



# **EMBRACING SUSTAINABILITY TO ACCELERATE GROWTH**



HOME & PERSONAL CARE  
AND PERFORMANCE  
CHEMICALS




TEXTILE SPECIALITY  
CHEMICALS



ANIMAL HEALTH  
AND NUTRITION

## Contents

01  Corporate Overview	02  Statutory Reports	03  Financial Statements
An Organisation that Embraces Sustainability	Report of the Directors	Independent Auditor's Report
Financial Highlights	Notice	Balance Sheet
From the Chairman & Managing Director's Desk		Statement of Profit and Loss
Board of Directors		Cash Flow Statement
Advisory Board		Notes Forming Part of the Financial Statements
Directors' Profile		
Corporate Journey and Milestones		
Qualities that Promote Business Engagement		
Our Business Segments		
- HPPC – Home & Personal Care and Performance Chemicals		
- TSC – Textile Speciality Chemicals		
- AHN – Animal Health & Nutrition		
Scaling Our Operations to the Next Level		
Our Team		
Corporate Social Responsibility		



# EMBRACING SUSTAINABILITY TO ACCELERATE GROWTH

Over the past 20 years, we have kept adding impetus to our business enterprise.

Today, our growth is propelled by 3 high-speed engines – Textile Speciality Chemicals (TSC), Animal Health & Nutrition (AHN), and Home & Personal Care and Performance Chemicals (HPPC). Our range includes products which are directly experienced by the consumer or those that are a single step away from them. Sustainability and environment friendliness are characteristics of both our product range and our manufacturing processes. We specialise in producing environmentally benign substitutes that replace legacy and harmful products from the processing chain. Each of these traits have helped our business grow from strength to strength.

With all cylinders firing simultaneously and with each of our businesses working in top gear, we are gaining momentum and unlocking incremental value for our stakeholders in the forthcoming future

## An Organisation that Embraces Sustainability



### OUR FOUNDING VISION IS:

To be the leading and most reliable solution provider globally in its sectors of choice with a focus on sustainability



### OUR MISSION LAYS DOWN OUR ROADMAP TO ACHIEVE OUR VISION AND THIS INCLUDES:

- To be entrepreneurial
- To develop leaders across the organisation
- To be customer-focussed through technology, innovation and operational efficiency
- To emphasise sustainable solutions
- To operate to the highest environmental, health, safety and quality standards
- To be a socially responsible organisation



This report can also be viewed online at: [www.rossari.com](http://www.rossari.com)



**OUR VALUES GUIDE EVERY ACTION THAT WE TAKE**

**R**espect  
**O**wnership  
**S**afety  
**S**ustainability  
**A**gility  
**R**eliability  
**I**nnovation

Put together, our vision, mission and values have enabled us to achieve tremendous momentum in our business and we see ourselves at the tipping point of becoming a force to be reckoned with.

We are amongst India's leading textile and speciality chemical manufacturers and exporters with a 20-year history of innovative, agile, and rapid growth. Building upon our expertise from textiles, we have successfully diversified into the animal health & nutrition, home & personal care as well as cleaning and coating additives markets.

With our agility and focus on sustainable and cost neutral products, we are actively expanding into global markets and consolidating our position in India by penetrating deeper into new customer segments and categories. In the textile business, we seek to be a preferred vendor of choice by virtue of being present in all major textile manufacturing hubs. We are also seriously pursuing global growth opportunities in Home & Personal Care and Performance Chemicals (HPPC) as well as Animal Health & Nutrition (AHN) business. With setting up of a greenfield unit in Dahej to increase our production capacity, we are also actively scouting for synergistic acquisitions that will propel our growth.

**KEY GROWTH SEGMENTS**



**HPPC**  
(HOME & PERSONAL CARE AND PERFORMANCE CHEMICALS)



**TSC**  
(TEXTILE SPECIALITY CHEMICALS)



**AHN**  
(ANIMAL HEALTH & NUTRITION)

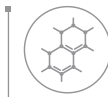
**CAPABILITIES & STRENGTHS**



Successful Business track record of **20 years**



**Experience and Technical Prowess** of Promoters and Senior Management



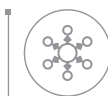
**Product Innovation** at the Core of our Business



**Engaged and Growing Customer Base** driven by Application Support



**Flexible Manufacturing Setup**



**Strong Global Network** - Presence Across 50 Countries

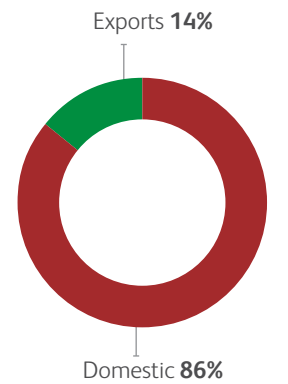


Focus on **Green and Sustainable Products**

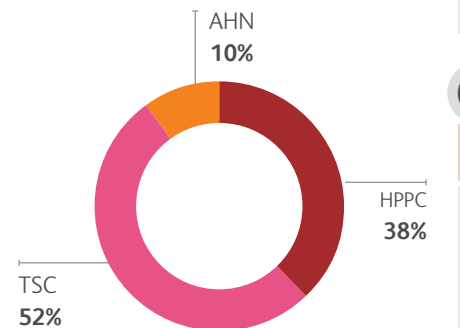
**CERTIFICATIONS**



**Export Mix**



**Revenue Mix**



01



Corporate Overview

02



Statutory Reports

03



Financial Statements



## DIFFERENTIATORS THAT ENABLE CUSTOMER-CENTRICITY



### EMPOWERED TEAM

Rossari is a people-centric company that believes in employees being the true profit centres! To us, investing in our staff is just as important as building infrastructure.

Our diverse team features long-standing employees with very little attrition. We believe our employees stay with us because of the excellent training and growth opportunities afforded to them and they know that their talent and success will always be celebrated and rewarded.



### AGILE CULTURE

One of our key business enablers is our agility in response to customers and markets. We understand that when customer needs are met with speed and accuracy, we build bonds of trust and reliance, and this is the basis of our relationships. We assume the role of problem solvers for our customers and regularly conduct workshops at customer premises to understand their problems. We use our R&D knowledge and application expertise to provide solutions to these issues and in turn create new products, processes or applications that we can further leverage in the market.



01



Corporate Overview

02



Statutory Reports

03



Financial Statements



## FOSTERING INNOVATION

We believe that just as people are driven by their minds, organisations are driven by their mindsets. Over the past 20 years, we have sustained an innovative mindset amongst our team members. We treat problems, difficulties, and obstacles as opportunities and think out-of-the-box to discover innovative solutions. Innovation is a characteristic that pervades our organisation and it is not limited to our R&D.



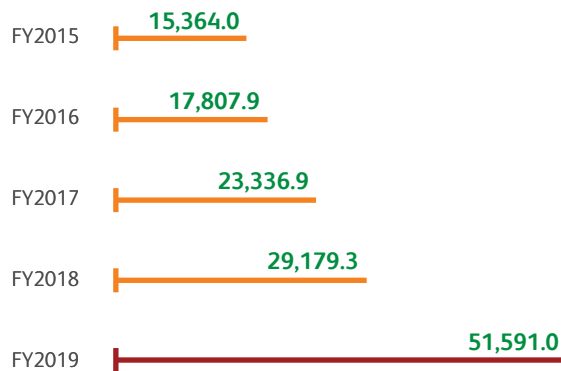
## AMBITIOUS SUSTAINABILITY GOALS

As a company with a Green ethos, we do not treat sustainability as a desirable goal but an essential trait. We operate on the principle that anything that is "doable" should be sustainable. While this flows from our belief system, it has also proven to be a magnet attracting customers who seek sustainability in their operations.



# Financial Highlights

Revenue from Operations (₹ in Lakh)



Revenue from Operations  
**77% growth**



Segment-Wise Revenue Growth (₹ in Lakh)



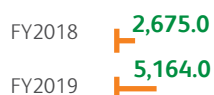
HPPC

244 %



TSC

29 %



AHN

93 %



Total

77 %



01



Corporate Overview

02



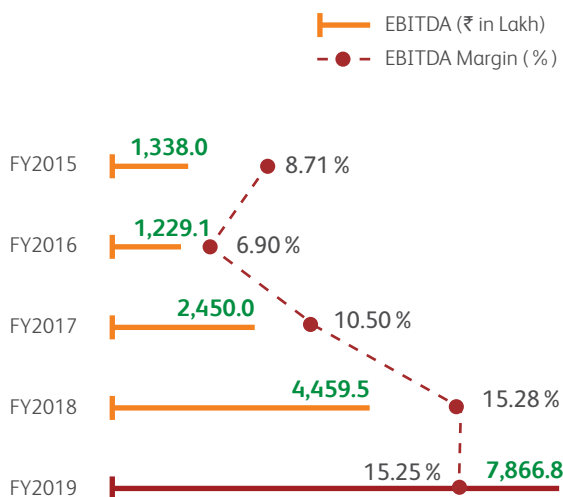
Statutory Reports

03



Financial Statements

## EBITDA

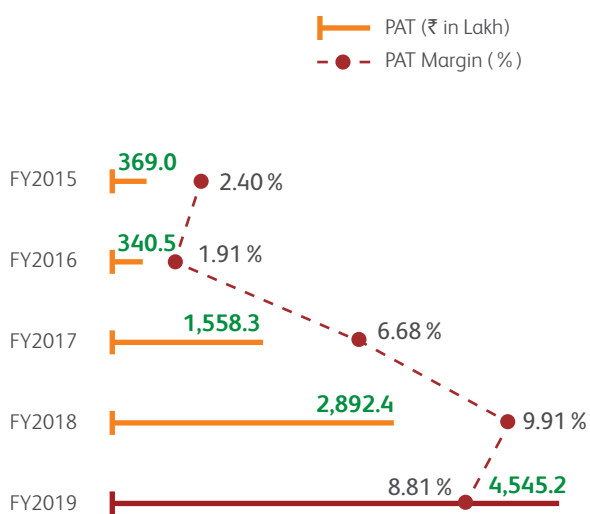


EBITDA

76.41% growth



## PAT



PAT

57.15% growth



# From the Chairman & Managing Director's Desk



MR. EDWARD MENEZES



MR. SUNIL SRINIVASAN CHARI

“As a knowledge-driven company, we constantly strive to incorporate new practices into our business to deliver quality products to our customers”

Dear Shareholders,

We are happy to report that FY 2018-19 was a milestone year for us at Rossari Biotech Limited as we continued to deliver strong results and sustained growth. We crossed a huge milestone during the year as we recorded a turnover of ₹ 500 Crore during the year under review, emerging as the largest textile speciality chemicals player in India. We have also been the recipients of the 'SME 100 Award' by Axis Bank. At Rossari, we are regarded amongst the frontrunners in India's speciality chemicals industry.

## Our Financial Scorecard

We believe in transparency and consider it our moral responsibility to update you on the Company's financial performance. Our vision on growth remains focussed on both the qualitative and quantitative aspects of our business.

FY 2018-19 will be recorded as another year of growth at Rossari. Our Revenue from Operations grew by 77% from ₹ 29,179.3 Lakh in FY 2017-18 to ₹ 51,591.0 Lakh in FY 2018-19. Our EBITDA grew 76.41%, while PAT rose 57.15% during the year.



Our financial performance has been a reflection of our endeavour to provide innovative solutions to the customers. In an ever-evolving industrial landscape, our commitment towards producing specialised products using green chemistry is what positions us differently in the marketplace. Going forward, our close relationship with our customers coupled with our focus on scientific development is what will drive the exponential growth of this Company.

### Investing in R&D

As a knowledge-driven company, we constantly strive to incorporate new practices into our business to deliver quality products to our customers. We will continue to make strategic investments in R&D to leverage the evolving market trends and innovate chemical solutions, thereby catering to specific customer needs.

We have a dedicated enzyme research lab that is DSIR-certified. In addition, we also invest heavily in our application labs for various industries including but not limited to – textiles, cleaning and laundry chemicals, high performance polymers for ceramics, pulp and paper, water treatment and detergents. We constantly seek to find cross-functional applications of our products across our chosen businesses.

### Capacity Expansion

With the exponential growth in market share as well as new businesses, it is inevitable that we have to expand our manufacturing capacity. Our existing facility at Naroli, Silvassa is already being upgraded and we are building a new plant at Dahej, Gujarat which will not only augment our capacity but also equip us with the capability to deliver new innovative chemistries and serve domestic and international markets.

The Dahej facility has been designed with state-of-the-art manufacturing technology and automated control systems that makes us Industry 4.0 ready. It will also feature a brand new R&D centre where we will continue to focus on the development of niche, value-added products.

### Towards increased sustainability

It has been made amply clear that sustainability is at the heart of our Company's DNA and it remains at the core of our products and processes. This is evident in our business practices, manufacturing operations and considerations for societal impact. Our efforts have been graciously recognised by the Economic Times when they nominated us for the "Innovation in Sustainability" award this year!

