above has been incurred:	a) Education

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?	The Company encourages its subsidiary to participate in the BR Initiative of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The Company does not mandate its suppliers, distributors, etc. to participate in all the BR initiatives of the Company. However, being a responsible organisation, the Company believes in educating its suppliers and distributors on the BR initiatives of the Company and is encouraged to follow the BR initiatives.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR policy/policies**

   DIN: 02346782

   Name: Mr. Sandeep Chokhani

   Designation: Whole-Time Director

2. **Details of the BR Head**

Sr. No.	Particulars	Details
1.	DIN Number	02346782
2.	Name	Sandeep Chokhani
3.	Designation	Whole-Time Director
4.	Telephone No.	+91 22 4333 7200
5.	Email Id	investor@blackrosechemicals.com

1. **Principle-wise (as per National Voluntary Guidelines NVGs) BR Policy/policies**

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) **Details of Compliances:**

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Note to Answers
1.	Do you have a policy/policies for…	Y	Y	Y	Y	Y	Y	Refer Note 6	Y	Y	-
2.	Has it been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y	Refer No. 1
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	-	Y	Y	Refer No. 2
4.	Has the policy being approved by the Board? Is yes, is it signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y	Refer Note 3

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Note to Answers
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y	-
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y	Refer Note 4
7.	Has the policy been formally communicated to all relevant internal & external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y	-
8.	Does the Company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	-	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y	-
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y	Refer Note 5

Notes:

1. While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

2. The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards.

3. The policies have been approved by the Board wherever required by law, rules and regulations. Other policies are developed and approved internally by appropriate authorities and are signed by Executive Director/Functional Heads as required/ appropriate.

4. Some policies like Code of Conduct for Board and Senior Management Executives, CSR Policy, Whistle Blower Policy, etc. are displayed on the Company's website www.blackrosechemicals.com. Other policies are available on Intranet/in physical form with suitable access given to the concerned persons.

5. While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

6. We do not have documented policy. We have healthy well understood practices on the subject.

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why:**

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles					-				
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles					-				
3.	The Company does not have financial or manpower resources available for the task					-				
4.	It is planned to be done within next six months					-				
5.	It is planned to be done within next one year					-				
6.	Any other reason (please specify)					-				

2. Governance Related to BR

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.**

The aspects of Business Responsibility are reviewed by the Board. The Board of Directors reviews the BR performance of the Company on an annual basis.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at www.blackrosechemicals.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Yes, the Company has an anti-corruption policy in place that governs the ethics, bribery and corruption related matters at the Company and follows to achieve zero-tolerance against bribery and corruption. The policy applies to all offices, directors, shareholders, employees, suppliers, contractors and appointed third party representatives of the Company including its agents, intermediaries, consultants and introducers in all locations. Violation of this policy will be severely sanctioned, including where appropriate disciplinary procedures, up to and including termination of employment and possible referral to the appropriate criminal or regulatory authorities. The Company intends to review doing business with others who do not commit to the same standard of zero-tolerance of corruption, including joint ventures partners and distributors.

2. **Stakeholder complaints received in the past financial year and percentage satisfactorily resolved by the management?**

   The Stakeholders of the Company includes our investors, shareholders, clients, employees, vendors/suppliers, partners, government and local communities.

   The Company has not received any complaints from its stakeholders in the past financial year with respect to abusive, corrupt or anti-competition practices.

   However, one shareholder complaint related to loss of share certificate was received during the financial year ended 31st March, 2021 and the same was resolved/redressed within stipulated time period mentioned under the SEBI Circular(s) to the satisfaction of the shareholder concerned.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a) Acrylamide liquid

   b) Polyacrylamide liquid

2. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   (a) **If yes, what percentage of your inputs was sourced sustainably?**

   The company does not have formal procedure for sustainable sourcing at present.

3. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company is promoting local vendors and service providers, wherever possible, subject to their meeting required specifications, quality, and cost. While selecting the vendors, preference is given to local vendors with an objective of creating employment and economic opportunities in the area where they operate.

4. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   The company sends its hazardous waste for co-processing to the authorized processor, which in turn supplies this material to cement companies where it is used as combustion fuel. The company has zero liquid discharge. All waste water generated is treated and recycled for use in cooling towers, etc. Waste water recycled percentage is >10%.

Principle 3

Businesses should promote the wellbeing of all employees

Sl. No.	Particulars	As on 31st March, 2021
1	Please indicate the Total number of employees	107
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	7
3	Please indicate the Number of permanent women employees	8
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association	Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sl. No.	Particulars	% of Employees
1	Permanent Employees	48.59
2	Permanent Women Employees	12.50
3	Casual/Temporary/Contractual Employees	Not Applicable
4	Employees with Disabilities	Not Applicable

Safety and skill up-gradation training includes providing health, safety, first aid, fire safety training, technical training, and professional development program including soft skills.

Principle 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes, the company has identified its key stakeholder groups and mapped its internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Through CSR initiatives, the Company extends help to the disadvantaged, vulnerable and marginalized stakeholders by providing financial aid in the form of scholarships, upgrading educational infrastructure and undertaking school development activities. Besides these, the Company has played a proactive role during ongoing COVID 19 pandemic by providing relief to the disadvantaged and marginalized section of the society.

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company has in place "Labour Practices and Human Rights Policy" which sets out the principles for our actions and behavior in relation to human rights.

The Policy is applicable to the Company. The contractors working at our sites are also encouraged to comply with the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints has been received by the company in the past financial year in relation to human rights.

Principle 6

Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

The Company has in place Environment, Health and Safety Policy with respect to its manufacturing facilities. The Policy covers only the Company.

However, the Company encourages its subsidiary, suppliers and contractors to employ environment friendly measures in their day to day operations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Yes, the Company is cognizant of the impact of climate change on its business in the medium and long term.

The Company is constantly taking energy efficiency initiatives at its plants. The Company during FY 2020-21 installed energy efficient variable frequency drive for reaction agitated vessel for existing process and on going expansion, resulting into minimization of power consumption.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, environment and climate change related risks are part of the enterprise risk management framework and are considered under project risk, business operation risk and compliance risk.

   At the operations level, environmental and health and safety risks are identified as a part of the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Certification.

4. **Does the company have any project related to Clean Development Mechanism?**

   No

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes, 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.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the Company strictly complies with the conditions laid down in the grant of consent to establish and operate by the Pollution Control Board and the Environment Clearance.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

   There were no show cause notices pending from CPCB or SPCB as on end of 31st March, 2021.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

   Some of the trade/industry associations of which the Company is a member are:

   a) Basic Chemicals, Cosmetics, & Dyes Export Promotion Council (CHEMEXCIL)

   b) Indian Chemical Council

   c) Indian Specialty Chemical Manufacturers' Association

   d) FIEO

   e) All India Rubber Industries Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   We regularly provide our inputs to the associations for the advancement or improvement of our industry and economy.

Principle 8

Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof**

   Yes, our Community Initiatives and projects are governed by the CSR Policy of the Company.

   The focus areas of our CSR Initiatives are education, health, and imparting vocational skills to augment employment. Requisite details of CSR initiatives undertaken by the Company are provided in Annexure IV to Directors' Report which is forming part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Company executes its CSR initiatives/projects through its in-house team as well as through own Foundation and implementing NGOs.

3. **Have you done any impact assessment of your initiative?**

   All the initiatives undertaken by the Company or its implementing partners were chosen with the objective of giving immediate as well as long term benefits to the beneficiaries including access to latest infrastructure for education and healthcare.

   The Company conducts need assessment studies before initiating the projects. Impact assessments are not carried out formally.

4. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

   In the financial year 2020-21, the Company has spent ₹ 34.32 Lakh on CSR initiatives.

Details of CSR projects undertaken by the Company are provided in Annexure IV to Directors' Report which is forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   In the financial year 2020-21, the administration of all the CSR Initiatives is overseen by the Company's in-house team, and the implementing NGOs and foundations oversee the smooth functioning and short term and long term impact of the CSR activities undertaken.

Principle 9

Business should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   There are no material customer complaints pending as at the end of the financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   The Company displays necessary relevant product information on the product label adhering to all applicable laws and regulations. In addition to this information, declarations relating to safe handling are made on the product.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   We follow fair trade practices. There have been no complaints/ cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behavior during the last five years.

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

   Yes, we are in constant contact with our customers and keep receiving feedback on an ongoing basis. As a part of ISO certification process the company carries out external Customer Satisfaction Survey regularly.

   We have a high number of repeat customers in our businesses.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the company's affairs and being fair to all stakeholders.

Good Corporate Governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Company's philosophy on the Code of Governance

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

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

B Board of Directors

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

The Board of Directors comprises of six members as at 31st March, 2021 of which two are Executive Directors and remaining four are Non – Executive Independent Directors.

In view of the above 66.67% of the Board of Directors of the Company comprises of Non – Executive Independent Directors.

Composition and Categories of Board of Directors

Director	Category	Board Meeting attended / held	Attendance at the AGM	Directorship in other Companies (*)	Membership / Chairmanship of the Committees of the Board of other Companies (**)		Directorship held in other Listed Entities along with Category
					Member	Chairman	
Mr. Anup Jatia	Executive Director	4/4	Yes	1	0	0	-
Mr. Sandeep Chokhani #	Executive Director	4/4	Yes	0	0	0	-
Mr. Basant Kumar Goenka	Independent / Non-executive	1/4	Yes	3	0	0	-
Mrs. Garima Tibrawalla	Independent / Non-executive	4/4	Yes	3	0	0	Non-Executive Non-Independent Director of O P Vanyjya Limited
Mr. Sujay Sheth	Independent / Non-executive	4/4	Yes	1	2	2	Non-executive Independent Director of AGC Networks Limited
Mr. Rishabh Saraf	Independent / Non-executive	4/4	Yes	2	3	0	Managing Director of Remi Edelstahl Tubulars Limited and Whole-Time Director of Remi Process Plant and Machinery Limited##

(*) Excludes Directorships in Black Rose Industries Limited, Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

(**) Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (excluding the Membership and Chairmanship in Black Rose Industries Limited).

Mr. Sandeep Chokhani was appointed as (Non-Executive and Non- Independent) of the Company with effect from 1st April, 2020, however, with effect from 26th June, 2020 he was appointed as Executive Director of the Company.

Remi Process Plant and Machinery Limited was voluntary delisted from stock exchange BSE Limited on 7th July, 2021.

During the financial year 2020-21 four meetings of the Board of Directors were held on 26th June, 2020, 28th August, 2020, 12th November, 2020 and 8th February, 2021.

Disclosures of relationships between directors inter-se

As at 31st March, 2021, the Board comprises of 6 directors. None of the Directors are related to each other.

Equity Shareholding of the Non – Executive Directors in the Company as on 31st March, 2021

Sl. No.	Name of the Non – Executive Director	No. of Shares
1	Mr. Rishabh Saraf	NIL
2	Mr. Basant Kumar Goenka	NIL
3	Mrs. Garima Tibrawalla	NIL
4	Mr. Sujay Sheth	NIL

Details of familiarization programmes imparted to independent directors

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

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

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

Key Board qualifications, expertise and attributes

The company's core business includes chemical distribution and chemical manufacturing.

The chemical distribution business consists mainly of import and sales of speciality and performance chemicals manufactured by overseas and domestic principals. The chemical manufacturing consists of production of acrylamide and polyacrylamide liquid.

In order to effectively discharge its duties, it is necessary that collectively the Directors hold the appropriate balance of skills, experience and expertise. The Board seeks a complementary diversity of skills and experience across its members, ensuring that the Board is in compliance with the highest standards of corporate governance.

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

Sl. No.	Name of Director(s)	Skill/Expertise/Competencies			
		Sales & Marketing	General management/ Governance	Financial Skills	Legal and Regulatory expertise
1	Mr. Anup Jatia	✓	✓	✓	✓
2	Mr. Sandeep Chokhani		✓	✓	✓
3	Mr. Rishabh Saraf	✓	✓	✓	
4	Mr. Sujay Sheth		✓	✓	✓
5	Mr. Basant Kumar Goenka	✓	✓	✓	
6	Mrs. Garima Tibrawalla	✓	✓	✓	

Detailed reasons for the resignation of an Independent Director:

Mr. Shivhari Halan had tendered his resignation from the position of Non–Executive Independent Director, before the expiry of his term on 3rd April, 2020. Reason of resignation was due to his growing work commitments at his other businesses.

Further, resignation letter of Mr. Halan contains confirmation that there is no other material reason other than those provided in his resignation letter.

C COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review.

Currently Black Rose has five Committees of the Board viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee. The terms of reference of these committees is decided by the Board of Directors of the Company in line with the provisions of the Listing Regulations, Companies Act, 2013 and the rules made thereunder.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

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

1 AUDIT COMMITTEE

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

a. **The brief terms of reference of the Audit Committee includes the following:**

1) To oversee the company's financial reporting process and disclosures of financial information to ensure that the financial statement is correct, sufficient and credible.

2) To recommend Board of Directors of the Company for appointment, re-appointment and removal of statutory auditors and to fix their audit fees and approve payment for any other services rendered by the statutory auditors.

3) To review with the management, quarterly, half yearly, nine-months and 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) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013

10) To review the Company's financial and risk management policies.

11) Disclosure of any related party transactions including approval of transactions of the Company with related parties and any subsequent modification(s) of such transactions.

12) Qualifications in the draft audit report.

13) Review the functioning of the whistle blower mechanism.

14) To perform such other functions as may be delegated by the Board of Directors of the Company.

b. Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Sujay Sheth	Independent/ Non – Executive Director	4	4
Mr. Rishabh Saraf	Independent/ Non – Executive Director	4	4
Mr. Anup Jatia	Executive Director	4	4

Mr. Sujay Sheth was appointed as Chairman for all Audit Committee Meetings. However, he was elected as Regular Chairman of Audit Committee w.e.f. 12th November, 2020.

Mr. Nevil Avlani, Company Secretary of the Company act as Secretary to the Committee.

During the financial year 2020-21, four meetings of the Audit Committee were held on 26th June, 2020, 28th August, 2020, 12th November, 2020 and 8th February, 2021.

2 STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The brief terms of reference of the Stakeholders' Relationship Committee includes the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

b. Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Sujay Saraf	Independent / Non – Executive Director	1	1
Mr. Rishabh Saraf	Independent / Non – Executive Director	1	1
Mr. Anup Jatia	Executive Director	1	1

Mr. Rishabh Saraf was elected as Regular Chairman of Stakeholder Relationship Committee of the Company during their meeting held on 8th February, 2021.

Mr. Rishabh Saraf, Chairman of the Committee heads the Committee.

Mr. Nevil Avlani, Company Secretary of the Company act as Secretary to the Committee. The said Mr. Avlani act as Compliance Officer.

During the financial year 2020 – 21, one meeting of the Stakeholder Relationship Committee was held on 8th February, 2021.

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

The table below gives the number of complaints received, resolved and pending during the year 2020 – 2021.

Number of Complaints		
Received	Resolved	Pending
1	1	NIL

3 NOMINATION AND REMUNERATION COMMITTEE

a. Terms of Reference

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director;

2. To formulate criteria for evaluation of Independent Directors and the Board;

3. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy and recommend to the Board of Directors their appointment and removal.

4. To carry out evaluation of Director's performance.

5. To recommend to the Board the appointment and removal of Directors and Senior Management.

6. To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

7. To devise a policy on Board diversity, composition and size.

8. Succession planning for replacing Key Executives.

9. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

10. To perform such other functions as may be necessary or appropriate for the performance of its duties.

b. Composition, Meeting and Attendance

Members	Category	Meetings held	Meetings attended
Mr. Rishabh Saraf	Independent / Non – Executive Director	1	1
Mr. Sujay Sheth	Independent / Non – Executive Director	1	1
Mrs. Garima Tibrawalla	Independent / Non – Executive Director	1	1

The Company does not have regular Chairman, and during the financial year 2020-21, one meeting of the Nomination and Remuneration Committee was held on 26th June, 2020 and Mr. Rishabh Saraf was appointed as Chairman for that meeting.

c. Performance evaluation criteria for independent directors

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

1. Attendance at the meeting of the Board and Committee.

2. Participating in Board Meetings or Committee Meetings actively.

3. Preparation for the Board Meetings.

4. Contribution to strategic decision making.

5. Contribution to areas relating to risk assessment and risk mitigation.

6. Review of financial statements and business performance.

7. Contribution to the enhancement of brand image and positive growth of the company.

8. Updation of knowledge of his / her area of expertise.

9. Manner of communication with other Board Members.

d) Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the company at www.blackrosechemicals.com.

