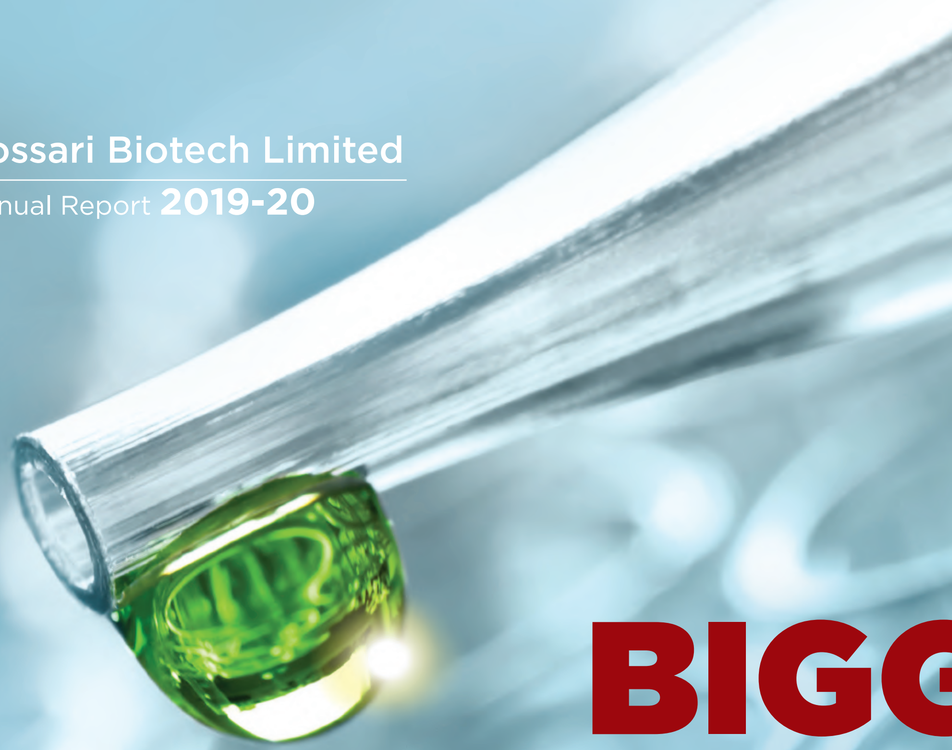
Rossari Biotech Limited

Annual Report **2019-20**



making you more competitive

BIGGER DREAMS

CREATING SUSTAINABLE FOOTPRINTS

Contents

This report can also be viewed online at:
www.rossari.com

SUCCESS BEGINS

WHEN YOUR DREAMS GET BIGGER THAN YOUR FEARS.

At Rossari, a million dreams are keeping us awake. Today, we live our dream of being one of India's leading specialty chemical manufacturers and exporters, delivering innovative and sustainable products using green chemistry. Our key focus is to endorse a healthier, cleaner and more efficient world, besides supplying solutions that add economic value. Based on our foundation of sustainable processes, we continue to invest in new chemistry to cultivate specialised and quality products.

For sustaining a business growing in size and complexity, we took strategic steps to become 'future-ready' and to prepare ourselves to travel the next phase of growth – with new capacities, value-added capabilities, continuous persistence and inventiveness. We have been consolidating our position through our technological strengths, knowledge of science, manufacturing capabilities and entrepreneurial spirit.

We are continuously evaluating our strengths and new market opportunities, and exploring alternative ways and means to establish new channels of growth and value creation. Our value system dictates that we progress forward with conviction and remain steadfast on our journey of achieving bigger dreams and creating sustainable footprints. We are committed to create more value for all our stakeholders – with a sense of optimism and confidence.

A LEADING SPECIALTY CHEMICALS PLAYER

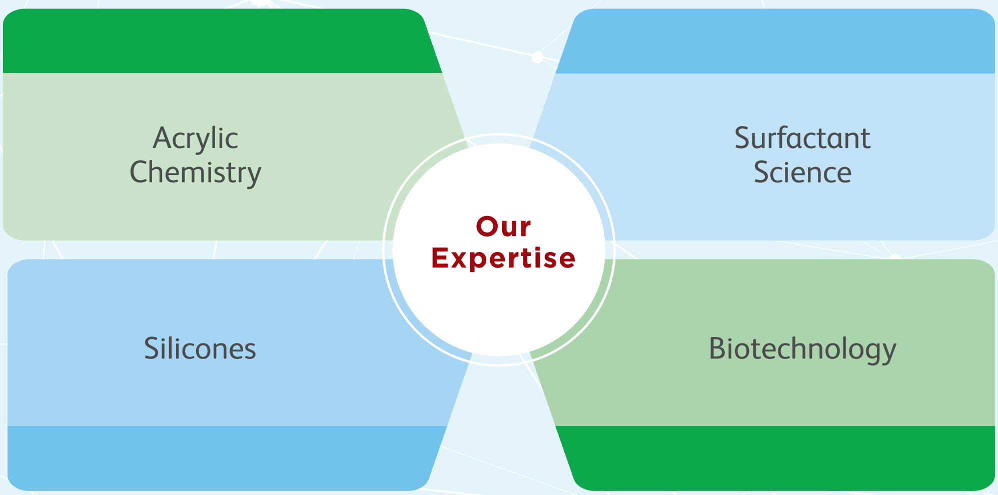
Rossari Biotech Limited is a pioneering force in the Indian specialty chemicals market, providing solutions in a sustainable and eco-friendly, yet competitive manner. We are ranked amongst India's leading specialty chemical manufacturers and exporters, with a 20-year history of rapid growth.

Building on our proficiency in Textile Specialty Chemicals, we diversified into the animal health & nutrition, home & personal care as well as cleaning and performance chemicals markets.

HPPC
(Home, Personal Care & Performance Chemicals)

TSC
(Textile Specialty Chemicals)

AHN
(Animal Health & Nutrition)



OUR VISION. OUR DREAM.

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

OUR MISSION. OUR PROMISE.

- 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

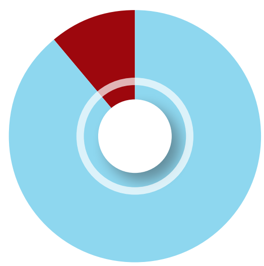
OUR CORE VALUES. OUR COMMON GROUND.

- **R** Respect
- **O** Ownership
- **S** Safety
- **S** Sustainability
- **A** Agility
- **R** Reliability
- **I** Innovation

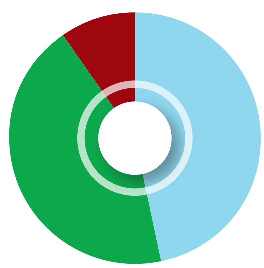
KEY CERTIFICATIONS

OUR EXPORT AND REVENUE MIX FOR FY 2019-20

EXPORT MIX



REVENUE MIX



ENROUTE TO COMPLETING OUR 25 YEARS JOURNEY

1996-2004

- Business co-founded by Mr. Menezes and Mr. Chari in 1997
- Acquired a 10-acre plot of land at Silvassa

2006-2008

- Established a large-scale manufacturing facility at Silvassa
- Awarded status of One Star Export House by Govt. of India
- Received ISO certification 9001:2000 for plants at Silvassa and 14001:2004 in 2008
- RBL awarded 'Corp Excel 2008' national MSME from a list of 27,000 companies
- Diversified into Animal Health & Nutrition (AHN) and Construction Chemicals

2009-2011

- Received Frost & Sullivan award for Customer value enhancement of industrial enzymes
- Textile auxiliaries range approved by 'Global Organic Textile Standards'
- Recognised as a leading innovator in the textile industry
- Commenced supply of Animal Health & Nutrition (AHN) products to Zoetis, the world's largest producer of medicine and vaccines for pets and livestock

2013-2015

- Launched HPPC (Home, Personal Care & Performance Chemicals) division with initial focus on Laundry and Industrial Cleaning chemicals
- Set up a representative office in Dhaka, Bangladesh for Textile Division
- Formed a joint venture with a German company – Buzil-Werk Wagner
- Acquired 13 acres of land at Dahej GIDC (Bharuch, Gujarat)
- Commenced supplies to IFB for laundry detergent and dishwasher liquid brands

2016-2019

- Awarded the Jamnalal Bajaj Award for Fair Business Practices
- Won the SME 100 Award from Axis Bank
- Received the Best Vendor Award from Arvind Mills
- Bagged the Economic Times Award for Innovation and Sustainability
- Entered into an exclusive business partnership with Unilever
- Acquired Lozalo International, a prominent branded veterinary cosmetic products company
- Turnover crossed ₹ 500 Crore

2020

- Set up a Centre of Excellence at IIT, Bombay at Powai
- Commissioned the Dahej project
- Tied up with CSIA, Mumbai Airport, to place branded dispensers and supply sanitizers for the use of passengers
- Forayed into e-Commerce by listing HPPC products on the Amazon platform

CHARTING A SUSTAINABLE GROWTH STORY

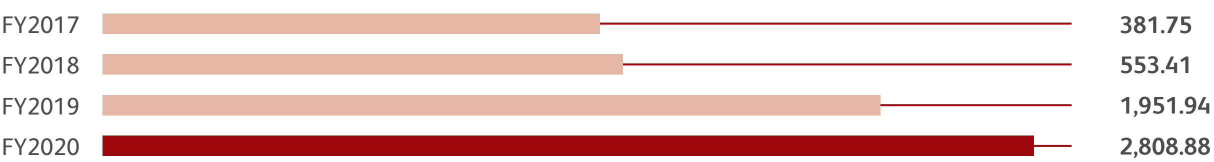
REVENUE FROM OPERATIONS

(₹ in Million)

DIVISION-WISE REVENUE GROWTH

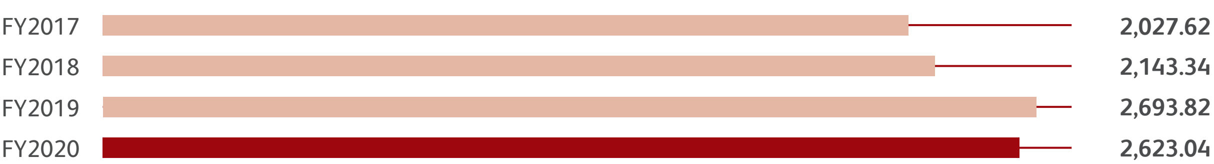
Home, Personal Care & Performance Chemicals (HPPC)

(₹ in Million)



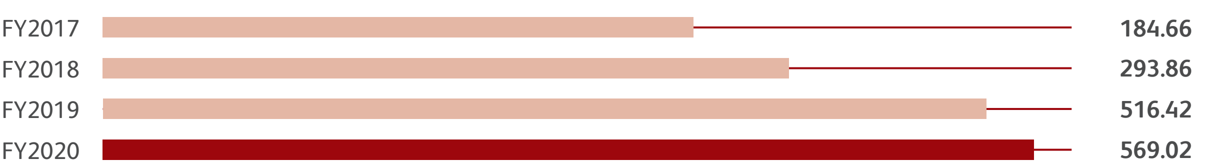
Textile Specialty Chemicals (TSC)

(₹ in Million)

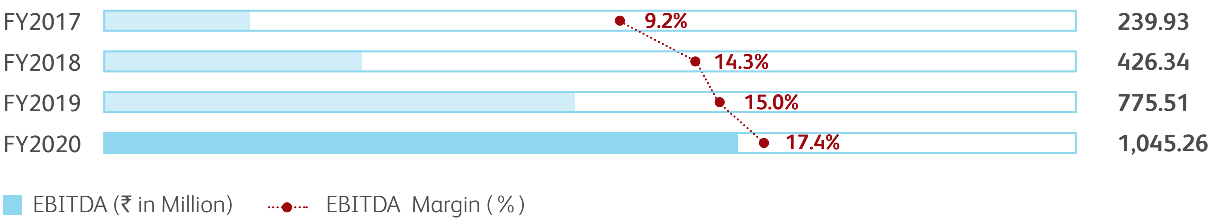


Animal Health & Nutrition (AHN)

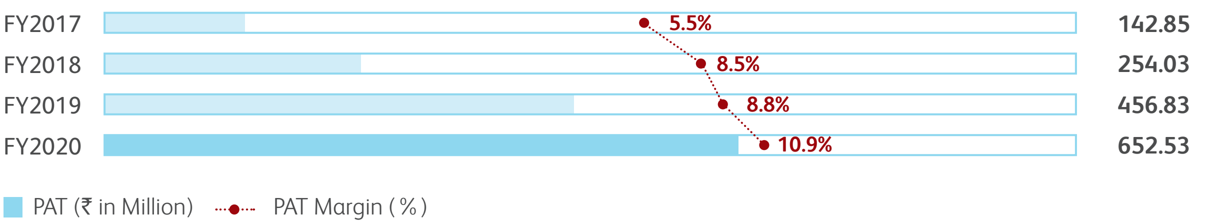
(₹ in Million)



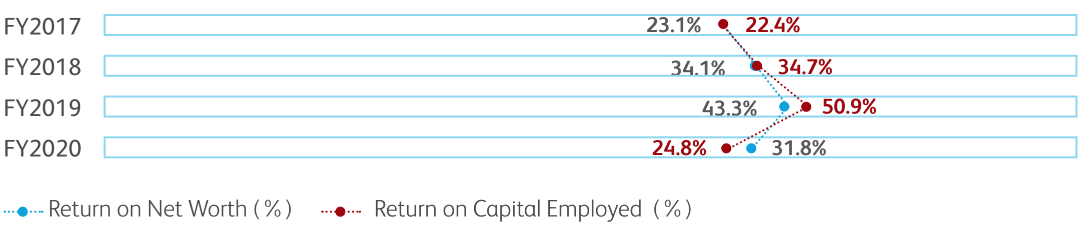
EBITDA AND EBITDA MARGIN



PAT AND PAT MARGIN



RETURN ON NET WORTH AND RETURN ON CAPITAL EMPLOYED



CRAFTING BIGGER DREAMS TO CREATE SUSTAINABLE FOOTPRINTS

FROM THE DESK OF CHAIRMAN AND MANAGING DIRECTOR

Mr. Edward Menezes
Executive Chairman and Co-Founder

Mr. Sunil Srinivasan Chari
Managing Director and Co-Founder

Dear Shareholders,

FY2020 saw us accomplish a record year across all the business parameters, generating outstanding returns. We are happy to share that despite increased competition, we reported stellar performance in the years and maintained the sustained growth trajectory across businesses and segments. It was indeed a year of impressive growth with a revenue of ₹ 6,000.94 million, growing by 16.2%, as against ₹ 5,162.18 million in the earlier year. Profit After Tax was ₹ 652.53 million, as against ₹ 456.83 million in the earlier year, higher by a whopping 42.9%. EBITDA was higher by 34.6% at ₹ 1,045.26 million. PAT margin increased 10.9%, while EBITDA margin was higher by 17.4%.

Revenue increased by a CAGR of 41.65% between FY2018 and FY2020, while PAT increased by a CAGR of 60.27%, and EBITDA recorded a CAGR rate of 56.58%. Return on Net Worth (RONW) was 31.79%, while Return on Capital Employed (ROCE) was 24.79%. A combination of higher productivity, efficient working capital management and quality enhancement has enabled us to be financially sound and a cash-rich company with no build-up of debt. Our total Debt-to-Equity ratio stood at a healthy 0.23 for FY2020. Moving forward, we will continue to sustain the momentum with growth originating from the industries we cater to in the domestic market; our increased product offerings to diverse customers; and from seeding of new businesses.

Today, we are an organisation with robust financials and a healthy bottom line. A key reason for our remarkable growth has been the Home, Personal Care & Performance Chemicals (HPPC) segment, which catapulted us into the big league. This segment has gained enormous strength over the years and now has taken precedence in our aggregated revenue pie. From ₹ 1,951.94 million in just the previous year, it rose 43.9% in FY2020 at ₹ 2,808.88 million. The revenue of FY2020 multiplied 6 times in three years – from ₹ 381.75 million in FY2017. We are in advanced stages of expanding this portfolio to water treatment formulations, specialty formulations and dairies. We continue on an augmented growth path and fulfil our vision of sustainable and profitable growth.