By sourcing raw materials responsibly and by optimising our operations, we constantly aim to deliver chemical solutions

# ₹ 51,591.0 Lakh

Total Revenue from Operations grew by 77 % in FY 2018-19 as compared to ₹ 29,179.3 Lakh in FY 2017-18

that not only add monetary value, but also promote a cleaner, healthier and more efficient world.

We have also made substantial investments in Global Organic Textile Standards (GOTS) and ZDHC platform which our customers and associated brands see as a significant value addition. We continue to invest in new chemistries to develop specialised products based on the foundation of eco-friendly processes.

### Moving ahead

We believe we are well positioned to benefit from the global tailwinds, and can well capitalise on the emerging opportunities in the global chemical industry.

In yet another achievement, the acquisition of a pet shampoo brand 'Lozalo' during the year under review will act as a springboard to establish ourselves in the pet grooming, treats and food segments.

### Concluding thoughts

In closing, we would like to thank our Board of Directors, the management team and all our employees for their relentless commitment and dedication to serving our customers. The Board provided guidance to us across several governance committees throughout the year, while our employees and executive teams continued to work tirelessly to achieve the benchmarks we set for ourselves on innovation and quality.

Lastly, we take this opportunity to also thank our customers and business partners for their continued trust in the company, which has always been the driving force behind our efforts to deliver long-term value to all our stakeholders.

Warm regards,

**Edward Menezes**

*Chairman*

**Sunil Srinivasan Chari**

*Managing Director*

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

## Board of Directors



**MR. EDWARD MENEZES**  
*Chairman*



**MR. SUNIL SRINIVASAN CHARI**  
*Managing Director*



**MRS. ANITA MENEZES**  
*Director*



**MRS. JYOTISHNA CHARI**  
*Director*



**MS. MEHER CASTELINO**  
*Director*



**MR. GOUTAM BHATTACHARYA**  
*Independent Director*

## Advisory Board



**Standing from left to right:** Mr. Hiranya Ashar, Mr. Yash Chari, Mr. Sunil Chari, Mr. Edward Menezes, Mr. Mikhail Menezes  
**Sitting from left to right:** Dr. Annottam Ghosh, Ms. Meher Castelino, Mr. Goutam Bhattacharya

# Directors' Profile



**MR. EDWARD MENEZES**  
*Chairman*

Mr. Edward Menezes is the Chairman at Rossari Biotech Limited and mentors the Company's technical, manufacturing and marketing initiatives. He comes with a vast breadth of experience spread over 34 years of having worked in textile processing in mills, then moving on to Jaysynth Dyechem in their Technical Services

department. After his stint at Jaysynth, he joined Clariant India (formerly Sandoz) where he spearheaded various functions such as technical services, product development, marketing and business development.

He has played a significant role in Rossari's global expansion, especially in Asia which is one of the major contributors to the Company's exports revenue. He passed his B.Sc (Chemistry) and has a Post Graduate degree in B.Sc (Tech) in Textile Chemistry from the Institute of Chemical Technology (ICT - formerly UDCT). He also holds a Masters in Marketing Management degree from the Welingkar Institute of Management Development & Research (Mumbai University). Over the years, he has built a state-of-the-art production facility, technical services team and an R&D centre at Rossari. His vision to beat competition based on innovation and reliable quality, coupled with technical services is what has catapulted Rossari to the apex of the speciality chemicals and enzymes industry in India.



**MS. MEHER CASTELINO**  
*Independent Director*

Ms. Meher Castelino's involvement with textiles and fashion goes back to 1964, when she won the Miss India crown, after having graduated from Lawrence School, Lovedale. She is the pioneer of fashion journalism in India, with her articles having been published in nearly 130 national and international newspapers

and magazines. She was the official Fashion Writer of the Wills India Fashion Week, Aamby Valley India Bridal Week, India Beach Fashion Week, Myntra Fashion Week and the India International Jewellery Week. She is also the official Fashion Writer for the Lakmé Fashion Week since 2006. As a Consultant, she has been instrumental in launching and promoting the products of several domestic and MNC companies such as Eternia Fashion Store, Tencel Fibres UK, Morarjee, Mafatlal, Hakoba Mills, Shoppers' Stop, the Igedo Company and Lakmé India Ltd.



**MR. SUNIL SRINIVASAN CHARI**  
*Managing Director*

Mr. Sunil Chari is the Managing Director who drives the growth of Rossari Biotech Limited. His passion for the business, people and processes provides Rossari a competitive edge in the marketplace. With over 25 years of experience in the industry of textiles and ancillary chemicals, he brings to the

table his vast knowledge and market wisdom. Prior to founding Rossari Biotech, he worked in a variety of textile processing and dyestuff industries including Century Mills. He holds a Masters in Management degree from Mumbai University and Licentiate in Textile Chemistry from VJTI. Mr. Chari is the bedrock on which Rossari has built its juggernaut of a sales and distribution network and he continues to capably drive our expansion in the market and steer the Company's finances from strength to strength.



**MR. GOUTAM BHATTACHARYA**  
*Independent Director*

Mr. Goutam Bhattacharya is a Graduate in Chemistry from Calcutta University and a Post-Graduate in Management from IIM, Ahmedabad. He brings with him a wealth of more than 40 years of experience with companies like BASF (Germany and India) and Auschem Ahura. Having commenced

his career with BASF where he served as a Research Manager in the Overseas Marketing department, he was consequently moved to a dyes project and was made responsible for sales of Textile Dyes and Chemicals as an All India Sales Manager.

As the Managing Director at Auschem, he had been successful in bringing Henkel, Germany as its JV partner, and with other successor companies, Cognis and Pulcra Chemicals, respectively. Under his leadership, Auschem achieved a turnover of ₹ 100 Crore for the FY 2017-18. Having joined Rossari in December 2018, he is responsible for providing strategic guidance to the Company. He is also an active member of Rotary and has held several senior posts in the organisation.

01



Corporate Overview

02



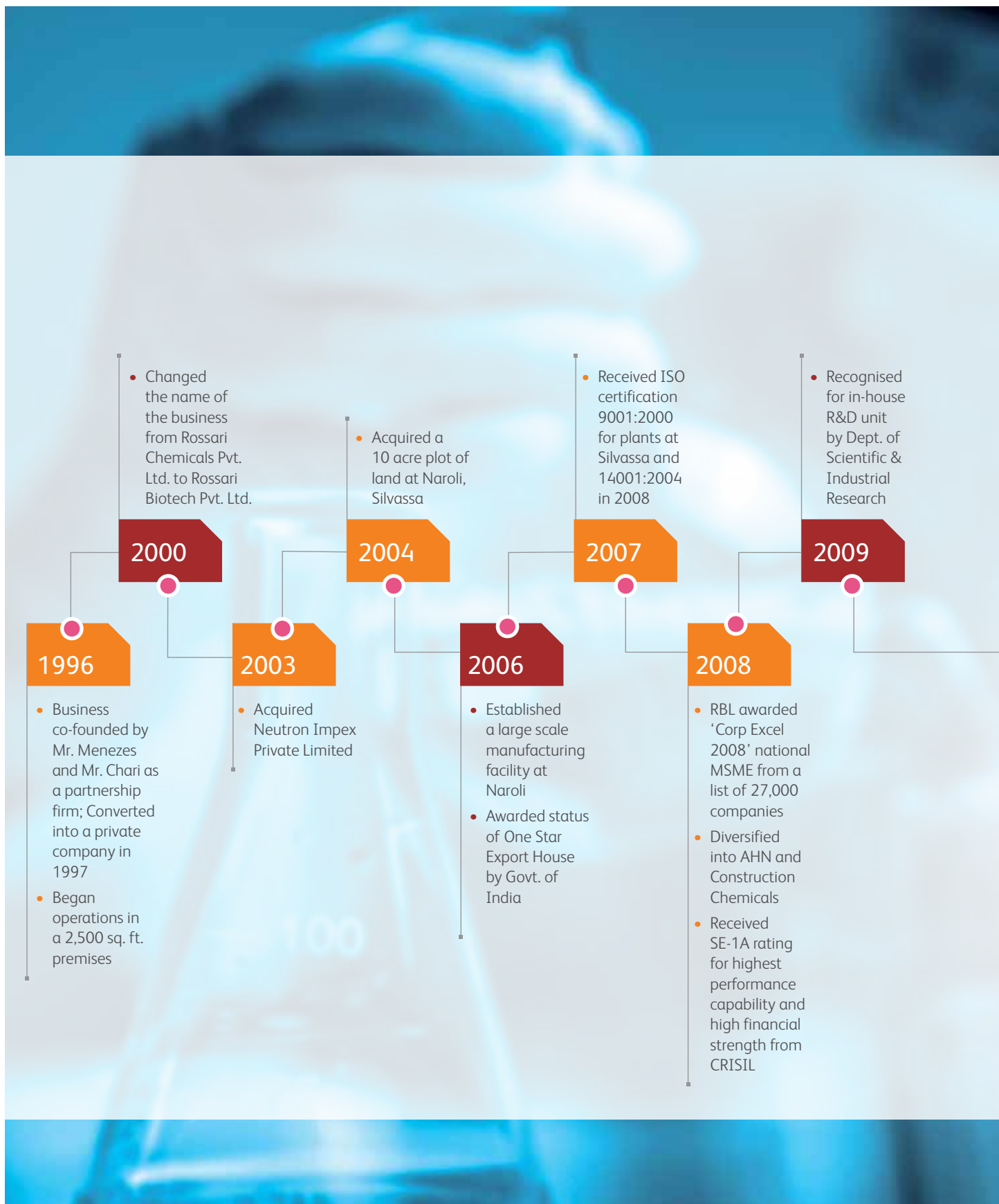
Statutory Reports

03



Financial Statements

# Corporate Journey and Milestones





01



Corporate Overview

02

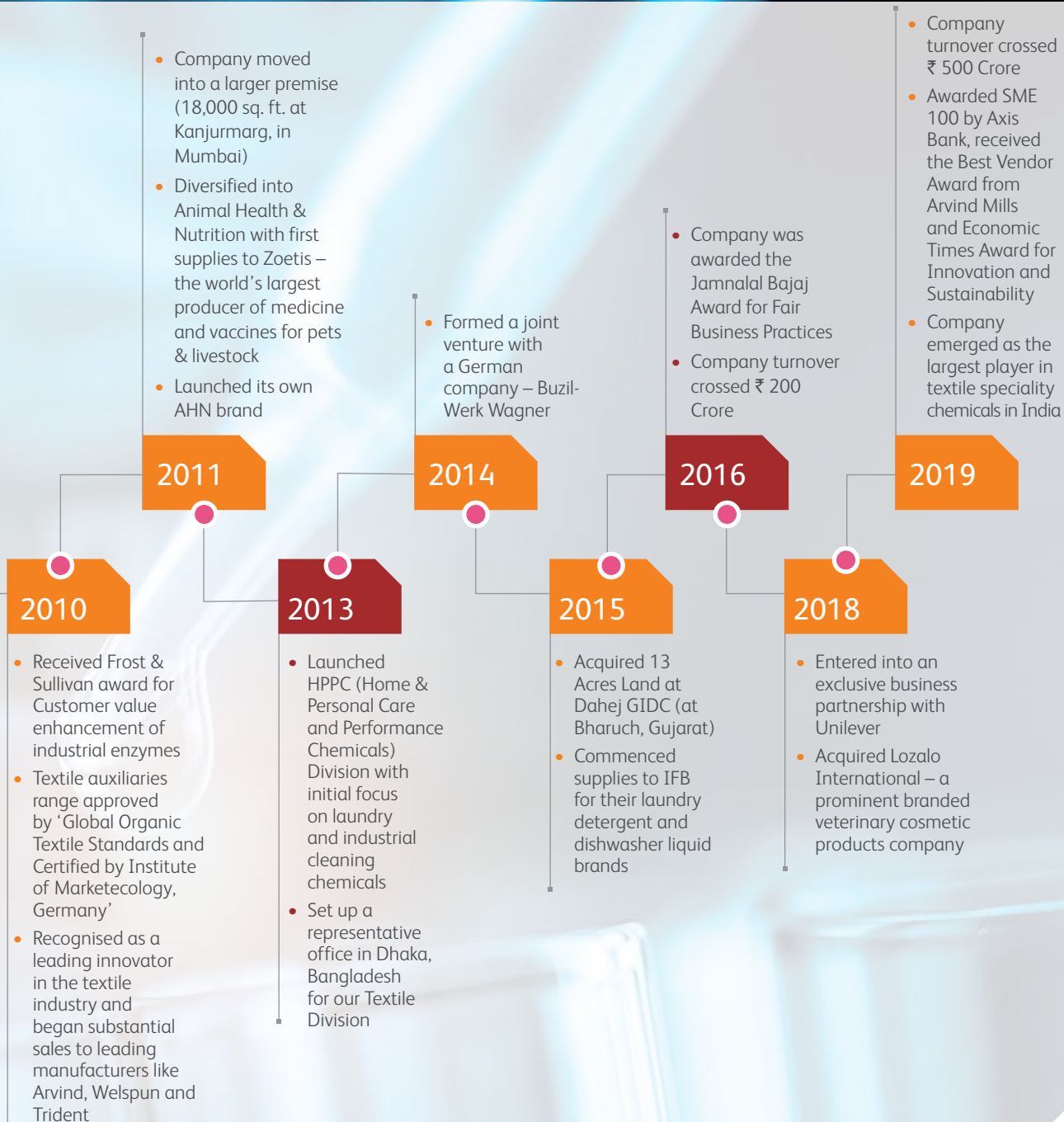


Statutory Reports

03



Financial Statements



# Qualities that Promote Business Engagement



## OPERATIONAL EXCELLENCE

With a combination of the latest manufacturing equipment and trained skilled workforce, we are able to consistently drive operational excellence in our manufacturing. Our operations offer high levels of traceability and we use lean manufacturing principles to minimise waste and increase productivity. We work with a collaborative mindset and along with our customers we co-create products across the value chain. Our consistent application and practice of innovative design principles helps us to engineer creativity.