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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted pursuant to Section 135 of the Companies Act, 2013.

As at 31st March, 2021, Corporate Social Responsibility Committee comprises of Mr. Anup Jatia, Executive Director of the Company, Mr. Sujay Sheth and Mr. Rishabh Saraf, both Non – Executive Independent Directors of the Company.

Terms of Reference

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

5. RISK MANAGEMENT COMMITTEE

The Securities and Exchange Board of India (SEBI) vide its notification dated 5th May, 2021 notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 made Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2021 with regard to Risk Management Committee applicable to top 1,000 listed entities based on market capitalization, calculated as on 31st March, 2021. Thus, provisions with regard to Risk Management Committee became applicable to the company from 5th May, 2021.

In view of the above, the Board at its meeting held on 27th May, 2021 constituted the Risk Management Committee comprising of Mr. Anup Jatia – Executive Director, Mr. Sandeep Chokhani – Executive Director, Mr. Basant Kumar Goenka – Independent Non – Executive Director and Mr. Ratan Agarwal – Chief Financial Officer.

a. Terms of Reference

1. To formulate a detailed risk management policy.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

D REMUNERATION TO DIRECTORS

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

b) The Non-Executive Directors, including Independent Directors, are paid sitting fees for attending the meetings of the Board and Committee meetings. The Company at its meeting held on 28th August, 2020 considered revision in payment of sitting fees by increasing the sitting fees payable to the Non-Executive Independent Director of the Company from ₹ 20,000/- to ₹ 30,000/- per meeting, for Board Meetings and ₹ 15,000/- per meeting, for Committee meetings attended by such Directors.

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

d) Remuneration Paid to Directors during 2020-21

Sl. No.	Name of Director	Category	Sitting Fees ₹	Salary and Perquisites ₹	Total ₹
1	Mr. Anup Jatia	Executive Director	-	10,000,000/-	10,000,000/-
2	Mr. Sandeep Chokhani	Executive Director	-	5,610,336/-*	5,610,336/-
3	Mr. Basant Kumar Goenka	Independent/Non – Executive Director	30,000/-	-	30,000/-
4	Mrs. Garima Tibrawalla	Independent/Non – Executive Director	110,000/-	-	110,000/-
5	Mr. Rishabh Saraf	Independent/Non – Executive Director	170,000/-	-	170,000/-
6	Mr. Sujay Sheth	Independent/Non – Executive Director	170,000/-	-	170,000/-

*Note: The remuneration of Mr. Sandeep Chokhani includes one-time joining bonus of ₹1,200,000/-

E GENERAL BODY MEETING

1. Location and time of last three Annual General Meetings

YEAR	VENUE	DAY AND DATE	TIME
2019 - 2020	Conducted through Video Conferencing/Other Audio Visual Means. Deemed venue is the Registered Office of the Company at 145/A, Mittal Tower, Nariman Point, Mumbai - 400021.	Tuesday, 29th September, 2020	11:30 a.m.
2018 – 2019	Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers', IMC Marg, Churchgate, Mumbai-400020	Monday, 23rd September, 2019	11:30 a.m.
2017 – 2018		Saturday, 22nd September, 2018	11:30 a.m.

2. **Special Resolutions passed in previous Three Annual General Meetings**

At the AGM held on 29th September, 2020 two special resolution were passed by the shareholders with respect to approval of BRIL Employee Stock Option Scheme 2020 and re-appointment of Mrs. Garima Tibrawalla as Independent Director for the second term.

At the AGM held on 23rd September, 2019 four special resolution were passed by the shareholders with respect to re-appointment of Mr. Shivhari Halan, Mr. Basant Kumar Goenka and Mr. Sujay Sheth as an Independent Director and Revision in remuneration of Mr. Anup Jatia, Executive Director of the company.

At the AGM held on 22nd September, 2018, no special resolution was passed.

3. **Special Resolution passed through postal ballot**

No special resolution was passed through postal ballot during the financial year 2020-2021. Further, no special resolution is proposed to be passed through Postal Ballot as on date of this report.

F MEANS OF COMMUNICATION WITH SHAREHOLDERS

1. The quarterly, half yearly and annual financial results of the Company are published in widely circulated newspapers such as Financial Express or Business Standard (both in English language) and Mumbai Lakshadweep (in Marathi language). The results are also displayed on the Company's website www.blackrosechemicals.com.

2. **Official News Releases**

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investor Relations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company.

Press reports are given on important occasions to the Stock Exchange. The Company's official news releases and Investor Presentations are published on the Company's website www.blackrosechemicals.com.

G GENERAL SHAREHOLDERS' INFORMATION

1. **Annual General Meeting**

Date	Day	Time	Venue
29th September, 2021	Wednesday	11:30 a.m.	The Company is conducting meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA Circular dated 5th May, 2020 and 13th January, 2021

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

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

4. **Listing on Stock Exchange**

The equity shares of the company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

The company has paid annual listing fees for the financial year 2021-2022 to the exchange where the shares of the Company are listed.

5. **Stock Code:** 514183

6. **Market Price Data**

Month	High Price (₹)	Low Price (₹)
April, 2020	101.90	79.50
May, 2020	140.40	85.00
June, 2020	148.00	120.55
July, 2020	145.55	122.35
August, 2020	158.00	129.00
September, 2020	140.50	118.55
October, 2020	130.00	119.00
November, 2020	138.25	117.65
December, 2020	138.00	120.10
January, 2021	151.80	124.25
February, 2021	144.00	125.00
March, 2021	176.00	129.30

7. Black Rose Share Performance

Month	BSE Sensex (Closing Points)	Closing Price (₹)
April, 2020	33,717.62	93.10
May, 2020	32,424.10	128.25
June, 2020	34,915.80	133.00
July, 2020	37,606.89	145.55
August, 2020	38,628.29	130.65
September, 2020	38,067.93	125.00
October, 2020	39,614.07	120.30
November, 2020	44,149.72	129.50
December, 2020	47,751.33	131.35
January, 2021	46,285.77	125.95
February, 2021	49,099.99	131.00
March, 2021	49,509.15	173.85

8. Registrar and Share Transfer Agents

M/s. Satellite Corporate Services Private Limited
Office No. 106 & 107, Dattani Plaza,
East West Compound,
Andheri Kurla Road, Safedpul,
Sakinaka, Mumbai – 400072.
Tel: 022 – 28520461, 28520462.
Fax: 022-28511809
E-mail: service@satellitecorporate.com

The Registrars can be contacted between 10:00 a.m. to 05:00 p.m.

9. Share Transfer System

Effective 1st April, 2019, transfer of shares of a listed company can only be affected in dematerialised form in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shareholders holding shares in the certificate form are therefore requested to dematerialise their shares in their own interest. However, transfer deeds which were lodged with the Company on or before 31st March, 2019, but were returned due to any deficiency, were processed upon re-lodgment until 31st March, 2021.

10. Distribution of Shareholding as at 31st March, 2021

Nominal Values (in ₹)	Number of Shareholders	Number of Shares Held	Percentage to Capital
Upto 500	34,805	3,283,331	6.44
501 – 1,000	917	739,360	1.45
1,001 - 5,000	636	1,440,093	2.82
5,001 - 10,000	93	664,895	1.30
10,001 - 50,000	96	2,043,189	4.01
50,001 - 100,000	12	938,447	1.84
100,001 and above	15	41,890,685	82.14
TOTAL	36,574	51,000,000	100.00

11. Dematerilisation of Shares and liquidity

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

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

As on March 31, 2021, 95.96% of the total paid up equity share capital of the Company are in dematerilisation form.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in past and hence as on 31st March, 2021, the Company does not have any outstanding GDRs/ ADRs/Warrants or any convertible instruments.

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

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

The company also has the policy of systematically hedging its trade exposures using forward contracts. Wherever possible transactional currencies are aligned to the reporting currency in order to obviate exchange fluctuation impact.

14. Plant Locations

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

15. Address for Correspondence

Mr. Nevil Avlani Company Secretary and Compliance Officer M/s. Black Rose Industries Limited 145-A, Mittal Tower, Nariman Point, Mumbai-400021. Tel: 022-43337200 E-mail id: investor@blackrosechemicals.com	M/s. Satellite Corporate Services Private Limited Office No. A 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safedpul, Sakinaka, Mumbai – 400 072. Tel: 022 – 28520461, 28520462. Fax: 022-28511809 E-mail: service@satellitecorporate.com

16. Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

    The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2021.

    The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are CRISIL A3+ and CRISIL BBB respectively. There was no revision in the said ratings thereafter.

H DISCLOSURES:

1. Related Party Transactions

   All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 during FY 2020-21 were in the ordinary course of business and on arm's length pricing basis and therefore no approval of the Board of Directors or Shareholders is applicable under the provisions of Section 188 of the Companies Act, 2013.

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

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

2. Statutory Compliance, Penalties and Strictures

   For the financial year 2018-19, the Company had paid a penalty of ₹54,280 to the stock exchange for inadvertently not attaching Annual Report for the FY 2017-18 with the covering letter uploaded on BSE listing center. Further, the Company has complied with all the requirements of regulatory authorities. Thereafter, no penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years except the one stated above.

3. Vigil Mechanism Policy / Whistle Blower Policy

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

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

4. Mandatory and Non-mandatory requirements

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

   Reporting of Internal Auditors: The internal auditor reports directly to the audit committee and they attend the meetings of the Audit Committee and presents their internal audit observations to the Audit Committee.

   Modified Opinion in auditors Report: Company's financial statements for the year ended March 31, 2021 do not contain any modified audit opinion.

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

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

7. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not Applicable

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

9. There was no such instance during FY 2020 – 21 when the board has not accepted any recommendation of any committee of the board.

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

Payment to Statutory Auditors	FY 2020-21
Audit Fees	₹ 300,000/-
Other Services including reimbursement of expenses	₹ 17,469/-
Total	₹ 317,469/-

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

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

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

13. There was no instance during FY 2020-21 of Non – Compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

15. Code of Conduct

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

16. Code of Conduct for Prevention/Prohibition of Insider Trading

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

17. Executive Director and Chief Financial Officer (CFO) Certification

    A Certificate duly signed by Executive Director and CFO of the Company was placed at the Board Meeting of the Company held on 27th May, 2021. A copy of the certificate is annexed to this Annual Report.

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

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

Members who have not encashed the divided warrant(s) for dividend declared by the Company for the year ended 31st March, 2017, 31st March, 2018, 31st March, 2019 and 31st March, 2020 may forward their claims to the Company's Registrar and Share Transfer Agent before they due to be transferred to the IEPF.

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

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

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

Financial year ended	Date of payment of dividend	Last date for claiming unpaid dividend
31st March, 2017	12/10/2017	12/10/2024
31st March, 2018	10/10/2018	10/10/2025
31st March, 2019	30/09/2019	30/09/2026
31st March, 2020	20/10/2020	20/10/2027

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our knowledge and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to us by the Company and its officers , we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of the Director	DIN	Original date of appointment in the Company
1.	Basant Kumar Goenka	00227217	28/03/2003
2.	Anup Jatia	00351425	18/01/2007
3.	Sujay Rajababu Sheth	03329107	02/02/2013
4.	Garima Tibrawalla	00203909	24/03/2015
5.	Rishabh Rajendra Saraf	00161435	22/11/2019
6.	Sandeep Omprakash Chokhani	02346782	01/04/2020

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

For ND & Associates
UDIN: F003262C000198798

Neeta H. Desai
Practising Company Secretary
COP No. 4741

Place : Mumbai
Date : 28th April, 2021

DECLARATION OF CODE OF CONDUCT

May 27, 2021

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

Dear Sirs,

Sub: Declaration regarding affirmation of Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anup Jatia, Executive Director of the Company hereby confirm and declare that all Board Members and Senior Management Executives have affirmed compliance with the "Code of Business Conduct for Directors and Senior Management Executives of the Company" for the year ended 31st March, 2021.

Thanking You,

For Black Rose Industries Limited

Sd/-
Anup Jatia
Executive Director
DIN: 00351425

CEO/CFO CERTIFICATION

May 27, 2021

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

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

1) we have reviewed the financial statements and the cash flow statements for the year ended March 31, 2021 and to the best of our knowledge and belief:
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3) For the purpose of financial reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and also have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4) We further certify that:
   i) significant changes in internal control over financial reporting during the year have been indicated to Auditors and Audit Committee;
   ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements;
   iii) there has been no instances of significant fraud of which we are aware during the year.

For Black Rose Industries Limited

Anup Jatia
Executive Director
DIN: 00351425

For Black Rose Industries Limited

Ratan Agrawal
Chief Financial Officer
PAN: ABJPA2075R

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Black Rose Industries Limited ("the Company"), for the year ended on 31st March 2021, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

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 ND & Associates
UDIN : F003262C000375150

Neeta H. Desai
Practising Company Secretary
COP : 4741

Place : Mumbai
Date : 26th May, 2021

Financial Statements

Independent Auditors' Report

To
The Members of
Black Rose Industries Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the Standalone Financial Statements of BLACK ROSE INDUSTRIES LIMITED (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31st March, 2021 and the Statement of Profit & Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2021, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 51 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended 31st March, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matter	Our Response
1	***Defined benefit obligation:*** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Sr. No.	Key Audit Matter	Our Response
2	*Related Party Transactions*: During the year the Company has entered into various transactions with related parties. Determination of transaction price for such related parties transactions outside the normal course of business is a key audit matter considering the significance of the transaction value and the significant judgements involved in determining the transaction value.	Our audit procedures included considering the compliance with the various requirements for entering in to such related party transactions. We have read the approvals obtained for the transactions. We have assessed the disclosures in accordance with Ind AS 24 "Related Party Disclosures".
3	*Modified Audit Procedures carried out in light of COVID-19 outbreak:* Due to COVID-19 pandemic, nation-wide lockdown and travel restrictions imposed by Central/State Government/Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Company. As we could not gather audit evidence in person/ physically/through discussions and personal interactions with the officials at the Company's Office, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.	Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Company's Office and carry out the audit processes physically. Wherever physical access was not possible, necessary records/reports/ documents/certificates were made available to us through digital medium, remote access and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period. Accordingly, we modified our audit procedures as follows: a. Conducted verification of necessary records/ documents through remote access and emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through remote access and emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials.

5. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

6. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the

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

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

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

7. Auditor's Responsibilities for Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

8. Report on Other Legal and Regulatory Requirements

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

8.2 As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) On the basis of written representations received from the directors as on 31st March, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B";

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

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

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

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

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

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

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

(Padam Jain)
Partner
Membership No. 71026

Place : Mumbai
Dated: 27th May, 2021

Annexure-A to Independent Auditor's Report

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of BLACK ROSE INDUSTRIES LIMITED, ('the Company') for the year ended on 31st March, 2021. We report that:

i. In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) As per the information and explanation given to us by the management, the title deeds of the immovable properties as disclosed in Property, Plant & Equipments (Note No. 2 to the Standalone Financial Statements) are held in the name of the Company.

ii. In respect of its inventories:

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

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

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan, or provided security or guarantee and has not made any investment requiring compliance of Section 185 and l86 of the Companies Act, 2013, accordingly the provision of paragraph 3 (iv) of the Order is not applicable to the Company.

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

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

vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, GST, Sales Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess and other statutory dues applicable to it.

Further, according to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, GST, Sales Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess and other statutory dues were outstanding, as at 31st March, 2021, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount of Demand Net of Deposits (₹)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand	1,04,05,590/-	A.Y. 2016-17	CIT (Appeals)
Value Added Tax Act, 2002	Demand and Penalty	8,56,961/-	F.Y. 2015-16	Commissioner (Appeals)
Value Added Tax Act, 2002	Demand and Penalty	6,32,444/-	F.Y. 2016-17	Commissioner (Appeals)

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

ix. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, term loans have been applied for the purpose for which it is taken.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.

xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.

xvi. The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi) of the aforesaid Order are not applicable to the Company.

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

(Padam Jain)
Partner
Membership No. 71026

Place : Mumbai
Dated: 27th May, 2021

Annexure-B to Independent Auditor's Report

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of BLACK ROSE INDUSTRIES LIMITED, ('the Company') for the year ended on 31st March, 2021.