Setting diverse platforms for growth

We have accomplished a market distinction with our capabilities in providing customised solutions through intelligent use of chemistry. Our fine-grained approach to growth can be attributed to our diversity across businesses. By way of our three business segments – Home, Personal Care & Performance Chemicals (HPPC); Textile Specialty Chemicals (TSC); and Animal Health &

Nutrition (AHN), we are continually leveraging our key capabilities and strengths in enzymes, polyacrylates and chemicals to cater to the niche requirements of several industries. Through these business segments, we have been building a sound platform for the Company to move to its next level of growth.

'Rossari' is a well-known brand and has gained reputation for excellence in business practices. We are one of the leading specialty chemicals manufacturing companies in India, launching new and innovative products and catering to various customer needs. We have strengthened our already dominant position in the textile industry as the largest manufacturer of textile specialty chemicals, in a sustainable, yet competitive manner. Further, we have achieved a competitive market position by being one of the leading manufacturers of acrylic polymers in India.

Business update – COVID-19

Amidst the current challenging times of the pandemic, while several businesses shut down their operations due to the COVID-induced extended lockdowns, our Silvassa facility continued to remain completely operational. Being categorised under essential services, we continued to manufacture disinfectants and sanitizers. Thus, the HPPC segment was positively impacted and reaped the opportunity put forth by the lockdown, with higher demand for disinfectants and sanitizers. As import of certain raw materials was restricted, they were substituted with domestic suppliers, without impacting continuity of operations.

However, our key priority during the testing times of the pandemic was to help those in distress. We, thus, took upon ourselves to deliver our health & hygiene products to the areas highly affected by the virus. We remained determined to supply sanitizers and handwashes to several places including hospitals, airports, government offices, slums in Dharavi, and other affected areas, as and when the need arose.

Fortifying our product portfolio

Capacity and capability building remained a high strategic priority for us during the year, even as we continued to reap the fruits of our earlier investments in products, markets and processes. As we grow, we are increasingly embedding our capabilities across all the three facets of our business to support our fast-paced execution strategy.

Across the businesses we serve, we have acquired a repertoire of capabilities and strengthened them to enhance our proficiency in producing quality products. While our single-mindedness on HPPC and TSC will continue, we plan to maintain an acute focus on the AHN segment. We recently expanded this portfolio by adding more products, and are also targeting newer markets. Meanwhile, we simultaneously continue to seed our new business of Rossari Personal Care and have been working

31.79%

Return on Net Worth (RONW)

24.79%

Return on Capital Employed (ROCE)

0.23

Debt-to-Equity ratio for FY2020

CRAFTING BIGGER DREAMS TO CREATE SUSTAINABLE FOOTPRINTS

FROM THE DESK OF CHAIRMAN AND MANAGING DIRECTOR

towards setting this as a separate vertical. We welcome onboard Mr. Rupesh Agarwal as the new CEO of Rossari Personal Care. His 25-year knowledge repertoire and the colossal experience from Hindustan Unilever will prove to be helpful in building up the vertical.

Our research capabilities

Our focus on augmenting our research & development and production capabilities continue. We have been leveraging our innovative technology with the Rossari Centre of Excellence, our new state-of-the-art certified laboratory, at the Indian Institute of Technology, Bombay. The R&D laboratory is recognised by the Department of Scientific and Industrial Research (DSIR) and is certified by a number of organisations including the Global Organic Textile Standards (GOTS) and the American National Standards Institute.

The new lab at IIT-B will help strengthen our R&D infrastructure and develop technologies with higher commercial potential and turn them into reliable solutions through collaborative product development. Our R&D initiatives are increasingly directed towards "difficult-to-develop" niche products. Unlike several other traditional technology-based companies, we have a different focus on research. We do not make investments in creating new molecules. On the contrary, our prime objective behind R&D is to continue improving, innovating and expanding the applications of our existing core chemistry, simultaneously focussing on shorter lead times and cost competitiveness.

Customer-centricity

Our customer-centric approach is a key fundamental value that differentiates us from the rest. Customers are at the heart of everything we do. Through our diversified product portfolio, we continue to provide customised solutions for specific industrial and production requirements to our customers. We provide cost-effective and sustainable products benchmarked domestically and internationally. What also proves to be our competitive advantage is that we are swift and agile with our technology solutions for customers. Further, as we continue to innovate, manufacture and supply specialty chemicals, we endure on the path of making our customers' processes more sustainable and cost-efficient.

Our operations

We take pride in our state-of-the-art automated plants equipped with cutting-edge technology, well-capacitated to address the growing demand for specialty chemicals. Our Silvassa facility, has an installed capacity of 120,000 MTPA. The annual capacity utilisation of the Silvassa facility has grown from 74.19% in FY2018 to 82.46% in FY2020, maintaining a strong focus on operational efficiency at all times. During this period, our capacity also increased from 80,000 MTPA to 120,000 MTPA. This is a zero liquid discharge facility, ensuring zero discharge of harmful chemicals during manufacturing. Rossari is a key contributor to the ZDHC initiative, supporting implementation of sustainable chemistry and best practices to protect its consumers, workers and the environment.

Our state-of-the-art facility at Dahej, with a capacity of 132,500 MT a year and well equipped with advanced technologies, was commissioned during the pandemic and is expected to get functional by FY2021. With this, our existing capacity at Silvassa facility will be more than doubled.

Environment, health & safety

We follow industry leading standards for environment, health and safety practices and our products are fully geared to ensure safety and hygiene for the consumers, whether it is an antimicrobial finishing for textiles or a sanitizer meant for personal use. This has been possible due to the stringent Safety Management Systems followed at our strictly-controlled manufacturing sites at Silvassa and Dahej.

Our safety management system followed internally includes safety steps such as process hazard analysis, standard operating procedures, quality assurance, emergency planning and response and compliance audit, among others. The processes are fully validated with key certifications from ISO and Good Manufacturing Practices (GMP), which acknowledges our adherence to manufacturing protocols of the highest quality.

Going forward

Moving ahead, as more and more people across the globe gain higher consciousness on health and hygiene, we estimate our HPPC business to gain more prominence and contribute to the revenue pie on an even higher plane. Our product portfolio in this vertical has also been evolving perfectly to cater to the need of this hour. This is a clear testament to our claim of fungibility and adaptability in assets and leadership.

We are also excited about the opportunities that lie ahead of us. Our key priority and strategic aim is to grow across all the areas of application in all our four core chemistry that we excel. Further, as the Dahej plant gets commissioned by the end of the ongoing year, our short-term goal will continue to gain higher capacity utilisation. As we move ahead, we will continue seeding new businesses with the existing assets. We are also working intensely on attaining more and more capabilities and building relevant infrastructure to foray into newer areas where we foresee sizeable growth.

Concluding remarks

We reaffirm our commitment for sustainable growth and enhanced value creation and remain resolute to work towards building the 'Rossari' of tomorrow. This, in popular parlance, is termed as "Ross-Era 2.0" within our organisation. As we conclude, I would like to thank the Board for their guidance, our employees and their efforts, and all other stakeholders for their consistent support and encouragement in our endeavours. We look forward to your continued support and guidance.

I also take this opportunity to thank our shareholders for their unflinching support. We stand firm in our commitment to build a sustainable business and deliver value at all times.

With Regards,

Edward Menezes
Executive Chairman and Co-Founder

Sunil Srinivasan Chari
Managing Director and Co-Founder

A BOARD THAT INSPIRES

Mr. Edward Menezes
Executive Chairman and Co-Founder

Mr. Edward Menezes is the Chairman at Rossari Biotech Limited and mentors the Company's technical, manufacturing and marketing initiatives. He has a vast experience of over 34 years of working 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 master's 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 specialty chemicals and enzymes industry in India.

Mr. Sunil Srinivasan Chari
Managing Director and Co-Founder

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 master's 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.

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. 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 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.

Mr. Aseem Dhru
Independent Director

Mr. Aseem Dhru is an Independent Director of our Company. He was appointed on the Board of our Company on November 12, 2019. He holds a bachelor's degree in commerce from H. L. Commerce College, Gujarat University. He is an associate member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was previously associated with HDFC Bank Limited as a group head and was a director on the board of HDB Financial Services Limited and HDFC Securities Limited. He is currently the chief executive officer and managing director on the board of SBFC Finance Private Limited.

Mr. Robin Banerjee
Independent Director

Mr. Robin Banerjee is an Independent Director of our Company. He was appointed on the Board of our Company on November 12, 2019. He holds a master's degree of commerce from University of Calcutta. He also holds a degree from the Institute of Cost and Works Accountants of India. Mr. Robin Banerjee is also a qualified company secretary and a fellow member of the Institute of Chartered Accountants of India. He has been previously associated, amongst others, with Caprihans India Limited, Essar Steel Limited, Thomas Cook (India) Limited and Hindustan Cargo Limited.

Maj Gen Sharabh Pachory VSM (Retd.)
Independent Director

Maj Gen Sharabh Pachory VSM (Retd.) is an Independent Director of our Company. He was appointed on the Board of our Company on November 12, 2019. He is a retired Major General from the Indian Army. He holds a bachelor's degree in science from University of Jabalpur and a master's degree of science in defence and strategic studies from University of Madras. He has also completed senior defence management course – 66, advance course in strategic management and decision-making from the College of Defence Management, Secunderabad. He also participated in independent director's programme for senior officers of armed forces conducted by Management Development Institute, Gurugram and also holds a certificate from All India Management Association for completion of an advance course on strategic management. As a senior retired defence officer who served from 1982 to 2018, he has over 35 years of experience in the fields of defence administration and planning.

OUR QUANTUM LEAP IN INNOVATION

Our latest state-of-the-art certified R&D laboratory, the Rossari Centre of Excellence at the Indian Institute of Technology, Bombay is at the heart of our innovation mindset. The R&D lab, engaged in innovative and developmental research, will be a game changer in driving innovation, optimal efficacy and indigenous technical prowess.

With the new R&D lab set up in collaboration with IIT-B and Monash Research Academy, we remain committed to developing innovative products featuring new technologies and bringing in-house R&D into sharper focus. Our primary endeavour behind the research laboratory is to strengthen our R&D infrastructure and develop state-of-the-art globally competitive technologies of high commercial potential and to catalyse faster commercialisation of innovations.

We plan to bring sustainable solutions to the chemical industry, including eco-friendly concepts for textile processing, sustainable products for cleaning and hygiene. The advanced laboratory enables us to conduct detailed studies of our products and solutions and strengthen our claim on their sustainability. With improved R&D capabilities, we will continue to innovate, manufacture and supply specialty chemicals, making customers' processes more efficient, environmentally more sustainable and cost-efficient.

Collaborative R&D approach

Being within the IIT campus makes us a part of a strong network of knowledge-sharing, resulting in fruitful partnerships and beneficial projects. It also facilitates major alliances with leaders engaged in research on sustainability, new materials and performance chemicals. Advanced analytical equipment available under a single roof allows the technical team to undertake in-depth analysis of the products and formulations under development and dive into the cutting-edge of green chemical processes.

Our strategic partnership with IITB-Monash Research Academy also provides us the opportunity to conduct long-term research through Ph.D. projects. The intelligence gained will become incubators of revolutionary ideas for future product lines.

Towards new segments and products

With the new R&D centre, our target is to set up an ecosystem that boosts innovation and leads towards commercially viable solutions, based on sustainable chemistry. With augmented R&D capabilities, we aim to successfully identify customers' specific requirements and industry trends, and penetrate into existing and new market segments by developing sustainable products. We also plan to leverage the existing chemistry to discover newer ways to enhance efficiency and potency, and increase our productivity.

Continuous focus on innovation

Our R&D pipeline progress and our ability to attract top scientific talents are the fruits of our innovation focus. We pride ourselves in being one of the few companies in the sector accredited with the Department of Scientific and Industrial Research (DSIR) certification. We also adhere to several other and more stringent global sustainability standards and certifications, including the Global Organic Textile Standards and the American National Standards Institute.

CASE STUDY

One of our customers engaged in manufacturing of washing machines faced a problem in their latest washing machine model. The instruction details on the machine panel were getting smudged after multiple washing cycles. This was a cause for serious concern for the manufacturer as the brand reliability was at stake and needed to be fixed immediately. The customer sold his own branded detergent to be used in washing machines manufactured by them. During our research, we realised that due to the high alkalinity of the existing detergent, the manufacturer was facing this constant problem in the latest washing machine models. As a solution, we modified the laundry detergent by reducing the alkali content in its formulation. However, the decrease in alkali content hampers the detergent's performance. To avoid this issue, we added certain in-house compatible surfactants to the formulation, which drastically improved the detergent's cleaning performance despite low alkali content. As we reduced the alkalinity to a neutral level, it arrested the damage that the detergent was causing on panels of new models. The reduced alkali content also cut down on any possible reaction that higher alkali could result on a

child's skin after the kids-wear is washed in the machine. We received a positive response from several trials conducted at local laundry houses. Good detergency results, no damage to user, stable product are some of the key remarks received from customers personally using the formulation.

CREATING SUSTAINABLE FOOTPRINTS

We are a business that has mastered sustainability. We stimulate sustainability to design and deliver new chemicals, production processes and product stewardship practices. Also, with a sustainable mindset, one that aligns with our goals, mission and values, we pursue a healthy balance sheet and holistic growth for all stakeholders. Our well-crafted and sustainable business strategy fosters longevity, holistic value creation and sustainable growth.

Sustainability is a strategic priority for us

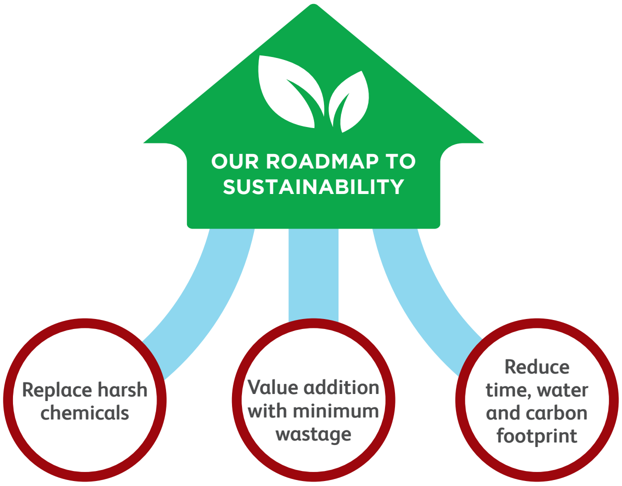
At Rossari, we aim to deliver eco-friendly and cost-neutral products, and penetrate deeper into new customer segments and categories. Our emphasis is to be able to provide chemical solutions that promote a cleaner, healthier and more efficient world, and ensure optimum eco-efficiency in everything we do. Being a company with a Green ethos, our specialisation lies in replacing legacy harmful products with environmentally-benign chemical products and processes across our chosen businesses, and other products and verticals.

Promoting sustainable chemistry

Sustainability is at the core of what we do and has been a key driver for our growth. It is evident in our business practices, manufacturing operations and considerations for societal impact. We continue to invest in new chemistry to develop specialised products based on the foundation of eco-friendly processes. Our single-mindedness behind this is to provide increased performance and value, while meeting the goals of protecting and enhancing human health and the environment.

Maintaining an edge over players

As we uphold international quality standards, we have emerged as a valued supply chain partner for several countries. Against few Indian textile chemical companies recognising the strategic opportunities resulting from sustainability, we maintain a stringent focus on sustainable chemistry with enough foresight. We have adopted several green initiatives to reduce carbon footprint and have implemented the best environmental practices for green manufacturing. We have also made substantial investments in Global Organic Textile Standards (GOTS) and ZDHC platforms, ensuring zero discharge of harmful chemicals.