## INNOVATION CAPABILITIES

Creating a niche through cost neutral, green and sustainable solutions

Sustainability with cost neutrality is our key market differentiator. It is our driving force and top priority. It has enabled us to explore niche segments for ourselves and transition from volume-based to value-based speciality chemical offerings. We cater to the rising demand for Speciality Chemicals that deliver property-enhancing qualities, and benefit from our high value offerings, even at low volumes. On the other hand, our ability to source materials in a cost-effective manner and our efficient and large-scale manufacturing enables us to capture value without the need to buttress our prices. With all this put together, we are able to deliver on the big idea of green and eco-friendly products and clock a healthy bottom-line.



## PROVEN RESEARCH & DEVELOPMENT CREDENTIALS

Creating products and processes that adhere to ecological requirements, while delivering on functionality

We pursue a twin-pronged R&D process. Our efforts are largely directed towards discovery of new molecules and to devise new applications of developed products. We leverage our application expertise as well as product knowledge to deliver technical services that benefit our clients. In addition to this, our R&D teams also engage themselves in improving processes and providing technical support to our customers. The R&D laboratories are recognised by the Department of Scientific and Industrial Research (DSIR) and possess the infrastructure to scale up our research findings from pilot stage to full commercial scale production. Our team includes 8 PhDs, 10 Masters and 14 Bachelors of Chemistry.

### Our robust R&D infrastructure includes:

- Application Laboratories for textile and polymer
- Microbiology Laboratories for enzyme research
- Reaction Laboratories equipped with appropriate facilities for carrying out polymer reaction and emulsion research and product development



## LEVERAGING CUSTOMER CONNECT TO IDENTIFY AND RESOLVE ISSUES

Our R&D efforts are not restricted to our labs. We regularly conduct workshops at our customers' premises where we listen to and understand their problems. We bring this key knowledge back to the laboratory to innovate and deliver the right solution. Our unique "ear to the ground" approach to R&D has delivered sterling results, even as we become closely enmeshed with our customers.



### AGILITY IN RESPONSE TO CUSTOMER REQUIREMENTS

Responsive change, adaptation, adjustment and transformation to capture any opportunity

A dynamic response to opportunity is our organisation's mantra. We remain ever alert to customers' requirement in terms of quality, quantity, packaging, delivery, and stocking, among others. We adapt ourselves to deliver what the customer needs, rather than selling what we manufacture, and continually strive to reduce our resistance to change while improving on our response time. It is our sheer agility that has enabled us to be the early adopters of opportunities across sectors we operate in.



### SUSTAINABILITY IN ALL THAT WE DO

Minimising the ecological footprint of manufacturing while maximising customer benefits

At Rossari, serving the customers and nurturing nature are never a conflicting proposition. They co-exist in harmony, thanks to our R&D and innovation-driven line of products that enhance the functionality for our client's applications, while being sustainable and eco-friendly. We are propelled by a strong belief system that adheres to sustainability and we promote this agenda through eco-friendly products, in line with the new regulatory regime. They effectively reduce the incidence of petroleum-based effluents, surfactants and lubricants.



### SCALABILITY THAT CATERS TO VARIED CUSTOMER REQUIREMENTS

Supporting a spectrum of capabilities from low to high volumes

We have the flexibility to manufacture our products at the lab, pilot plant and commercial scale. Our existing plant at Silvassa, Gujarat, has a high level of automation and the capability to manufacture products in small and large volumes. The commissioning of our new plant at Dahej, Gujarat, will ramp up our production capacity by 1.5 times, thus dramatically impacting our business capabilities and subsequent growth.

01



Corporate Overview

02



Statutory Reports

03



Financial Statements



# Our Business Segments

We have leveraged our key capabilities and strengths in enzymes, polyacrylates and chemicals to cater to niche requirements of different industries. While our base competencies remain the same, the applications and industry segments we serve, differ widely. This enables us to broaden our customer base and de-risk our enterprise from high exposure to any single industry. Our diversity is our key strength that enables us to deliver robust results in a sustainable manner.





01



Corporate Overview

02



Statutory Reports

03



Financial Statements





## HPPC – Home & Personal Care and Performance Chemicals

Rossari Biotech manufactures a whole range of products that find application in home & personal care formulations especially in the laundry and cleaning space. While most of our products cater to the B2B sector, this division features products that are directly experienced by consumers. Being performance enhancers, they contribute significantly to the product experience and utility. Since these products are environment-friendly, they fit perfectly into the sustainability agenda of our customers.







## OUR PRODUCTS FOR THE HOME, PERSONAL CARE AND PERFORMANCE CHEMICALS INDUSTRY:

Product details	Catering to industries/applications
Various types of polyacrylates and enzymes	Soaps and detergents
Acrylics, polymers, coating products and more	Paints & coatings, ceramic & tiles, pulp & paper, water treatment, home & personal care, and pharmaceuticals
Third-party contract manufacturers of liquid products for homecare	Liquid products for homecare for several leading brand names
Ready-to-use water and wastewater treatment products	Boilers, cooling towers, RO plants, wastewater treatment plants



Products/Brands shown above belong to their respective owners. They are shown to represent Rossari clientele.

01



Corporate Overview

02



Statutory Reports

03



Financial Statements



## TSC – Textile Speciality Chemicals

Promoting sustainability through innovative, green products

In an industry that is increasingly seeking to promote sustainable manufacturing and processing, Rossari Biotech plays a leading role in developing alternative green products that enable the sustainable manufacturing of textiles. The range of products that we offer include enzymes and products for pre-treatment, dyeing and printing, finishing, as well as speciality chemicals. The division leverages its R&D and innovation to develop and market a wide range of value-added products. Our rapid growth has enabled us to emerge as the largest textile company in India and we are now in the process of expanding to other global textile centres.

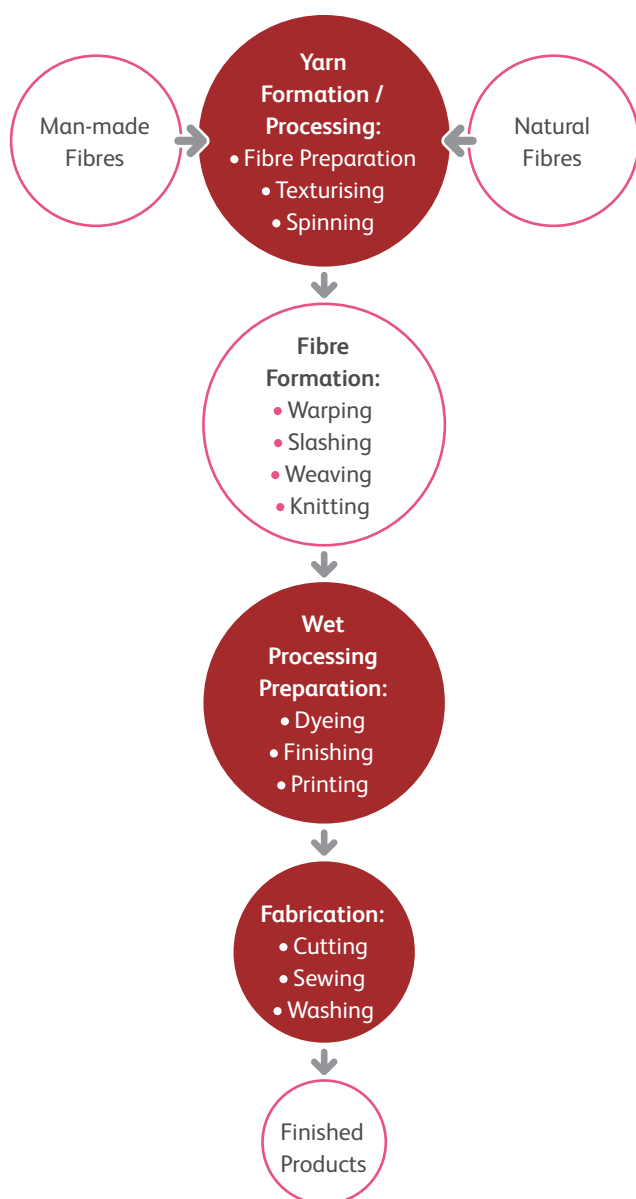






## STRADDLING KEY AREAS OF THE TEXTILE VALUE CHAIN

The typical value chain within the textile industry comprises of:



## Our Blockbuster Products:

Green Acid | Green Soda | Green Hydro 400  
Marvel KSM Special | Zycol TSA

**Rossari Biotech** products cater to the yarn formation and fabric processing and clothing segments. They play a pivotal role in imparting desirable qualities to the fabric.



01



Corporate Overview

02



Statutory Reports

03



Financial Statements



## OUR PRODUCTS FOR THE TEXTILE INDUSTRY:



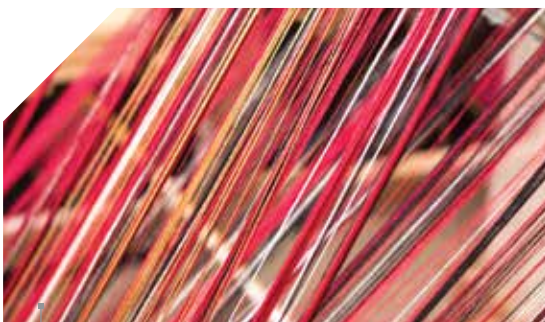
### YARN PRODUCTION

- Yarn dyeing & finishing
- Yarn lubricants
- Performance enhancers



### MAN-MADE FIBRE PRODUCTION

- Lubricants
  - Water-based - Non-water based
- Antistats
- Antimicrobial



### THREAD PRODUCTION

- High performance thread lubricants
  - Water-based - Non-water based
- Thread finishing
  - Water-based - Non-water based



### FABRIC PROCESSING

- Pre-treatment of cellulose
- Comprehensive pre-treatment range of product based on complex combination of chemistry of wetting, sequestering and dispersant
- Sustainable chemistry focus
- Enzymes
- Dyeing and washing-off agents

01



Corporate Overview

02

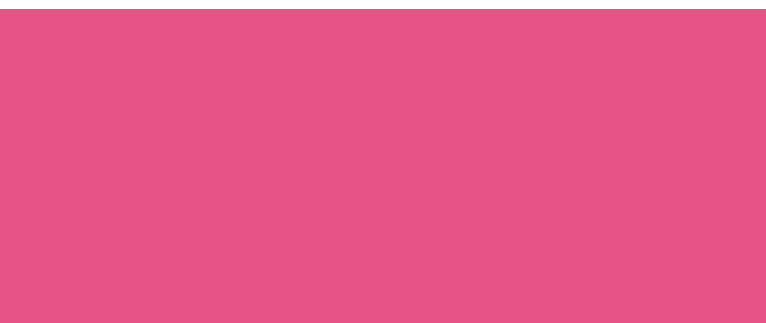


Statutory Reports

03



Financial Statements



### DYEING AUXILIARIES

- Full range of products based on dispersant, chelating agents and levelling agents



### GARMENT FINISHING

- Comprehensive pre-treatment range of product based on complex combination of polymer science and nano technology
- Performance products
- Enzymes and biochemical finishing range



### PRINTING

- Comprehensive range of product based on complex combination of polymer science and nano technology
- Performance products
- Enzymes and biochemical printing range



### FINISHING RANGE

- Comprehensive pre-treatment range of product based on complex combination of chemistry polymer science and nano technology
- Performance products
- Enzymes and biochemical finishing range



### DIGITAL PRINTING

- Performance enhancers and base treatment for digital printing technology





## AHN – Animal Health & Nutrition

We have a strong presence in poultry and companion animal (pets) business – two of the fastest growing segments in Animal Health Care and Nutrition. We are a key player in enzyme formulation in the poultry industry and also the leading B2B manufacturers of veterinary products in animal health feed supplements and additives segment and serve several leading multinational and Indian companies. During the year under review, we acquired Lozalo International, a leading Indian brand known for pet-care products.