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

We have audited internal financial controls over financial reporting of BLACK ROSE INDUSTRIES LIMITED ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Padam Jain)
Partner
Membership No. 71026

Place : Mumbai
Dated: 27th May, 2021

Standalone Statement of Assets and Liabilities as at 31st March, 2021

₹ In Lakh

	Note No.	As At 31-03-2021	As At 31-03-2020
I. ASSETS			
1 Non Current Assets			
Property, Plant & Equipments	2	3,113.52	3,201.05
Intangible Assets	2	19.85	26.48
Capital Work-in-Progress	2	681.95	238.01
Right of Use Lease Assets	2	390.40	423.40
		4,205.72	**3,888.94**
Financial Assets			
Investments	3	16.21	16.21
Other Financial Assets	4	0.32	0.32
Other Non-Current Assets	5	50.00	46.34
		66.52	**62.87**
2 Current Assets			
Inventories	6	4,528.62	3,867.17
Financial Assets			
Trade Receivables	7	4,379.13	4,699.82
Cash and Cash Equivalents	8	56.25	26.43
Bank Balances other than Cash & Cash Equivalents	9	466.32	491.91
Loans	10	4.93	6.39
Other Financial Assets	11	80.92	100.75
Other Current Assets	12	353.60	594.52
Current Tax Assets (Net)	13	-	70.90
		9,869.78	**9,857.89**
Total		**14,142.02**	**13,809.70**
II. EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	14	510.00	510.00
Other Equities	SOCE	8,508.06	6,010.99
		9,018.06	**6,520.99**
2 Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	27.49	453.11
Lease Liability	16	24.84	60.83
Provisions	17	58.47	47.50
Deferred Tax Liabilities (Net)	18	359.59	357.04
		470.40	**918.48**
Current Liabilities			
Financial Liabilities			
Borrowings	19	1,305.42	1,519.63
Trade Payables	20	2,930.50	4,387.10
Other Financial Liabilities	21	64.20	263.04
Other Current Liabilities	22	169.17	148.46
Provisions	23	84.94	52.01
Current Tax Liabilities (Net)	13	99.34	-
		4,653.57	**6,370.23**
Total		**14,142.02**	**13,809.70**

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 P K J & CO.
Chartered Accountants
Firm Registration No. 124115W

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN : 21071026AAAABR2547

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

₹ In Lakh except EPS

		Note No.	For the Year ended 31-03-2021	For the year ended 31-03-2020
I.	Income			
	Revenue from Operations	24	23,509.88	25,228.69
	Other Income	25	58.16	85.45
	Total Revenue		**23,568.04**	**25,314.14**
II.	Expenditure			
	Cost of Materials Consumed	26	4,164.52	5,153.61
	Purchase of Traded Goods	27	14,123.99	14,391.91
	Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	28	(1,129.98)	89.75
	Employee Benefits Expense	29	613.01	493.24
	Finance Cost	30	120.44	254.25
	Depreciation and Amortization Expenses	31	257.82	233.44
	Other Expenses	32	1,836.08	1,933.46
	Total Expenditure		**19,985.89**	**22,549.66**
III.	Profit/(Loss) Before Exceptional Items and Tax		**3,582.15**	**2,764.48**
IV.	Exceptional Item	33	-	(123.66)
V.	Profit Before Tax (III-IV)		**3,582.15**	**2,640.82**
	Less: Tax Expenses			
	Current Tax		904.76	664.64
	Deferred Tax		2.55	(44.50)
	Earlier years adjustments		-	25.29
			907.31	**645.43**
VI.	Profit for the period		**2,674.84**	**1,995.39**
	Other Comprehensive Income			
	A. Items that will not be classified to Profit & Loss (Net of Tax)			
	Actuarial Gain/(Loss) on employee benefits		(0.12)	(3.71)
	B. Items that will be classified to Profit & Loss (Net of Tax)			
	Gain/(Loss) on hedging instruments		0.85	25.29
VII.	Total Comprehensive Income for the period		**2,675.57**	**2,016.98**
	Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	42		
	Basic		5.24	3.91
	Diluted		5.24	3.91

Significant Accounting Policies 1

Notes on accounts are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of P K J & CO.

Chartered Accountants

Firm Registration No. 124115W

Padam Jain

Partner

Membership No. 71026

Place : Mumbai

Date : 27th May, 2021

UDIN : 21071026AAAABR2547

For and on behalf of the Board of Directors

Sandeep Chokhani

Director

DIN : 02346782

Anup Jatia

Executive Director

DIN : 00351425

Nevil Avlani

Company Secretary

Ratan Agrawal

Chief Financial Officer

Standalone Statement of Cash Flows for the year ended 31st March, 2021

₹ In Lakh

		Year Ended 31-03-2021	Year Ended 31-03-2020
A.	**Cash Flow From Operating Activities**		
	Net profit before tax and extraordinary items	3,582.15	2,640.82
	Adjustments for:		
	Depreciation	257.82	233.44
	(Profit)/Loss on sale of fixed assets	-	(0.04)
	Interest expenses	99.71	231.99
	Interest income	(30.96)	(35.47)
	Unrealised foreign exchange (Gain)/Loss	(46.55)	129.48
	Provision for expenses, gratuity & leave encashment	72.28	57.61
	Sundry balances written back	(7.66)	(2.15)
	Rental Income	(19.32)	(19.32)
	Operating profit before working capital changes	3,907.48	3,236.36
	Adjustments for:		
	(Increase)/Decrease in receivables & contract assets	1,381.33	(1,191.33)
	(Increase)/Decrease in inventories	(661.45)	(555.26)
	Increase/(Decrease) in payables & contract liabilities	(2,600.70)	775.03
	Cash generated from operating activities	2,026.66	2,264.80
	Less : Direct taxes (net of refund)	718.79	653.39
	Net cash flow from / (used in) operating activities	**1,307.87**	**1,611.41**
B.	**Cash Flow From Investing Activities**		
	Sale of fixed assets	15.96	0.54
	Purchase of fixed assets / Capital work in progress	(598.22)	(765.87)
	Interest Income	30.96	35.47
	Rental Income	19.32	19.32
	Cash generated from investing activities	(531.99)	(710.53)
	Less : Income-tax paid at source	1.45	1.93
	Net Cash flow from / (used in) investing activities	**(533.44)**	**(712.47)**
C.	**Cash Flow from Financing activities**		
	Proceeds from borrowings	(639.83)	(608.99)
	Lease Payment on Right of Use Assets	(30.67)	(20.11)
	Interest Expenses	(99.71)	(231.99)
	Net cash flow / (used in) from financing activities	**(770.21)**	**(861.08)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	4.22	37.86
	Cash and cash equivalent as at the beginning of the year	518.34	480.48
	Cash and cash equivalent as at the end of the year	**522.57**	**518.34**

Standalone Statement of Cash Flows for the year ended 31st March, 2021

Notes:

1) Cash and cash equivalents comprises of

₹ In Lakh

	Year Ended 31-03-2021	Year Ended 31-03-2020
a) Cash in hand	2.90	3.92
b) Bank balance in current accounts	53.35	22.51
c) Unpaid dividend account	12.85	8.22
d) In fixed deposit account	453.47	483.69
	522.57	**518.34**

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

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

4) Figures in brackets represent outflows.

As per our report of even date attached

For and on behalf of P K J & CO.

Chartered Accountants
Firm Registration No. 124115W

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN : 21071026AAAABR2547

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended 31st March, 2021

A EQUITY SHARE CAPITAL

For the year ended 31st March, 2021 ₹ In Lakh

Balance as at 1st April, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
510.00	0.00	510.00

B OTHER EQUITY

For the year ended 31st March, 2021 ₹ In Lakh

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
Balance as at 1st April, 2020	30.00	62.40	644.70	5,273.89	6,010.99
Prior Period Errors	-	-	-		-
Total Comprehensive Income for the period	-	-	-	2,675.57	2,675.57
Total Comprehensive Income/(Loss) for the period	**30.00**	**62.40**	**644.70**	**7,949.46**	**8,686.56**
Dividend	-	-	-	(178.50)	(178.50)
Transfer to / from Retained Earnings	-	-	-	-	-
Transition Impact on account of Implementation of IND AS 116	-	-	-	-	-
Balance as at 31st March, 2021	**30.00**	**62.40**	**644.70**	**7,770.96**	**8,508.06**

For the year ended 31st March, 2020 ₹ In Lakh

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
Balance as at 1st April, 2019	30.00	62.40	644.70	3,454.97	4,192.07
Prior Period Errors	-	-	-		-
Total Comprehensive Income for the year	-	-	-	2,016.98	2,016.98
Total Comprehensive Income/(Loss) for the year	**30.00**	**62.40**	**644.70**	**5,471.95**	**6,209.05**
Dividend (Including Dividend Distribution Tax)	-	-	-	(184.45)	(184.45)
Transfer to / from Retained Earnings	-	-	-	-	-
Transition Impact on account of Implementation of IND AS 116	-	-	-	(13.61)	(13.61)
Balance as at 31st March, 2020	**30.00**	**62.40**	**644.70**	**5,273.89**	**6,010.99**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

1 COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Black Rose Industries Limited (the Company) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharashtra, India. The Company is primarily engaged in manufacturing and distribution of chemicals. The company is also engaged in the business of textile manufacturing activity in Maharashtra and wind power generation in the State of Rajasthan and Gujarat.

Significant Accounting Policies

a) Statement of Compliance

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

b) Basis of preparation

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

i) Certain financial assets and liabilities (including derivative instruments), and

ii) Employee's Defined Benefit Plan as per actuarial valuation

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

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

The financial statements of the Company for the year ended 31st March, 2021 were authorised for issue in accordance with a resolution of the board of directors on 27th May, 2021.

c) Applicability of new and revised IND AS

a) New amended standards and interpretation

i) IND AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'.

ii) IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with IND AS 1, the respective changes have been made to IND AS 8 also.

iii) IND AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

iv) IND AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other IND AS, respective changes have been made to IND AS 34.

v) IND AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi) IND AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii) IND AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii) IND AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix) IND AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

b) New standards notified and yet to be adopted by the Company - None

Notes to Standalone Financial Statements for the year ended 31st March, 2021

d) Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

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

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

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

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

e) Depreciation

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

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

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

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

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

f) Intangible Assets

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

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

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

(ii) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated

Notes to Standalone Financial Statements for the year ended 31st March, 2021

useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

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

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

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

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

h) Inventories

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

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

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

i) Borrowing Costs

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

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

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

j) Provision, Contingent Liabilities and Contingent Assets

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

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

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

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

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

k) Revenue Recognition

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

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

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

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

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

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

l) Leases

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed and expected future cash flows and depreciation on the asset portion on straight-line basis and interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than ₹1 lakh).

m) Retirement and other employee benefits

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Benefit Plans

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

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

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

n) Income Taxes

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

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the

Notes to Standalone Financial Statements for the year ended 31st March, 2021

applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss.

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

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

o) Earnings Per Share

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

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

p) Foreign Currency Transactions

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

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

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

q) Investment in Subsidiaries, Associates

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

r) Financial Instruments

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

Initial Recognition

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Classification and Subsequent Measurement:

Financial Assets

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

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

Amortized Cost

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

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

Fair Value through OCI

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

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

Fair Value through Profit or Loss

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

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

Classification and Subsequent Measurement:

Financial liabilities

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

Financial Liabilities at FVTPL

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

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

Other Financial Liabilities

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

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

s) **Cash and Cash Equivalents**

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

t) Financial liabilities and equity instruments

- Classification as debt or equity

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

- Equity instruments

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

u) Derivative financial instruments

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

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

v) Hedge accounting

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

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

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

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

w) Segment Reporting - Identification of Segments

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

x) Fair Value Measurement

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

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

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

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

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

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

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

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

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

y) Current versus Non-current classification

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

i) An asset is current when it is:

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

All other assets are classified as non-current.

ii) A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Key assumptions

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

i) Useful Lives of Property, Plant & Equipment

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

ii) Lease term of right-to-use assets

Management reviews its estimate of the lease term of right-to-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-to-use assets.

iii) Fair value measurement of financial instruments

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

iv) Defined benefit plans

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

v) Recoverability of trade receivable

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

vi) Provisions

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

vii) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less

Notes to Standalone Financial Statements for the year ended 31st March, 2021

costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

viii) Impairment of financial assets

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

Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Following ratios shall be disclosed

- Current Ratio
- Debt-Equity Ratio
- Debt Service Coverage Ratio
- Return on Equity Ratio
- Inventory Turnover Ratio
- Trade Receivables Turnover Ratio
- Trade Payables Turnover Ratio
- Net Capital Turnover Ratio
- Net Profit Ratio
- Return on Capital Employed
- Return on Investment

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

2. Property, Plant & Equipments

As at 31st March, 2021 ₹ in Lakh

Particular	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	Cost as at 1st April, 2020	Additions/ Disposals	Other Adjustments	Cost as at 31st March, 2021	As at 1st April, 2020	For the Year	Adjustment/ Disposals	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
TANGIBLE ASSETS										
Factory Building *	1,444.85	12.06	-	1,456.91	445.23	43.92	-	489.16	967.75	999.62
Office Equipments	27.56	2.24	-	29.79	24.58	1.07		25.65	4.15	2.98
Electric Installation	83.81	3.66	-	87.46	53.05	3.27	-	56.32	31.14	30.76
Factory Equipments	20.59	2.18	3.83	18.94	5.76	1.35	(0.39)	6.71	12.23	14.83
Plant and Machinery (Owned)	2,402.09	100.05	12.64	2,489.49	704.77	125.38	(0.43)	829.73	1,659.77	1,697.32
Furniture & Fittings	52.44	1.10	-	53.53	40.33	3.20	-	43.53	10.00	12.11
Computers	39.82	2.57	-	42.39	36.22	1.36	-	37.58	4.81	3.60
Printer	0.65	0.13	-	0.78	0.59	0.05	-	0.64	0.14	0.06
Vehicles	156.44	29.79	-	186.24	50.95	18.60	-	69.55	116.69	105.50
Wind Mills	873.52	-	-	873.52	539.24	27.44	-	566.68	306.83	334.28
Total (A)	**5,101.76**	**153.77**	**16.47**	**5,239.06**	**1,900.71**	**225.65**	**(0.82)**	**2,125.54**	**3,113.52**	**3,201.05**
Previous Year	4,586.44	525.49	10.17	5,101.76	1,698.68	211.70	(9.66)	1,900.71	3,201.05	2,887.76
INTANGIBLE ASSETS										
Software	28.54	0.51	-	29.05	25.30	2.58	-	27.88	1.17	3.24
Technical Know-how	293.61	-	-	293.61	270.37	4.56	-	274.93	18.68	23.24
Total (B)	**322.15**	**0.51**	**-**	**322.67**	**295.68**	**7.14**	**-**	**302.82**	**19.85**	**26.48**
Previous Year	298.14	24.01	-	322.15	290.76	4.91	-	295.68	26.48	7.38
Total (A+B)	**5,423.91**	**154.28**	**16.47**	**5,561.73**	**2,196.39**	**232.79**	**(0.82)**	**2,428.36**	**3,133.37**	**3,227.52**
Previous Year	4,884.58	549.50	10.17	5,423.91	1,989.44	216.61	(9.66)	2,196.39	3,227.52	2,895.14
CAPITAL WORK IN PROGRESS	**238.01**	**443.94**		**681.95**	**-**	**-**	**-**	**-**	**681.95**	**238.01**
Previous Year	21.65	512.85	296.48	238.01	-	-	-	-	238.01	21.65
RIGHT OF USE LEASE ASSETS										
Leasehold Land **	375.48	-	-	375.48	24.75	3.80	-	28.56	346.92	350.73
Leasehold Premises	91.19	25.58	39.71	77.06	18.51	21.23	(6.17)	33.58	43.48	72.68
Total	**466.67**	**25.58**	**39.71**	**452.54**	**43.27**	**25.04**	**(6.17)**	**62.13**	**390.40**	**423.40**
Previous Year **	426.96	39.71	-	466.67	5.81	16.82	20.63	43.27	423.40	375.17

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

3 Non Current Investments

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unquoted		
Investments measured at cost		
Investment in Wholly-owned foreign subsidiary		
60 (31st March, 2020 : 60) Capital Stock of JPY 50,000 each fully paid up in B.R.Chemicals Co. Ltd., Osaka Japan	16.21	16.21
	16.21	**16.21**
Aggregate amount of Unquoted Investments	16.21	16.21

4 Other Financial Non-Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Fixed deposits with Bank with original maturity of more than 12 months*	0.32	0.32
	0.32	**0.32**

* Lodged as Security towards Margin money.