Sustainability has been central to our business strategy. Over the years, we increased the value from our sustainability initiatives by expanding our capabilities and moving strategically along the sustainability spectrum. Our sustainability-minded products, such as Greensoda Series, Neobind BCF Series and Instabrite Liquid, are helping us boost our overall standing in the marketplace.

Towards scalable and sustainable growth

We have grown our business sustainably – even in the face of formidable odds – and today we are reputed as a stable, sustainable and robust organisation. In addition to our rigid focus on sustainable chemistry, our enduring business is helping us build a sustainable future and deliver continuous value to all our stakeholders. Our customers, vendors and employees have been equal participants in the journey we have embarked upon.

Our strategy, execution, and agility speak for themselves. The key building blocks of our business have been our cutting-edge research and development; world-class facilities; innovation-led product pipeline; process efficiencies; ability to meet market needs swiftly; building the right organisational culture; and a rock-solid reputation for reliability, making us a preferred solutions provider with a sustainable and promising future.

As the demand for sustainability rises and contributes to our competitive advantage, we continue to realise the value from our sustainability-minded investments. We move ahead with a clear strategic ambition of focussing on the main value to be generated from sustainability and a commitment to drive change.

CREATING BUSINESS DRIVERS OF TOMORROW

HPPC

Home, Personal Care & Performance Chemicals

Our capabilities in finding the right formulations and applications are the key reasons for our success in the HPPC products category. We manufacture and supply specialty chemical products in the soaps and detergent, paints, inks and coatings, ceramics and tiles. Going ahead, we are in the process of manufacturing chemicals for water treatment and pulp and paper industries too.

We are the leading manufacturers of acrylic polymers, manufacturing 300 products and serving key sectors in the HPPC segment. While we primarily operate in a business-to-business (B2B) model for this segment, during the year, we also made a foray into e-Commerce as we listed our HPPC products on the Amazon India platform. We aim to strengthen this platform further enlisting our products on more e-Commerce websites, and hope to gain a significant fillip to our revenue.

Acrylics polymers

Liquid products for homecare for several leading brand names

Paints & coatings, ceramic & tiles, pulp & paper, water treatment, home & personal care, and pharmaceuticals

Soaps and detergents

AUGMENTING THE PORTFOLIO

We are in the advanced stages of fortifying our HPPC product portfolio with new chemistry and endeavours such as water treatment chemicals and specialty formulations for breweries and dairies. We are also in the process of creating certain new products in the Personal Care & Cosmetics segments, besides adding new formulations for anti-bacterial for mobile screens and non-alcoholic sanitizers.

INDUSTRIES SERVED

Specialty chemicals for detergents

Surface cleaners

Water treatment

Paints

Coatings

Ceramics

Dairy

Hospitality

KEY ACHIEVEMENTS OF FY2020

- Augmented our supply chain
- Acquired a few major FMCG accounts

TARGET PLAN FOR FY2021

- To increase focus on corporate accounts
- To build a techno-commercial water treatment team
- To have more focus on Soap, Detergent and Cement industries
- To commence new vertical for Sugar & Distillery
- To launch full range of water treatment products, including those for Boiler Chemicals, Cooling Tower Chemicals, RO Chemicals, ETP and STP

CREATING BUSINESS DRIVERS OF TOMORROW

TSC

Textile Specialty Chemicals

Since we commenced our journey, the Textile Specialty Chemicals industry has witnessed a structural change. At Rossari, we have managed to keep pace with the evolving trends by realigning our strategies and consolidating ourselves to continue moving on the path to lasting success. With sustainability as our core strategy, we invested in product innovations to benefit from efficiencies, effectiveness and economic gains.

Our products are reputed for improving performance and product aesthetic using innovative technologies and high-performance ingredients, and are well supported by our formulation and industrial application expertise. This has not only kept us ahead of the curve, it has also made us well-positioned to capitalise on the growing opportunities in the textile specialty chemicals market.

To advance our sustainability goals, we have improved our abilities and have added capabilities in manufacturing and providing value-added products. We have built a strategic presence through our differentiated product offerings.

Combining fashion and technology

We support our customers in their endeavour to create high performance functional textiles. Product design is increasingly driven by prevention, protection and preservation, and this is what the future of textile finishing rests upon. When combined, fashion and technology have been able to jointly deliver an incredible range of performance benefits, and are seen interchangeably shaping the modern day perspective towards textiles.

WE HAVE EMERGED AS ONE OF THE MAJOR SUPPLIERS OF PERFORMANCE FINISHES FOR TEXTILES AND HOME FURNISHINGS INDUSTRY. TODAY, WE ARE PROUD TO SHARE THAT 1 IN EVERY 5 TOWELS PRODUCED ARE GETTING TREATED WITH A ROSSARI SOFTENER.

At Rossari, we provide complete solutions to satiate the aspects of productivity, consistency and aesthetics. Our comprehensive range of specialty finishes and quality products can be utilised for various applications. Our products are known for their technical performance, durability and functional properties and are fully supported by global certifications to meet buyer requirements.

Meeting demand for performance finishes

We have built our base in this segment and continue to remain focussed in manufacturing products and catering to the increasing demand for new performance finishes such as hydrophilic softeners, anti-microbial finishes, micro encapsulated range, water repellents and UV protective textile finishes. Currently, we manufacture over 1,500 products which find applications across the entire textile value chain.

The requirement of Health & Hygiene finishes for textiles has raised the bar of performance and revolutionised the concept of smart textiles. Our mission continually motivates us to move ahead undeterred even in the current testing times of the pandemic, with each step we take.

WE HAVE EMERGED AS THE FIRST INDIAN COMPANY TO HAVE A 3-IN-1 PROTECTIVE FINISH FOR TEXTILES. ROSSARI FABSHIELD IS AN ADVANCED PROTECTIVE AND HYGIENE PRODUCT THAT EXHIBITS 'ANTIMICROBIAL-ANTIFUNGAL–ANTIVIRAL' PROPERTIES.

KEY ACHIEVEMENTS OF FY2020

- Acquired key accounts
- Attempted seed marketing in new geographies
- Introduced Performance Finishes
- Enhanced visibility in prominent brands through pull marketing initiatives

TARGET PLAN FOR FY2021

- To enhance focus on Health, Hygiene & Wellness products resonating with the current situation and increase profitability
- To add more product lines in Colouration & Preparatory segments, such as Sizing, Yarn Lubricants, Dyes and Pigments
- To expand the existing portfolio of sustainable and green products

CREATING BUSINESS DRIVERS OF TOMORROW

We supply animal feed ingredients, animal feed supplements and pet grooming products through our Animal Health & Nutrition segment, including products for weaning of infants and adult pets. We made a foray into pet grooming products with the acquisition of Brand Lozalo, a shampoo for pets. The portfolio has been further expanded by adding pet treats, pet food and pet care products.

We manufacture and supply animal feed supplements through a Business-to-Business (B2B) model.

OUR OFFERINGS

Feed additives	Enzymes, vitamin premix, trace minerals, acidifiers, and disinfectants, among others
Shampoos for pets	Under brand name *'Lozalo'*
Foods for pets	Including those for weaning infants or adult pets

PRODUCTS MANUFACTURED UNDER THE SEGMENT

PRODUCT	KEY BENEFITS
Individual enzymes	Liver protection
Cocktail enzymes	Toxin binders
Probiotics	Growth promoters
Trace minerals	Choline chloride
Acidifier	Vitamin premix series

KEY ACHIEVEMENTS OF FY2020

- Expanded business to cover new markets in Nepal, Bangladesh, Indonesia, Philippines and Sri Lanka
- Launched Hunger Fill, a premium pet treats product and Sniffy, a pet food brand
- Conducted technical symposiums to increase product awareness

TARGET PLAN FOR FY2021

- To expand animal feed business further by adding key customers
- To launch dog & cat food and cat litter
- To engage in Seed Marketing of cat litter business in US, UK, Germany and Japan

FAST-FORWARDING GROWTH WITH MANUFACTURING PROFICIENCY

We elevated ourselves to a higher position of strength by dynamically upscaling our capabilities and state-of-the-art manufacturing facilities during the year. Our best-in-class and enhanced manufacturing infrastructure has given us a quantum market leap with new avenues of growth, helping build a formidable foundation with multiple growth levers. Today, we are a robust institution, with a superior positon in India's specialty chemical industry.

We are on our journey of planned transformation, as we translate our strategy into action. During the milestone year, we commissioned our greenfield manufacturing plant at Dahej, and expanded the capacity of our plant at Silvassa, thereby almost trebling our manufacturing capacities. This helped us improve our cost competitiveness, ensure value-based pricing and drive greater resource and energy efficiencies.

Today, we are recognised as the largest textile chemical manufacturer in India on an accelerated growth path with competitive advantages. Our automated plants with cutting-edge technology are well capacitated to address the growing demand for specialty chemicals, thus enabling us to leverage the changing market dynamics.

Plant commissioning during COVID

We exhibited measurable deliverables by commissioning our greenfield manufacturing plant at Dahej during the challenging COVID times. This not only demonstrated our preparedness, but also indicates our elevated manufacturing capabilities. Our strategic and focussed initiatives on manufacturing are positively impacting our verticals and enabling us to deliver improved performance. Moving forward, we continue to capitalise on the increased opportunities through our unparalleled capabilities in manufacturing. We aim to better utilise our capacities, resulting in efficient realisation and greater stability to our growth.

Zero Discharge of Hazardous Chemicals Contributor

We are a contributor to the Zero Discharge of Hazardous Chemicals (ZDHC) practices, which support the implementation of sustainable chemistry and best practices to protect the consumers, workers and the environment. We are committed and steadfast towards adhering to ZDHC norms, ensuring zero discharge of harmful chemicals during manufacturing. We remain focussed on harmonising standards across the textile supply chain by addressing proper chemicals management and promoting safer chemistry. Equipped with advanced technologies, our manufacturing plants are geared towards automated systems with minimum human intervention.

Winning with GMP

Good manufacturing practices (GMP) form a part of our system. Our GMP certification acknowledges that we adhere to manufacturing protocols of the highest quality. It guarantees reproducibility of product quality to defined parameters and provides a high level of assurance that products are manufactured in a manner that ensures safety, efficacy and quality.

OUR MANUFACTURING CAPABILITIES

LOCATION	INSTALLED CAPACITY	CAPABILITIES
SILVASSA, *Gujarat*	120,000 MTPA	▶ Flexible manufacturing capabilities for powders, granules and liquids; fungible assets across all categories ▶ Comprehensive range of testing and packaging capabilities ▶ Being an associate member of ZDHC, contributing to zero discharge of hazardous chemicals, working hand in hand with the entire value chain to reduce the chemical footprint
DAHEJ, *Gujarat*	132,500 MTPA (Being commissioned; Expected to be completely functional by FY2021)	▶ Enjoying proximity to deep-water, multi-cargo Dahej port ▶ Well equipped with advanced technologies ▶ Once commissioned, the Dahej plant will emerge as an 'Industry 4.0-ready' manufacturing site, with advanced manufacturing processes and automated systems such as auto dosing, sensor-based automatic batches and packing processes, and continuous online monitoring

**MTPA=Million Tonnes Per Annum*

Ensuring health & safety

Being a multi-specialty chemicals company, we take the highest degree of care to ensure that quality of products is never compromised. We operate to the highest environmental, health, safety and quality standards. We have developed stringent Safety Management Systems at our manufacturing sites at Silvassa and Dahej, which are strictly controlled. This system includes safety steps such as process hazard analysis, standard operating procedures, quality assurance, emergency planning and response and compliance audit, among others.

Safety reviews are conducted at frequent intervals and any proposed change is evaluated prior to implementation – without compromising on flexibility of the assets. In some cases, employee performance is linked with adherence to Plant EHS objectives and safety KPI. Strict delineations of different parts of each manufacturing process is ensured, with as little manual intervention as possible. We have also won several awards for excellence in business practices and manufacturing of innovative products from the Government and industry platforms.

KEY HIGHLIGHTS OF FY2020

▶ **Augmenting capacity at Dahej plant**

Civil work at the manufacturing site is nearing completion. Once the plant is commissioned, key products from Silvassa plant will be ported to Dahej for water trials and final product trials.

▶ **State-of-the-art automation**

We are in the process of commissioning state-of-the-art automation systems that will control running of the entire plant – right from the entry of raw materials into the premises till the despatch of finished goods.

AN UNWAVERING MOTTO OF CUSTOMER-CENTRICITY

Customers are the raison d'être of Rossari. Our endeavour is to provide innovative solutions to our customers and deliver specialised products using green chemistry and our knowledge of science. As a chemicals solutions company, our strong traits of customer trust and credibility form the core of our business operations.

Improving agility and flexibility

Agility and flexibility in offering value-added products to our customers in shorter turnaround time is one of our key differentiators in the marketplace today. Our overarching strategy is to meet the needs of our customers and serve evolving market trends, with swiftness and utmost precision. As we remain fully dedicated to serve our customers, we are more responsive to their needs and help them achieve their personal goals.

Handholding through product lifecycle

We take pride in being able to anticipate the needs of our customers and pro-actively innovating products, and in the process, building powerful relationships and invaluable loyalty with them. We not only partner with our customers during their ongoing journey in seeking sustainability in their solutions, but we also remain committed to hold their hands through the entire product lifecycle and deliver quality products.

Being a knowledge-driven company, we leverage our R&D knowledge and application expertise to conduct workshops and consultative processes within their manufacturing premises. Through these workshops, we understand their requirements and provide specific solutions. In the event, we create new products, processes and applications, and penetrate into newer customer segments and categories.

CASE STUDY

IMPROVISING PROCESS PARAMETERS

A well reputed textile company in India purchased a machine from a German supplier for continuous pre-treatment to gain capability in bleaching the greige and wash indigo dyed fabrics on the same equipment. However, the supplier designed and erected the machine, only considering the need to wash indigo-dyed fabric.

As major MNCs engaged in textile chemicals conducted bleaching trials, the results in terms of whiteness and absorbency on the fabric remained poor. When our team at Rossari conducted trials using the normal processes, the results continued to be poor. However, without any kind of demotivation, the team continued the trial process, and successfully worked with the customer to identify specific problems and work out possible solutions.

We also reversed the conventional method and improvised the process parameters, while also establishing that the improvised process has been better than the conventional methods. Today, the said process is running successfully since the past two years, with not a single company having been successful in duplicating the process. The entire package is being run successfully on the machine. Being passionate about out customer's business and our passion to serve them has enabled us to deliver superior value to all our customers in a similar fashion.

Facilitating pull marketing

Being the largest textile specialty chemicals manufacturing company, we aim to strengthen our business through our Pull Marketing strategy. We wish to leverage the growing opportunities in gaining accreditation for our products from major buyers and compliance regimes across the world. This generates a demand pull and provides us with a distinct edge in marketing our products to individual processors. Our capability and belief system in collaborating with customers to co-create green products perfectly matching with their precise requirements further underlines this strategy.

Engaging with brands

We have a clear mindset to approach key brand retailers and sourcing companies and provide them with troubleshooting and specific solutions on performance finishes. A new division has been launched with the key objective of enabling a 360-degree integration among the brands, vendors, R&D and the manufacturing teams.

HAVING ESTABLISHED STRONG CONNECTIONS WITH OVER 72 BRANDS AND RETAILERS, TODAY WE HAVE EMERGED AS THEIR PREFERRED SUPPLIERS FOR SPECIFIC AND CUSTOMISED SOLUTIONS IN SPECIALTY CHEMICALS.

CREATING A TRULY INCLUSIVE WORK CULTURE

Commitment, competence and dedication of our human capital is responsible for our scalable and sustainable growth. We are creating stronger depth in the organisation by aligning competencies of our human capital with our business strategies, improving organisational capability and vitality, and positioning the Company for competitive superiority and ambitious growth.

At Rossari, we realise there is huge potential for us to grow, but our key objective is to grow responsibly. In our quest to translate our visionary goals into on-ground accomplishments, we are focussed on consistently nurturing and augmenting our people prowess. We are cognisant of the criticality of aligning our people with our key objectives by providing them with a motivating culture.