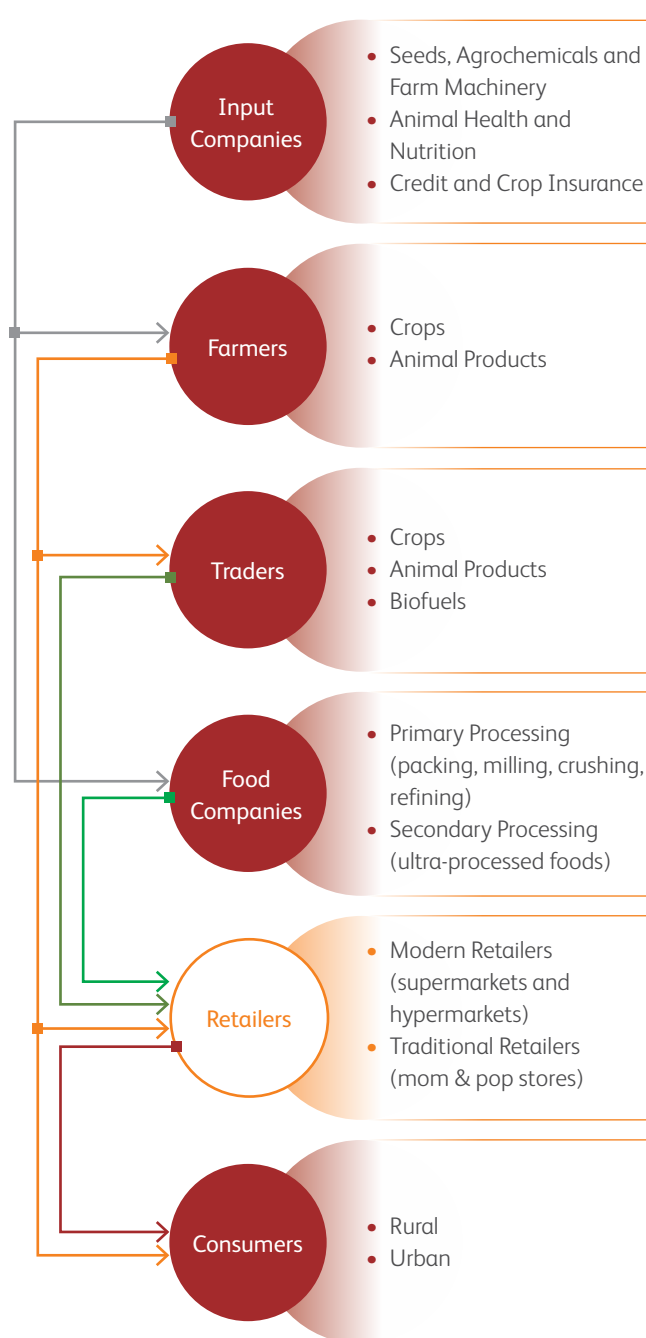






## DELIVERING VALUE FROM FARM TO FORK

Animal Health & Nutrition (AHN) industry comprises of:



● - Rossari Biotech's Presence

We serve as input providers for poultry farmers, traders as well as food and cosmetic companies through our diverse range of products.

## OUR PRODUCTS FOR THE ANIMAL HEALTH &amp; NUTRITION INDUSTRY

Individual Enzymes	Liver Protection
Cocktail Enzymes	Toxin Binders
Probiotics	Growth Promoters
Trace Minerals	Choline Chloride
Acidifier	Vitamin Premix Series

## PET CARE PRODUCTS

• PET TREATS • PET FOOD • PET CARE



01



Corporate Overview

02



Statutory Reports

03



Financial Statements

# Scaling Our Operations to the Next Level

**At Rossari, we never stop growing. We are confident that our operating principles of agility and sustainability can only lead to greater heights which is why we always keep an eye on the road ahead. Our future plans include:**



## 1. ADDING NEW CAPACITIES

Our new state-of-the-art plant at Dahej, Gujarat, is being built on a large scale using Lean Automation-based technology, which will enable us to process and produce significantly larger quantities of Speciality Chemicals. It will occupy a total plot area of 53,218 sq. metres and costs ₹ 100 Crore. Once the plant is complete, it will have a total installed capacity of approximately 1,32,500 MT of formulation and synthesis products. The project site is located in close proximity to the National Highway and Railways and is connected to Dahej port which will facilitate exports. Once the plant is commissioned, it will lead to increased sales and higher profitability.



## 2. EXPANDING PRESENCE IN WORLD MARKET

We actively seek to expand into the major world markets. We have already begun forays into Bangladesh, Pakistan and Turkey. We have established a base in Vietnam, which will help us cater to customers in the APEC region. Our proven competence in producing and supplying innovative and green products will stand us in good stead in this endeavour.

### Expanding our presence through:

- Expansion into new segments in markets where we have a presence
- Expansion into new markets where we have no historical presence
- Achieving the sought-after distinction of being present in all textile manufacturing hubs
- Catering to them with standardised products that are certified, accredited and approved to enable global standardisation of inputs for large brands and buyers
- Developing deep and meaningful relationships with customers across industries we serve by delivering benefits in cost, quality and sustainability



01



Corporate Overview

02



Statutory Reports

03



Financial Statements

**3. PULL MARKETING**

Fast adoption of Green products and applications in the textile industry is driven by buyers sourcing from multiple countries. We are witnessing a growing opportunity in gaining accreditation for our products from major buyers and compliance regimes. This provides us with an edge as against marketing products to individual processors as it generates demand pull, rather than having to depend on sales push. Our philosophy of collaborating with our customers to co-create green products which are tailor-made to match their requirements to the highest level will further reinforce our pull-marketing strategy.

**4. INORGANIC GROWTH**

We are in the market for synergistic opportunities and to acquire existing businesses to further our growth targets. Market acquisitions will help us augment our reach, expand capacities and improve our technological capabilities.



**With a clear mandate, strong leadership, continual connect with key stakeholders, and expansion of capacity and capability, we are poised to sustain our growth momentum in the future**



# Our Team

**Our people are the bedrock of our growth, achievements and our future. Our growth is demonstrable proof of the possibilities that come to fruition when a motivated and empowered team works with single-minded determination. Together, we combine best-in-class tools with an unfettered and rewarding work environment to deliver sustainable goals year after year.**



## Leadership with a Growth Mindset

The growth mindset of our leadership is one of the key ingredients in our ability to achieve and sustain our growth trajectory. Our leaders are close to our customers, and listen keenly to customer requirements, which helps them understand and take appropriate action with agility. A strong combination of industry experience, future trends and ability to drive innovation will help us scale new heights.



**We are agile because of our flat hierarchy**





### Culture of a Start-up, with Comfort of an Established Company

We have fostered a team who is empowered to take calculated risks, without an inordinate fear of failure. They possess the ability to translate their vision into reality, thanks to the organisational strength and financial wherewithal. We are an organisation that encourages natural curiosity, as a way to learn and become better. We believe that success happens when a prepared mind meets the right opportunity. One of our growth

drivers is our organisational structure that is not promoter driven. We have an empowered and stable senior management team that helps the business along with our promoters. As an organisation, we actively promote gender diversity and offer equal opportunities and responsibilities, irrespective of gender.

### Mindset and practices that drive our momentum:

- Flexibility in achieving our growth targets through organic and inorganic means
- Expanding manufacturing capacity with a greenfield, modern, lean automation-based plant
- Expanding our presence in the global markets
- Practice of Pull marketing by getting our products approved by large manufacturers
- Driving value addition of customers by refining application of products
- Closed loop of feedback from sales to supply chain
- Delivering the value chain from end to end
- Being 360 degree focussed on customer
- Working with a collaborative mindset



**We are what we are today, because of our team.**

# Corporate Social Responsibility

Rossari Biotech has a concerted CSR agenda and we donate and undertake activities that contribute to betterment of communities that we are a part of. Our initiatives are oriented to benefit the environment, promote education of young children who are economically underprivileged, and in building much needed community infrastructure. We also actively make donations to the people who need financial aid for the healthcare needs of themselves and their families.

**₹ 42.86 Lakh**

Total CSR spend in  
FY 2018-19

**₹ 12.08 Lakh**

Amount spent towards development and distribution of various products for environment sustainability

**₹ 27.54 Lakh**

Worth of notebooks distributed to underprivileged students

**₹ 3.24 Lakh**

Amount spent to build a culvert for the benefit of villagers in Naroli, where Company's factory is located





# Rossari's Dynamic and Employee-friendly Work Culture





[www.rossari.com](http://www.rossari.com)



# Report of the Directors

Your Directors submit herewith their 10th Annual Report together with the Audited Accounts statements for the financial year ended March 31, 2019.

## 1. FINANCIAL RESULTS:

Particulars	Year ended March 31, 2019 (₹)	Year ended March 31, 2018 (₹)
Revenue from operation	5,15,91,68,853	2,91,79,31,157
Total Expenses	4,52,70,34,662	2,53,29,62,604
Profit before Tax	64,45,14,322	39,43,41,601
Net Surplus for the year	45,46,12,738	28,92,40,657
<b>Balance carried to Balance Sheet</b>	<b>45,46,12,738</b>	<b>28,92,40,657</b>

## 2. OPERATIONAL PERFORMANCE:

There is a quantum jump in the turnover of the Company, a growth of around 76.80 %. The net surplus increased to ₹ 45,46,12,738/- from ₹ 28,92,40,657/- the previous year. The Company is at a tipping point and will push for rapid growth in market share in our existing businesses and lateral expansion into new segments in the coming year.

## 3. DIVIDEND:

Considering the present financial condition and current market situation the Board of the Company declared dividend of 50 % for FY 2018-19.

## 4. INSURANCE:

All the assets of your Company including plant & machinery, equipment, building, vehicles etc. are adequately insured.

## 5. MANAGEMENT DISCUSSIONS AND ANALYSIS:

### A. Business Operations & Outlook:

Your Company's performance in the FY 2018-19 has been excellent, especially when the prevailing economic conditions and taxation regime are taken into consideration.

This performance stems from the Company's customer-focussed approach, continuous product innovation, lean operations and a quantum leap in organisational leadership. All of these factors have contributed towards a net profit after tax of ₹ 45,46,12,738/- for the current year.

Along with growing its domestic market, your Company has significantly increased the sale of products to export markets and export oriented units. This is a testament to the consistently superior quality of the products that adhere to highest global standards.

### B. R&D Recognition:

Your Company's in-house R&D units located at Mumbai and Silvassa have been recognised by the Department of Scientific & Industrial Research, Ministry of Science & technology, Govt. of India.

## 6. PUBLIC DEPOSITS:

During the period under review the Company did not accept deposits in terms of Section 73 of the Companies Act, 2013.

## 7. DIRECTORS:

The Board consists of 6 Directors namely, Mr. Sunil Chari, Mr. Edward Menezes, Mrs. Jyotishna Chari, Mrs. Anita Menezes, Mr. Goutam Bhattacharya and Mrs. Meher Bruno Castelino.

Mrs. Anita Menezes, retire by rotation and eligible offers herself for appointment.

## 8. BOARD MEETINGS:

The Board met eleven times during the FY 2018-19 on 02nd April, 2018, 07th May, 2018, 11th May, 2018, 22nd May, 2018, 04th June, 2018, 04th July, 2018, 09th July, 2018, 29th August, 2018, 07th September, 2018, 06th December, 2018 and 13th March, 2019.

Details for each Director of the Company and their shareholdings and Attendance at the meetings for the period ended on 31st March, 2019 are as follows:

Name of Directors	No. of Shares Held	Category	Attendance
Mr. Sunil Chari	19,52,620	Executive Director	13/13
Mr. Edward Menezes	19,52,620	Executive Director	13/13
Mrs. Jyotishna S. Chari	95,280	Non- Executive Director	8/13
Mrs. Anita Menezes	95,280	Non- Executive Director	8/13
Mr. Goutam Bhattacharya	0	Independent Director	2/13
Ms. Meher Bruno Castelino	0	Independent Director	3/13

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

## 9. AUDITORS APPOINTMENT AND AUDITORS' REPORT:

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed at the previous AGM of the Company, as statutory Auditors of the Company for a period of 5 years starting with the FY 2018-19 to the FY 2022-23 to hold the office of auditor till the conclusion of Annual General Meeting of the company for the FY 2022-23.

The Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

## 10. SECRETARIAL AUDIT:

The Company had appointed M/s. Roy Jacob & Co., Company Secretaries in practice as Secretarial Auditors of the Company and their Secretarial Audit report is attached herewith as Annexure A and form part of Directors' Report.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that.

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors' had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors' had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors' have prepared the annual accounts on a going concern basis; and
- The directors' had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. RESEARCH AND DEVELOPMENT (R&D):

- Specific R&D activities carried out by the Company -**  
Up gradation of few of the microbial strains to get better yield and better application effects. Optimisation

of SMF conditions for cellulose enzymes. This resulted in better product and applicability. Developed and provided various formulations for Animal Health & nutrition export market. New products and process was developed for paper industries.

New mutants of our existing collection of microbial cultures were screened for new enzymes and improved efficiency.

### b) Benefits derived as a result of the above R&D -

New products were developed and introduced in the market which resulted in increase in the sales. Improved version of enzymes gave better effect and good applicability in small does. The improvement in the quality gave sustained leadership in the market.