5 Other Non-Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Security Deposit to Government authorities and others	50.00	46.34
	50.00	**46.34**

6 Inventories

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
(Valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components	1,505.21	1,955.77
[includes in transit ₹ 1,014.50 Lakh (31st March, 2020 - ₹ 474.70 Lakh)]		
Work-in-progress	155.59	231.04
Finished Goods	115.25	60.98
Traded Goods	2,592.29	1,512.16
[includes in transit ₹ 801.35 Lakh (31st March, 2020 - ₹ 222.37 Lakh)]		
Stores and spares and Packing Materials	160.29	107.22
[includes in transit ₹ 28.89 Lakh (31st March, 2020 - ₹ NIL)]		
	4,528.62	**3,867.17**

7 Trade Receivables

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured, considered good		
Outstanding for a period exceeding six months from date they are due for payment	16.45	32.34
Others	4,362.68	4,667.48
Doubtful	28.39	28.39
	4,407.52	4,728.21
Less: Provision for doubtful debts	(28.39)	(28.39)
	4,379.13	**4,699.82**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

8 Cash and Cash Equivalents

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Cash on hand	2.90	3.92
Other Bank Balances		
In Current Accounts	53.35	22.51
	56.25	**26.43**

9 Bank Balances other than Cash and Cash Equivalents

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
In Fixed Deposits account		
Fixed Deposits with original maturity for less than 3 months*	22.94	43.98
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	-	-
Current Maturities of Fixed Deposits with original maturity for more than 12 months*	430.53	439.71
Enmarked Balance with Bank for Unpaid Dividends	12.85	8.22
	466.32	**491.91**

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

10 Current Loans

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured, considered good unless otherwise stated		
Loans and advances to staff and Officer of the Company	4.93	6.39
	4.93	**6.39**

11 Other Financial Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest accrued but not due on Bank Deposits	1.71	2.44
Interest accrued and due on Loans	-	0.02
Interest accrued on Security Deposits with MSEB and Dakshin Gujarat	1.62	2.37
Interest Subsidy receivable	62.11	62.11
Other Outstanding Income	14.35	-
Receivable for Mark to Market Profit on Open Forward Contract	1.14	33.80
	80.92	**100.75**

12 Other Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Prepaid Expenses	32.29	47.58
Security Deposits to others	6.72	14.17
Balances with Statutory Government authorities	130.42	321.15
MEIS License	2.53	84.92
MEIS License Receivable	25.16	23.40
ROSCTL License	2.83	-
RODTEP License Receivable	2.09	-
Duty Drawback Receivable	0.93	7.22
Advances recoverable in cash or kind or for value to be received		
- Unsecured, Considered Good	150.63	96.08
- Unsecured, Considered Doubtful	45.39	45.39
Less - Provision for doubtful debts	(45.39)	(45.39)
	353.60	**594.52**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

13 Current Tax Assets/(Liabilities) (Net)

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Income Tax Deposits	1,942.51	1,207.75
Less: Provisions for Income Tax	2,041.85	1,136.85
	(99.34)	70.90

14 Equity Share Capital

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Authorised Shares		
800 Lakh (31st March, 2020: 800 Lakh)	800.00	800.00
Equity Shares of ₹ 1/- each		
	800.00	800.00
Issued, Subscribed and Fully Paid Up Shares		
510 Lakh (31st March, 2020: 510 Lakh)	510.00	510.00
Equity Shares of ₹ 1/- each		
	510.00	510.00

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

	31-03-2021		31-03-2020	
	Nos.	₹ in Lakh	Nos.	₹ in Lakh
At the beginning of the period	51,000,000	510.00	51,000,000	510.00
Add: Shares issued during the period	-	-	-	-
Outstanding at the end of the period	51,000,000	510.00	51,000,000	510.00

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

	31-03-2021 Nos.	31-03-2020 Nos.
Holding Company:		
Wedgewood Holdings Limited, Mauritius.		
Equity Shares of ₹ 1/- each fully paid	28,800,000	28,800,000
	28,800,000	28,800,000

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

	31-03-2021		31-03-2020	
	Nos.	% of holding	Nos.	% of holding
Equity shares of ₹ 1/- each fully paid				
Name of the shareholder:				
Wedgewood Holdings Limited, Mauritius	28,800,000	56.47	28,800,000	56.47
Triumph Worldwide Limited, Hong Kong	9,210,000	18.06	9,210,000	18.06

d) **Terms/Rights attached to equity shares**

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

15 Non-Current Borrowings

		31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
	Secured		
a)	**Term Loans**		
	Loan from Banks and Financial Institutions	71.35	300.39
	[Refer Note No. 15(a)(i), (ii), (iii), (iv) and (v)]		
	Total Secured	**71.35**	**300.39**
	Unsecured		
b)	**Deposits**	-	395.00
	[Refer Note No. 15(b)(i)]		
c)	**Other Loans and Advances**		
	Interest Free Security Deposits	7.50	7.50
	[Refer Note No. 15(c)(i)]		
	Total Unsecured	**7.50**	**402.50**
		78.85	**702.89**
	Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No. 21)	(51.36)	(249.78)
		27.49	**453.11**

Note No. 15(a):

(i) Secured Loan:

Vehicle Loan

From Daimler Financial Services Pvt. Ltd.

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.6434 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 85,881/- commencing from 4th August, 2018 and ending on 4th July, 2021.

(ii) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 8.70 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 64,444/- commencing from 12th December, 2019 and ending on 7th November, 2022.

(iii) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 9.1111 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 21,970/- commencing from 16th November, 2019 and ending on 7th December, 2022.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(iv) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 8.10 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 40,522/- commencing from 5th October, 2020 and ending on 5th September, 2023.

(v) Secured Loan:

Vehicle Loan

From ICICI Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 7.75 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 31,262/- commencing from 1st March, 2021 and ending on 1st February, 2024.

Note No. 15(b):

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured Loan:		
Deposits		
Received from Director	-	395.00
	-	395.00

Rate of Interest

The rate of interest is 12.75% p.a.

Terms of Repayment

Repayable on or after 24 months

Note No. 15(c):

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Other Loans and Advances		
Security Deposits		
Received from related party	7.50	7.50
	7.50	7.50

16 Lease Liability

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Right of use lease liability (Refer Note No. 38)	24.84	60.83
	24.84	60.83

Notes to Standalone Financial Statements for the year ended 31st March, 2021

17 Non-Current Provisions

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Provisions for employees benefits		
Provision for Gratuity (Note No. 39)	49.93	40.85
Provisions for Leave Benefits	8.54	6.65
	58.47	**47.50**

18 Deferred Tax Liabilities (Net)

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Items leading to deferred tax liability		
Difference in depreciation in block of fixed assets as per Income Tax and Books of Accounts	379.66	373.83
Right to Use Lease Impact	1.05	0.26
Less: Items leading to deferred tax assets		
Expenses allowable on Payment basis	(21.12)	(17.05)
Net (Deferred Tax Liability)	**359.59**	**357.04**

19 Current Borrowings

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Secured [Refer Note No. 19(a)]		
Repayable on demand		
Cash Credit from Banks	361.06	421.69
Trade Credit	944.36	1,097.94
	1,305.42	**1,519.63**

Note No. 19(a):

Nature of security

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

b) Secured by first pari-pasu charge with HDFC Bank on all present and future stock, book debts and entire current assets of the Company.

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

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

e) Personal Guarantee of a Director.

20 Trade Payables

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Trade payables (Refer Note No. 46)		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of other than Micro Enterprises and Small Enterprises	2,930.50	4,387.10
	2,930.50	**4,387.10**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

21 Other Financial Current Liabilities

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Current maturities of long term borrowings (Refer Note No. 15)	51.36	249.78
Interest accrued but not due on borrowings	-	5.05
Unpaid Dividend *	12.85	8.22
	64.20	**263.04**

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

22 Other Current Liabilities

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Payable for Other Expenditure	108.18	104.73
Other Non Trade Liabilities	0.23	0.22
Advance from Customers	22.46	19.43
TDS payable	38.11	23.91
Rates and Taxes Payable	0.18	0.16
	169.17	**148.46**

23 Current Provisions

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Provisions for employee benefits		
Salary and Reimbursements	71.62	41.35
Contribution to Provident Fund and Other Fund	6.21	4.17
Gratuity	5.55	5.19
Leave benefits	1.55	1.29
	84.94	**52.01**

24 Revenue from Operations

		For the Year ended 31-03-2021 ₹ in Lakh	For the year ended 31-03-2020 ₹ in Lakh
a)	Sale of products (Refer Note No. 24)	23,174.71	25,064.05
		23,174.71	**25,064.05**
b)	**Other Operating Revenue**		
	Export Entitlement	48.41	122.07
	Discounts and Claims	-	1.41
	Exchange Difference	275.00	-
	Commission Income	11.76	41.16
		335.17	**164.64**
	Revenue from Operations	**23,509.88**	**25,228.69**
	Note No. 24(a)(i)		
	Details of Sale of products		
	Chemicals	23,042.58	24,909.50
	Others	132.13	154.55
		23,174.71	**25,064.05**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

25 Other Income

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest Income		
From bank	26.46	31.22
From others	4.50	4.25
	30.96	**35.47**
Profit on sale of asset	-	0.04
Other non-operating income	27.20	49.94
	58.16	**85.45**

26 Cost of Materials Consumed [Refer Note No. 26(a)]

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Inventory at the beginning of the year	1,955.77	1,318.68
Add: Purchases	3,599.88	5,705.82
Add: Transferred from Traded Goods	114.08	84.88
	5,669.73	7,109.38
Less: Inventory at the end of the year	1,505.21	1,955.77
	4,164.52	**5,153.61**
Note No. 26(a)		
(i) Details of materials consumed		
Chemical	4,164.52	5,150.91
Others	-	2.70
	4,164.52	**5,153.61**
(ii) Details of inventory of raw materials		
Chemical	1,504.22	1,954.78
Others	0.99	0.99
	1,505.21	**1,955.77**

27 Purchase of Traded Goods

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Purchases	14,167.03	14,451.23
Consumed in manufacturing	43.05	59.31
	14,123.99	**14,391.91**

28 (Increase)/Decrease in Inventories

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Opening Traded Goods	1,512.16	1,763.22
Consumed in Manufacturing	71.03	25.57
Closing Traded Goods [Refer Note No. 28(a)(i)]	2,592.29	1,512.16
	(1,151.16)	**225.49**
Opening Work-in-progress	231.04	127.15
Closing Work-in-progress [Refer Note No. 28(a)(ii)]	155.59	231.04
	75.45	**(103.89)**
Opening Finished Goods	60.98	29.13
Closing Finished Goods [Refer Note No. 28(a)(iii)]	115.25	60.98
	(54.27)	**(31.85)**
Total (Increase)/Decrease in Inventories	**(1,129.98)**	**89.75**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note No. 28(a)

Details of inventories at the end of the year

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
(i) Traded goods		
Chemicals	2,577.10	1,489.13
Others	15.19	23.03
	2,592.29	1,512.16
(ii) Work-in-progress		
Chemical	152.98	226.93
Others	2.60	4.11
	155.59	231.04
(iii) Finished goods		
Chemical	100.48	46.21
Others	14.77	14.77
	115.25	60.98

29 Employee Benefit Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Salaries, Wages and Bonus	578.19	463.27
Contribution to Provident fund and other funds	26.35	20.41
Staff Welfare Expenses	8.47	9.57
	613.01	493.24

30 Finance Costs

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest on borrowings	77.50	206.96
Right of Use Lease Interest (Refer Note No. 38)	4.34	3.60
Bill Discounting Charges	0.45	0.37
Bank Charges on facilities	17.41	21.06
Applicable loss on foreign currency transactions and translation	20.74	22.26
	120.44	254.25

31 Depreciation and Amortization Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Depreciation of Tangible Assets	225.65	211.70
Amortization of Intangible Assets	7.14	4.91
Right of Use Lease Depreciation (Refer Note No. 38)	25.04	16.82
	257.82	233.44

Notes to Standalone Financial Statements for the year ended 31st March, 2021

32 Other Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Power and Fuel	171.57	144.63
Rent	40.77	38.11
Rates and Taxes	16.07	3.72
Insurance	39.59	29.07
Repairs and Maintenance		
Plant and Machinery	17.94	18.98
Buildings	2.67	3.52
Others	9.24	6.76
Legal and Professional fees	72.40	78.63
Royalty	211.04	150.82
Payment to auditor [Refer Note No. 32(a)]	4.60	4.74
Selling and Distribution expenses	231.56	126.86
Brokerage expenses	116.94	95.43
Windmill Maintenance Charges	25.53	21.18
Travelling and Conveyance	26.14	64.91
Communication Costs	11.56	10.10
Printing and Stationery	3.25	3.91
Labour and Job Work Charges	1.63	4.02
Packing Material Consumed	420.19	635.02
Utility Material Consumed	26.78	6.44
Export Expenses	160.59	180.20
Security Charges	12.00	12.40
Corporate Office Expenses	11.61	12.76
Office Expenses	15.81	8.39
Office Electricity Expenses	0.49	1.63
Warehousing Charges	38.46	25.85
Vehicle Expenses	14.89	10.43
Bank Charges	44.05	46.89
CSR Expenses	34.32	38.99
Miscellaneous Expenses	54.40	149.09
	1,836.08	**1,933.46**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note No. 32(a):

Details of Payment to Auditor

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
As Auditor		
Audit Fees	3.00	3.00
Limited Review	0.60	0.60
In Other capacity		
Certification Fees	0.09	0.25
Reimbursement of expenses including tax	0.08	0.06
	3.77	3.91
Cost Auditor		
As Audit fees	0.83	0.83
	0.83	0.83
	4.60	4.74

33 Exceptional Items

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Payment Made under Sales Tax Amnesty Scheme	-	123.66
	-	123.66

34 Fair Values and Hierarchy

A. Accounting classification and fair values

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

₹ In Lakh

i)	31st March, 2021	Note No.	Carrying Amount				Fair Value			
			FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Financial Assets									
	Investments	3	-	-	16.21	16.21	-	-	16.21	16.21
	Other Financial Assets	4 & 11	-	-	81.24	81.24	-	-	81.24	81.24
	Trade Receivables	7	-	-	4,379.13	4,379.13	-	-	4,379.13	4,379.13
	Cash and Cash Equivalents	8	-	-	56.25	56.25	-	-	56.25	56.25
	Bank Balances other than Cash & Cash Equivalents	9	-	-	466.32	466.32	-	-	466.32	466.32
	Loans	10	-	-	4.93	4.93	-	-	4.93	4.93
			-	-	5,004.08	5,004.08	-	-	5,004.08	5,004.08
	Financial Liabilities									
	Borrowings	15 & 19	-	-	1,332.91	1,332.91	-	-	1,332.91	1,332.91
	Lease Liability	16		-	24.84	24.84	-	-	24.84	24.84
	Trade Payables	20	-	-	2,930.50	2,930.50	-	-	2,930.50	2,930.50
	Other Financial Liabilities	21	-	-	64.20	64.20	-	-	64.20	64.20
			-	-	4,352.45	4,352.45	-	-	4,352.45	4,352.45

Notes to Standalone Financial Statements for the year ended 31st March, 2021

₹ In Lakh

ii)	31st March, 2020	Note No.	Carrying Amount				Fair Value			
			FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Financial Assets									
	Investments	3	-	-	16.21	16.21	-	-	16.21	16.21
	Other Financial Assets	4 & 11	-	-	101.07	101.07	-	-	101.07	101.07
	Trade Receivables	7	-	-	4,699.82	4,699.82	-	-	4,699.82	4,699.82
	Cash and Cash Equivalents	8	-	-	26.43	26.43	-	-	26.43	26.43
	Bank Balances other than Cash & Cash Equivalents	9	-	-	491.91	491.91	-	-	491.91	491.91
	Loans	10	-	-	6.39	6.39	-	-	6.39	6.39
			-	-	5,341.82	5,341.82	-	-	5,341.82	5,341.82
	Financial Liabilities									
	Borrowings	15 & 19	-	-	1,972.74	1,972.74	-	-	1,972.74	1,972.74
	Lease Liability	16	-	-	60.83	60.83	-	-	60.83	60.83
	Trade Payables	20	-	-	4,387.10	4,387.10	-	-	4,387.10	4,387.10
	Other Financial Liabilities	21	-	-	263.04	263.04	-	-	263.04	263.04
			-	-	6,683.71	6,683.71	-	-	6,683.71	6,683.71

B. **Measurement of fair values**

Valuation techniques and significant unobservable inputs

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

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

35 Capital Management (IND AS 1)

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

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

Particulars	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
Total Debt (Long Term Bank and other borrowings)	27.49	453.11
Equity	9,018.06	6,520.99
Debt to Equity (Net)	0.00	0.07

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

36 Financial Risk Management (IND AS 1)

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

i) Market Risk

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

a) Interest Rate Risks

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

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2021 would have been decreased/increased by ₹ 18.74 Lakh (Previous Year - ₹ 25.30 Lakh).

b) Foreign Currency Risks

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

Details of Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	For Hedging of foreign currency purchases		
Forward contract to buy	Amount in US$	₹ in Lakh	No. of Contracts
As on 31.03.2021	378,215.00	276.53	4
As on 31.03.2020	877,808.00	664.24	4

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

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in US$	₹ in Lakh	Amount in US$	₹ in Lakh
Trade Payable	3,096,640.90	2,264.11	4,054.399.24	3,067.96
Secured Trade Credit	1,291,610.00	944.36	1,450,952.00	1,097.94
Trade/Commission receivable	243,489.50	178.00	1,096,685.36	829.75
Advance to Suppliers	328,464.00	240.12	26,040.00	19.26
Advance from Customers	5,618.00	4.11	-	-

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in JPY	₹ in Lakh	Amount in JPY	₹ in Lakh
Trade Payable	-	-	26,181,842.00	182.23
Trade/Commission receivable	311,558.00	2.06	2,174,089.00	15.13

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in EURO	₹ in Lakh	Amount in EURO	₹ in Lakh
Trade Payable	4,826.50	4.14	-	-

The Company is mainly exposed to changes in US Dollar . The sensitivity to 1% increase or decrease in US Dollar against INR with all other variables held constant will be ₹ 30.30 Lakh. (Previous Year - ₹ 33.36 Lakh).