To ensure sustained business success, we offer an inspiring workplace with opportunities to learn, develop, and achieve the best results. Our people policies are centred around retaining best-in-class talent, driving maximum employee satisfaction and ensuring continuous learning and development. An empowered and stable senior management heads the business divisions and ensures business objectives are met. We also, remain focussed on attracting corporate and qualified talent with cross-industry experience.

Culture of Excellence

With key focus on employee development, we are nurturing our human capital and creating a talent pool to drive business goals. We are also inculcating a culture of high-performance within the organisation through effective internal communication with stakeholders and making them highly accountable.

A Legacy of Caring

Being a diverse and inclusive organisation, we provide equal work opportunities to all. We also strive to provide a safe and rewarding working environment to our employees. Safety is a matter of continuous evaluation and utmost priority at our organisation. In line with our focus on promoting sustainable development and inclusive growth, we are continually engaged in skill development of our people, manifested in our customised programmes on an ongoing basis.

Displaying team effort during COVID

During the first phase of the nationwide COVID-induced lockdown, we successfully achieved our 20-year quest to build a team innovative in thought and agile in action. Our unique ability to supply our products and satiate customers' needs, yet provide our unflinching support to the needs of the society, and simultaneously add to the Company's bottom line in the process, has been strongly built on our core values of entrepreneurial spirit and leadership skills. Supported by strategic decision-making and flexible manufacturing capabilities, our team at Rossari swiftly responded to then prevailing market needs by accelerating the production of healthcare products and sanitizers and supplying them effectively during the times of the pandemic.

STRENGTHENING OUR PEOPLE PRACTICES

- Organised leadership development workshops for managers and senior leaders at Head Office, zones and factories across India
- Cleared URSA compliance audit at factory, without any non-conformity observation

MOVING FORWARD, WE INTEND TO

- Focus on building strong performance culture
- Issue improved guidelines for employee engagement and welfare
- Lead changes from effects of COVID-19 pandemic, such as Employee Safety & Welfare at workplace and managing virtual workforce

CREATING A NURTURING ENVIRONMENT

CSR is an integral part of our Company's ethos. We remain committed towards economic and social development of local communities in the areas we operate. As we play an active role in discharging our social obligations, helping socio-economic growth, we think about and evolve our relationships with all our stakeholders for the common good.

At Rossari, we fulfil our social responsibilities by working with the challenged sections of the society. As part of this, we undertake meaningful programmes for their long-term welfare. Our CSR interventions focus on holistic empowerment of the lives of the society's economically backward and marginalised sections. Our key focus areas are – promoting education of the under-privileged children, meeting healthcare needs of people, and empowering communities to enable them to attain sustainable livelihoods and create a difference in the society.

KEY CSR INITIATIVES DURING FY2020

FOCUS AREA: **EDUCATION**

Location: Mumbai, Maharashtra;
Surat and Silvassa in Gujarat

Activities

- Granted scholarships for higher education
- Promoted girl child education
- Contributed to educational institutions for distribution of books and education equipment

FOCUS AREA: **HEALTH**

Location: Mumbai, Maharashtra;
Surat and Silvassa in Gujarat

Activities

- Contributed towards establishment of medical health centres
- Contributed towards promotion of organ donation

FOCUS AREA: **RELIEF AND REHABILITATION**

Location: Karnataka

Activities

- Contributed towards rehabilitation of disaster-affected areas

FOCUS AREA: **COMMUNITY EMPOWERMENT**

Location: Pan-India

Activities

- Contributed towards community empowerment projects, like setting up homes and hostels for women and orphans, shelter homes and educational institutes

SUPPORTING INDIA IN ITS BATTLE AGAINST COVID-19

The sudden outbreak of COVID-19 pandemic in the last quarter of FY2020 virtually brought the entire world to a standstill. As India battled the crisis, we pledged our support to help the nation fight against the virus. With the aim of making people adopt stricter sanitary practices, our Healthcare Heroes went above their call of duty.

We partnered with Lepra Society to deliver sanitizers to Bihar and Andhra Pradesh for leprosy patients. We also associated with an NGO Salute2doctors to assist the medical personnel fighting the Coronavirus by distributing sanitizers and disinfectants to Tier 2 cities in southern India, including Bengaluru, Hyderabad and Coimbatore, among others.

We distributed sanitizers to various sections with our partner Bhilwara-based Prakash Dyechem. We also reached out to under-privileged children in 40 orphanages, childcare facilities and observation homes in Mumbai, and supplied them with sanitizers and handwashes. We extended our full-fledged support in Dharavi, one of the most affected areas of Mumbai, by supplying our sanitizers and disinfectants to control the spread, by associating with Nisarg Foundation. Besides, we also supplied our health & hygiene products to practically every Government hospital in Mumbai and to the medical fraternity and frontline warriors.

GROWING WITH INTEGRITY AND BUSINESS PRUDENCE

Conducting business in an ethical, sustainable and responsible way is fundamental to our core values. Backed by a strong foundation of integrity, control and stewardship, our actions are primarily driven by our purpose, values and principles.

We are determined to build an inspirational institution that reflects it respectable and agile values. The organisation is inculcated with refined systems, strong operational processes and a strong and capable management team – people with relevant industry experience and understanding. By adding strategic bandwidth, we are defining the next growth stage.

Our values and processes

Our commitment to values and performance is driven by transparency and integrity, which goes a long way in making Rossari a robust organisation. Our transparent processes act as a catalyst for growth. A strong culture of integrity within the organisation ensures the highest ethical standards are applied through the value chain. We are a zero litigation company applying good corporate governance to underpin long-term performance and maximise stakeholder value.

A diligent board

At the core of our corporate governance practice is an active, capable and diligent Board which sets the tone for good corporate governance, and provides entrepreneurial leadership within the framework of prudent and effective controls.
The Board is further supported by a robust systems-driven framework of supervisory committees. This ensures the highest standards of corporate governance and perform fiduciary responsibilities efficiently.

CONTRIBUTING TO EFFECTIVE CORPORATE GOVERNANCE

- Acting with integrity
- Demonstrating leadership
- Making timely and transparent decisions
- Managing risks
- Effective resource allocation
- Operating in an open and honest manner

Board's Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 11th annual report and the audited financial statement for the Financial Year ended March 31, 2020.

HIGHLIGHTS OF FINANCIAL RESULTS

Financial performance of your Company for the year ended March 31, 2020 is summarised below:

(₹ in Million)

Particulars	2019-2020	2018-2019
Revenue from Operations	6,000.94	5,159.18
Other Income	36.31	12.66
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,086.37	789.06
Less : Depreciation & amortization	168.52	121.87
Profit /loss before Finance Costs, Exceptional items and Tax Expense	917.85	667.19
Less : Finance Costs	36.78	32.68
Profit /loss before Exceptional items and Tax Expense	881.07	634.51
Add/(Less) : Exceptional items	-	-
Profit before Tax Expenses	881.07	634.51
Less: Tax Expense (Current & Deferred)	225.85	176.61
Profit/loss after tax	655.22	457.90
Other Comprehensive Income / (Cost)	(2.25)	(2.29)
Balance of profit /loss for earlier years	1,003.38	652.71
Less: Transfer to Reserves	(52.80)	-
Less: Dividend paid on Equity Shares	(22.00)	(88.00)
Less: Dividend Distribution Tax	(4.48)	(16.94)
Balance carried to Balance Sheet	1,577.07	1,003.38

STATE OF COMPANY'S AFFAIRS

On Consolidated Basis, the Company has earned net revenue of ₹ 6,038.18 million for the year ended March 31, 2020 as compared to net revenue of ₹ 5,171.24 million in the previous year. Total expenses (including depreciation & amortization and finance costs) incurred during the year was at ₹ 5,157.59 million. The profit for the year is ₹ 652.53 million, as compared to ₹ 456.83million for the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and its Subsidiary and Joint Venture have been prepared in the same form and manner as mandated by Schedule III to the Companies Act, 2013 and in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report and shall be laid before the forthcoming Annual General Meeting of the Company.

TRANSFER TO GENERAL RESERVE

During the year under review, your Company has not transferred any amount to General Reserve.

DIVIDEND

The Board of Directors of the Company recommend a Final Dividend for the Financial Year 2019-20 at the rate of ₹ 0.50 (Rupee Fifty Paise Only) per Equity Share of Face Value of ₹ 2/- (Rupee Two Only) each, subject to approval of the Members at the ensuing 11th (Eleventh) Annual General Meeting.

Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

BUSINESS OPERATIONS & OUTLOOK

The Company is one of the leading specialty chemicals manufacturing companies in India based on sales for Fiscal 2019 providing customized solutions to specific industrial and production requirements of our customers primarily in the FMCG, apparel, poultry and animal feed industries through our diversified product portfolio comprising home, personal care and performance chemicals; textile specialty chemicals; and animal health and nutrition products.

Business of the Company is organized in three main product categories :

(i) Home, personal care and performance chemicals;

(ii) Textile specialty chemicals; and

(iii) Animal health and nutrition products.

The Company have a range of 2,030 different products sold across the three product categories. Our focus on functional and operational excellence has contributed to our track record of robust financial performance. In Fiscal 2020, the Company generated total revenue of ₹ 6,000.94 million, EBITDA of 1,050.06 million and net profit after tax of 655.22 million.

The Company have been able to manage it's sustained growth without compromising on profit margins of the products, without any external equity funding from strategic investors or private equity funds and without any high leverage from lenders. The Company's ability to fund it's capital expenditure from the internal accruals, its efficient sweating of assets which has led to a high asset turn-over and it's efficient working capital management are testament to it's efficient and prudent financial management.

The Company also believe that it's robust financial performance reflects the efficacy of the manufacturing and supply-chain management protocols that the Company have implemented. Company's steady operating cash flows enable it to meet the present and future needs of it's customers while it's strong balance sheet and financial performance instil confidence in them. In recent years, the Company have strategically invested significantly in capacity expansion and technological modernisation of it's Silvassa Manufacturing Facility as well as in it's R&D endeavours.

RESEARCH & DEVELOPMENT

The Company have two R&D facilities – one within the Silvassa Manufacturing Facility and another one in Mumbai. The R&D facilities are recognized by the Department of Scientific and Industrial Research, Government of India and are also certified by a number of organizations including the Global Organic Textile Standards and the American National Standards Institute.

The Company manufacture majority of products in-house from it's manufacturing facility at Silvassa in the Union Territory of Dadra & Nagar Haveli. The Silvassa Manufacturing Facility, located on 8.6 acres of land, has an installed capacity of 120,000 MTPA. The Silvassa Manufacturing Facility has flexible manufacturing capabilities for powders, granules and liquids.

As a specialty chemical manufacturing Company, the Company continuously monitor industry trends so as to ensure that it's products continue to remain relevant and help the customers meet the evolving market demands. The Company is driven by technical innovation in formulations and applications of the products in order to provide specific and customised solutions to the customers. Company's qualified and experienced in-house R&D team focuses on the development of new products and formulations including collaborative product development with the customers to customize the products to customer expectations and end-user preferences, whilst simultaneously focusing on shorter lead-times and cost competitiveness.

CHANGE IN THE STATUS OF THE COMPANY

During the year under review, their was no change in the status of the Company.

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

During the year under review, there was no change in the nature of business of the Company.

CAPITAL STRUCTURE

Sub-Divisions of Share Capital

During the year under review, 50,00,000 equity shares of face value of ₹ 10 each was sub-divided into 2,50,00,000 Equity Shares of face value of ₹ 2 each. Accordingly 4,400,000 paid-up equity shares of face value of ₹ 10 each was split into 22,000,000 Equity Shares of face value of ₹ 2 each.

Increase of Authorised of Share Capital

During the year under review, the authorized share capital of the Company was increased from ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 2 each to ₹ 12,00,00,000 divided into 6,00,00,000 equity shares of ₹ 2 each.

Bonus Issue

During the year under review, in compliance with the provisions of Sections 62 of the Companies Act. 2013 ("the Act") and

Rules made thereunder, the Company has issued and allotted 2,64,00,000 Equity Shares of face value of ₹ 2/- each to the eligible Members of the Company in the proportion of 6 (Six) Equity share for every 5 (Five) Equity shares, as Bonus Equity shares out of free reserves and surplus of the Company aggregating to 5,28,00,000/-.

Private Placement

During the year under review, in compliance with the provisions of Sections 42 & 62 of the Act and Rules made thereunder, the Company has issued and allotted 23,52,920 Equity Shares of face value of ₹ 2/- each to the eligible Qualified Institutional Buyers at issue price of ₹ 425/- per Equity Share i.e. at a premium of ₹ 423/- per Equity Share aggregating to 99,99,91,000 /-on preferential basis through private placement.

The Authroised, Issued and Paid -up Capital of the Company as on March 31, 2020 was as follows :

Authorized :	No. of shares	Amount (in ₹)
Equity shares of ₹ 2/- each	6,00,00,000	12,00,00,000
Total	**6,00,00,000**	**12,00,00,000**
Issued, Subscribed and Paid-up:	No. of shares	Amount (in ₹)
Equity shares of ₹ 2/- each	**5,07,52,920**	**10,15,05,840**
Total	**5,07,52,920**	**10,15,05,840**

EMPLOYEE STOCK OPTION SCHEME (ESOP)

In compliance with the provisions of Sections 62 of the Act and Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations"), the Company has formulated an employee stock option scheme, namely, Rossari Biotech Limited Employee Stock Option Plan, 2019, (the "ESOP Scheme"). ESOP Scheme of the Company aims to reward employees for their performance as well as to attract and retain talent in the organization. The Company views the ESOP as an instrument that would enable the Employees to get a share in the value, they create for the Company in the years to come.

During the year under review under the ESOP Scheme, 705,000 options have been granted to the eligible employees to acquire equity shares of the Company. The number of options granted is calculated in accordance with the experience and performance-based formula approved by the Board and recommended by the NRC. Disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 is attached as Annexure-A and forms part of this Annual Report.

The Statutory Auditors of the Company have certified that the ESOP scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution passed by the shareholders at the Extraordinary General Meeting held on December 2, 2019, approving such scheme.

CREDIT RATING

During the year under review, the Company has not obtained any Credit Rating.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, the Company has not transferred any amount or Shares to the Investor Education and Protection Funds.

BOARD OF DIRECTORS

Appointment

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee, at its Meeting held on November 12, 2019 appointed Mr. Aseem Dhru (DIN: 01761455), Mr. Robin Banerjee (DIN:00008893) and Maj Gen Sharabh Pachory VSM (Retd.) (DIN:08577249) as Additional Directors designated as Independent Directors of the Company for a term of five years w.e.f. November 12, 2019.

Subsequently, at the Extraordinary General Meeting held on November 19, 2019 Mr. Aseem Dhru, Mr. Robin Banerjee and Maj Gen Sharabh Pachory VSM (Retd.) were appointed as Directors and Independent Director of the Company.

Retirement By Rotation

Mr. Edward Menezes (DIN:00149205) will retire by rotation and being eligible, offers himself for re-appointment.

A detailed profile(s) of Mr. Edward Menezes seeking appointment at the forthcoming AGM as required under Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of the AGM.

Cessation

During the period under review Ms. Anita Menezes (DIN:00149262) and Ms. Jyotishna Chari (DIN:00149111) resigned from the Board of the Company with effect from November 12, 2019. The Board recorded its appreciation for the contribution made by Ms. Anita Menezes and Ms. Jyotishna Chari during their tenure of Directorship.