### c) Expenditure on R&D -

Particulars	March 31, 2019 (₹)	March 31, 2018 (₹)
Revenue Expenditure	3,86,19,191	3,13,91,896
Capital Expenditure	2,92,91,379	5,37,47,975
<b>Total</b>	<b>6,79,10,570</b>	<b>8,51,39,871</b>

\*\* This is a cumulative figure of Capital Expenditure incurred till year end.

Total R&D expenditure for the year as a percentage of total turnover = 1.35 %

## (II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

### 1. Efforts, in brief, towards Technology Absorption, adaptation and Innovation:

Efforts made towards Technology Absorption, adaption and innovation

Development of techniques for enzymes cellulases and pectinase with better applicability and yield. New technologies were adapted for the development of niche products for animal health care and we have applied for a Trademark related to our animal health care products. Technical personnel got trained for the latest trends in the biotechnological field to gear up for further research. One patent writing is underway.

### 13. FOREIGN EXCHANGE EARNING AND OUTFLOW:

<b>Total foreign exchange earned:</b>	₹
FOB Value of Exports Sale	70,90,46,644
<b>Total inflow</b>	<b>70,90,46,644</b>
<b>Total foreign exchange outgo:</b>	
CIF Value of imported components	86,72,68,202
Travelling Expenses, Membership / Subscription & Others	3,23,15,119
<b>Total outflow</b>	<b>89,95,83,321</b>

**ISO Certification:**

Company's Silvassa Plant is certified for ISO 9001: 2015 and 14001: 2015 standards.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Company has not given loan or provided any guarantees and does not make any investment during the year under consideration.

**15. RELATED PARTY TRANSACTION UNDER SUB-SECTION (1) OF SECTION 188:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

The Related Party Transactions have been attached as Annexure B to the Director's Report.

**16. MATERIAL CHANGES AND COMMITMENTS, IF ANY, 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:**

There are no material changes and commitments noticed by the Board between the end of the financial year of the company, i.e., 31.03.2019 and the date of the report.

**17. PARTICULARS OF EMPLOYEES:**

Details of Employees covered by the provisions of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

No employee is drawing salary in excess of the limits specified under the above said Rule.

**18. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

On Behalf of the Board of Directors  
For **ROSSARI BIOTECH LIMITED**,

**Edward Menezes**  
(Director)  
DIN: 00149205

**Sunil Chari**  
(Director)  
DIN: 00149083

Place: Mumbai

Dated: 30th August, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements



# Notice

Notice is hereby given that the 10th Annual General Meeting of the members of **ROSSARI BIOTECH LIMITED** will be held at the registered office of the company at 201, A – B, 2nd Floor, Akruti Corporate Park, L.B.S. Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai – 400079, on **Monday, 30th September, 2019 at 1.00 p.m.** to transact the following business:

## ORDINARY BUSINESSES:

1. To consider and adopt the audited financial statement of the company for the financial year end 31st March, 2019, the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Anita Menezes who retires by rotation, and being eligible, offers himself for re-appointment.
3. To receive, consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
  
“**RESOLVED THAT** pursuant to the provisions of section 139, 142 and Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Deloitte Haskins & Sells LLP, Chartered Accountants, be and is hereby appointed as statutory auditors of the company for a period of 5 years starting with the FY 2018-19 to the FY 2022-23.
4. To Declare a dividend on equity shares.

## SPECIAL BUSINESS:

5. To Appoint Mr. Goutam Bhattacharya as Director of the Company liable to retire by Rotation.

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

“**RESOLVED THAT** in accordance with the provisions of Section 160 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Goutam Bhattacharya who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, subject to retirement by

rotation under the provisions of the Articles of Association of the Company.”

On Behalf of the Board of Directors of

**ROSSARI BIOTECH LIMITED,**

**Sunil Srinivasan Chari**

(Director)

DIN: 00149083

Place: Mumbai

Date: 30th August, 2019

## NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the company.
- 2) Proxies in order to be effective must be lodged to the Company's registered office not less than 48 hours before the meeting.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Appointment of Mr. Goutam Bhattacharya

The Board of Directors of the Company (the Board), at its meeting held on 6th December, 2018 appointed Mr. Goutam Bhattacharya an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act).

In terms of the provisions of Section 260 of the Act, Mr. Goutam Bhattacharya would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice, along with requisite fee, from a member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Goutam Bhattacharya as a Director of the Company under the provisions of Section 160 of the Act.

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

Save and except for Mr. Goutam Bhattacharya, none of the Directors of the Company are, in any way, concerned or interested in the resolution.

# Independent Auditor's Report

To The Members of Rossari Biotech Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying standalone financial statements of Rossari Biotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and its related annexures, but does not include the Financial Statements and our auditor's report thereon.

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

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India.

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

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

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained 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 the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, 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.
  - 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, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report



expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any,

the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants  
Firm's Registration No. 117366/W-100018

**Kedar Raje**  
Partner  
Membership No. 102637

Place: Mumbai

Date: August 30, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

# Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of ROSSARI BIOTECH LIMITED on the financial statements for the year ended March 31, 2019)

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of ROSSARI BIOTECH LIMITED (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR 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 the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its 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.

### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the 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 procedures 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 control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes 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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants  
Firm's Registration No. 117366/W-100018

**Kedar Raje**

Partner  
Membership No. 102637

Place: Mumbai

Date: August 30, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements



# Annexure “B” to the Independent Auditors’ Report

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of ROSSARI BIOTECH LIMITED on the financial statements for the year ended March 31, 2019)**

- (i) (a) The Company has maintained proper records showing particulars, including quantitative details and situation of property, plant and equipment.
- (b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (ii) 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 Companies Act, 2013.
- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and also the Company does not have any unclaimed deposit.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and 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) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366/W-100018

**Kedar Raje**  
Partner  
Membership No. 102637

Place: Mumbai  
Date: August 30, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

# Balance Sheet

as at 31st March, 2019

		Amount in ₹	
Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	4,40,00,000	4,40,00,000
Reserves and Surplus	4	1,20,08,03,416	85,11,28,280
		<b>1,24,48,03,416</b>	<b>89,51,28,280</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	67,27,957	1,28,71,932
Other long-term liabilities	6	3,01,62,402	3,02,97,971
Long Term Provisions	7	1,27,83,011	-
		<b>4,96,73,370</b>	<b>4,31,69,903</b>
<b>Current Liabilities</b>			
Short-term borrowings	8	5,12,63,105	19,62,60,073
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises;	9	4,61,69,253	3,00,41,018
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,00,22,93,922	35,05,22,167
Other Current Liabilities	10	8,41,67,189	5,53,37,070
Short-term provisions	11	2,52,40,935	2,88,05,759
		<b>1,20,91,34,404</b>	<b>66,09,66,087</b>
<b>Total</b>		<b>2,50,36,11,190</b>	<b>1,59,92,64,270</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
i. Tangible Assets	12	75,62,40,583	43,69,55,596
ii. Intangible Assets		5,97,06,788	4,02,920
iii. Capital Work In Progress		2,82,67,435	9,98,80,178
		<b>84,42,14,806</b>	<b>53,72,38,694</b>
Non-current Investments	13	19,75,000	3,19,75,000
Deferred tax assets (Net)	14	1,89,63,397	79,19,752
Long-term Loans and Advances	15	3,71,51,155	1,93,97,274
		<b>5,80,89,552</b>	<b>5,92,92,026</b>
<b>Current assets</b>			
Inventories	16	54,89,85,953	35,10,43,609
Trade receivables	17	85,96,33,036	59,78,93,676
Cash and cash equivalents	18	5,69,43,484	66,42,015
Short-term loans and advances	19	13,57,44,359	4,71,54,250
		<b>1,60,13,06,832</b>	<b>1,00,27,33,550</b>
<b>Total</b>		<b>2,50,36,11,190</b>	<b>1,59,92,64,270</b>

The accompanying notes 1 to 44 are an integral part of the financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

For Rossari Biotech Limited

Kedar Raje  
Partner

Edward Menezes  
(Director)  
DIN: 00149205

Sunil Chari  
(Director)  
DIN: 00149083

Place : Mumbai

Date : August 30, 2019



# Statement of Profit and Loss

for the year ended 31st March, 2019

Amount in ₹

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	20	5,15,91,68,853	2,91,79,31,157
Other Income	21	1,23,80,131	93,73,048
<b>Total Revenue</b>		<b>5,17,15,48,984</b>	<b>2,92,73,04,205</b>
<b>Expenses:</b>			
Cost of materials consumed	22	3,52,24,57,266	1,96,26,99,271
Purchases of Stock-in-Trade		1,69,68,884	82,07,513
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(15,61,65,120)	(63,95,993)
Employee benefits expense	24	26,47,00,853	19,53,12,478
Finance costs	25	3,26,81,802	98,92,814
Depreciation and amortisation expense	12	12,18,65,958	5,09,62,369
Other expenses	26	72,45,25,019	31,22,84,152
<b>Total Expenses</b>		<b>4,52,70,34,662</b>	<b>2,53,29,62,604</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>64,45,14,322</b>	<b>39,43,41,601</b>
Prior Period Expense	27	2,25,04,518	-
<b>Profit Before Tax</b>		<b>62,20,09,804</b>	<b>39,43,41,601</b>
Tax expense:			
(1) Current tax		17,84,40,711	10,83,07,812
(2) Deferred tax		(1,10,43,645)	(32,06,868)
<b>Profit for the year</b>		<b>45,46,12,738</b>	<b>28,92,40,657</b>
Earnings per share:			
Basic & Diluted	28	103.32	65.74

The accompanying notes 1 to 44 are an integral part of the financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For Rossari Biotech Limited

Kedar Raje  
Partner

Edward Menezes  
(Director)  
DIN: 00149205

Sunil Chari  
(Director)  
DIN: 00149083

Place : Mumbai

Date : August 30, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

# Cash Flow Statement

for the year ended 31st March, 2019

Amount in ₹

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax (PBT)	62,20,09,804	39,43,41,601
Adjustment for :		
Depreciation	12,18,65,958	5,09,62,369
Interest and finance charges	2,30,52,842	98,92,814
Dividend Received	(48,04,375)	-
Profit on sale of Investment	(11,244)	-
Profit on sale of Fixed Assets	(5,167)	-
Interest Income	(46,68,744)	(40,38,074)
<b>Operating Profit before Working Capital Changes</b>	<b>75,74,39,074</b>	<b>45,11,58,710</b>
Adjustment for Working Capital Changes		
Increase in Inventory	(19,79,42,344)	(11,59,57,349)
Increase in Trade Receivables	(26,17,39,360)	(12,04,20,765)
(Increase)/Decrease in Other Assets	(6,13,12,541)	1,22,39,201
Increase in Trade Payables	66,78,99,990	9,82,34,452
Increase/(Decrease) in Other Liabilities	3,29,45,164	(21,05,986)
	<b>17,98,50,909</b>	<b>(12,80,10,447)</b>
<b>Cash Generated from Operation</b>	<b>93,72,89,983</b>	<b>32,31,48,263</b>
Income Taxes paid (Net of refunds)	20,82,04,875	10,51,00,944
<b>Net Cash from Operating Activities</b>	<b>72,90,85,108</b>	<b>21,80,47,319</b>
<b>B. Cash Flow from Investing Activities</b>		
Interest Received	35,18,583	40,38,074
Purchase of Fixed Assets	(43,94,67,710)	(14,08,35,486)
Sale of Fixed Asset	5,167	4,60,000
Purchase of Investment	-	-
Sale of Investments	3,00,11,244	(3,00,00,000)
Dividend Received	48,04,375	-
Net Cashflows from deposits with banks	(1,41,45,926)	42,16,053
<b>Net Cash used in Investing Activities</b>	<b>(41,52,74,267)</b>	<b>(16,21,21,359)</b>

# Cash Flow Statement (Cont'd...)

for the year ended 31st March, 2019

Amount in ₹

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid (including income tax on dividend)	(10,49,37,602)	(26,47,868)
Proceeds from Term Loans	32,34,000	1,95,15,781
Repayments of Term Loans	(1,18,04,619)	(3,09,06,681)
Net Decrease in working capital facilities from banks	(14,88,20,570)	(2,54,32,666)
Receipt of loan from related parties	36,47,43,956	-
Repayment of loan from related parties	(36,09,20,353)	(1,34,57,631)
Interest Paid	(1,91,50,110)	(98,92,814)
<b>Net Cash used in Financing Activities</b>	<b>(27,76,55,298)</b>	<b>(6,28,21,880)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>3,61,55,543</b>	<b>(68,95,920)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>28,65,203</b>	<b>97,61,123</b>
<b>Closing Cash and Cash Equivalents</b>	<b>3,90,20,746</b>	<b>28,65,203</b>
<b>Closing Cash and Cash Equivalents</b>	<b>3,90,20,746</b>	<b>28,65,203</b>
<b>Other Bank Balances</b>	<b>1,79,22,738</b>	<b>37,76,812</b>
<b>Cash and Bank Balances</b>	<b>5,69,43,484</b>	<b>66,42,015</b>

Notes:

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements".