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

c) Price Risks

The Company's revenues are mainly generated from sales within India and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain

Notes to Standalone Financial Statements for the year ended 31st March, 2021

commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

ii) Credit Risk

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

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

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2021 is 0.38% of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) Liquidity Risk

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

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

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

Exposure to liquidity risk

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

Particulars	Refer Note	Less than 1 year ₹ in Lakh	1-3 Years ₹ in Lakh	3-5 Years ₹ in Lakh	More than 5 Years ₹ in Lakh
Borrowings	15, 19 & 21	1,356.77	19.99	-	7.50
		(1,769.41)	(444.07)	(1.54)	(7.50)
Trade Payable	20	2,930.50	-	-	-
		(4,387.10)	-	-	-
Other Financial Liabilities	21	-	-	-	-
		(5.05)	-	-	-
Employee Benefit/ Expense liabilities	17 & 23	143.41	-	-	-
		(99.51)	-	-	-
Unclaimed dividends	21	12.85	-	-	-
		(8.22)	-	-	-

Figures in brackets are in respect of Previous year

Notes to Standalone Financial Statements for the year ended 31st March, 2021

37 Income Taxes (IND AS 12)

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

Particulars	Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
Profit Before Tax	3,582.15	2,640.82
Applicable tax rate @ 25.17% (31st March, 2020 @ 25.17%)	901.56	664.69
Effect of Tax Exempt Income	-	-
Effect of Non-Deductible expenses	88.31	79.36
Effect of Allowances for tax purpose	(85.29)	(72.15)
Effect of Tax paid at a lower rate	-	-
Effect of Previous year adjustments	-	-
Others	0.18	(7.26)
Total	**904.76**	**664.64**

(ii) The Company has announced a proposed dividend of ₹ 0.45/- per share for the financial year 2020 21 and shall be recognized once the dividend is paid.

38 Lease (IND AS 116)

		Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
1.	**Future Minimum Lease Payments under non-cancellable operating lease for the period**		
	(a) Not later than one year	58.75	59.24
	(b) Later than one year but not later than 5 years	14.69	43.73
	(c) More than 5 years	-	-
2.	**Lease payments charged to Profit and Loss Account**		
	Rental expenses	40.77	38.11
	Depreciation	25.04	16.82
	Interest	4.34	3.60

3. The Company has taken on lease a number of premises under leases. The lease typically runs for a period of 3 to 5 years with an option to renew the lease after that period. The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.

39 Employee Benefits (IND AS 19)

Defined Benefit Plans

Gratuity

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

Inherent Risk

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Statement of Assets and Liabilities for Defined Benefit Obligation

	Gratuity and other post employment benefit plans	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	46.04	33.37
	Adjustment of:		
	Interest Cost	2.87	2.36
	Current Service Cost	7.82	4.87
	Past Service Cost	-	-
	Liability Transferred In/Acquisitions	-	0.68
	(Liability Transferred Out/Disinvestment)	-	(0.21)
	Benefit paid directly by the Employer	(1.41)	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	(1.09)	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	0.28	2.03
	Actuarial (Gains)/Losses on Obligation - Due to Experience	0.98	2.93
	Balance at the end of the year	**55.48**	**46.04**
(ii)	**Change in Fair Value of Assets**		
	Fair Value of Plan Assets at the Beginning of the Period	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	**-**	**-**
(iii)	**Net Asset/(Liability) recognised in the Balance Sheet**		
	(Present Value of Benefit Obligation at the end of the Period)	(55.48)	(46.04)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/(Deficit))	(55.48)	(46.04)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(55.48)**	**(46.04)**
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	7.82	4.87
	Net Interest Cost	2.87	2.36
	Past Service Cost	-	-
	Expenses Recognized	**10.69**	**7.23**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	0.17	4.95
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**0.17**	**4.95**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	Gratuity and other post employment benefit plans	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
(vi)	**Maturity profile of defined benefit obligation**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	5.55	5.19
	2nd Following Year	5.75	5.07
	3rd Following Year	5.51	5.08
	4th Following Year	5.39	4.80
	5th Following Year	5.56	4.67
	Sum of Years 6 To 10	31.20	22.22
	Sum of Years 11 and above	26.74	22.63
(vii)	**Sensitivity analysis for significant assumptions***		
	Projected Benefit Obligation on Current Assumptions	55.48	46.04
	Delta Effect of +1% Change in Rate of Discounting	(3.06)	(2.42)
	Delta Effect of -1% Change in Rate of Discounting	3.41	2.70
	Delta Effect of +1% Change in Rate of Salary Increase	3.30	2.36
	Delta Effect of -1% Change in Rate of Salary Increase	(2.98)	(2.28)
	Delta Effect of +1% Change in Rate of Employee Turnover	(0.86)	(0.66)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.93	0.72
(viii)	**Actuarial Assumptions**		
	Discount Rate (p.a.)	6.26%	6.24%
	Expected Return on Plan Assets (p.a.)	N.A.	N.A.
	Turnover Rate	14.00%	15.20%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Salary Escalation Rate (p.a.)	10.00%	10.24%
	Retirement age	60 years	60 years
(ix)	**Weighted Average duration of Defined benefit obligation**	7 years	7 years

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

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

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

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

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

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

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

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2021

40 Government Grant (IND AS 20)

Interest, Wages Expenses and Repairs to plant and machinery are net of subsidy received under State Investment Promotion Scheme of ₹ NIL (31st March, 2020 ₹ 17.91 Lakh).

41 Related party disclosures (IND AS 24)

(A) Information about related parties

(i) Holding company — Wedgewood Holdings Limited, Mauritius

(ii) Wholly-owned foreign subsidiary company — B.R.Chemicals Co., Limited, Osaka, Japan

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

Parties	Relationship
Anup Jatia, Executive Director	Key Management Personnel (KMP)
Sandeep Chokhani, Director	Key Management Personnel (KMP)
Ratan Agrawal, Chief Financial Officer	Key Management Personnel (KMP)
Nevil Avlani, Company Secretary	Key Management Personnel (KMP)
Black Rose Trading Private Limited	Enterprises owned or significantly influenced by any management personnel or their relatives
Tozai Safety Private Limited	Enterprises owned or significantly influenced by any management personnel or their relatives
Tozai Enterprises Private Limited	Enterprises owned or significantly influenced by any management personnel or their relatives
Fukui Accent Trading (India) Pvt Ltd	Enterprises owned or significantly influenced by any management personnel or their relatives
Accent Industries Limited	Enterprises owned or significantly influenced by any management personnel or their relatives
Atmasantosh Foundation	Enterprises owned or significantly influenced by any management personnel or their relatives

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

₹ in Lakh

Nature of Transactions	Key Management Personnel	Other related parties as in 41(A)(iii)
Sales	-	689.70
	-	(29.37)
Purchase	-	57.65
	-	(74.23)
Rent Expenses	-	45.39
	-	(42.60)
Directors Remuneration	100.00	-
	(100.00)	-
Retainership Fees Expenses	-	-
	(2.40)	-
Salary Expenses	73.14	-
	(27.15)	-
Interest Expenses	19.90	-
	(83.14)	-
Interest Income	0.09	-
	-	-
Rent Income	-	19.32
	-	(19.32)

Notes to Standalone Financial Statements for the year ended 31st March, 2021

₹ in Lakh

Nature of Transactions	Key Management Personnel	Other related parties as in 41(A)(iii)
Loan Given	15.00	-
	(5.00)	-
CSR Contribution	-	33.50
	-	(14.50)
Loan Recovered	15.00	-
	(5.40)	-
Unsecured Deposit Refunded	370.00	-
	(350.00)	-
Reimbursement of Expenses Paid	-	-
	-	(0.04)
Reimbursement of Expenses Received	-	1.87
	-	(4.06)

(C) Balance as at 31st March, 2021

₹ in Lakh

	Key Management Personnel	Other related parties as in 41(A)(iii)
Security Deposit Received	-	7.50
	-	(7.50)
Unsecured Deposit Payable	-	-
	(370.00)	-
Interest Receivable	0.09	-
	-	-
Interest Payable (Net of T.D.S.)	-	-
	(4.00)	-

Note: The above related party transaction is as disclosed by the management and relied upon by auditor.

42 Earnings Per Share (EPS) (IND AS 33)

	Particulars	Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
(A)	Basic EPS:		
	(i) Net Profit attributable to Equity Shareholders	2,674.84	1,995.39
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	510.00	510.00
	Basic EPS (₹) (i)/(ii)	**5.24**	**3.91**
(B)	Diluted EPS:		
	(i) Net Profit attributable to Equity Shareholders	2,674.84	1,995.39
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	510.00	510.00
	Diluted EPS (₹) (i)/(ii)	**5.24**	**3.91**

43 Contingent Liabilities (IND AS 37)

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

(i) MVAT liability of ₹ 14.89 Lakh including interest (P.Y. ₹ 16.47 Lakh) as per the VAT assessment order for FY 2015-16 and FY 2016-17. The management has filed an appeal against the said order and are of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(ii) Central Sales Tax liability of ₹ 0.12 Lakh (P.Y. ₹ 8.33 Lakh) as per MVAT Audit for the FY 2017-18, 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 ₹ 221.45 Lakh (P.Y. ₹ 221.45 Lakh) for which company has gone in appeal/rectification. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(b) **Guarantees:**

There are no guarantees issues as at the end of the balance sheet date.

44 Segment Reporting (IND AS 108)

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

45 Corporate Social Responsibility

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2021 is ₹ 40.19 Lakh (31st March, 2020 ₹ 27.35 Lakh) i.e. 2% of average net profits for last three financials years, calculated as per Section 198 of the Companies Act, 2013. However, during the year, the Company has spent ₹ 28.43 Lakh towards FY 2020-2021 and ₹ 5.89 Lakh towards FY 2019-2020 (31st March, 2020 ₹ 38.99 Lakh) towards its CSR activities and the balance unspent amount of ₹ 11.76 Lakh was deposited in a seperate bank account for future spending on ongoing project.

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

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

47 Value of Imports calculated on CIF basis

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Raw Materials	3,699.91	6,559.96
Traded Goods	12,069.75	11,876.07
Others	233.92	523.70
	16,003.57	**18,959.72**

48 Expenditure in Foreign Currency

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Interest on short term borrowings	19.59	30.93
Membership & Subscription	6.33	5.16
Royalty	211.04	150.82
Travelling	-	13.66
Books and Periodicals	1.84	1.79
Technical advisory services - Capitalised	-	57.15
Brokerage and Commission	5.17	-
Computer and Software Expenses	2.06	-
	246.02	**259.51**

Notes to Standalone Financial Statements for the year ended 31st March, 2021

49 Imported and indigenous raw materials, components consumed

	% of total consumption 31st March, 2021	Value 31st March, 2021 ₹ in Lakh	% of total consumption 31st March, 2020	Value 31st March, 2020 ₹ in Lakh
Raw Materials				
Imported	96.35%	4,012.50	96.39%	4,967.65
Indigenously obtained	3.65%	152.02	3.61%	185.96
	100.00%	**4,164.52**	**100.00%**	**5,153.61**

50 Earnings in foreign currency

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Exports at F.O.B. Value	1,699.94	3,472.25
Commission Income	11.76	41.16
	1,711.70	**3,513.41**

51 COVID-19 outbreak declared as a global pandemic by the WHO has continued to spread rapidly leading to extension of nationwide lockdown with minor exemptions and quarantine measures stalling economic activity. The Company has been in operation with minimal permitted staff. The Company has not faced any material adversity of its financial position as at 31st March, 2021 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects it liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor and material changes to future economic conditions.

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

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

As per our report of even date attached

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

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN : 21071026AAAABR2547

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

FORM AOC - 1

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

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

PART "A" : SUBSIDIARIES

Sl No.	Particulars	Name of Subsidiary Company B.R. Chemicals Co., Ltd.	
1	Financial year ending on	31/03/21	31/03/20
2	Reporting Currency	JPY (¥)	JPY (¥)
3	Exchange Rate on the last date of financial year	₹ 0.6606	₹ 0.6960
4	% of shareholding	100	100
5	No. of Shares	60	60
		₹ in Lakh	₹ in Lakh
6	Share Capital	16.21	16.21
7	Reserves & Surplus	267.59	197.96
8	Total Assets	575.39	350.98
9	Total Liabilities	575.39	350.98
10	Investments	-	-
11	Turnover	14,454.55	12,034.29
12	Profit/(Loss) before Taxation	97.12	91.14
13	Provision for Taxation	27.49	19.19
14	Profit/(Loss) after Taxation	69.63	71.96
15	Proposed Dividend	-	-

Notes:

1 The assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date, and the income and expense items are translated at the average rates of exchange for the year.

2 The reporting period of the subsidiary is same as that of the holding company i.e. 1st April, 2020 to 31st March, 2021

3 Names of subsidiaries which are yet to commence operations - NIL

4 Names of subsidiaries which have been liquidated or sold during the year - NIL

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

As per our report of even date attached

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

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Independent Auditors' Report

To
The Members of
Black Rose Industries Limited

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of BLACK ROSE INDUSTRIES LIMITED (hereinafter referred to as the "Holding Company") and its one foreign subsidiary Company (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2021, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

2. Basis for Opinion

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

3. Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 50 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Group is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended 31st March, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key Audit Matter	Our Response
1	***<u>Defined benefit obligation:</u>*** The valuation of the retirement benefit schemes in the Holding Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

Sr. No.	Key Audit Matter	Our Response
2	***Related Party Transactions:*** During the year the Group has entered into various transactions with related parties. Determination of transaction price for such related parties transactions outside the normal course of business is a key audit matter considering the significance of the transaction value and the significant judgements involved in determining the transaction value.	Our audit procedures included considering the compliance with the various requirements for entering in to such related party transactions. We have read the approvals obtained for the transactions. We have assessed the disclosures in accordance with Ind AS 24 "Related Party Disclosures".
3	***Modified Audit Procedures carried out in light of COVID-19 outbreak:*** Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/State Government/Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Holding Company. As we could not gather audit evidence in person/ physically/through discussions and personal interactions with the officials at the Holding Company's Office, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.	Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Holding Company's Office and carry out the audit processes physically. Wherever physical access was not possible, necessary records/reports/ documents/certificates were made available to us through digital medium, remote access and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period. Accordingly, we modified our audit procedures as follows: a. Conducted verification of necessary records/ documents through remote access and emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through remote access and emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction

5. Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

8. Other Matters

We did not audit the financial statements of One Foreign Subsidiary Company whose financial statements reflect total assets of ₹ 575.39 Lakh as at 31st March, 2021, total revenue of ₹ 14,483.02 Lakh, total net profit after tax of ₹ 69.63 Lakh, total comprehensive income of ₹ 69.63 Lakh for the year ended 31st March, 2021, and net cash outflows of ₹ 9.90 Lakh for the year ended 31st March, 2021 as considered in the Consolidated Financial Statements whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the information and explanation provided by the management.