INDEPENDENT DIRECTORS' DECLARATION

In terms of Section 149 of the Act, the Company has Mr. Goutam Bhattacharya, Ms. Meher Castelino, Mr. Aseem Dhru, Mr. Robin Banerjee and Maj Gen Sharabh Pachory VSM (Retd.) as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

BOARD MEETINGS

During the Financial Year 2019-2020, the Board of Directors met 12 times on May 28, 2019; August 30, 2019; September 13, 2019; September 26, 2019; October 4, 2019; November 12, 2019; November 29, 2019; December 12, 2019; February 19, 2020; February 25, 2020; February 27, 2020 and March 07, 2020. The maximum gap between any two Board meetings was not more than one hundred and twenty days as required under Section 173 of Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

Details of the attendance of each Directors at the Board Meetings held during the Financial Year are as under:

Name	Designation	Board Meeting Attendance	
		Held	Attended
Mr. Edward Menezes	Executive, Non-Independent	12	12
Mr. Sunil Chari	Executive, Non-Independent	12	12
Ms. Jyotishna Chari(upto 12.11.19)	Non-Executive, Non-Independent	6	5
Ms. Anita Menezes (upto 12.11.19)	Non-Executive, Non-Independent	6	5
Mr. Goutam Bhattacharya	Non-Executive, Independent	12	9
Ms. Meher Castelino	Non-Executive, Independent	12	9
Ms. Aseem Dhru (w.e.f 12.11.19)	Non-Executive, Independent	6	6
Mr. Robin Banerjee (w.e.f 12.11.19)	Non-Executive, Independent	6	2
Maj Gen Sharabh Pachory VSM (Retd.) (w.e.f 12.11.19)	Non-Executive, Independent	6	5

COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board as a part of good governance practice. The Board supervise the execution of responsibilities by the Committee. Minutes of the proceedings of all the Committee meetings are placed before the Board to take note of the same.

The Committee of the Board constituted as per the Act and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are as follows:

a) Audit Committee

Composition

As on March 31, 2020, the Audit Committee consists of Mr. Aseem Dhru (Chairperson of the Committee), Mr. Goutam Bhattacharya and Mr. Sunil Chari, majority of the members of the Committee are Independent Directors.

The Audit Committee was last re-constituted on November 12, 2019 and at the same meeting the terms of reference of the Audit Committee were revised. The scope and function of the Audit Committee is in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

Meeting and Attendance

The Audit Committee met 5 times during the Financial Year on August 30, 2019; September 26, 2019; November 12, 2019; November 29, 2019; and February 19, 2020. The attendance of each Committee Member is as under:

Name	Designation	Number of Meeting during the Financial Year 2019-20	
		Held	Attended
Ms. Meher Castelino (upto 12.11.19)	Chairperson	3	3
Mr. Aseem Dhru (w.e.f 12.11.19)	Chairperson	2	2
Mr. Goutam Bhattacharya (w.e.f 12.11.19)	Member	2	2
Ms. Jyotishna Chari (upto 12.11.19)	Member	3	3
Mr. Sunil Chari	Member	5	5

There was no instance where the Board has not accepted any recommendation of Audit Committee.

b) Corporate Social Responsibility (CSR) Committee

Composition

As on March 31, 2020, the CSR Committee consists of Ms. Meher Castelino (Chairperson of the Committee), Mr. Goutam Bhattacharya and Mr. Edward Menezes, majority of the members of the Committee are Independent Directors.

The CSR Committee was last re-constituted on November 12, 2019 and at the same meeting the terms of reference of the CSR Committee were revised. The scope and function of the CSR Committee is in compliance with Section 135 of the Act.

Meeting and Attendance

The CSR Committee met 4 times during the Financial Year on May 28, 2019, August 30, 2019; November 12, 2019; and January 06, 2020. The attendance of each Committee Member is as under:

Name	Designation	Number of Meeting during the Financial Year 2019-20	
		Held	Attended
Ms. Meher Castelino	Chairperson	4	4
Ms. Jyotishna Chari (upto 12.11.19)	Member	3	3
Mr. Sunil Chari (upto 12.11.19)	Member	3	3
Mr. Goutam Bhattacharya (w.e.f 12.11.19)	Member	1	1
Mr. Edward Menezes (w.e.f 12.11.19)	Member	1	1

c) Nomination & Remuneration Committee

Composition

As on March 31, 2020, the Nomination & Remuneration Committee consists of Mr. Robin Banerjee (Chairperson of the Committee), Maj Gen Sharabh Pachory VSM (Retd.) and Ms. Meher Castelino, majority of the members of the Committee are Independent Directors.

The Nomination & Remuneration Committee was last re-constituted on November 12, 2019 and at the same meeting the terms of reference of the Nomination & Remuneration Committee were revised. The scope and function of the Nomination & Remuneration Committee is in compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

Meeting and Attendance

The Nomination & Remuneration Committee met 5 times during the Financial Year on August 30, 2019; November 12, 2019; November 29, 2019; December 12, 2019; and February 19, 2020. The attendance of each Committee Member is as under:

Name	Designation	Number of Meeting during the Financial Year 2019-20	
		Held	Attended
Ms. Meher Castelino (upto 12.11.19)	Chairperson	5	4
Mr. Robin Banerjee (w.e.f 12.11.19)	Chairperson	3	2
Ms. Jyotishna Chari (upto 12.11.19)	Member	2	2
Mr. Sunil Chari (upto 12.11.19)	Member	2	2
Maj Gen Sharabh Pachory VSM (Retd.) (w.e.f 12.11.19)	Member	3	3

d) Stakeholders' Relationship Committee

Composition

As on March 31, 2020, the Stakeholders' Relationship Committee consists of Mr. Goutam Bhattacharya (Chairperson of the Committee), Ms. Meher Castelino and Mr. Sunil Chari majority of the members of the Committee are Independent Directors.

The Stakeholders' Relationship Committee was constituted on November 12, 2019. The scope and function of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Act and Regulation 20 of the Listing Regulations.

Meeting and Attendance

During the year under review, no Stakeholders' Relationship Committee meeting was held.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, as exemption granted by the ministry of corporate affairs vide general circular No. 11/2020 dated March 24, 2020, no separate Independent Directors meeting was held.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, with respect to the directors' responsibility statement, it is hereby confirmed that:

a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

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

d) the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

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

BOARD EVALUATION

The Company has in place a mechanism for evaluation of the performance of the Board, Committees, Individual Directors and the Chairman of the Board. The evaluation process inter-alia reviews participation of Directors at meetings, domain knowledge, business awareness and adherence to governance.

A formal annual evaluation had been made by the Independent Directors and the Board of the performance of the Committees, Individual Directors, Chairman and the Board for the year under review. The evaluation has been satisfactory and adequate and meets the governance requirement of the Company.

KEY MANAGERIAL PERSONNEL

During the year under review, Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee, appointed Ms. Manasi Nisal, as Chief Financial Officer (CFO) with effect from November 12, 2019, in place of Mr. Ashok Joshi, on his resignation and Ms. Parul Gupta as Company Secretary and Compliance Officer with effect from November 18, 2019.

SUBSIDIARY/JOINT VENTURE

During the year under review the Company has following Subsidiaries:

Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)

Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited) ("RPCPPL") Subsidiary of the Company achieved a turnover of ₹ 3.22 Million as compared to ₹ 8.39 Million in the previous year. Profit before tax is ₹ (0.48) Million as against profit of ₹ 4.22 Million of the previous year. The profit after tax stood at ₹ (0.51) Million as compared to the profit of ₹ 3.74 Million in the previous year.

Buzil Rossari Private Limited (from September 30, 2019)

Buzil Rossari Private Limited ("BRPL") Joint Venture of the Company achieved a turnover of ₹ 326.83 Million as compared to ₹ 271.02 Million in the previous year. Profit before tax is ₹ 3.71 Million as against profit of ₹ 1.22 Million of the previous year. The profit after tax stood at ₹ 2.94 Million as compared to the profit of ₹ 1.05 Million in the previous year.

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has attached along with the Financial Statements, a separate statement containing the salient features of the Financial Statements of its Subsidiary and Joint Venture in the manner prescribed under the Companies Act, 2013 and Rules made thereunder.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements, form part of this Annual Report.

RELATED PARTY TRANSACTIONS

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Welfare Activities has been an integral part of the Company since inception. Pursuant to Section 135 of the Companies Act, 2013 and relevant rules the Board has constituted a CSR Committee.

The Company has also formulated CSR Policy, which is available on the Company's website www.rossari.com. A Report on CSR Activities undertaken by the Company is attached as Annexure-B and forms part of this Annual Report.

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

The particulars as prescribed under sub-section (m) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 to the extent applicable with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure-C and forms part of this Annual Report.

RISK MANAGEMENT

The Company has formulated and implemented a framework on risk management to identify and manage the risks involved in all the activities of the Company, to maximize the opportunities and minimize adversity. This Plan is intended to assist in decision making processes that will minimize potential losses, improve the management of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

POLICY ON REMUNERATION AND OTHER ASPECTS OF DIRECTORS AND KMPS

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management and their remuneration. The Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters provided under the Companies Act, 2013 is available on Company's website at www.rossari.com.

The salient features of the policy are as below :

a) To identify individuals qualified to be Board Members and in Senior Management, consistent with criteria approved by the Board and to periodically examine the structure, composition and functioning and performance of the Board, its Committees & Senior Management and recommend changes, as necessary;

b) To formulate the criteria for evaluation of Independent Directors and the Board.

c) To recommend to the Board remuneration policy for Directors, Key Managerial personnel and other employees.

d) To oversee the evaluation of the Board, Committees of the Board and the management.

e) To lay down approach for Board diversity.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Rossari is committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal.

Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the conduct.

It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Board of Directors and no employee has been denied access to the Audit Committee. The Whistleblower Policy is available on the Company's website www.rossari.com.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 9th AGM held on September 29, 2018, for a period of 5 years from the hold the office from the conclusion of 9th AGM till the conclusion of 14th AGM of the Company to be held in the Year 2023.

The Statutory Auditors Report to the shareholders for the year under review does not contain any modified opinion or qualifications and the observations and comments given in the report of the Statutory Auditors read together with Notes to accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134(f)(i) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company on recommendation of Audit Committee appointed M/s. Roy Jacob & Co., Company Secretaries as Secretarial Auditor of the Company. The Secretarial Audit Report is attached as Annexure-D and forms part of this Annual Report. The report does not contain any qualification, reservation or adverse remark or disclaimer.

COST AUDITORS

As per Section 148 of the Act read with Companies (Cost Records and Audit) Rules 2014, M/s. R. Shetty & Associates, Cost Accountants (Registration No.:101455) have been appointed as Cost Auditors for the financial year 2020-21 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Companies Act, 2013 and Rules made thereunder.

COMPLIANCE OF SECRETARIAL STANDARDS OF ICSI

In terms of Section 118(10) of the Companies Act, 2013, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

Extract of the Annual Return

An extract of the Annual Return for the year ended March 31, 2020 as provided under sub-section (3) of Section 92 and prescribed under Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure- E and forms part of this Annual Report.

Internal Financial Control

The Company believes that internal control is a necessary concomitant of the principle of prudent business governance that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Financial Statements of the Company are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Board.

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless the Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

PREVENTION OF SEXUAL HARASSMENT (POSH)

In terms of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has zero tolerance for sexual harassment at workplace and has set up an Internal Committee (IC) at all its workplaces comprising of the presiding officer and other employee members.

The presiding officer of the Committee has been relived from her officer due to some personal reason and necessary steps however, are being taken to nominate the external member on the IC at the soonest in line with the provisions of the Act. No complaint on Sexual Harassment was reported under the said Act during the Financial Year under review.

POLICIES

The Board of Directors of the Company has adopted/revised following policies and Codes, in terms of requirements of Companies Act, 2013 and relevant SEBI Regulations:

a) Vigil Mechanism and Whistle Blowers Policy;

b) Corporate Social Responsibility Policy;

c) Code of Ethics for Directors, KMP and Other Members of Senior Management;

d) Determination of Materiality of Event(s)/ Information Policy;

e) Policy on Determination of Material Subsidiary;

f) Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions;

g) Policy on Preservation Documents & Archival of Records;

h) Risk Assessment and Management Plan;

i) Nomination and Remuneration Policy

j) Board Performance Evaluation Policy;

k) Code for Independent Directors;

l) Familiarization Programme for Independent Directors.

m) Succession plan for appointment of board of directors and senior management;

n) Code of practices and procedures for fair disclosure of unpublished price sensitive information as per SEBI Insider Trading Regulations;

o) Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives towards achieving compliance with SEBI Insider Trading Regulations; and

p) Whistle Blower Policy to report instances of leak of unpublished price sensitive information & procedures for inquiry thereon.

GENERAL DISCLOSURES

During the year under review :

a) the Company proposes to undertake an initial public offering of its equity shares of face value of ₹ 2 per equity share and received initial approval of the SEBI in this regard.

b) the Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of Companies Act, 2013 and Rules made thereunder.

c) the Company has not accepted any deposit from the public, pursuant to the Chapter V of Companies Act, 2013 and Rules made thereunder.

d) the Company has not bought back its shares, pursuant to the provisions of Section 68 of Companies Act, 2013 and Rules made thereunder.

e) there are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

f) there are no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

ACKNOWLEDGEMENTS

Your directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, suppliers, customers and business associates. Your directors also wish to place on record their deep sense of appreciation for the committed services by your company's employees. Your directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

Edward Menezes
Chairman
(DIN:00149205)

Date: July 04, 2020
Place: Mumbai

Annexure A to Board's Report

DISCLOSURES OF EMPLOYEE STOCK OPTION SCHEME

(Pursuant to Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014)

No.	Description	Details	
a)	Options granted	7,05,000	
b)	Options vested	Nil	
c)	Options exercised	Nil	
d)	The total number of shares arising as a result of exercise of option	7,05,000	
e)	Options lapsed	Nil	
f)	The exercise price	₹ 475/-	
g)	Variation of terms of options	None	
h)	Money realized by exercise of options	Nil	
i)	Total number of options in force	7,05,000	
j)	Employee wise details of options granted to		
i.	**Key managerial personnel**	**Name**	**No. of Option Granted**
		Mr. Puneet Arora	40,000
		Mr. Prasad Gadkari	40,000
		Mr. Anish Kumar	20,000
		Mr. Rajeev Jha	20,000
		Ms. Manasi Nisal	15,000
		Ms. Manjiri Paranjpe	40,000
		Mr. Kuldeep Pandita	15,000
		Ms. Parul Gupta	2,500
ii.	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil	
iii.	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	

Annexure B to Board's Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company believes to work for the communities in which it operates. In doing so, build a better, sustainable way of life for the weaker sections of society the projects of the Company focus on education, healthcare and sustainable livelihood. The Company undertakes its CSR activities directly as well through implementing Agencies for various purposes as per the CSR Policy of the Company. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the website of the Company at www.rossari.com.
2.	The Composition of the CSR Committee.	**As at March 31, 2020** Ms. Meher Castelino (Chairperson) Mr. Goutam Bhattacharya Mr. Edward Menezes
3.	Average net profit of the company for last three financial years	₹ 40,97,39,040
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 81,94,781/-
5	Details of CSR spent during the financial year;	
	(a) Total Amount spent during the Financial Year ended March 31, 2020;	(a) ₹ 1,43,51,399 /-
	(b) Amount unspent, if any;	(b) Nil
	(c) Manner in which the amount spent during the financial year	As per Annexure A

Annexure A to CSR Report

(Amount in ₹)

CSR Project/ Activity	Sector in which the Project is Covered	Location of the project/ programme (Local area or State/ District)	Amount outlay/ approved	Amount spent direct/ overheads	Cumulative spend upto to the reporting period	Amount spent: Direct/ through implementing agency**
• Granting Scholarship for higher Educations • Distribution of Books • Promotion of education for Girl Child • Contribution to Educational Institution for education equipment etc.	Education	Maharashtra (Mumbai), Gujarat (Surat), Silvassa	44,76,399	44,76,399	44,76,399	Direct and through implementing agency
• Contribution for establishing medical health centers equipped with laboratory facilities • Contribution to promote organ donation	Health	Maharashtra (Mumbai), Gujarat (Surat), Silvassa	37,00,000	37,00,000	37,00,000	Direct and Through implementing Agency
• Rehabilitation of Disaster affected areas	Relief & Rehabilitation	Karnataka	25,000	25,000	25,000	Direct
• Contribution to the Corpus of implementing Agencies for different projects, such as health care, Education, Setting up homes and hostels for women and orphans, Shelter Homes	Education, Health, Setting up Homes and Hostels etc.	For different locations PAN-India	61,50,000	61,50,000	61,50,000	Through implementing Agency
Total			**1,43,51,399**	**1,43,51,399**	**1,43,51,399**	