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For **Rossari Biotech Limited**

**Kedar Raje**  
Partner

**Edward Menezes**  
(Director)  
DIN: 00149205

**Sunil Chari**  
(Director)  
DIN: 00149083

Place : Mumbai

Date : August 30, 2019

01



Corporate Overview

02



Statutory Reports

03



Financial Statements



# Notes Forming Part of the Financial Statements

## for the year ended 31 March 2019

### 1. CORPORATE INFORMATION

The company "ROSSARI BIOTECH LIMITED" is incorporated in the year 2009 and having registered office at 201-A & B, Ackruti Corporate Park, L.B.S. Marg, Next to GE Garden, Kanjurmarg (West), Mumbai – 400 078

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting:

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

#### b) Revenue Recognition:

Sale of products including export benefits thereon are recognized when the products are shipped. Revenue, including any amounts invoiced for shipping and handling costs, represents the value of goods supplied to customers, net of returns, quantity/ quality rebates and discounts except cash discount and goods and service tax. Revenue from Export Benefit and Duty Drawback is accounted on accrual basis. Dividend from investments are recognized in the Statement of Profit and Loss when the right to receive payment is established.

#### c) Property, Plant and Equipment, Capital Work in Progress & Depreciation and Amortization:

Property, plant and equipment are carried at cost less depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying property, plant and equipment upto the date the assets are ready for use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Written Down Value method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013. In case of additions to fixed assets there has been change in policy, previously when asset was put to use for period More than 180 Days, depreciation for full year has been provided and if additions to fixed assets put to use for period Less than 180 Days, depreciation at half of the amount

of depreciation for full year has been provided from FY 2018-19 depreciation is calculated from the month in which asset is available for use. The impact of change in depreciation has resulted in higher change of depreciation by 8,61,490/-.

#### d) Intangible Assets:

Intangible assets are carried at cost and amortized on a Straight Line Basis so as to reflect the pattern in which the asset's economic benefits are consumed.

**i) Patent and Copyright:** The expenditure incurred is amortized over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

**ii) Software Expenditure:** The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

#### e) Research and Development:

Revenue expenditure incurred on Research and Development has been charged to the Profit and Loss Account in the year it has been incurred. Capital expenditure has been included in the Cost of Acquisition of the appropriate Fixed Assets and Depreciation thereon has been charged at regular rates prescribed.

#### f) Impairment

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**g) Inventories:**

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw materials are value at the lower of cost or net realisable value. Cost is determined on the basis of the First in First Out (FIFO) method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower. Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

**h) Employees Retirement Benefits****i. Defined Contribution Plan:**

Contribution payable to recognised provident fund which are substantially defined contribution plan, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

**ii. Defined Benefit Plan:**

Company's contributions paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss. Company's liability towards gratuity is determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

The scheme provides for payment as under:

**i. On normal retirement / early retirement / withdrawal / resignation:**

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

**ii. On death in service:**

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

**i) Foreign Exchange Transactions:**

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

**j) Forward exchange contracts:**

The use of foreign currency forward contract is governed by the company's strategy. Approved by board of Directors, which provides principle on uses of such forward contract consistent with the company's risk management policy. The company uses foreign currency forward contract to hedge its risk associated with foreign currency fluctuation relating to certain firm commitment and forecasted transaction for amount in excess of natural hedge available on export realization against import payment. The company doesn't use forward contract for speculative purpose.

**k) Tax (Current and Deferred):**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

**l) Minimum Alternate Tax (MAT)**

Minimum alternative tax paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, I.e. the period for which MAT credit is allowed to carry forward. In the year in which company recognizes MAT credit to statement of profit and loss and shown as "MAT credit Entitlement." The company reviews the "MAT credit Entitlement" Asset at each reporting date and writes down the asset to extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**m) Financial Expenses:**

Financing expenses comprise costs paid / payable on loans & borrowings and processing fees paid to bank & other bank charges.

Interest on Term Loan to the extent attributable to the Acquisition/Construction of the Fixed Assets which has

not been put to use till the date of the Balance Sheet is capitalized and added to the Cost of respective Fixed Assets.

In case of Interest on Term Loan to the extent attributable to the Capital Work in Progress has been classified under Capital Work in Progress to be included in the Cost of respective Fixed Assets, as and when the Fixed Asset will be put to use.

The interest pertaining to the assets put to use on or before date of the Balance Sheet and working capital facilities is written off to Profit & Loss Accounts.

**n) Lease :**

**i. Operating Lease:**

The Company does not have any operating Lease.

**ii. Finance Lease:**

The Company has future obligations under finance lease arrangements to procure Vehicles.



Amount in ₹

**3 SHAREHOLDERS FUNDS :**

Particulars	As at 31 March 2019		As at 31 March 2018	
<b>Share Capital</b>				
a Authorised Share Capital		5,00,00,000		5,00,00,000
50,00,000 Equity Share of ₹ 10 each				
<b>Total</b>		<b>5,00,00,000</b>		<b>5,00,00,000</b>
b Shares issued, subscribed and fully paid		4,40,00,000		4,40,00,000
44,00,000 Equity Share of ₹ 10 each				
<b>Total</b>		<b>4,40,00,000</b>		<b>4,40,00,000</b>
c Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Mr. Sunil Chari	19,52,620	44.38%	19,52,620	44.38%
Mr. Edward Menezes	19,52,620	44.38%	19,52,620	44.38%
Rossari Biotech India Pvt Ltd.	2,74,200	6.22%	2,74,200	6.22%
d The ordinary (equity) shares of the company rank pari-passu in all respect including voting rights and entitlement to dividend				

**4 RESERVES & SURPLUS**

Particulars	As at 31 March 2019	As at 31 March 2018
Securities Premium	15,60,00,000	15,60,00,000
Surplus in Statement of Profit and Loss		
Opening balance	69,51,28,280	40,58,87,623
Add: Profit for the year	45,46,12,738	28,92,40,657
	<b>1,14,97,41,018</b>	<b>69,51,28,280</b>
Less:		
Dividend Paid on Equity Shares (₹ 20 per share)	8,80,00,000	-
Tax on Dividend	1,69,37,602	-
(Final Dividend for FY 2017-18 @ ₹ 20 per share, as approved in the Annual General Meeting held on September 29, 2018)		
Balance as at the end of year	1,04,48,03,416	69,51,28,280
<b>Total</b>	<b>1,20,08,03,416</b>	<b>85,11,28,280</b>
<b>Details of Proposed Dividend</b>		
Dividend Per Share (In ₹)	5	
Dividend Proposed on Equity Shares	2,20,00,000	
Dividend Distribution Tax	44,78,672	
Total Dividend Proposed Including Dividend Distribution Tax	2,64,78,672	

**5 LONG-TERM BORROWINGS**

Particulars	As at 31 March 2019	As at 31 March 2018
Secured Loans		
Vehicles Loans	67,27,957	1,28,71,932
<b>Total</b>	<b>67,27,957</b>	<b>1,28,71,932</b>
<b>Details of Securities</b>		
a) Vehicle loans are secured by way of hypothecation of respective vehicle. The loans carry an interest rate of 8.40% with tenure ranging from 3 to 5 years, going upto October 2022.		
b) Current maturity in respect of vehicle loans have been included in Note No. 10		

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

Amount in ₹

## 6 OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposit from Distributors	3,01,62,402	3,02,97,971
	<b>3,01,62,402</b>	<b>3,02,97,971</b>

## 7 LONG TERM PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Employee Benefits	1,27,83,011	-
<b>Total</b>	<b>1,27,83,011</b>	<b>-</b>

## 8 SHORT-TERM BORROWINGS

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured Loans</b>		
Working Capital Loans From Banks	2,11,20,268	16,99,40,839
Unsecured Loans form Related Parties		
Director	-	41,87,902
Relatives of directors	-	5,15,000
Neutron Impex Pvt. Ltd	3,01,42,837	2,16,16,332
<b>Total</b>	<b>5,12,63,105</b>	<b>19,62,60,073</b>
Details of Securities		
a) The Working Capital Loans and Term Loan from Bank are secured by way of hypothecation of entire stocks, book debts and other current assets as primary security and hypothecation of movable fixed assets and equitable mortgage of office premises, factory land & building as collateral security. Further they are secured by personal guarantees of Directors of the Company.		
b) Unsecured loans from related parties are repayable on demand and carry an interest rate equivalent to the prevailing bank rate.		

## 9 TRADE PAYABLES PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Payable to others		
(A) total outstanding dues of micro enterprises and small enterprises (Refer Note No 32)	4,61,69,253	3,00,41,018
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,00,22,93,922	35,05,22,167
	<b>1,04,84,63,176</b>	<b>38,05,63,185</b>

Amount in ₹

**10 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term borrowings	58,56,244	82,82,888
Others Payables	1,16,68,020	95,69,602
Interest accrued	1,12,69,652	-
Creditors for Capital Purchases	5,53,73,273	3,74,84,579
<b>Total</b>	<b>8,41,67,189</b>	<b>5,53,37,070</b>
Other payables includes government dues and taxes payable.		

**11 SHORT-TERM PROVISIONS**

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	2,52,40,935	1,44,08,549
Provision For Income Tax	-	1,43,97,210
<b>Total</b>	<b>2,52,40,935</b>	<b>2,88,05,759</b>

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

Amount in ₹

## 12 PROPERTY, PLANT AND EQUIPMENT

Description	Gross Block			Depreciation / Amortisation			NetBlock	
	As at 01.04.2018	Additions	Deletions	As at 01.04.2018	For the Year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2018
<b>Tangible Assets</b>								
Freehold Land	10,12,30,185	-	-	-	-	-	10,12,30,185	10,12,30,185
Leasehold Land	-	7,59,11,462	-	-	-	-	7,59,11,462	-
Building Head Office	12,94,48,904	-	-	6,01,64,582	33,74,146	-	6,35,38,728	6,92,84,322
Building Factory	14,65,28,692	10,51,24,216	-	7,46,33,162	77,40,039	-	8,23,73,201	7,18,95,530
Computer System	3,62,54,381	37,24,565	20,499	3,52,30,849	20,80,086	20,499	3,72,90,436	10,23,532
Furniture & Fixtures	2,41,22,985	1,84,35,035	-	1,81,65,401	50,28,115	-	2,31,93,516	59,57,584
Motor Car	4,78,42,157	76,60,943	-	3,16,42,264	58,99,019	-	3,75,41,283	1,61,99,893
Office Equipment	1,02,07,392	78,13,329	-	93,95,837	20,79,062	-	1,14,74,899	8,11,555
Plant & Equipments	34,06,94,862	21,02,85,263	-	17,01,41,867	8,34,69,359	-	25,36,11,226	17,05,52,995
<b>Total – A</b>	<b>83,63,29,558</b>	<b>42,89,54,813</b>	<b>20,499</b>	<b>39,93,73,962</b>	<b>10,96,69,826</b>	<b>20,499</b>	<b>50,90,23,289</b>	<b>43,69,55,596</b>
<b>Intangible Assets</b>								
Copyright & Patent	-	7,15,00,000	-	-	1,19,16,663	-	1,19,16,663	-
Computers Software	54,63,234	-	-	50,60,314	2,79,469	-	53,39,783	4,02,920
<b>Total – B</b>	<b>54,63,234</b>	<b>7,15,00,000</b>	<b>-</b>	<b>50,60,314</b>	<b>1,21,96,132</b>	<b>-</b>	<b>1,72,56,446</b>	<b>4,02,920</b>
<b>TOTAL (A+B)</b>	<b>84,17,92,792</b>	<b>50,04,54,813</b>	<b>20,499</b>	<b>40,44,34,276</b>	<b>12,18,65,958</b>	<b>20,499</b>	<b>52,62,79,735</b>	<b>43,73,58,516</b>

For details of fixed assets offered as securities against loans and borrowings, refer note no. 5 and note no. 8