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

9. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2021, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

(Padam Jain)
Partner
Membership No. 71026

Place : Mumbai
Dated: 27th May, 2021

Consolidated Statement of Assets and Liabilities as at 31st March, 2021

₹ In Lakh

	Note No.	As At 31-03-2021	As At 31-03-2020
I. ASSETS			
1 Non Current Assets			
Property, Plant & Equipments	2	3,113.52	3,201.05
Intangible Assets	2	19.85	26.48
Capital Work-in-Progress	2	681.95	238.01
Right of Use Lease Assets	2	390.40	423.40
		4,205.72	**3,888.94**
Financial Assets			
Other Financial Assets	3	0.32	0.32
Other Non-Current Assets	4	50.00	46.34
		50.32	**46.66**
2 Current Assets			
Inventories	5	4,528.62	3,867.17
Financial Assets			
Trade Receivables	6	4,379.13	4,772.16
Cash and Cash Equivalents	7	317.92	298.01
Bank Balances other than Cash & Cash Equivalents	8	466.32	491.91
Loans	9	4.93	6.39
Other Financial Assets	10	80.92	100.75
Other Current Assets	11	667.33	602.31
Current Tax Assets (Net)	12	-	57.09
		10,445.17	**10,195.78**
Total		**14,701.21**	**14,131.38**
II. EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	13	510.00	510.00
Other Equities	SOCE	8,788.62	6,238.18
		9,298.62	**6,748.18**
2 Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	291.73	453.11
Lease Liability	15	24.84	60.83
Provisions	16	58.47	47.50
Deferred Tax Liabilities (Net)	17	359.59	357.04
		734.64	**918.48**
Current Liabilities			
Financial Liabilities			
Borrowings	18	1,306.41	1,520.67
Trade Payables	19	2,930.50	4,479.21
Other Financial Liabilities	20	64.20	263.04
Other Current Liabilities	21	169.74	149.80
Provisions	22	84.94	52.01
Current Tax Liabilities (Net)	12	112.17	-
		4,667.96	**6,464.72**
Total		**14,701.21**	**14,131.38**

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 P K J & CO.
Chartered Accountants
Firm Registration No. 124115W

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN: 21071026AAAABS4040

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

₹ In Lakh except EPS

		Note No.	For the Year ended 31-03-2021	For the year ended 31-03-2020
I.	Income			
	Revenue from Operations	23	37,978.16	37,262.98
	Other Income	24	72.90	87.07
	Total Revenue		**38,051.06**	**37,350.05**
II.	Expenditure			
	Cost of Materials consumed	25	4,164.52	5,153.61
	Purchase of traded goods	26	28,422.32	26,259.64
	Changes in Inventories of Finished Goods, work-in-Progress and Traded Goods	27	(1,129.98)	89.75
	Employee Benefits Expense	28	634.84	513.65
	Finance Cost	29	120.44	254.25
	Depreciation and Amortization Expenses	30	257.82	233.44
	Other Expenses	31	1,901.83	1,990.09
	Total Expenditure		**34,371.79**	**34,494.43**
III.	Profit/(Loss) Before Exceptional Items and Tax		**3,679.27**	**2,855.62**
IV.	Exceptional Item	32	-	(123.66)
V.	Profit before Tax (III-IV)		**3,679.27**	**2,731.97**
	Less: Tax Expenses			
	Current Tax		932.24	684.68
	Deferred Tax		2.55	(44.50)
	Earlier years adjustments		-	24.43
			934.79	**664.61**
VI.	Profit for the period		**2,744.48**	**2,067.35**
	Other Comprehensive Income			
	A. Items that will not be classified to Profit & Loss (Net of Tax)			
	Actuarial Gain/(Loss) on employee benefits		(0.12)	(3.71)
	B. Items that will be classified to Profit & Loss (Net of Tax)			
	Gain/(Loss) on hedging instruments		0.85	25.29
VII.	Total Comprehensive Income for the period		**2,745.20**	**2,088.94**
	Earnings per Equity Share (Nominal Value of share ₹ 1/- each)	42		
	Basic		5.38	4.05
	Diluted		5.38	4.05

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 P K J & CO.

Chartered Accountants

Firm Registration No. 124115W

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN: 21071026AAAABS4040

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Consolidated **Statement of Cash Flows** for the year ended 31st March, 2021

₹ In Lakh

		Year Ended 31-03-2021	Year Ended 31-03-2020
A.	Cash Flow From Operating Activities		
	Net profit before tax and extraordinary items	3,679.27	2,731.97
	Adjustments for:		
	Depreciation	257.82	233.44
	(Profit)/Loss on sale of fixed assets	-	(0.04)
	Increase/(Decrease) in foreign currency translation reserve	(16.27)	21.81
	Interest expenses	99.71	231.99
	Interest income	(30.98)	(37.10)
	Unrealised foreign exchange (Gain)/Loss	(46.55)	129.48
	Provision for expenses, gratuity & leave encashment	72.28	57.61
	Sundry balances written back	(7.66)	(2.15)
	Rental Income	(19.32)	(19.32)
	Operating profit before working capital changes	3,988.30	3,347.69
	Adjustments for:		
	(Increase)/Decrease in receivables & contract assets	1,133.92	(1,249.32)
	(Increase)/Decrease in inventories	(661.45)	(555.26)
	Increase/(Decrease) in payables & contract liabilities	(2,708.23)	848.02
	Cash generated from operating activities	1,752.54	2,391.13
	Less : Direct taxes (net of refund)	718.79	653.39
	Net cash flow from / (used in) operating activities	**1,033.76**	**1,737.74**
B.	Cash Flow From Investing Activities		
	Sale of fixed assets	15.96	0.54
	Purchase of fixed assets / Capital work in progress	(598.22)	(765.87)
	Interest Income	30.98	37.10
	Rental Income	19.32	19.32
	Cash generated from investing activities	(531.97)	(708.91)
	Less : Income-tax paid at source	1.45	1.93
	Net Cash flow from / (used in) investing activities	**(533.42)**	**(710.84)**
C.	Cash Flow from Financing activities		
	Proceeds from borrowings	(375.64)	(609.19)
	Lease Payment on Right of Use Assets	(30.67)	(20.11)
	Interest Expenses	(99.71)	(231.99)
	Net cash flow / (used in) from financing activities	**(506.02)**	**(861.29)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5.68)	165.61
	Cash and cash equivalent as at the beginning of the year	789.92	624.31
	Cash and cash equivalent as at the end of the year	**784.24**	**789.92**

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

Notes:

1) Cash and cash equivalents comprises of

₹ In Lakh

	Year Ended 31-03-2021	Year Ended 31-03-2020
a) Cash in hand	3.56	4.25
b) Bank balance in current accounts	314.36	293.75
c) Unpaid dividend account	12.85	8.22
d) In fixed deposit account	453.47	483.69
	784.24	**789.92**

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

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

4) Figures in brackets represent outflows.

As per our report of even date attached

For and on behalf of P K J & CO.

Chartered Accountants
Firm Registration No. 124115W

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN: 21071026AAAABS4040

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Consolidated **Statement of Changes in Equity** for the year ended 31st March, 2021

A EQUITY SHARE CAPITAL

For the year ended 31st March, 2021 ₹ In Lakh

Balance as at 1st April, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
510.00	-	510.00

B OTHER EQUITY

For the year ended 31st March, 2021 ₹ In Lakh

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign Exchange Fluctuation reserve on Consolidation	Total Equity
Balance as at 1st April, 2020	30.00	62.40	644.70	5,471.85	29.23	6,238.18
Prior Period Errors	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	2,745.20	(16.27)	2,728.94
Total Comprehensive Income/(Loss) for the period	30.00	62.40	644.70	8,217.05	12.96	8,967.12
Dividend	-	-	-	(178.50)	-	(178.50)
Transfer to / from Retained Earnings	-	-	-	-	-	-
Transition Impact on account of Implementation of IND AS 116	-	-	-	-	-	-
Balance as at 31st March, 2021	30.00	62.40	644.70	8,038.55	12.96	8,788.62

For the year ended 31st March, 2020 ₹ In Lakh

Particular	Capital Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Foreign Exchange Fluctuation reserve on Consolidation	Total Equity
Balance as at 1st April, 2019	30.00	62.40	644.70	3,580.97	7.42	4,325.49
Prior Period Errors	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	2,088.94	21.81	2,110.75
Total Comprehensive Income/(loss) for the year	30.00	62.40	644.70	5,669.91	29.23	6,436.24
Dividend (Including Dividend Distribution Tax)	-	-	-	(184.45)	-	(184.45)
Transfer to / from Retained Earnings	-	-	-	-	-	-
Transition Impact on account of Implementation of IND AS 116	-	-	-	(13.61)	-	(13.61)
Balance as at 31st March, 2020	30.00	62.40	644.70	5,471.85	29.23	6,238.18

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Black Rose Industries Limited (the Holding Company) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharashtra, India. The Company is primarily engaged in manufacturing and distribution of chemicals. The Holding Company is also engaged in the business of textile manufacturing activity in Maharashtra and wind power generation in the State of Rajasthan and Gujarat.

Principles of consolidation

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

a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.

b) In case of financial statements of non integral foreign operations, the assets and liabilities are translated at the closing exchange rate. Income and Expense items are translated at average exchange rates and all resulting exchange differences are accumulated in foreign exchange fluctuation reserves on consolidation until the disposal of the investment.

c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as Holding Company's separate financial statements, as far as possible, except as specifically mentioned in the Notes to Accounts.

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

Significant Accounting Policies

a) **Statement of Compliance**

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

b) **Basis of preparation**

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

i) Certain financial assets and liabilities (including derivative instruments), and

ii) Employee's Defined Benefit Plan as per actuarial valuation

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

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

c) **Applicability of new and revised IND AS**

a) New amended standards and interpretation

i) IND AS 1 Presentation of Financial Statements - Substitution of the definition of term 'Material'

ii) IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with IND AS 1, the respective changes have been made to IND AS 8 also.

iii) IND AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.

iv) IND AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other IND AS, respective changes have been made to IND AS 34.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

v) IND AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.

vi) IND AS 103 Business Combination - Detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

vii) IND AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

viii) IND AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

ix) IND AS 116 Leases - Clarification on whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

None of the amendments has any material impact on the financial statements for the current year.

b) New standards notified and yet to be adopted by the Group - None

d) Property, Plant and Equipment (PPE)

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

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

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

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

e) Depreciation

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

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

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

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

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

f) Intangible Assets

(i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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

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

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

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

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

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

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

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

h) Inventories

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

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

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

i) Borrowing Costs

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

j) **Provision, Contingent Liabilities and Contingent Assets**

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

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

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

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

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

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

k) **Revenue Recognition**

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

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

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

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

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

l) **Leases**

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed and expected future cash flows and depreciation on the asset portion on straight-line basis and interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items (i.e. lease of asset with original cost of less than ₹1 lakh).

m) **Retirement and other employee benefits**

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Benefit Plans

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

n) Income Taxes

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

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

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss.

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

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

o) Earnings Per Share

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

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

p) Foreign Currency Transactions

In preparing the financial statements of the Group, the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

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

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

q) Financial Instruments

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

Initial Recognition

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Classification and Subsequent Measurement:

Financial Assets

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

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

Amortized Cost

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

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

Fair Value through OCI

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

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

Fair Value through Profit or Loss

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

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

Classification and Subsequent Measurement:

Financial liabilities

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

Financial Liabilities at FVTPL

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

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

Other Financial Liabilities

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

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

r) Cash and Cash Equivalents

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

s) Financial liabilities and equity instruments

- Classification as debt or equity

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

- Equity instruments

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

t) Derivative financial instruments

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

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

u) Hedge accounting

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

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

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

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

v) Segment Reporting - Identification of Segments

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

w) Fair Value Measurement

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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

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

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

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

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

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

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

x) Current versus Non-current classification

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

i) An asset is current when it is:

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

All other assets are classified as non-current.

ii) A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

Key assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Useful Lives of Property, Plant & Equipment

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

ii) Lease term of right-to-use assets

Management reviews its estimate of the lease term of right-to-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-to-use assets.

iii) Fair value measurement of financial instruments

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

iv) Defined benefit plans

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

v) Recoverability of trade receivable

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

vi) Provisions

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

vii) Impairment of non-financial assets

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

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

viii) Impairment of financial assets

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Following ratios shall be disclosed

- Current Ratio
- Debt-Equity Ratio
- Debt Service Coverage Ratio
- Return on Equity Ratio
- Inventory Turnover Ratio
- Trade Receivables Turnover Ratio
- Trade Payables Turnover Ratio
- Net Capital Turnover Ratio
- Net Profit Ratio
- Return on Capital Employed
- Return on Investment

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

2. Property, Plant & Equipments

₹ in Lakh

Particular	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	Cost as at 1st April, 2020	Additions/ Disposals	Other Adjustments	Cost as at 31st March, 2021	As at 1st April, 2020	For the Year	Adjustment/ Disposals	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
TANGIBLE ASSETS										
Factory Building *	1,444.85	12.06	-	1,456.91	445.23	43.92	-	489.16	967.75	999.62
Office Equipments	27.56	2.24	-	29.79	24.58	1.07	-	25.65	4.15	2.98
Electric Installation	83.81	3.66	-	87.46	53.05	3.27	-	56.32	31.14	30.76
Factory Equipments	20.59	2.18	3.83	18.94	5.76	1.35	(0.39)	6.71	12.23	14.83
Plant and Machinery (Owned)	2,402.09	100.05	12.64	2,489.49	704.77	125.38	(0.43)	829.73	1,659.77	1,697.32
Furniture and Fittings	52.44	1.10	-	53.53	40.33	3.20	-	43.53	10.00	12.11
Computers	39.82	2.57	-	42.39	36.22	1.36	-	37.58	4.81	3.60
Printer	0.65	0.13	-	0.78	0.59	0.05	-	0.64	0.14	0.06
Vehicles	156.44	29.79	-	186.24	50.95	18.60	-	69.55	116.69	105.50
Wind Mills	873.52	-	-	873.52	539.24	27.44	-	566.68	306.83	334.28
Total (A)	**5,101.76**	**153.77**	**16.47**	**5,239.06**	**1,900.71**	**225.65**	**(0.82)**	**2,125.54**	**3,113.52**	**3,201.05**
Previous Year	4,586.44	525.49	10.17	5,101.76	1,698.68	211.70	(9.66)	1,900.71	3,201.05	2,887.76
INTANGIBLE ASSETS										
Software	28.54	0.51	-	29.05	25.30	2.58	-	27.88	1.17	3.24
Technical Know-how	293.61	-	-	293.61	270.37	4.56	-	274.93	18.68	23.24
Total (B)	**322.15**	**0.51**	**-**	**322.67**	**295.68**	**7.14**	**-**	**302.82**	**19.85**	**26.48**
Previous Year	298.14	24.01	-	322.15	290.76	4.91	-	295.68	26.48	7.38
Total (A+B)	**5,423.91**	**154.28**	**16.47**	**5,561.73**	**2,196.39**	**232.79**	**(0.82)**	**2,428.36**	**3,133.37**	**3,227.52**
Previous Year	4,884.58	549.50	10.17	5,423.91	1,989.44	216.61	(9.66)	2,196.39	3,227.52	2,895.14
CAPITAL WORK IN PROGRESS	**238.01**	**443.94**	**-**	**681.95**	**-**	**-**	**-**	**-**	**681.95**	**238.01**
Previous Year	21.65	512.85	296.48	238.01	-	-	-	-	238.01	21.65
RIGHT OF USE LEASE ASSETS										
Leasehold Land **	375.48	-	-	375.48	24.75	3.80	-	28.56	346.92	350.73
Leasehold Premises	91.19	25.58	39.71	77.06	18.51	21.23	(6.17)	33.58	43.48	72.68
Total	**466.67**	**25.58**	**39.71**	**452.54**	**43.27**	**25.04**	**(6.17)**	**62.13**	**390.40**	**423.40**
Previous Year **	426.96	39.71	-	466.67	5.81	16.82	20.63	43.27	423.40	375.17

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

3 Other Financial Non-Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Fixed deposits with Bank with original maturity of more than 12 months*	0.32	0.32
	0.32	**0.32**

* Lodged as Security towards Margin money.