**Details of the Implementing agencies: 1. Agrawal Education Foundation 2. Rotary Vapi Riverside Charitable Trust 3. Sau Mathurabhai Bhausaheb Thorat Sevabhavi Trust, 4. Rotary Club Of Mumbai Green City Charitable Trust 5. Sw Kedarnath Parvatidevi Pacheriwala Charitable Trust 6. Rajpuria Seva Nidhi 7. Madanlal N Rajpuria Trust 8. Krishnadevi Kisongopal Rajpuria Foundation 9. Shivchandrarai Jhunjhunwala Charitable Trust 10. Nandlal Mungaturam Bairagra Charity Trust 11. Agarwal Pragati Trust 12. Agrawal Vikas Trust

6. The CSR Committee confirms that the implementation and monitoring of the CSR activities is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the CSR Committee

Sunil Chari
Managing Director

Meher Castelino
Chairperson of CSR Committee

Place: Mumbai
Date: July 04, 2020

Annexure C to Board's Report

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

(Section 134 of the Companies act, 2013 read with Companies (Accounts) Rules, 2014)

(A) Conservation of energy

i) Steps taken for conservation of energy

We have introduced Multi Effective Evaporator (MEE) in the place of Incinerator for evaporating effluent water after ETP treatment. Incinerator is a costly affair in the terms of fuel cost. LDO is using as the fuel for Incinerator, whereas in the MEE, the steam is using as heating medium. So that we can reduce the conventional fuel consumption drastically.

ii) the steps taken by the company for utilising alternate sources of energy

Installed solar panels as an alternate energy source. The total capacity of solar panels is 50 KW

iii) the capital investment on energy conservation equipments

1. Started to use highly energy efficient type pumps for tank farm. At present there are 3 magnetic drive pumps of 20 HP each. Each pump costs around 3.5 Lakh. Total capital cost is 12.5 Lakh
2. Replaced partially, the conventional street light with LED lamp with an approximate cost of 1.5 Lakh
3. Replaced most of conventional plant and office lights with LED lamp. Also, we have started to switch over from the conventional lighting system to latest LED based system for all the new projects. A total of 34000 Watts of LED lights we have installed / replaced in all over of plant with an investment of about 1.5 Lakh.
4. Modified the panels of a large number of production equipment with VFD. As on date a total load of 375 KW is controlling through VFD. This load is distributed with various small and big equipment in the plant. The capital investment is calculated as 15 lakhs.
5. Investments made to maintain power factor on"1". Earlier the power factory was around 0.92 or 0.93 only, whereas now it is being maintained "1". Investment for the same was about 5 lakh.
6. Switched over the conventional type air compressor with high efficient, screw type air compressor for entire plant. Total investment is about 8.5 Lakh.
7. Implemented Steam Condensate Water Recovery System for steam line network with an investment of 10.0 lakh approximately.
8. Periodical cleaning of steam pipe line, cooling water line and reactor jackets/limpet for best cooling/heating efficiency. Thus can reduce the total batch time in a considerable margin.
9. Replaced conventional chilling plant with highly efficient Screw Type Chilling Plant.
10. Insulated the roof top of production area of HUL for maintaining positive pressure inside the area.

(B) Technology absorption

i) the efforts made towards technology absorption

1. MEE installed to removal of pollutants from the effluent in solid form so the disposal is convenient.
2. Condensate collection and recycle back to boiler feed water.
3. Good quality of insulations so reduce the heat loss.

ii) the benefits derived like product improvement, cost reduction, product development or import substitution

1. Change in process of polymer product so the steam requirement of heating is less
2. Gel formation is loss of yield so by proper automation controlled the reaction condition and improved the yield by 1 %

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Technology imported	Not imported directly but many equipments procured locally are used imported parts
Year of import	Not Applicable
Has technology been fully absorbed	Not Applicable
if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

iv) Expenditure incurred on Research and Development

Particulars	Year ended March 31, 2020 (₹ in Million)	Year ended March 31, 2019 (₹ in Million)
Capital	44.13	29.29
Recurring	53.53	38.62
Total	**97.66**	**67.91**

(C) Foreign exchange earnings and outgo

Particulars	F.Y. 2019-20 (INR in Million)	F.Y. 2018-19 (INR in Million)
Foreign Exchange Outflows (outgo)	958.51	899.58
Foreign Exchange Inflows (earnings)	662.35	718.52

For and on behalf of the Board of Directors

Edward Menezes
Chairman
(DIN: 00149205)

Date: July 04, 2020
Place: Mumbai

Annexure D to Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,

ROSSARI BIOTECH LIMITED,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ROSSARI BIOTECH LIMITED having the CIN U24100MH2009PLC194818 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company.

   (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company.

   (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. Not applicable to the company

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are not applicable to the company:-

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; SEBI (Prohibition of Insider Trading) Regulations,2015

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

   The Company has received SEBI approval for its initial public offer on 20 Feb 2020 and also received in-principle approval from both the stock exchanges BSE Ltd and National Stock Exchanges Limited and the approval is valid for an year from the date of its approval.

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ SEBI (Share Based Employee Benefits) Regulations, 2014:

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

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:

(vi) there are no other laws as may be specifically applicable to the Company on the basis of documents/ information produced to us.

Other Regulatory provisions/laws applicable to the company are:-

a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952

b) The payment of Bonus Act, 1965

c) ESIC Act

d) The payment of Gratuity Act, 1972.

I have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for meetings of the Board of Directors, where consent for shorter notice was obtained from all of the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that as per the information & explanation given to us the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, ESI, Income Tax, Wealth Tax, Service Tax, Value Added Tax and other statutory dues applicable to it.

I further report that I rely on statutory auditors reports in relation to the financial statements and accuracy of financial figures for sales Tax, Wealth Tax, Value Added Tax, Related Party Tax, Provident Fund etc. as disclosed under the financial statements of the Company.

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

I further states that:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Due to the spread of contagious pandemic Covid-19 and consequent nationwide lockdown I could not verify certain secretarial records physically.

4. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

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

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

For Roy Jacob & Co.
Company Secretaries

Roy Jacob P
Proprietor
(C.P. No.8220), (FCS No.9017)
UDIN: F009017B000392136
P.R No.686/2020

Date: 29/06/2020
Place: Mumbai

Annexure E to Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 921(3) of the Companies Act, 2013 read the he Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U24100MH2009PLC194818
ii)	Registration Date	August 10, 2009
iii)	Name of the Company	Rossari Biotech Limited
iv)	Category / Sub-Category of the Company	Company limited by Shares/ Non-govt company
v)	Address of the Registered office and contact details*	201 A - B, 2nd Floor, Akruti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W) Mumbai -400078 Tel.: +91-22-6123 3800 Fax: +91-22-2579 6982 Email: cs@rossarimail.com Website: www.rossari.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083 Tel: +91-22-4918 6200 Fax: +91 022 4918 6060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
i.	Manufacture of organic and inorganic chemical compounds n.e.c.	20119	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
i.	Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)* 201 A - B, 2nd Floor, Akruti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W) Mumbai 400078	U24110MH1999PTC121848	Subsidiary	100	2(87)(ii)
ii.	Buzil Rossari Private Limited 201 A - B, 2nd Floor, Akruti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W) Mumbai 400078	U24297MH2013PTC251413	Subsidiary	60	2(87)(ii)

* Name of the Company has been changed with effect from May 06, 2020

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/HUF	4125800	0	4125800	93.77	45009300	0	45009300	88.68	5.09
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	274200	0	274200	6.23	3016200	0	3016200	5.94	0.29
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	220000	0	220000	0.43	-0.43
Sub-total (A) (1):	**4400000**	**0**	**4400000**	**100**	**48245500**	**0**	**48245500**	**95.06**	**4.94**
(2) Foreign									
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4400000**	**0**	**4400000**	**100**	**48245500**	**0**	**48245500**	**95.06**	**4.94**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	470600	0	470600	0.93	-0.93
b) Banks / FI	0	0	0	0.00	352930	0	352930	0.70	-0.70
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	235300	0	235300	0.46	-0.46
g) FIIs	0	0	0	0.00	652920	0	652920	1.29	-1.29
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others Alternate Investment Fund	0	0	0	0.00	641170	0	641170	1.26	-1.26
Sub-total (B)(1):	**0**	**0**	**0**	**0.00**	**2352920**	**0**	**2352920**	**4.64**	**-4.64**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh				0.00	154500	0	154500	0.30	-0.30
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):	0	0	0	0.00	154500	0	154500	0.30	-030
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	2507420	0	2507420	4.94	-4.94
C. Shares held by Custodian	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	4400000	0	4400000	100	50752920	0	50752920	100	0.00

Beginning of the year as on 01/04/2019 - Share value ₹ 10/- per Share and End of the year as on 31/03/2020 share value ₹ 2/- per share.

Number of Shares increased Due to Sub-division of nominal value of each Equity Share of ₹ 10/- (Rupees Ten only) each into 5 Equity Shares of ₹ 2/- (Rupee two only) on November 19, 2019 and Allotment of Bonus Equity shares in the ratio of 6 (six) Equity share of ₹ 2/- each for every 5 (five) existing equity shares of ₹ 2/-each to those shareholders whose name appears in the register of Members as on the record date December 11, 2019 and allotment of 23,52,920 Equity Shares of face value of ₹ 2/- each on preferential basis through private placement on February 27, 2020.

(ii) Shareholding of Promoters & Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
i.	Edward Menezes	1952620	44.38	0.00	21368820	42.10	0	2.28
ii.	Sunil Chari	1952620	44.38	0.00	21339320	42.05	0	2.33
iii.	Rossari Biotech (India) Private Limited	274200	6.23	0.00	3016200	5.94	0	0.29
iv.	Anita Menezes	95280	2.17	0.00	1002630	1.98	0	0.19
v.	Jyotishna Chari	95280	2.17	0.00	1000330	1.97	0	0.20
vi.	Mikhail Menezes	15000	0.34	0.00	133200	0.26	0	0.08
vii.	Yash Chari	15000	0.34	0.00	165000	0.33	0	0.01
viii.	Menezes Family Trust	-	0.00	0.00	110000	0.22	0	(0.22)
ix.	Chari Family Trust	-	0.00	0.00	110000	0.22	0	(0.22)
x.	**Total**	**4400000**	**100**	**0.00**	**48245500**	**95.06**	**0.00**	**4.94**

Beginning of the year as on 01/04/2019 - Share value ₹ 10/- per Share and End of the year as on 31/03/2020 share value ₹ 2/- per share.

(iii) Change in Promoters' & Promoter Groups Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning and at the end of the year (01.04.2019 to 31.03.2020)		Date of Change	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
i.	Edward Menezes	1952620	44.38	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	9763100	44.38
				09.12.2019	(50000)	Transfer as Gift	9713100	44.15
				11.12.2019	11655720	Bonus Issue 6 :5 (For every 5 shares 6 share)	21368820	44.15
		21368820	42.10	31.03.2020			21368820	42.10
ii.	Sunil Chari	1952620	44.38	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	9763100	44.38
				09.12.2019	(50000)	Transfer as Gift	9713100	44.15
				11.12.2019	11655720	Bonus Issue 6 :5 (For every 5 shares 6 share)	21368820	44.15
				28.02.2020	(29500)	Transfer	21339320	42.05
		21339320	42.05	31.03.2020			21339320	42.05
iii.	Rossari Biotech (India) Private Limited	274200	6.23	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	1371000	6.23
				11.12.2019	1645200	Bonus Issue 6 :5 (For every 5 shares 6 share)	3016200	6.23
		3016200	5.94	31.03.2020			3016200	5.94
iv.	Anita Menezes	95280	2.17	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	476400	2.17
				11.12.2019	571680	Bonus Issue 6 :5 (For every 5 shares 6 share)	1048080	2.17
				28.02.2020	(45450)	Transfer	1002630	1.98
		1002630	1.98	31.03.2020			1002630	1.98
v.	Jyotishna Chari	95280	2.17	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	476400	2.17
				11.12.2019	571680	Bonus Issue 6 :5 (For every 5 shares 6 share)	1048080	2.17
				28.02.2020	(47750)	Transfer	1000330	1.97
		1000330	1.97	31.03.2020			1000330	1.97

Sr. No.	Shareholder's Name	Shareholding at the beginning and at the end of the year (01.04.2019 to 31.03.2020)		Date of Change	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
vi.	Mikhail Menezes	15000	0.34	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	75000	0.34
				11.12.2019	90000	Bonus Issue 6 :5 (For every 5 shares 6 share)	165000	0.34
				28.02.2020	(31800)	Transfer	133200	0.26
		133200	0.26	31.03.2020			133200	0.26
vii.	Yash Chari	15000	0.34	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	75000	0.34
				11.12.2019	90000	Bonus Issue 6 :5 (For every 5 shares 6 share)	165000	0.34
		165000	0.33	31.03.2020			165000	0.33
viii.	Menezes Family Trust	0	0.00	01.04.2019				
				09.12.2019	50000	Transfer as Gift	50000	0.23
				11.12.2019	60000	Bonus Issue 6 :5 (For every 5 shares 6 share)	110000	0.23
		110000	0.22	31.03.2020			110000	0.22
ix.	Chari Family Trust	0	0.00	01.04.2019				
				09.12.2019	50000	Transfer as Gift	50000	0.23
				11.12.2019	60000	Bonus Issue 6 :5 (For every 5 shares 6 share)	110000	0.23
		110000	0.22	31.03.2020	-		110000	0.22

Beginning of the year as on 01/04/2019 - Share value ₹ 10/- per Share and End of the year as on 31/03/2020 share value ₹ 2/- per share.

Number of Shares increased Due to Sub-division of nominal value of each Equity Share of ₹ 10/- (Rupees Ten only) each into 5 Equity Shares of ₹ 2/- (Rupee two only) on November 19, 2019 and Allotment of Bonus Equity shares in the ratio of 6 (six) Equity share of ₹ 2/- each for every 5 (five) existing equity shares of ₹ 2/-each to those shareholders whose name appears in the register of Members as on the record date December 11, 2019.

(iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning and at the end of the year (01.04.2019 to 31.03.2020)		Date of Change	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
i.	Axis New Opportunities AIF-1*	0	0.00	01.04.2019				
				27.02.2020	352930	Private Placement	352930	0.70
		352930	0.70	31.03.2020			352930	0.70
ii.	India Acorn Fund Limited*	0	0.00	01.04.2019				
				27.02.2020	352930	Private Placement	352930	0.70
		352930	0.70	31.03.2020			352930	0.70
iii.	Infina Finance Private Limited*	0	0.00	01.04.2019				
				27.02.2020	352930	Private Placement	352930	0.70
		352930	0.70	31.03.2020			352930	0.70
iv.	Malabar India Fund Limited*	0	0.00	01.04.2019				
				27.02.2020	299990	Private Placement	299990	0.59
		299990	0.59	31.03.2020			299990	0.59
v.	IIFL Special Opportunities Fund - Series 4*	0	0.00	01.04.2019				
				27.02.2020	235300	Private Placement	235300	0.46
		235300	0.46	31.03.2020			235300	0.46
vi.	ICICI Lombard General Insurance Company Limited*	0	0.00	01.04.2019				
				27.02.2020	235300	Private Placement	235300	0.46
		235300	0.46	31.03.2020			235300	0.46
vii.	Mirae Asset Mid Cap Fund*	0	0.00	01.04.2019				
				27.02.2020	176474	Private Placement	176474	0.35
		176474	0.35	31.03.2020			176474	0.35
viii.	Malabar Value Fund*	0	0.00	01.04.2019				
				27.02.2020	52940	Private Placement	52940	0.10
		52940	0.10	31.03.2020			52940	0.10
ix.	Mirae Asset Healthcare Fund*	0	0.00	01.04.2019				
				27.02.2020	47060	Private Placement	47060	0.09
		47060	0.09	31.03.2020			47060	0.09
x.	Ramakrishnan Gopalkrishnan*	0	0.00	01.04.2019				
				27.02.2020	47000	Private Placement	47000	0.09
		47000	0.09	31.03.2020			47000	0.095

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*Not in the list of top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the top 10 shareholder as on 31/03/2020.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning and at the end of the year (01.04.2019 to 31.03.2020)		Date of Change	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Edward Menezes	1952620	44.38	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	9763100	44.38
				09.12.2019	(50000)	Transfer as Gift	9713100	44.15
				11.12.2019	11655720	Bonus Issue 6 :5 (For every 5 shares 6 share)	21368820	44.15
				27.02.2020	-	Private Placement	21368820	42.10
		21368820	42.10	31.03.2020			21368820	42.10
ii.	Sunil Chari	1952620	44.38	01.04.2019				
				12.11.2019	-	₹ 10/- per Share sub-divided in ₹ 2/-per share	9763100	44.38
				09.12.2019	(50000)	Transfer as Gift	9713100	44.15
				11.12.2019	11655720	Bonus Issue 6 :5 (For every 5 shares 6 share)	21368820	44.15
				27.02.2020	-	Private Placement	21368820	42.10
				28.02.2020	(29500)	Transfer	21339320	42.05
		21339320	42.05	31.03.2020			21339320	42.05

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V. INDEBTEDNESS

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

(₹ in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	33.70	30.14	-	63.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.30	-	-	-
Total (i+ii+iii)	**45.00**	**30.14**	**-**	**75.14**
Change in Indebtedness during the financial year				
• Addition	384.48	251.11	-	635.59
• Reduction	-	(30.14)	-	(30.14)
Net Change	**384.48**	**220.97**	**-**	**605.45**
Indebtedness at the end of the financial year				
i) Principal Amount	418.18	251.11	-	669.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.86	-	-	13.86
Total (i+ii+iii)	**432.05**	**251.11**	**-**	**683.16**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross salary	Edward Menezes (Executive Chairman)	Sunil Chari (Managing Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.35	7.35	14.70
	(b) (b)Value of perquisites u/s. 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	 - -	 - -	 - -
5.	Others, please specify (Rent)	1.93	1.00	2.93
	Total (A)	**9.28**	**8.35**	**17.63**
	Ceiling as per the Act			**66.59**

B. Remuneration to other directors:

(₹ in Million)

Sr. No.	Name of Directors						Total Amount
1.	**Independent Directors**	**Goutam Bhattacharya**	**Meher Castelino**	**Aseem Dhru (w.e.f. 12.11.19)**	**Robin Banerjee (w.e.f. 12.11.19)**	**Sharabh Pachory (w.e.f. 12.11.2019)**	
	Fee for attending board/ committee meetings	0.57	0.57	0.50	0.06	0.41	2.11
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	**0.57**	**0.57**	**0.50**	**0.06**	**0.41**	**2.11**
2.	**Other Non-Executive Directors**		**Anita Menezes (upto 12.11.2019)**			**Jyotishna Chari (upto 12.11.2019)**	
	Fee for attending board/ committee meetings		0.10			0.10	0.20
	Commission		-			-	-
	Others, please specify (Rent)		-			0.93	0.93
	Total (2)		0.10			1.03	1.13
Total (B)=(1+2)							**3.24**
Total Managerial Remuneration							**20.87**
Overall Ceiling as per the Act							**73.25**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO	CFO	CS	
		Ashok Joshi (upto 29.11.19)	Manasi Nisal (w.e.f. 12.11.19)	Parul Gupta (w.e.f. 18.11.19)	
1.	Gross salary				
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2.30	1.39	0.33	4.02
	b. Value of perquisites u/s. 17(2) Income-tax Act, 1961	-	-	-	-
	c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	0.015	0.0025	0.0175
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	 - -	 - -	 - -	 - -
5.	Others, please specify				
	Total	**2.30**	**1.405**	**0.3325**	**4.0375**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of the Board of Directors

Edward Menezes
Chairman
(DIN: 00149205)

Date: July 04, 2020
Place: Mumbai

Independent Auditor's Report

To The Members of Rossari Biotech Limited

REPORT ON THE AUDIT OF 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 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit total comprehensive income, its cash flows and the changes in equity 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 standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

REPORTING ON COMPARATIVES IN CASE OF FIRST IND AS FINANCIAL STATEMENTS

The comparative financial information of the Company for the year ended 31st March 2019 and the related transition date opening balance sheet as at 1st April 2018 included in these standalone financial statements, have been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by us and predecessor auditor whose report for the year ended 31st March 2019 and 31st March 2018 dated 30th August 2019 and 7th September 2018 respectively expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 does not have any pending litigations which would impact its financial position.

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

        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 & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
UDIN: 20102637AAAABJ1299

Place: Mumbai
Date: 11 June 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 March 31, 2020 in conjunction with our audit of the standalone Ind AS 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 (ICAI). 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide 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, 2020, based on the criteria for internal financial control over financial reporting 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.

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

Kedar Raje
(Partner)
(Membership No. 102637)
UDIN: 20102637AAAABJ1299

Place: Mumbai
Date: 11 June 2020

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i) (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.

(i) (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 the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as Property, Plant and Equipment 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 such physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) 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 within the meaning of the provisions of Sections 73 and 76 or any other relevant provisions of the Companies Act, 2013, also the company does not have any unclaimed deposits.

(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 and according to the books and records as produced and examined by us, in our opinion:

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess, Goods and Services Tax and other material statutory dues as applicable to it with the appropriate authorities.

(vii) (b) There were no undisputed amounts payable in respect of 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 in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(vii) (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax and Value Added Tax as on March 31, 2020 on account of dispute.

(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 banks. The Company has not borrowed from financial institutions and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised any monies by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material 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 177 and 188 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) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(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 directors of its subsidiary or joint venture company or persons connected with them 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 & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
UDIN: 20102637AAAABJ1299

Place: Mumbai
Date: 11 June 2020

Standalone Statement of Assets and Liabilities

as at 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
I NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	3	817.55	680.33	436.96
(b) Right of Use Assets	43	70.15	-	-
(c) Capital Work-in-Progress		217.51	28.27	23.96
(d) Intangible Assets	4	47.66	59.70	0.40
(e) Financial Assets				
(i) Investments	5	46.50	2.26	1.98
(ii) Other Financial Assets	6	3.96	3.51	3.08
(f) Income Tax Assets (Net)	7	15.49	15.41	0.05
(g) Other Non-current Assets	8	237.06	111.50	83.52
Total Non- Current Assets		**1,455.88**	**900.98**	**549.95**
II CURRENT ASSETS				
(a) Inventories	9	581.70	548.99	351.04
(b) Financial Assets				
(i) Investments	10	105.60	-	29.58
(ii) Trade Receivables	11	938.06	855.65	593.91
(iii) Cash and Cash Equivalents	12a	291.90	57.26	6.08
(iv) Bank Balances other than cash and cash equivalents	12b	980.17	2.62	2.62
(v) Other Financial Assets	13	52.92	12.95	8.78
(c) Other Current Assets	14	276.63	106.38	40.68
Total Current Assets		**3,226.98**	**1,583.85**	**1,032.69**
Total Assets		**4,682.86**	**2,484.83**	**1,582.64**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	101.51	44.00	44.00
(b) Other Equity	16	2,733.23	1,159.38	808.71
Total Equity		**2,834.74**	**1,203.38**	**852.71**
LIABILITIES				
I Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	339.60	6.73	12.87
(b) Deferred Tax Liability (Net)	18	5.40	18.12	20.87
(c) Provisions	19	16.26	17.51	2.96
Total Non Current Liabilities		**361.26**	**42.36**	**36.70**
II Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	270.52	51.26	174.64
(ii) Trade Payables				
Total outstanding dues of Small Enterprises and Micro enterprises	21	51.28	46.17	20.15
Total outstanding dues of creditors other than small enterprises and micro enterprises	21	918.59	1,013.54	396.10
(iii) Other Financial Liabilities	22	161.87	103.87	76.56
(b) Provisions	23	6.66	6.02	2.03
(c) Current Tax Liabilities (net)	24	36.61	-	14.40
(d) Other Current Liabilities	25	41.33	18.23	9.35
Total Current Liabilities		**1,486.86**	**1,239.09**	**693.23**
Total Equity and Liabilities		**4,682.86**	**2,484.83**	**1,582.64**

Note:

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

In terms of our report attached.

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Standalone Statement of Profit and Loss

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	26	6,000.94	5,159.18
II	Other Income	27	36.31	12.66
III	**Total Income (I + II)**		**6,037.25**	**5,171.84**
IV	**EXPENSES**			
(a)	Cost of materials consumed	28	3,692.64	3,552.25
(b)	Changes in inventories of finished goods and work-in-progress	29	24.38	(159.59)
(c)	Employee benefits expense	30	371.34	274.23
(d)	Finance costs	31	36.78	32.68
(e)	Depreciation and amortization expenses	32	168.52	121.87
(f)	Other expenses	33	862.52	715.89
Total Expenses			**5,156.18**	**4,537.33**
V	**Profit before tax (III - IV)**		**881.07**	**634.51**
VI	**Tax Expense**			
	Current tax charge	34	238.01	178.44
	Deferred tax	34	(12.16)	(1.83)
	Total Tax Expense		**225.85**	**176.61**
VII	**Profit for the year (V - VI)**		**655.22**	**457.90**
VIII	Other comprehensive Income			
(i)	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(2.81)	(3.21)
(ii)	Income tax relating to items that will not be reclassified to profit or loss		0.56	0.92
Total Other Comprehensive income			**(2.25)**	**(2.29)**
IX	**Total comprehensive income (VII + VIII)**		**652.97**	**455.61**
X	**Earnings per equity share (in Rs.)**	35		
	Basic		13.48	9.46
	Diluted		13.28	9.46

Note:
The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Standalone Statement of Changes in Equity

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

(A) EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at 1st April, 2018	**2,20,00,000**	**44.00**
Changes in equity share capital during the year	-	-
As at 31st March, 2019	**2,20,00,000**	**44.00**
Bonus shares issued during the year (refer note 15.2)	2,64,00,000	52.80
Fresh Issue during the year (refer note 15.3)	23,52,920	4.71
As at 31st March, 2020	**5,07,52,920**	**101.51**

(B) OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	
Balance as at 1st April, 2018	**156.00**	**-**	**652.71**	**808.71**
Profit for the year	-	-	457.90	457.90
Actuarial loss	-	-	(2.29)	(2.29)
Dividend paid on equity shares (including Dividend Distribution Tax)	-	-	(104.94)	(104.94)
Balance as at 31st March, 2019	**156.00**	**-**	**1,003.38**	**1,159.38**
Profit for the year	-	-	655.22	655.22
Share based payment expenses	-	4.87	-	4.87
Actuarial loss	-	-	(2.25)	(2.25)
Dividend paid on equity shares (including Dividend Distribution Tax)	-	-	(26.48)	(26.48)
Capitalisation on account of Bonus Issue	-	-	(52.80)	(52.80)
Premium on fresh issue of Equity Shares (refer note 15.3)	995.29	-	-	995.29
Balance as at 31st March, 2020	**1,151.29**	**4.87**	**1,577.07**	**2,733.23**

Note:
The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Standalone Statement of Cash Flow

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash flows from operating activities		
Profit before tax	**881.07**	**634.51**
Adjustments for:		
Loss / (Profit) on sale of property, plant and equipment (net)	0.42	(0.01)
Provision for expected credit loss recognized on trade receivables	0.60	-
Depreciation and amortization expenses*	168.52	122.64
Written down of Inventory to net realisable value	4.93	16.07
Finance Costs	36.78	32.68
Dividend Income	(0.73)	(4.80)
Interest Income	(14.58)	(5.64)
Employees Compensation Expense	4.63	-
Provision/Write off of doubtful advances	1.20	-
Deemed income (investment)	(0.31)	(0.28)
Net foreign exchange loss/(gain)	(19.99)	4.88
Net gain arising on financial assets measured at fair value through profit/loss	0.21	(0.01)
Operating profit before working capital changes	**1,062.75**	**800.04**
Changes in:		
Trade Receivables and other assets	(217.88)	(362.17)
Inventories	(37.65)	(214.02)
Trade Payable and other liabilities	(68.27)	694.85
Cash generated from operations	**738.95**	**918.70**
Income taxes paid (net of refunds)	(201.48)	(203.20)
Net cash flow generated from operating activities	**537.47**	**715.50**
B. Cash flows from investing activities		
Net (Investment)/Proceeds on sales in financial assets - Mutual Fund	(105.60)	30.01
Investment in joint venture	(43.93)	-
Dividend Received	0.73	4.80
Interest Received	13.00	4.46
Payments for property, plant and equipment and intangible assets	(759.71)	(440.21)
Proceeds from disposal of property, plant and equipment	0.83	0.01
Increase in earmarked and margin account (net)	(977.79)	(0.23)
Net cash flow used in investing activities	**(1,872.47)**	**(401.16)**

Standalone Statement of Cash Flow (Contd...)

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
C. Cash flows from financing activities		
Proceeds from / (Repayment of) short term borrowing (net)	249.40	(148.82)
Receipt of loan from related parties	(30.15)	386.36
(Repayment) of loan from related parties	-	(360.92)
Proceeds from long-term borrowings	403.67	3.23
(Repayment) of long-term borrowings	(12.58)	(11.80)
Interest paid	(34.21)	(21.39)
Issue of Share Capital	4.71	-
Share Premium Received	995.29	-
Dividend paid on equity shares	(26.48)	(104.94)
Net cash flow generated from / (used in) financing activities	**1,549.65**	**(258.28)**
Net increase in cash and cash equivalents (A+B+C)	**214.65**	**56.06**
Opening Cash and cash equivalents	**57.26**	**6.08**
Effects of exchange rate changes on the balance of cash & cash equivalents held in foreign currencies	19.99	(4.88)
Closing Cash and cash equivalents	**291.90**	**57.26**

*Includes rent on lease hold land

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (Ind AS 7) – Statement of Cash flow.
2. Figures in bracket indicate cash outgo.
3. Additions to property, plant and equipment and intangible assets include movements in capital work-in-progress during the year.

The accompanying notes 1 to 52 are an integral part of the Standalone Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Notes Accompanying the Standalone Financial Statements

for the year ended 31st March, 2020

1. CORPORATE INFORMATION

Rossari Biotech Limited ('the Company') was incorporated in the year 2009, having Corporate Identity Number U24100MH2009PLC194818. The Company has its registered office at 201-A & B, Ackruti Corporate Park, LBS Marg, Next to GE Garden, Kanjurmarg (West), Mumbai – 400078. The Company is engaged in manufacturing of specialty chemicals. The Company's products cater to global brands in the FMCG sector and find applications in a host of consumer-centric products and home and personal care products, textile chemicals and pet cosmetic products.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliances and Basis of Preparation

a) The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 'First time adoption of Indian Accounting standards'. Reconciliations and descriptions of the effect of the transition have been summarized in Note 52.

These Ind AS Financial Statements comprise Standalone Statement of Assets and Liabilities as at 31st March, 2020, as at 31st March, 2019 and as at 1st April, 2018, Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March, 2020 and year ended 31st March, 2019, Standalone Statement of Cash Flows, the Statement of Changes in Equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

b) The aforesaid Financial Statements for the year ended 31st March, 2020 and for the year ended 31st March, 2019 have been prepared by the Company in accordance with the recognition and measurement principles of Indian Accounting Standard (as applicable), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. These Standalone Financial Statements were approved by the Company's Board of Directors and authorized for issue on June 11, 2020.

c) The Financial Statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and Liabilities are classified as Current or Non-Current as per the provisions of Schedule III to the Companies Act, 2013 and Company's Normal Operating Cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

d) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note e. Accounting Estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

e) Critical estimates and judgements

Useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. Their reassessments may result in change in the depreciation /amortization expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and ongoing discussions with the Customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

Revenue from Contracts with Customers:

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in Million.