Amount in ₹

**PROPERTY, PLANT AND EQUIPMENT (CONT'D...)**

Description	Gross Block			Depreciation / Amortisation			NetBlock			
	As at 01.04.2017	Additions	Deletions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions/ Adjustments	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible Assets										
Freehold Land	10,12,30,185	-	-	10,12,30,185	-	-	-	-	10,12,30,185	10,12,30,185
Building Head Office	12,90,26,154	4,22,750	-	12,94,48,904	5,65,97,622	35,66,960	-	6,01,64,582	6,92,84,322	7,24,28,532
Building Factory	13,18,89,931	1,46,38,761	-	14,65,28,692	6,74,64,737	71,68,425	-	7,46,33,162	7,18,95,530	6,44,25,194
Computer System	3,50,27,792	12,26,589	-	3,62,54,381	3,42,47,239	9,83,610	-	3,52,30,849	10,23,532	7,80,553
Furniture & Fixtures	1,96,24,808	44,98,177	-	2,41,22,985	1,65,91,875	15,73,526	-	1,81,65,401	59,57,584	30,32,933
Motor Car	4,51,09,561	38,55,500	11,22,904	4,78,42,157	2,47,70,915	75,29,161	6,57,812	3,16,42,264	1,61,99,893	2,03,38,646
Office Equipment	97,95,223	5,76,335	1,64,166	1,02,07,392	91,14,913	4,45,090	1,64,166	93,95,837	8,11,555	6,80,310
Plant & Equipments	24,69,60,315	9,45,57,646	8,23,099	34,06,94,862	14,13,59,065	2,93,47,705	5,64,903	17,01,41,867	17,05,52,995	10,56,01,250
Total – A	71,86,63,969	11,97,75,758	21,10,169	83,63,29,558	35,01,46,366	5,06,14,477	13,86,881	39,93,73,962	43,69,55,596	36,85,17,603
Intangible Assets										
Computers Software	50,63,234	4,00,000	-	54,63,234	47,12,422	3,47,892	-	50,60,314	4,02,920	3,50,812
Total – B	50,63,234	4,00,000	-	54,63,234	47,12,422	3,47,892	-	50,60,314	4,02,920	3,50,812
TOTAL (A+B)	72,37,27,203	12,01,75,758	21,10,169	84,17,92,792	35,48,58,788	5,09,62,369	13,86,881	40,44,34,276	43,73,58,516	36,88,68,415

For details of fixed assets offered as securities against loans and borrowings, refer note no. 5 and note no. 8

Amount in ₹

**13 NON-CURRENT INVESTMENTS** (At Cost, unless otherwise specified)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in Equity Instruments – Trade, Unquoted, fully paid up		
Investment in Subsidiary Company		
Neutron Impex Private Limited – Equity Shares		
1000 Equity Shares of Face Value ₹ 100/- each	19,75,000	19,75,000
Investment in Mutual Fund - Non Trade		
HDFC Balance Fund - Growth - Regular Plan (Fair Value : ₹ 2,95,87,124)	-	3,00,00,000
<b>Total</b>	<b>19,75,000</b>	<b>3,19,75,000</b>

**14 DEFERRED TAX ASSETS (NET)**

Particulars	As at 31 March 2019	As at 31 March 2018
Fiscal allowances on Property, Plant and Equipment	1,51,63,013	79,19,752
On Provisions of employee benefits	38,00,384	-
<b>Total</b>	<b>1,89,63,397</b>	<b>79,19,752</b>

**15 LONG – TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security & Business Deposits	1,12,41,647	1,13,12,609
Advance to Employee	54,64,481	30,06,596
Advance Taxes (Net of provision for Income Tax)	1,54,11,385	44,427
Others	50,33,642	50,33,642
<b>Total</b>	<b>3,71,51,155</b>	<b>1,93,97,274</b>
Others include VAT receivable from government authorities		

**16 INVENTORIES**

Particulars	As at 31 March 2019	As at 31 March 2018
Raw Materials [includes in-transit of ₹ 3,29,77,932/- (2018 : ₹ Nil)]	31,83,29,385	27,65,52,160
Work-in-progress	1,13,65,998	63,97,157
Finished goods	21,34,60,175	5,88,40,126
Stock-in-trade	58,30,395	92,54,166
<b>Total</b>	<b>54,89,85,953</b>	<b>35,10,43,609</b>

**17 TRADE RECEIVABLES**

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good;		
Outstanding for a period exceeding 6 months from the due date		
From Others	68,39,243	65,93,219
Others:		
From Others	85,27,93,793	59,13,00,457
<b>Total</b>	<b>85,96,33,036</b>	<b>59,78,93,676</b>

Amount in ₹

**18 CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Balances with banks		
In Current Accounts	2,01,96,078	5,05,201
In EEFC Accounts	1,77,83,918	14,16,519
	<b>3,79,79,996</b>	<b>19,21,720</b>
Cash on hand	10,40,750	9,43,483
<b>Total (a)</b>	<b>3,90,20,746</b>	<b>28,65,203</b>
(b) Other bank balances		
Margin money deposits	1,68,24,738	17,86,812
Fixed Deposit with original maturity greater than 3 months	10,98,000	19,90,000
<b>Total (b)</b>	<b>1,79,22,738</b>	<b>37,76,812</b>
<b>Total</b>	<b>5,69,43,484</b>	<b>66,42,015</b>

**19 SHORT-TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Recoverable from Government Authorities	6,70,15,337	1,95,23,453
Prepaid expenses	22,53,684	30,59,417
Accrued Interest	12,83,397	1,06,238
Capital Advance	3,60,84,353	75,70,022
Other Loans and Advances	2,91,07,588	1,68,95,120
<b>Total</b>	<b>13,57,44,359</b>	<b>4,71,54,250</b>

Other loans and advances include employee advances, advance from customers, etc.

**20 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products	4,39,43,18,472	2,56,76,14,128
Sale of trading goods	1,84,88,733	5,69,995
Export Sales	71,85,20,243	41,17,74,316
Other operating revenues	2,78,41,405	68,68,142
	<b>5,15,91,68,853</b>	<b>2,98,68,26,581</b>
Less : Excise duty	-	6,88,95,424
<b>Total</b>	<b>5,15,91,68,853</b>	<b>2,91,79,31,157</b>

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

Amount in ₹

## 21 OTHER INCOME

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Gain on foreign currency transactions & other income	13,34,479	47,27,335
Profit on Sale of Property, Plant and Equipment	5,167	-
Profit on Sale of Mutual Funds	11,244	-
Interest Income on:		
Fixed Deposits with banks	12,26,066	40,38,074
Other Income	44,14,545	-
Insurance Claim Received	-	5,96,639
Dividend Received from Subsidiary	48,04,375	-
Others	5,84,255	11,000
<b>Total</b>	<b>1,23,80,131</b>	<b>93,73,048</b>

## 22 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening Stock of Raw Materials	27,65,52,160	16,69,90,804
Add : Purchases (Net)	3,56,42,34,491	2,07,22,60,627
	<b>3,84,07,86,651</b>	<b>2,23,92,51,431</b>
Less : Closing Stock of Raw Materials	31,83,29,385	27,65,52,160
<b>Total</b>	<b>3,52,24,57,266</b>	<b>1,96,26,99,271</b>

## 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening Stock:		
Work-in-progress	63,97,156	1,57,00,655
Stock-in-Trade	92,54,166	9,18,022
Finished Goods	5,88,40,126	5,14,76,778
	<b>7,44,91,448</b>	<b>6,80,95,455</b>
Less : Closing Stock:		
Work-in-progress	1,13,65,998	63,97,156
Stock-in-Trade	58,30,395	92,54,166
Finished Goods	21,34,60,175	5,88,40,126
<b>Total</b>	<b>23,06,56,568</b>	<b>7,44,91,448</b>
<b>Increase in Stock</b>	<b>(15,61,65,120)</b>	<b>(63,95,993)</b>

## 24 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries & Wages	24,28,78,190	18,30,07,821
Contribution to provident and other funds	1,40,79,008	53,94,391
Staff welfare expenses	77,43,655	69,10,266
<b>Total</b>	<b>26,47,00,853</b>	<b>19,53,12,478</b>



Amount in ₹

**25 FINANCE COSTS**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	3,03,84,499	86,18,178
Other borrowing expenses	22,97,303	12,74,636
<b>Total</b>	<b>3,26,81,802</b>	<b>98,92,814</b>

**26 OTHER EXPENSES**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Selling & Distribution exp	3,80,37,640	71,08,601
Bank Charges	70,50,203	36,58,182
Customs Duty Paid (Expense)	93,98,842	-
Commission on Sales	14,28,59,145	4,59,00,415
Computer Expenses	25,97,660	11,24,040
Consumable, Stores & Spares	2,26,33,950	1,66,46,303
Conveyance & Petrol	1,27,32,019	86,38,126
Corporate Social Responsibility Expenditure	42,85,881	33,08,547
Electricity Charges	1,25,75,634	84,55,601
Factory Expenses	6,04,71,345	2,46,22,818
Repairs & Maintenance- Electricals	25,81,291	19,38,535
Repairs & Maintenance- Plant & Machinery & Electronics	56,87,012	48,71,898
Repairs & Maintenance- Building	2,29,61,396	20,01,035
Repairs & Maintenance - Vehicle & Others	26,25,225	19,05,168
Repairs and Maintenance - Instrumentation	-	1,71,925
Transport, Loading & Unloading	2,14,33,273	1,57,63,120
Donation	3,44,868	2,01,482
Exhibition, Conference & Seminars	2,85,16,399	2,10,50,189
C & F & Other Export / Import Related Expenses	3,48,88,170	2,29,09,862
Insurance Charges	44,68,248	41,81,867
Communication Exp	50,84,186	33,87,830
Loss on sale of Assets	-	2,63,292
Office Expenses	1,43,98,146	1,26,32,179
Printing & Stationery	47,47,306	22,76,165
Professional Fees	2,79,40,732	2,75,23,233
Rent For Office/Residence/Warehouses	2,49,22,830	1,48,47,239
Rates & Taxes	77,82,664	18,72,919
Travelling Expenses	3,85,92,548	2,00,95,314
Transport Outward	13,98,53,267	2,51,56,572
Miscellaneous expenses	1,41,22,055	47,02,811
Other	83,33,084	45,34,884
<b>Payments to the Auditors as</b>		
Statutory & Tax Audit Fees	25,00,000	4,65,000
For Certification Matters	1,00,000	69,000
<b>Total</b>	<b>72,45,25,019</b>	<b>31,22,84,152</b>

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

Amount in ₹

## 27 PRIOR PERIOD EXPENSE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A) Gratuity Provision	1,37,82,485	-
B) Leave Encashment	87,22,033	-
During the year the company has obtained actuarial valuation of gratuity liability in respect of current year as well as previous year. Similarly, during the year the company has carried out valuation of leave obligation in respect of current year as well as previous year on an arithmetical basis. The impact of liabilities pertaining to previous year has been accounted as prior period expense.		
<b>Total</b>	<b>2,25,04,518</b>	<b>-</b>

## 28 EARNINGS PER SHARE

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit as per Statement of Profit and Loss available for equity shareholders	45,46,12,738	28,92,40,657
Weighted average number of equity shares used in computing basic earnings per share	44,00,000	44,00,000
Basic earnings per share (₹) of face value of ₹ 10/- each	103.32	65.74

## 29 SEGMENT REPORTING

The company deals in Speciality chemicals and considering the nature of products and the predominant risk and returns of the product are similar, the company has only one operating segment. Hence revenue from external customers shown under geographical information is representative of revenue base on products.

Sr. No.	Particulars	31 March 2019	31 March 2018
<b>1</b>	<b>Segment Revenue (Gross Sales)</b>		
a.	India	4,48,16,00,488	2,50,61,56,840
b.	Outside India	67,75,68,365	41,17,74,317
	<b>Total</b>	<b>5,15,91,68,853</b>	<b>2,91,79,31,157</b>
<b>2</b>	<b>Segment Assets (Bank)</b>		
a.	India	5,66,94,948	63,34,145
b.	Outside India	2,48,536	3,07,870
	<b>Total</b>	<b>5,69,43,484</b>	<b>66,42,015</b>

## 30 RELATED PARTY DISCLOSURES

Information on related party as required by the Accounting Standard -18 "Related Party Disclosures" issued by the Institute of the Chartered Accountants of India is as given below:

### a: List of Related Parties

#### i. Key Managerial Persons

1. Mr. Sunil Chari
2. Mr. Edward Menezes
3. Mrs. Jyotishna Chari
4. Mrs. Anita Menezes

**ii. Relatives of Directors**

1. Mr. Yash Chari
2. Mr. Mikhail Menezes
3. Mrs. Usha Chari

**iii. Subsidiary Company**

1. Neutron Impex Pvt. Ltd.

**iv. Enterprises on which key managerial persons or their relatives are able to exercise significant influence**

1. Rossari Biotech India Pvt. Ltd
2. Glad Properties India Pvt. Ltd

**b: Transaction with the related parties in ordinary course of business is given below:**

Amount in ₹

Particulars	For the year ended 31st March 2019			
	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Nature of Transaction				
Remuneration Paid to Mr. Sunil Chari	53,72,702	-	-	-
Remuneration Paid to Mr. Edward Menezes	53,72,702	-	-	-
Rent Paid to Mr. Sunil Chari	24,75,000	-	-	-
Rent Paid to Mrs. Jyotishna Chari	18,60,000	-	-	-
Rent Paid to Mr. Edward Menezes	43,35,000	-	-	-
Rent Paid to Glad Properties India Pvt. Ltd	-	-	-	8,40,000
Purchase of Material from Neutron Impex Private Limited	-	-	3,00,000	--
Vehicle Hire Charges paid to Mr. Sunil Chari	1,44,000	-	-	-
Vehicle Hire Charges paid to Mr. Edward Menezes	1,44,000	-	-	-
Salary Paid to Mr. Mikhail Menezes	-	35,47,016	-	-
Salary Paid to Mr. Yash Chari	-	8,62,833	-	-
Dividend received From Neutron Impex Private Limited	-	-	48,00,000	-
Dividend paid to Mrs. Jyotishna Chari	19,05,600	-	-	-
Dividend paid to Mr. Mikhail Menezes	-	3,00,000	-	-
Dividend paid to Mr. Yash Chari	-	3,00,000	-	-
Dividend paid to Rossari Biotech India Private Limited	-	-	-	54,84,000
Dividend paid to Mr. Sunil Chari	3,90,52,400	-	-	-
Dividend paid to Mr. Edward Menezes	3,90,52,400	-	-	-
Dividend paid Mrs. Anita Menezes	19,05,600	-	-	-
Sitting Fees paid to Mrs. Anita Menezes	60,000	-	-	-
Sitting Fees paid to Mrs. Jyotishna Chari	60,000	-	-	-
Interest payable to Neutron Impex Private Limited	-	-	39,02,732	-
Interest receivable from Rossari Biotech India Private Limited	-	-	-	-5,68,978