4 Other Non-Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Security Deposit to Government authorities and others	50.00	46.34
	50.00	**46.34**

5 Inventories

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
(valued at lower of cost or net realisable value) (As certified by the management)		
Raw Materials and components	1,505.21	1,955.77
[includes in transit ₹ 1,014.50 Lakh (31st March, 2020 - ₹ 474.70 Lakh)]		
Work-in-progress	155.59	231.04
Finished Goods	115.25	60.98
Traded Goods	2,592.29	1,512.16
[includes in transit ₹ 801.35 Lakh (31st March, 2020 - ₹ 222.37 Lakh)]		
Stores and spares and Packing Materials	160.29	107.22
[includes in transit ₹ 28.89 Lakh (31st March, 2020 - ₹ NIL)]		
	4,528.62	**3,867.17**

6 Trade Receivables

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured, Considered good		
Outstanding for a period exceeding six months from date they are due for payment	16.45	32.34
Others	4,362.68	4,739.82
Doubtful	28.39	28.39
	4,407.52	4,800.55
Less: Provision for doubtful debts	(28.39)	(28.39)
	4,379.13	**4,772.16**

7 Cash and Cash Equivalents

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Cash on hand	3.56	4.25
Other Bank Balances		
In Current Accounts	314.36	293.75
	317.92	**298.01**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

8 Bank Balances other than Cash and Cash Equivalents

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
In Fixed Deposits account		
Fixed Deposits with original maturity for less than 3 months*	22.80	43.98
Fixed Deposits with original maturity for more than 3 months but less than 12 months*	-	-
Current Maturities of Fixed Deposits with original maturity for more than 12 months*	430.67	439.71
Enmarked Balance with Bank for Unpaid Dividends	12.85	8.22
	466.32	**491.91**

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

9 Current Loans

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured, considered good unless otherwise stated		
Loans and advances to staff and Officer of the Company	4.93	6.39
	4.93	**6.39**

10 Other Financial Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest accrued but not due on Bank Deposits	1.71	2.44
Interest accrued and due on Loans	-	0.02
Interest accrued on Security Deposits with MSEB and Dakshin Gujarat	1.62	2.37
Interest Subsidy receivable	62.11	62.11
Other Outstanding Income	14.35	-
Receivable for Mark to Market Profit on Open Forward Contract	1.14	33.80
	80.92	**100.75**

11 Other Current Assets

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Prepaid Expenses	32.29	47.58
Security Deposits to others	6.72	14.17
Balances with Statutory Government authorities	130.49	328.94
MEIS License	2.53	84.92
MEIS License Receivable	25.16	23.40
ROSCTL License	2.83	-
RODTEP License Receivable	2.09	-
Duty Drawback Receivable	0.93	7.22
Advances recoverable in cash or kind or for value to be received		
- Unsecured, Considered Good	464.29	96.08
- Unsecured, Considered Doubtful	45.39	45.39
Less - Provision for doubtful debts	(45.39)	(45.39)
	667.33	**602.31**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

12 Current Tax Assets/(Liabilities) (Net)

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Income Tax Deposits	1,942.51	1,207.75
Less: Provisions for Income Tax	2,054.69	1,150.66
	(112.17)	**57.09**

13 Equity Share Capital

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Authorised Shares		
800 Lakh (31st March, 2020: 800 Lakh)	800.00	800.00
Equity Shares of ₹ 1/- each		
	800.00	**800.00**
Issued, Subscribed and Fully paid up Shares		
510 Lakh (31st March, 2020: 510 Lakh)	510.00	510.00
Equity Shares of ₹ 1/- each		
	510.00	**510.00**

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

	31-03-2021		31-03-2020	
	Nos.	₹ in Lakh	Nos.	₹ in Lakh
At the beginning of the period	5,10,00,000	510.00	5,10,00,000	510.00
Add: Shares issued during the period	-	-	-	-
Outstanding at the end of the period	**5,10,00,000**	**510.00**	**5,10,00,000**	**510.00**

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

	31-03-2021 Nos.	31-03-2020 Nos.
Holding Company:		
Wedgewood Holdings Limited, Mauritius.		
Equity Shares of ₹ 1/- each fully paid	2,88,00,000	2,88,00,000
	2,88,00,000	**2,88,00,000**

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

	31-03-2021		31-03-2020	
	Nos.	% of holding	Nos.	% of holding
Equity shares of ₹ 1/- each fully paid				
Name of the shareholder:				
Wedgewood Holdings Limited, Mauritius	2,88,00,000	56.47	2,88,00,000	56.47
Triumph Worldwide Limited, Hong Kong	92,10,000	18.06	92,10,000	18.06

d) **Terms/Rights attached to equity shares**

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

14 Non-Current Borrowings

		31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
	Secured		
a)	Term Loans		
	Loan from Banks and Financial Institutions	71.35	300.39
	[Refer Note No. 14(a)(i), (ii), (iii), (iv) and (v)]		
	Total Secured	71.35	300.39
	Unsecured		
b)	Deposits	-	395.00
	[Refer Note No. 14(b)(i)]		
c)	Other Loans and Advances		
	Interest Free Security Deposits [Refer Note No. 14(c)(i)]	7.50	7.50
	Loan from Banks and Financial Institutions	264.24	-
	Total Unsecured	271.74	402.50
		343.09	702.89
	Less: Current maturities of long term borrowings disclosed under the head "Other Current Liabilities" (Refer Note No. 20)	(51.36)	(249.78)
		291.73	453.11

Note No. 14(a):

(i) Secured Loan:

Vehicle Loan

From Daimler Financial Services Pvt. Ltd.

Nature of security

Secured by hypothecation of vehicles

Rate of Interest

The rate of interest is 10.6434 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 85,881/- commencing from 4th August, 2018 and ending on 4th July, 2021.

(ii) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 8.70 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 64,444/- commencing from 12th December, 2019 and ending on 7th November, 2022.

(iii) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 9.1111 % p.a.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Terms of Repayment

Equated monthly installment of ₹ 21,970/- commencing from 16th November, 2019 and ending on 7th December, 2022.

(iv) Secured Loan:

Vehicle Loan

From HDFC Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 8.10 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 40,522/- commencing from 5th October, 2020 and ending on 5th September, 2023.

(v) Secured Loan:

Vehicle Loan

From ICICI Bank

Nature of security

Secured by hypothecation of vehicle

Rate of Interest

The rate of interest is 7.75 % p.a.

Terms of Repayment

Equated monthly installment of ₹ 31,262/- commencing from 1st March, 2021 and ending on 1st February, 2024.

Note No. 14(b):

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Unsecured Loan:		
Deposits		
Received from Director	-	395.00
	-	**395.00**

Rate of Interest

The rate of interest is 12.75% p.a.

Terms of Repayment

Repayable on or after 24 months

Note No. 14(c):

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Other Loans and Advances		
Security Deposits		
Received from related party	7.50	7.50
	7.50	**7.50**

15 Lease Liability

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Right of Use Lease Liability (Refer Note No. 37)	24.84	60.83
	24.84	**60.83**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

16 Non-Current Provisions

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Provisions for employees benefits		
Provision for Gratuity (Refer Note No. 38)	49.93	40.85
Provisions for Leave Benefits	8.54	6.65
	58.47	**47.50**

17 Deferred Tax Liabilities (Net)

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Items leading to deferred tax liability		
Difference in depreciation in block of fixed assets as per Income Tax and Books of Accounts	379.66	373.83
Right to Use Lease Impact	1.05	0.26
Less: Items leading to deferred tax assets		
Expenses allowable on Payment basis	(21.12)	(17.05)
Net (Deferred Tax Liability)	**359.59**	**357.04**

18 Current Borrowings

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
a) Secured [Refer Note No. 18(a)]		
Repayable on demand		
Cash Credit from Banks	361.06	421.69
Trade Credit	944.36	1,097.94
	1,305.42	1,519.63
b) Unsecured		
Repayable on demand		
Loan from Director of Subsidiary Company	0.99	1.04
	0.99	1.04
	1,306.41	1,520.67

Note No. 18(a):

Nature of security

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

b) Secured by first pari-pasu charge with HDFC Bank on all present and future stock, book debts and entire current assets of the Company.

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

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

e) Personal Guarantee of a Director.

19 Trade Payables

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Trade payables (Refer Note No. 45)		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of other than Micro Enterprises and Small Enterprises	2,930.50	4,479.21
	2,930.50	**4,479.21**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

20 Other Financial Current Liabilities

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Current maturities of long term borrowings (Refer Note No. 14)	51.36	249.78
Interest accrued but not due on borrowings	-	5.05
Unpaid Dividend *	12.85	8.22
	64.20	**263.04**

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

21 Other Current Liabilities

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Payable for Other Expenditure	108.18	105.45
Other Non Trade Liabilities	0.23	0.22
Advance from Customers	22.46	19.43
TDS payable	38.68	24.53
Rates and Taxes Payable	0.18	0.16
	169.74	**149.80**

22 Current Provisions

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Provisions for employee benefits		
Salary and Reimbursements	71.62	41.35
Contribution to Provident Fund and Other Fund	6.21	4.17
Gratuity	5.55	5.19
Leave benefits	1.55	1.29
	84.94	**52.01**

23 Revenue from Operations

		For the Year ended 31-03-2021 ₹ in Lakh	For the year ended 31-03-2020 ₹ in Lakh
a)	Sale of products (Refer Note No. 23)	37,629.26	37,098.34
		37,629.26	**37,098.34**
b)	**Other Operating Revenue**		
	Export Entitlement	48.41	122.07
	Discounts and Claims	-	1.41
	Exchange Difference	288.74	-
	Commission Income	11.76	41.16
		348.90	**164.64**
	Revenue from Operations	**37,978.16**	**37,262.98**
	Note No. 23(a)(i)		
	Details of Sale of products		
	Chemicals	37,497.13	36,943.79
	Others	132.13	154.55
		37,629.26	**37,098.34**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

24 Other Income

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest Income		
From Bank	26.46	31.22
From Others	4.52	5.88
	30.98	**37.10**
Profit on sale of asset	-	0.04
Other non-operating income	41.92	49.94
	72.90	**87.07**

25 Cost of Materials Consumed [Refer Note No. 25(a)]

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Inventory at the beginning of the year	1,955.77	1,318.68
Add: Purchases	3,599.88	5,705.82
Add: Transferred from Traded Goods	114.08	84.88
	5,669.73	7,109.38
Less: Inventory at the end of the year	1,505.21	1,955.77
	4,164.52	**5,153.61**
Note No. 25(a)		
(i) **Details of materials consumed**		
Chemical	4,164.52	5,150.91
Others	-	2.70
	4,164.52	**5,153.61**
(ii) **Details of inventory of raw materials**		
Chemical	1,504.22	1,954.78
Others	0.99	0.99
	1,505.21	**1,955.77**

26 Purchase of Traded Goods

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Purchases	28,465.37	26,318.95
Consumed in Manufacturing	43.05	59.31
	28,422.32	**26,259.64**

27 (Increase)/Decrease in Inventories

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Opening Traded Goods	1,512.16	1,763.22
Consumed in Manufacturing	71.03	25.57
Closing Traded Goods [Refer Note No. 27(a)(i)]	2,592.29	1,512.16
	(1,151.16)	**225.49**
Opening Work-in-progress	231.04	127.15
Closing Work-in-progress [Refer Note No. 27(a)(ii)]	155.59	231.04
	75.45	**(103.89)**
Opening Finished Goods	60.98	29.13
Closing Finished Goods [Refer Note No. 27(a)(iii)]	115.25	60.98
	(54.27)	**(31.85)**
Total (Increase)/Decrease in Inventories	**(1,129.98)**	**89.75**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note No. 27(a)

Details of inventories at the end of the year

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
(i) Traded goods		
Chemicals	2,577.10	1,489.13
Others	15.19	23.03
	2,592.29	**1,512.16**
(ii) Work-in-progress		
Chemical	152.98	226.93
Others	2.60	4.11
	155.59	**231.04**
(iii) Finished goods		
Chemical	100.48	46.21
Others	14.77	14.77
	115.25	**60.98**

28 Employee Benefit Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Salaries, Wages and Bonus	600.02	483.68
Contribution to Provident fund and other funds	26.35	20.41
Staff Welfare Expenses	8.47	9.57
	634.84	**513.65**

29 Finance Costs

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Interest on borrowings	77.50	206.96
Right of Use Lease Interest (Refer Note No. 37)	4.34	3.60
Bill Discounting Charges	0.45	0.37
Bank Charges on facilities	17.41	21.06
Applicable loss on foreign currency transactions and translation	20.74	22.26
	120.44	**254.25**

30 Depreciation and Amortization Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Depreciation of Tangible Assets	225.65	211.70
Amortization of Intangible Assets	7.14	4.91
Right of Use Lease Depreciation (Refer Note No. 37)	25.04	16.82
	257.82	**233.44**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

31 Other Expenses

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Power and Fuel	171.57	144.63
Rent	50.53	47.38
Rates and Taxes	20.94	7.21
Insurance	56.82	29.87
Repairs and Maintenance		
Plant and Machinery	17.94	18.98
Buildings	2.67	3.52
Others	9.24	6.62
Legal and Professional fees	88.99	91.46
Royalty	211.04	150.82
Payment to auditor [Refer Note No. 31(a)]	4.60	4.74
Selling and Distribution expenses	232.54	129.01
Brokerage expenses	116.94	95.43
Windmill Maintenance Charges	25.53	21.18
Travelling and Conveyance	32.13	71.23
Communication Costs	12.85	12.15
Printing and Stationery	3.33	3.95
Labour and Job Work Charges	1.63	4.02
Packing Material Consumed	420.44	635.02
Utility Material Consumed	26.78	6.44
Export Expenses	160.59	180.20
Security Charges	12.00	12.40
Corporate Office Expenses	11.61	12.76
Office Expenses	15.81	8.39
Office Electricity Expenses	0.49	1.63
Warehousing Charges	38.46	25.85
Vehicle Expenses	14.89	10.43
Bank Charges	48.96	51.65
CSR Expenses	34.32	38.99
Miscellaneous Expenses	58.21	164.14
	1,901.83	**1,990.09**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note No. 31(a):

Details of Payment to Auditor

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
As Auditor		
Audit Fees	3.00	3.00
Limited Review	0.60	0.60
In Other capacity		
Certification Fees	0.09	0.25
Reimbursement of expenses including tax	0.08	0.06
	3.77	3.91
Cost Auditor		
As Audit fees	0.83	0.83
	0.83	0.83
	4.60	4.74

32 Exceptional Items

	31-03-2021 ₹ in Lakh	31-03-2020 ₹ in Lakh
Payment Made under Sales Tax Amnesty Scheme	-	123.66
	-	123.66

33 Fair Values and Hierarchy

A. Accounting classification and fair values

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

₹ In Lakh

i)	31st March, 2021	Note No.	Carrying Amount				Fair Value			
			FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Financial Assets									
	Other Financial Assets	3 & 10	-	-	81.24	81.24	-	-	81.24	81.24
	Trade Receivables	6	-	-	4,379.13	4,379.13	-	-	4,379.13	4,379.13
	Cash and Cash Equivalents	7	-	-	317.92	317.92	-	-	317.92	317.92
	Bank Balances other than Cash & Cash Equivalents	8	-	-	466.32	466.32	-	-	466.32	466.32
	Loans	9	-	-	4.93	4.93	-	-	4.93	4.93
			-	-	5,249.54	5,249.54	-	-	5,249.54	5,249.54
	Financial Liabilities									
	Borrowings	14 & 18	-	-	1,598.14	1,598.14	-	-	1,598.14	1,598.14
	Lease Liability	15		-	24.84	24.84	-	-	24.84	24.84
	Trade Payables	19	-	-	2,930.50	2,930.50	-	-	2,930.50	2,930.50
	Other Financial Liabilities	20	-	-	64.20	64.20	-	-	64.20	64.20
			-	-	4,617.68	4,617.68	-	-	4,617.68	4,617.68

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ In Lakh

ii)	31st March, 2020	Note No.	Carrying Amount				Fair Value			
			FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	Financial Assets									
	Other Financial Assets	3 & 10	-	-	101.07	101.07	-	-	101.07	101.07
	Trade Receivables	6	-	-	4,772.16	4,772.16	-	-	4,772.16	4,772.16
	Cash and Cash Equivalents	7	-	-	298.01	298.01	-	-	298.01	298.01
	Bank Balances other than Cash & Cash Equivalents	8	-	-	491.91	491.91	-	-	491.91	491.91
	Loans	9	-	-	6.39	6.39	-	-	6.39	6.39
			-	-	5,669.53	5,669.53	-	-	5,669.53	5,669.53
	Financial Liabilities									
	Borrowings	14 & 18	-	-	1,973.78	1,973.78	-	-	1,973.78	1,973.78
	Lease Liability	15	-	-	60.83	60.83	-	-	60.83	60.83
	Trade Payables	19	-	-	4,479.21	4,479.21	-	-	4,479.21	4,479.21
	Other Financial Liabilities	20	-	-	263.04	263.04	-	-	263.04	263.04
			-	-	6,776.86	6,776.86	-	-	6,776.86	6,776.86

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

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

34 Capital Management (IND AS 1)

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

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

Particulars	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
Total Debt (Long Term Bank and other borrowings)	291.73	453.11
Equity	9,298.62	6,748.18
Debt to Equity (Net)	0.03	0.07

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

35 Financial Risk Management (IND AS 1)

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

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

i) Market Risk

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

a) Interest Rate Risks

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

If the interest rates had been 1% higher/lower and all other variables held constant, the Holding company's profit for the year ended 31st March, 2021 would have been decreased/increased by ₹ 18.74 Lakh (Previous Year - ₹ 25.30 Lakh).

b) Foreign Currency Risks

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

Holding Company's Details of Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	For Hedging of foreign currency purchases		
Forward contract to buy	Amount in US$	₹ in Lakh	No. of Contracts
As on 31.03.2021	378,215.00	276.53	4
As on 31.03.2020	877,808.00	664.24	4

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

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in US$	₹ in Lakh	Amount in US$	₹ in Lakh
Trade Payable	3,096,640.90	2,264.11	4,054.399.24	3,067.96
Secured Trade Credit	1,291,610.00	944.36	1,450,952.00	1,097.94
Trade/Commission receivable	243,489.50	178.00	1,096,685.36	829.75
Advance to Suppliers	328,464.00	240.12	26,040.00	19.26
Advance from Customers	5,618.00	4.11	-	-

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in JPY	₹ in Lakh	Amount in JPY	₹ in Lakh
Trade Payable	-	-	26,181,842.00	182.23
Trade/Commission receivable	311,558.00	2.06	2,174,089.00	15.13

Particulars	As on 31-03-2021		As on 31-03-2020	
	Amount in EURO	₹ in Lakh	Amount in EURO	₹ in Lakh
Trade Payable	4,826.50	4.14	-	-

The Holding Company is mainly exposed to changes in US Dollar . The sensitivity to 1% increase or decrease in US Dollar against INR with all other variables held constant will be ₹ 30.30 Lakh. (Previous Year - ₹ 33.36 Lakh).