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

Amount in ₹

Particulars	For the year ended 31st March, 2018			
	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Nature of Transaction				
Remuneration Paid to Mr. Sunil Chari	90,73,453	-	-	-
Remuneration Paid to Mr. Edward Menezes	90,73,453	-	-	-
Rent Paid to Mr. Sunil Chari	29,40,000	-	-	-
Rent Paid to Mrs. Jyotishna Chari	13,95,000	-	-	-
Rent Paid to Mr. Edward Menezes	43,35,000	-	-	-
Rent Paid to Glad Properties India Pvt. Ltd	-	-	-	8,40,000
Sale of Material to Neutron Impex Private Limited	-	-	-	6,75,521
Sale of Material to Rossari Mnuchar India Private Limited	-	-	33,34,750	-
Vehicle Hire Charges paid to Mr. Sunil Chari	1,44,000	-	-	-
Vehicle Hire Charges paid to Mr. Edward Menezes	1,44,000	-	-	-
Salary Paid to Mr. Mikhail Menezes	-	28,28,629	-	-
Salary Paid to Mr. Yash Chari	-	7,75,112	-	-
Dividend paid to Mrs. Jyotishna Chari	47,640	-	-	-
Dividend paid to Mr. Mikhail Menezes	-	7,500	-	-
Dividend paid to Mrs. Usha Chari	-	7,500	-	-
Dividend paid to Rossari Biotech India Private Limited	-	-	-	1,37,100
Dividend paid to Mr. Sunil Chari	9,76,310	-	-	-
Dividend paid to Mr. Edward Menezes	9,76,310	-	-	-
Dividend paid Mrs. Anita Menezes	47,640	-	-	-

**c: Outstanding Balance as on 31st March 2019 of the related parties is given below:**

Amount in ₹

Particulars	As at 31st March 2019			
	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Outstanding Balances				
Neutron Impex Pvt Ltd	-	-	3,01,42,837	-
Unsecured Loans from Rossari specialities Chemicals Pvt Ltd	-	-	-	-16,030



Amount in ₹

Particulars	As at 31st March 2018			
	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Outstanding Balances				
Unsecured Loans from Mr. Sunil Chari	16,58,972	-	-	-
Unsecured Loans from Mrs. Jyotishna Chari	18,52,617	-	-	-
Unsecured Loans from Mrs. Anita Menezes	6,76,313	-	-	-
Unsecured Loans from Mrs. Usha Chari	-	7,500	-	-
Unsecured Loans from Mr. Mikhail Menezes	-	5,07,500	-	-
Neutron Impex Pvt Ltd	-	2,16,16,332	-	-
Rossari Manuchar (I) Pvt Ltd	-	-	-	2,61,722
Rossari Biotech India Private Limited	-	-	-	-
<b>Total</b>	<b>41,87,902</b>	<b>2,21,31,332</b>	<b>-</b>	<b>2,61,722</b>

**31 EXPENDITURE ON RESEARCH AND DEVELOPMENT INCURRED DURING THE YEAR:**

Particulars	31 March 2019	31 March 2018
Revenue Expenditure	3,86,19,191	3,13,91,896
Capital Expenditure	2,92,91,379	5,37,47,975
<b>Total</b>	<b>6,79,10,570</b>	<b>8,51,39,871</b>

**32 MICRO, SMALL, MEDIUM ENTERPRISES DISCLOSURE**

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

Particulars	31 March 2019	31 March 2018
1 Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	4,61,69,253	2,01,48,187
2 Interest due thereon remaining unpaid to suppliers as at the end of accounting year	12,11,464	2,59,315
3 Amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	21,85,19,379	23,94,11,193
4 Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	65,45,729	15,60,966
5 Amount of interest accrued and remaining unpaid at the end of accounting year.	12,11,464	18,20,281
6 The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	77,57,193	33,81,247

**33 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013****A. Particulars in respect of class of goods manufactured:**

Class of products	Installed Capacity p.a. Qty. MT	Actual Production Qty (Kgs., Nos. & Ltrs.)
Specialty Bio-chemicals, Green/Eco Friendly Chemicals & Enzymes for various application	NA	F.Y.2018-19 : 7,39,79,437 F.Y.2017-18 : 4,45,12,538

Note: Installed capacity has not been disclosed as these are variables and subject to changes in product mix.

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

**B. Particulars in respect of Opening and Closing stock and Sales of Finished Product manufactured & traded:**

Class of products	Opening Stock Value ₹	Closing Stock Value ₹	Sales Value ₹
Specialty Bio-chemicals, Green / Eco Friendly Chemicals & Enzymes for various application	5,88,40,126	21,34,60,175	5,14,06,80,120
	(5,14,76,778)	(5,88,40,126)	(2,91,04,93,020)
Chemicals & Others Goods Traded	92,54,166	58,30,395	1,84,88,733
	(9,18,022)	(92,54,166)	(5,69,995)
<b>Total</b>	<b>6,80,94,292</b>	<b>21,92,90,570</b>	<b>5,15,91,68,853</b>
	<b>(5,23,94,800)</b>	<b>(6,80,94,292)</b>	<b>(2,91,79,31,157)</b>

Figures mentioned in brackets are pertaining to previous year.

**34 ANALYSIS OF RAW MATERIAL CONSUMED**

Item Description	31 March 2019 Value ₹	31 March 2018 Value ₹
1 Agro Origin Raw Materials, Acetic acid, Citric acid, Polymers, Base oil, Ethoxylates, Surfactants, Enzymes etc.	3,52,24,57,266	1,96,26,99,271
<b>Total</b>	<b>3,52,24,57,266</b>	<b>1,96,26,99,271</b>

**35 THE VALUE OF CONSUMPTION OF DIRECTLY IMPORTED AND INDIGENOUSLY OBTAINED RAW MATERIALS AND PERCENTAGE TO THAT OF THE TOTAL CONSUMPTION:**

Particulars	31 March 2019		31 March 2018	
	Value (₹)	%	Value (₹)	%
Imported Raw Materials	86,72,68,202	25 %	39,34,35,364	20 %
Indigenous Raw Materials	2,65,51,89,064	75 %	1,56,92,63,907	80 %
<b>Total</b>	<b>3,52,24,57,266</b>	<b>100%</b>	<b>1,96,26,99,271</b>	<b>100%</b>

**36 VALUE OF IMPORTS ON C.I.F. BASIS**

Particulars	31 March 2019 ₹	31 March 2018 ₹
Raw Materials	86,72,68,202	39,34,35,364

**37 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:**

Particulars	31 March 2019 ₹	31 March 2018 ₹
Travelling	1,46,07,742	53,71,884
Others	1,77,07,377	65,78,234
<b>Total</b>	<b>3,23,15,119</b>	<b>1,19,50,118</b>

**38 EARNING IN FOREIGN CURRENCY (F.O.B. VALUE):**

Particulars	31 March 2019 ₹	31 March 2018 ₹
Sales	70,90,46,644	39,56,55,000

**39 R&D RECOGNITION:**

Company's two R&D In-House Units located at Mumbai & Silvassa have been recognized by the Department of Scientific & Industrial Research, Ministry of Science & technology, Govt. of India w.e.f. 06.10.2009.

**40 CORPORATE SOCIAL RESPONSIBILITY:**

We firmly believe that we are a part of society and irrespective of statutory requirement, we are duty bound to contribute to the welfare of the society, accordingly, in our own way we have tried to discharge our corporate social responsibility for social cause.

A. Gross amount required to be spent by the Company during the year is ₹ 42,06,099 (33,08,547 for - 31st March 2018)

B. Amount spent during the year on:

Sr. No.	Particulars	In cash (₹)	Other Than Cash (₹)	Total (₹)
I	Construction/ Acquisition of any asset	-	3,08,902	3,08,902
II	On purpose other than I above	-	39,76,979	39,76,979
	<b>Total</b>		<b>42,85,881</b>	<b>42,85,881</b>

**41 GRATUITY VALUATION IS AS UNDER:**

The following table's summaries the net benefit expense recognized in the Statement of Profit & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan

A	Expense recognized in the statement of profit and loss	31 March 2019 ₹	31 March 2018 ₹
	Current Service Cost	30,59,936	21,15,517
	Interest on obligation	13,87,866	3,37,433
	Expected return on plan assets	(4,52,479)	(50,354)
	Net actuarial loss/(gain)	32,12,685	2,64,419
	Total included in 'Employee Benefit/ Expense	72,08,008	26,67,015
	Prior year charge		1,32,41,925
	Total Charge to P&L	72,08,008	1,59,08,940
<b>B</b>	<b>Net Asset Recognized in BS</b>		
	Present Value of Defined Benefit Obligation at end of the year	2,68,54,382	1,98,56,551
	Fair Value of plan assets at the end of the year	1,01,68,718	60,74,066
	Funded status [Surplus/(Deficit)]	(1,66,85,664)	(1,37,82,485)
	Net Asset/(Liability) at the end of the year.	(1,66,85,664)	(1,37,82,485)
	Current Liability	(39,02,653)	(26,21,333)
	Non-Current Liability	(1,27,83,011)	(1,11,61,152)
<b>C</b>	<b>Change in obligation during the year</b>		
	Present Value of Defined Benefit Obligation at the beginning of the year	1,98,56,551	44,99,109
	Current Service Cost	30,59,936	21,15,517
	Interest Cost	13,87,866	3,37,433
	Actuarial (Gains)/Losses on Obligations	31,39,518	4,46,249
	Benefit payments	(5,89,489)	(7,83,682)
	Prior year charge	-	1,32,41,925
	Present Value of Defined Benefit Obligation at the end of the year	2,68,54,382	1,98,56,551
<b>D</b>	<b>Change in Fair Value of Assets during the year ended.</b>		
	Fair Value of plan assets at the beginning of the year	60,74,066	44,99,109
	Return on plan assets	4,52,479	50,354
	Contributions by employer	43,04,829	21,26,455
	Actual benefits paid	(5,89,489)	(7,83,682)
	Actuarial Gain/(Loss) on Plan Assets	(73,167)	1,81,830
	Fair Value of plan assets at the end of the year.	1,01,68,718	60,74,066

The actual return on the assets is ₹ 3,79,313

The gratuity fund is entirely invested in a group gratuity policy with the Life Insurance Corporation of India. The information on the allocation of the fund into major asset classes and the expected return on each major class is not readily available. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

01



Corporate Overview

02



Statutory Reports

03



Financial Statements

The principal assumptions used in determining the gratuity obligations are as follows

Particulars	2019	2018
Discount rate	7.20 %	7.50 %
Expected rate of return on plan assets	7.20 %	7.50 %
Expected rate of salary increase	10.00 %	10.00 %
Attrition rate	30.00 % p.a at younger ages reducing to 5.00 % p.a at older ages	30.00 % p.a at younger ages reducing to 5.00 % p.a at older ages

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

42 The Company has future obligations under finance lease arrangements to procure Vehicle which are as under:

Particulars	31 March 2019 (₹)			31 March 2018 (₹)		
	Present Value of Minimum Lease Payment	Future Interest Cost	Minimum Lease Payments	Present Value of Minimum Lease Payment	Future Interest Cost	Minimum Lease Payments
Not later than one year	58,92,481	8,69,886	67,62,367	58,05,915	13,70,149	71,76,064
Later than one year but not later than five years	66,91,720	3,65,823	70,57,543	1,28,71,933	12,35,709	1,41,07,642
Later than five years	-	-	-	-	-	-
<b>Total</b>	<b>1,25,84,201</b>	<b>12,35,709</b>	<b>1,38,19,910</b>	<b>1,86,77,848</b>	<b>26,05,858</b>	<b>2,12,83,706</b>

43 The carrying amount of company's foreign currency denominated monetary assets and liabilities at the end of reporting period are as under:-

Foreign Currency	As at 31 March 2019		As at 31 March 2018	
	Assets	Liabilities	Assets	Liabilities
<b>USD</b>	16,28,42,751	13,67,75,632	8,03,34,676	2,07,14,643
<b>EURO</b>		70,74,073		58,40,448

44 Previous year figures have been re-grouped / re-classified wherever necessary.

For Rossari Biotech Limited

Edward Menezes  
(Director)  
DIN: 00149205

Sunil Chari  
(Director)  
DIN: 00149083