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

c) Price Risks

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

ii) Credit Risk

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2021 is 0.38% of ₹the total trade receivables. The group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) Liquidity Risk

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

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

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

Exposure to liquidity risk

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

Particulars	Refer Note	Less than 1 year ₹ in Lakh	1-3 Years ₹ in Lakh	3-5 Years ₹ in Lakh	More than 5 Years ₹ in Lakh
Borrowings	14, 18 & 20	1,357.76	19.99	264.24	7.50
		(1,770.45)	(444.07)	(1.54)	(7.50)
Trade Payable	19	(2,930.50)	-	-	-
		(4,479.21)	-	-	-
Other Financial Liabilities	20	-	-	-	-
		(5.05)	-	-	-
Employee Benefit/ Expense liabilities	16 & 22	143.41	-	-	-
		(99.51)	-	-	-
Unclaimed dividends	20	12.85	-	-	-
		(8.22)	-	-	-

Figures in brackets are in respect of previous year

36 Income Taxes (IND AS 12)

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

Particulars	Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
Profit Before Tax	3,582.15	2,640.82
Applicable tax rate @ 25.170% (31st March, 2020 @ 25.17%)	901.56	664.69
Effect of Tax Exempt Income	-	-
Effect of Non-Deductible expenses	88.31	79.36
Effect of Allowances for tax purpose	(85.29)	(72.15)
Effect of Tax paid at a lower rate	-	-
Effect of Previous year adjustments	-	-
Others	0.18	(7.26)
Total	**904.76**	**664.64**

(ii) The Holding Company has announced a proposed dividend of ₹ 0.45/- per share for the financial year 2020-21 and shall be recognized once the dividend is paid.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

37 Lease (IND AS 116)

	Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
1. Future Minimum Lease Payments under non-cancellable operating lease for the period		
(a) Not later than one year	58.75	59.24
(b) Later than one year but not later than 5 years	14.69	44.10
(c) More than 5 years	-	-
2. Lease payments charged to Profit and Loss Account		
Rental expenses	50.53	47.38
Depreciation	25.04	16.82
Interest	4.34	3.60

3. The holding company has taken on lease a number of premises under leases. The lease typically runs for a period of 3 to 5 years with an option to renew the lease after that period. The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.

38 Employee Benefits (IND AS 19)

Defined Benefit Plans

Gratuity

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

Inherent Risk

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

Statement of Assets and Liabilities for Defined Benefit Obligation

Gratuity and other post employment benefit plans		As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
(i)	**Change in present value of obligation**		
	Balance at the beginning of the year	46.04	31.64
	Adjustment of:		
	Interest Cost	2.87	2.37
	Current Service Cost	7.82	4.10
	Past Service Cost	-	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	-	-
	(Liability Transferred Out/Disinvestment)	-	
	Benefit paid directly by the Employer	(1.41)	(5.35)
	Actuarial (Gains)/Losses on Obligation - Due to Change in Demographic Assumptions	(1.09)	-
	Actuarial (Gains)/Losses on Obligation - Due to Change in Financial Assumptions	0.28	0.75
	Actuarial (Gains)/Losses on Obligation - Due to Experience	0.98	(0.14)
	Balance at the end of the year	**55.48**	**33.37**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

	Gratuity and other post employment benefit plans	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
(ii)	**Change in Fair Value of Assets**		
	Fair Value of Plan Assets at the Beginning of the Period	-	-
	Interest Income	-	-
	Contributions by the Employer	-	-
	Expected Contributions by the Employees	-	-
	Assets Transferred In/Acquisitions	-	-
	(Assets Transferred Out/Divestments)	-	-
	(Benefit Paid from the Fund)	-	-
	(Assets Distributed on Settlements)	-	-
	Effects of Asset Ceiling	-	-
	The Effect of Changes In Foreign Exchange Rates	-	-
	Return on Plan Assets, Excluding Interest Income	-	-
	Fair Value of Plan Assets at the End of the Period	**-**	**-**
(iii)	**Net Asset/(Liability) recognised in the Balance Sheet**		
	(Present Value of Benefit Obligation at the end of the Period)	(55.48)	(33.37)
	Fair Value of Plan Assets at the end of the Period	-	-
	Funded Status (Surplus/(Deficit))	(55.48)	(33.37)
	Net (Liability)/Asset Recognized in the Balance Sheet	**(55.48)**	**(33.37)**
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	7.82	4.10
	Net Interest Cost	2.87	2.37
	Past Service Cost	-	-
	Expenses Recognized	**10.69**	**6.48**
(v)	**Re-measurements recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	0.17	0.61
	Return on Plan Assets, Excluding Interest Income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**0.17**	**0.61**
(vi)	**Maturity profile of defined benefit obligation:**		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	5.55	3.90
	2nd Following Year	5.75	3.90
	3rd Following Year	5.51	3.81
	4th Following Year	5.39	3.75
	5th Following Year	5.56	3.52
	Sum of Years 6 To 10	31.20	17.11
	Sum of Years 11 and above	26.74	16.75

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

	Gratuity and other post employment benefit plans	As at 31st March, 2021 ₹ in Lakh	As at 31st March, 2020 ₹ in Lakh
(vii)	**Sensitivity analysis for significant assumptions***		
	Projected Benefit Obligation on Current Assumptions	55.48	33.37
	Delta Effect of +1% Change in Rate of Discounting	(3.06)	(1.68)
	Delta Effect of -1% Change in Rate of Discounting	3.41	1.87
	Delta Effect of +1% Change in Rate of Salary Increase	3.30	1.64
	Delta Effect of -1% Change in Rate of Salary Increase	(2.98)	(1.62)
	Delta Effect of +1% Change in Rate of Employee Turnover	(0.86)	(3.84)
	Delta Effect of -1% Change in Rate of Employee Turnover	0.93	0.42
(viii)	**Actuarial Assumptions**		
	Discount Rate (p.a.)	6.26%	7.50%
	Expected Return on Plan Assets (p.a.)	N.A.	N.A.
	Turnover Rate	14.00%	15.20%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Salary Escalation Rate (p.a.)	10.00%	10.24%
	Retirement age	60 years	60 years
(ix)	**Weighted Average duration of Defined benefit obligation**	7 years	7 years

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

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

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

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

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

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

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

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

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

39 Government Grant (IND AS 20)

Interest, Wages Expenses and Repairs to plant and machinery are net of subsidy received under State Investment Promotion Scheme of ₹ NIL (31st March, 2020 ₹ 17.91 Lakh).

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

40 Related party disclosures (IND AS 24)

(A) Information about related parties:

i) **Holding company** Wedgewood Holdings Limited, Mauritius

ii) **Other Related Parties with whom there were transactions during the year:**

Parties	Relationship
Anup Jatia, Executive Director	Key Management Personnel (KMP)
Sandeep Chokhani, Director	
Ratan Agrawal, Chief Financial Officer	
Nevil Avlani, Company Secretary	
Black Rose Trading Private Limited	Enterprises owned or significantly influenced by any management personnel or their relatives
Tozai Safety Private Limited	
Tozai Enterprises Private Limited	
Fukui Accent Trading (India) Pvt Ltd	
Accent Industries Limited	
Atmasantosh Foundation	

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

Nature of Transactions	Key Management Personnel	Other related parties as in 40(B)
Sales	-	689.70
	-	(29.37)
Purchase	-	57.65
	-	(74.23)
Rent Expenses	-	45.39
	-	(42.60)
Directors Remuneration	100.00	-
	(100.00)	-
Retainership Fees Expenses	-	-
	(2.40)	-
Salary Expenses	73.14	-
	(27.15)	-
Interest Expenses	19.90	-
	(83.14)	-
Interest Income	0.09	-
	-	-
Rent Income	-	19.32
	-	(19.32)
Loan Given	15.00	-
	(5.00)	-
CSR Contribution	-	33.50
	-	(14.50)
Loan Recovered	15.00	-
	(5.40)	-
Unsecured Deposit Refunded	370.00	-
	(350.00)	-
Reimbursement of Expenses Paid	-	-
	-	(0.04)
Reimbursement of Expenses Received	-	1.87
	-	(4.06)

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(C) Balance as at 31st March, 2021

₹ in Lakh

	Key Management Personnel	Other related parties as in 40(B)
Security Deposit Received	-	7.50
	-	(7.50)
Unsecured Deposit Payable	-	-
	(370.00)	-
Interest Receivable	0.09	-
	-	-
Interest Payable (Net of T.D.S.)	-	-
	(4.00)	-

Note: The above related party transaction is as disclosed by the management and relied upon by auditor.

41 Earnings Per Share (EPS) (IND AS 33)

Particulars		Year Ended 31st March, 2021 ₹ in Lakh	Year Ended 31st March, 2020 ₹ in Lakh
(A)	Basic EPS:		
	(i) Net Profit attributable to Equity Shareholders	2,744.48	2,067.35
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	510.00	510.00
	Basic EPS (₹) (i)/(ii)	**5.38**	**4.05**
(B)	Diluted EPS:		
	(i) Net Profit attributable to Equity Shareholders	2,744.48	2,067.35
	(ii) Weighted average number of Equity Shares outstanding (Nos.)	510.00	510.00
	Diluted EPS (₹) (i)/(ii)	**5.38**	**4.05**

43 Contingent Liabilities (IND AS 37)

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

(i) MVAT liability of ₹ 14.89 Lakh including interest (P.Y. ₹ 16.47 Lakh) as per the VAT assessment order for FY 2015-16 and FY 2016-17. The management has filed an appeal against the said order and are of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(ii) Central Sales Tax liability of ₹ 0.12 Lakh (P.Y. ₹ 8.33 Lakh) as per MVAT Audit for the FY 2017-18, 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 ₹ 221.45 Lakh (P.Y. ₹ 221.45 Lakh) for which company has gone in appeal/rectification. The management is of the opinion that the said demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

(b) Guarantees:

There are no guarantees issues as at the end of the balance sheet date.

43 Segment Reporting (IND AS 108)

(i) Entity-wise disclosure required by IND AS 108 are as detailed below:

Particulars	2020-21 ₹ in Lakh	2019-20 ₹ in Lakh
Chemicals	37,497.13	36,943.79
Others	132.13	154.55
	37,629.26	**37,098.34**

(ii) Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Holding Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

a) Revenue from Customer

Particulars	2020-21 ₹ in Lakh	2019-20 ₹ in Lakh
India	21,423.12	21,570.90
Outside India	16,206.14	15,527.43
	37,629.26	**37,098.34**

b) Non-current assets (other than financial instruments)

Particulars	2020-21 ₹ in Lakh	2019-20 ₹ in Lakh
India	4,255.72	3,935.28
Outside India	-	-
	4,255.72	**3,935.28**

(iii) There are no transactions with single external customer which amounts to 10% or more of the group's revenue.

Note: The Group is engaged interalia in the manufacture of Chemicals. These in the context of IND AS 108 "Operating Segment" is considered to constitute one single primary segment.

44 Corporate Social Responsibility

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2021 is ₹ 40.19 Lakh (31st March, 2020 ₹ 27.35 Lakh) i.e. 2% of average net profits for last three financials years, calculated as per Section 198 of the Companies Act, 2013. However, during the year, the Holding Company has spent ₹ 28.43 Lakh towards FY 2020-2021 and ₹ 5.89 Lakh towards FY 2019-2020 (31st March, 2020 ₹ 38.99 Lakh) towards its CSR activities and the balance unspent amount of ₹ 11.76 Lakh was deposited in a separate bank account for future spending on ongoing project.

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

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

46 Value of Imports calculated on CIF basis

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Raw Materials	3,699.91	6,559.96
Traded Goods	12,069.75	11,876.07
Others	233.92	523.70
	16,003.57	**18,959.72**

47 Expenditure in Foreign Currency

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Interest on short term borrowings	19.59	30.93
Membership and Subscription	6.33	5.16
Royalty	211.04	150.82
Travelling	-	13.66
Books and Periodicals	1.84	1.79
Technical advisory services - Capitalised	-	57.15
Brokerage and Commission	5.17	-
Computer and Software Expenses	2.06	-
	246.02	**259.51**

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

48 Imported and indigenous raw materials, components consumed in respect of Holding Company

	% of total consumption 31st March, 2021	Value 31st March, 2021 ₹ in Lakh	% of total consumption 31st March, 2020	Value 31st March, 2020 ₹ in Lakh
Raw Materials				
Imported	96.35%	4,012.50	96.39%	4,967.65
Indigenously obtained	3.65%	152.02	3.61%	185.96
	100.00%	4,164.52	100.00%	5,153.61

49 Earnings in foreign currency in respect of Holding Company

	31st March, 2021 ₹ in Lakh	31st March, 2020 ₹ in Lakh
Exports at F.O.B. Value	1,699.94	3,472.25
Commission Income	11.76	41.16
	1,711.70	3,513.41

51 COVID-19 outbreak declared as a global pandemic by the WHO has continued to spread rapidly leading to extension of nationwide lockdown with minor exemptions and quarantine measures stalling economic activity. The Group has been in operation with minimal permitted staff. The Group has not faced any material adversity of its financial position as at 31st March, 2021 and considering other relevant facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties which affects it liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Group will continue to closely monitor and material changes to future economic conditions.

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

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

As per our report of even date attached

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

Padam Jain
Partner
Membership No. 71026

Place : Mumbai
Date : 27th May, 2021
UDIN: 21071026AAAABS4040

For and on behalf of the Board of Directors

Sandeep Chokhani
Director
DIN : 02346782

Anup Jatia
Executive Director
DIN : 00351425

Nevil Avlani
Company Secretary

Ratan Agrawal
Chief Financial Officer

Corporate Information

BOARD OF DIRECTORS

MR. ANUP JATIA

MR. SANDEEP CHOKHANI

MR. BASANT KUMAR GOENKA

MS. GARIMA TIBRAWALLA

MR. SUJAY SHETH

MR. RISHABH SARAF

BANKERS

KOTAK MAHINDRA BANK LIMITED

AXIS BANK LIMITED

HDFC BANK LIMITED

AUDITORS

M/S. PKJ & CO.

CHARTERED ACCOUNTANTS

2, GULMOHAR COMPLEX, OPP. ANUPAM CINEMA,

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REGISTERED OFFICE ADDRESS

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NARIMAN POINT, MUMBAI – 400 021, MAHARASHTRA.

REGISTRAR & SHARE TRANSFER AGENTS

M/S. SATELLITE CORPORATE SERVICES PRIVATE LIMITED

OFFICE NO. A 106 & 107, DATTANI PLAZA,

EAST WEST COMPOUND,

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