The principal accounting policies are set out below.

ii. Revenue Recognition

a) Sale of Goods:

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

b) Export Incentive:

Income from export incentives such as duty drawback and MEIS are recognized on an accrual basis.

c) Dividend and Interest Income:

Dividend income from investments is recognized when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii. Property, Plant & Equipment

Property, Plant & 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 & 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 & 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.

The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain/loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value of the asset and is recognized in Profit and Loss.

iv. Intangible Assets

The useful life of intangible assets is assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are carried at cost and amortized on a Straight-Line Basis so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

a) Copyright & Patent:

The expenditure incurred is amortized over the estimated period of benefit, not exceeding six years commencing with the year of purchase.

b) Computer Software:

The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

v. Research & 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.

vi. 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 recognized, 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

vii. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are value at the lower of cost or net realizable value.

Cost is determined based on the First in First Out (FIFO) method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realizable value whichever is lower. Stores, spares and consumables other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

viii. Equity Investment in Subsidiaries

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

ix. Acquisition of interest in Joint Venture

Acquisition of interest in a joint venture, is initially recognized at cost. Any excess of the cost of the investment over the Group's share of fair value of identifiable assets and liabilities of the investee is regarded as goodwill, which is included in the carrying value of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after re-assessment, is recognized in equity as capital reserve in the period in which the investment is acquired.

x. Employee Benefits

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

For defined plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

xi. Foreign Exchange Transactions and Translations

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognized in Profit and Loss in the period in which they arise.

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.

All derivative contracts are marked to- market and losses/gains are recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

xii. Taxation

Income tax expense represents the sum of the current tax currently payable and deferred tax.

a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c) Current and Deferred Tax for the year

Current and Deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

xiii. Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalized as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortized using effective interest rate method over the period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

xiv. Leases

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

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 1, 2019 Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

xvi. Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through Profit or Loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss is recognized immediately in Profit and Loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Profit and Loss. Any gain and loss on derecognition are recognized in Profit and Loss.

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

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in Profit and Loss. Dividend income received on such equity investments are recognized in Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Profit and Loss.

a) Financial assets at Fair value through Profit & loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend of financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

b) Impairment of Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impairment financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

c) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than its entirety, (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

d) Foreign Exchange Gains & Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measure at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

e) Financial liabilities and equity instruments

i. Classification as debt or equity

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

ii. Equity Instruments

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit of loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii. Compound Financial Instruments

The component parts of compound financial instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instruments' maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

iv. Financial Liabilities

All financial liabilities are subsequently measure at amortised cost or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measure at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance cost' line item.

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

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

xvii. Dividend Distribution

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

xviii. Use of Estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) **Critical accounting judgments and key source of estimation uncertainty:**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

xix. Earnings per share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

xx. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 30.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(Currency: Indian Rupees in Million, unless stated otherwise)

3. PROPERTY, PLANT AND EQUIPMENT

	Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer System	Total
(I)	**Gross Carrying Amount (Deemed Cost)**								
	Balance as at 1st April, 2018	**101.23**	**141.18**	**170.56**	**5.96**	**16.20**	**0.81**	**1.02**	**436.96**
	Additions during the year	-	105.12	210.29	18.44	7.66	7.81	3.72	353.04
	Disposals/ Reclassifications during the year	-	-	-	-	-	-	(0.02)	(0.02)
	Balance as at 31st March, 2019	**101.23**	**246.30**	**380.85**	**24.40**	**23.86**	**8.62**	**4.72**	**789.98**
	Additions during the year	-	171.78	108.61	0.86	7.03	3.94	1.95	294.17
	Disposals	-	-	(1.74)	-	(0.53)		-	(2.27)
	Reclassifications during the year	-	-	(0.53)	-	-	0.53	-	-
	Balance as at 31st March, 2020	**101.23**	**418.08**	**487.19**	**25.26**	**30.36**	**13.09**	**6.67**	**1,081.88**
(II)	**Accumulated depreciation**								
	Balance as at 1st April, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation expense for the year	-	11.11	83.47	5.03	5.90	2.08	2.08	109.67
	Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	-	(0.02)	(0.02)
	Balance as at 31st March, 2019	**-**	**11.11**	**83.47**	**5.03**	**5.90**	**2.08**	**2.06**	**109.65**
	Depreciation expense for the year	-	21.38	115.88	5.26	6.82	4.05	2.32	155.71
	Eliminated on disposal of asset	-	-	(0.77)	-	(0.26)	-	-	(1.03)
	Reclassifications	-	-	(0.16)	-	-	0.16	-	-
	Balance as at 31st March, 2020	**-**	**32.49**	**198.42**	**10.29**	**12.46**	**6.29**	**4.38**	**264.33**
(III)	**Net Carrying amount(I-II)**								
	Balance as at 31st March, 2019	101.23	235.19	297.38	19.37	17.96	6.54	2.66	680.33
	Balance as at 31st March, 2020	**101.23**	**385.59**	**288.77**	**14.97**	**17.90**	**6.80**	**2.29**	**817.55**

Notes:

Term loans of INR 398.77 million from banks are secured by first pari passu charge created by mortgage of plant and equipment and immovable properties (including Capital Work in Progress) located at Dahej.

4. INTANGIBLE ASSETS

	Particulars	Computer Software	Copyright & Patent	Total
(I)	**Gross Carrying Amount**			
	Balance as at 1st April, 2018	**0.40**	**-**	**0.40**
	Additions during the year	-	71.50	71.50
	Deductions during the year	-	-	-
	Balance as at 31st March, 2019	**0.40**	**71.50**	**71.90**
	Additions during the year	-	-	-
	Deductions during the year	-	-	-
	Balance as at 31st March, 2020	**0.40**	**71.50**	**71.90**
(II)	Accumulated amortization			
	Balance as at 1st April, 2018	**-**	**-**	**-**
	Amortization expense for the year	0.28	11.92	12.20
	Deductions for the year	-	-	-
	Balance as at 31st March, 2019	**0.28**	**11.92**	**12.20**
	Amortization expense for the year	0.12	11.92	12.04
	Deductions for the year	-	-	-
	Balance as at 31st March, 2020	**0.40**	**23.84**	**24.24**
(III)	Net Carrying amount(I-II)			
	Balance as at 31st March, 2019	**0.12**	**59.58**	**59.70**
	Balance as at 31st March, 2020	**-**	**47.66**	**47.66**

Notes:

The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

(Currency: Indian Rupees in Million, unless stated otherwise)

5. INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At Amortized Cost:						
Investment in Equity Instruments (unquoted)						
- In subsidiary						
Equity Shares – Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	1000	1.98	1000	1.98	1000	1.98
Deemed Investment	-	0.59	-	0.28	-	-
- Investments in Equity Instruments of						
Joint Venture						
Equity Shares - Buzil Rossari Pvt Ltd	4,392,918	43.93	-	-	-	-
Total Investment (Non-Current)	**4,393,918**	**46.50**	**1000**	**2.26**	**1000**	**1.98**
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate amount of unquoted investments;	-	46.50	-	2.26	-	1.98
Aggregate amount of impairment in value of investments.	-	-	-	-	-	-

6. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Financial Assets at Amortized Cost:			
(unsecured, considered good unless otherwise stated)			
Fixed Deposit with more than 12 months maturity (refer note below)	3.56	3.32	3.08
Interest Accrued	0.40	0.19	--
Total Other Financial Assets (Non-Current)	**3.96**	**3.51**	**3.08**

Notes:

Deposits are earmarked with Electricity authority INR 1.85 (31st March 2019 - 1.85).

7. INCOME TAX ASSETS (NET) (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance Income Tax (net off Provision for Tax of 329.44 (31st March 2019 – 329.44))	15.49	15.41	0.05
Total Income Tax Assets (Net) (Non-current)	**15.49**	**15.41**	**0.05**

8. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Capital advances	236.78	36.08	7.57
Balance with government authorities	-	5.01	5.01
Prepaid Expenses	0.28	70.41	70.94
Total Other Non-Current Assets	**237.06**	**111.50**	**83.52**

(Currency: Indian Rupees in Million, unless stated otherwise)

9. INVENTORIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Raw Materials (Including in transit of 24.06 (31st March, 2019 - 32.98))	303.52	266.06	258.81
Packing Materials	76.83	54.30	26.87
Work-in-progress	4.81	11.37	6.40
Finished goods	195.64	213.46	58.84
Consumables, stores and spares	0.90	3.80	0.12
Total Inventories	**581.70**	**548.99**	**351.04**

Notes:

9.1. The cost of Inventories recognized as an expense during the year was 3,970.46 (31st March 2019 – 3,768.30), including in respect of write down of inventories to net realizable value 4.91 (31st March 2019 - 16.07).

9.2. The Company has availed credit facilities from banks which are secured interalia by hypothecation of inventories.

9.3. The mode of valuation of inventories is stated in sub note vii of Note 2.

10. INVESTMENTS (CURRENT)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
At Fair value through Profit or loss						
Investment in Mutual Funds (Quoted)						
HDFC Balance fund - Growth - Regular Plan	-	-	-	-	2,02,924	29.58
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan – Growth	4,32,544.66	10.06	-	-	-	-
HDFC Liquid Fund – Growth	2,594.82	10.08	-	-	-	-
HDFC Liquid Fund - Daily Dividend Reinvest	83,804.85	85.46	-	-	-	-
Total Investments (Current)	**5,18,944.33**	**105.60**	**-**	**-**	**2,02,924**	**29.58**
Aggregate amount of quoted investments and market value thereof		105.60	-	-	-	29.58
Aggregate amount of unquoted investments;	-	-	-	-	-	-
Aggregate amount of impairment in value of investments.	-	-	-	-	-	-

11. TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured:			
Considered good	938.06	855.65	593.91
Considered doubtful	4.58	3.98	3.98
Receivables with Significant increase in credit risk	-	-	-
Credit impaired	-	-	-
	942.64	**859.63**	**597.89**
Less: Allowance for Expected Credit Losses	(4.58)	(3.98)	(3.98)
Total	**938.06**	**855.65**	**593.91**

Notes:

11.1. Refer Note 41 for receivables outstanding from Related Parties.

11.2. Refer Note 46 for disclosures related to credit risk and Note 47 for impairment of trade receivables under expected credit loss model and related disclosures.

11.3 Provision is made for doubtful debt based on lifetime expected credit loss method as specified under simplified approach.

11.4 Trade receivables are hypothecated to banks against working capital facility.

(Currency: Indian Rupees in Million, unless stated otherwise)

12A.CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash and cash Equivalents			
Balances with banks	18.05	37.98	1.92
Cheques, drafts on hand	0.18	-	-
Cash on hand	1.70	1.04	0.94
Fixed deposits with maturity of less than 3 months	267.63	15.30	1.16
Others*	4.34	2.94	2.06
Total Cash and cash Equivalents	**291.90**	**57.26**	**6.08**

*Others include imprest given to employees

12B.BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Bank Balances other than cash and cash equivalents			
- Fixed Deposits with maturity greater than 3 months	980.17	2.62	2.62
Total Bank Balances other than cash and cash equivalents	**980.17**	**2.62**	**2.62**

13. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
At Amortized Cost:			
Security & Business Deposits	11.48	7.93	8.23
Accrued interest	2.46	1.09	0.11
Others (including employee loans and IPO Expenses) *	38.86	3.93	0.44
Measured at fair value through Profit & Loss:			
Derivative instruments	0.12	-	-
Total Other Financial Assets (Current)	**52.92**	**12.95**	**8.78**

*Loans given to employees as per the company policy are not considered for the purpose of disclosure under Section 186 (4) of the Companies Act 2013.

Includes IPO Expense aggregating to INR 37.89 Million, to be set off against Security Premium on completion of IPO.

Notes:
Refer Note 46 for disclosures related to credit risk and Note 47 for impairment under expected credit loss model and related financial instrument disclosures.

14. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Balances with Government Authorities	132.29	75.33	19.96
Prepaid expenses	4.15	2.78	3.83
Advance paid to supplier	137.74	27.77	15.91
Others*	2.45	0.50	0.98
Total Other Current Assets	**276.63**	**106.38**	**40.68**

*Others include Royalty

(Currency: Indian Rupees in Million, unless stated otherwise)

15. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorized:						
Equity shares of Rs.2 each (refer note 15.1)	6,00,00,000	120.00	2,50,00,000	50.00	2,50,00,000	50.00
Total	**6,00,00,000**	**120.00**	**2,50,00,000**	**50.00**	**2,50,00,000**	**50.00**
Issued, Subscribed and Paid-up:						
Equity shares of Rs.2 each	5,07,52,920	101.51	2,20,00,000	44.00	2,20,00,000	44.00
Total Equity Share Capital	**5,07,52,920**	**101.51**	**2,20,00,000**	**44.00**	**2,20,00,000**	**44.00**

Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening balance (refer note 15.1)	Bonus Issue (refer note 15.2)	Fresh Issue (refer note 15.3)	Closing balance
Equity Shares:				
Year Ended 31st March, 2020				
No. of Shares	**2,20,00,000**	**2,64,00,000**	**23,52,920**	**5,07,52,920**
Amount	**44.00**	**52.80**	**4.71**	**101.51**
Year Ended 31st March 2019				
No. of Shares	**2,20,00,000**	**-**	**-**	**2,20,00,000**
Amount	**44.00**	**-**	**-**	**44.00**

Rights, preferences & restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares held	% shareholding	No. of shares held	% shareholding	No. of shares held	% shareholding
Equity shares:						
Mr. Edward Menezes	2,13,68,820	42.10%	97,63,100	44.38%	97,63,100	44.38%
Mr. Sunil Chari	2,13,39,320	42.05%	97,63,100	44.38%	97,63,100	44.38%
Rossari Biotech (India) Private Limited	30,16,200	5.94%	13,71,000	6.23%	13,71,000	6.23%

Notes:

15.1 The board of Directors of the Company at its meeting held on 12th November 2019 had approved to split the equity shares of the Company from Face Value of Rs. 10 per share to Face Value of Rs. 2 per share and to increase the authorised share capital of the Company to Rs. 12,00,00,000. As a result of this:

a. The authorized share capital of the company was revised and increased from 50,00,000 equity shares of nominal value of Rs. 10 each to 6,00,00,000 equity shares of Rs. 2 each;

b. the issued and subscribed shares were increased from 44,00,000 shares to 2,20,00,000 shares; and

15.2 Further the shareholders of the Company at its meeting held on 2nd December 2019, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, approved a sum of Rs. 5,28,00,000 be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 2,64,00,000 Equity shares of Rs. 2/- each credited as fully paid to the Equity Shareholders in the proportion of 6 (Six) Equity share for every 5(Five) Equity shares.

15.3 Further,pursuant to Section 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there underand as per the approval of the Members of the Company, the Board of Directors of the Company at their meeting held on 27th February, 2020 alloted 23,52,920 Equity Shares of the Face Value of Rs. 2/- each, at the issue price of Rs. 425/-each including a premium of Rs. 423/- each on preferential basis by way of a private placement.

(Currency: Indian Rupees in Million, unless stated otherwise)

16. OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securities premium	1,151.29	156.00	156.00
Employee Stock Options Outstanding (Refer Note 16.1)	4.87	-	-
Retained earnings	1,577.07	1,003.38	652.71
Total Other Equity	**2,733.23**	**1,159.38**	**808.71**

Movement in Reserves

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securities Premium			
Balance as at the beginning of the year	156.00	156.00	156.00
Add: Additions during the year (refer note no. 15.3)	995.29	-	-
Less: Deletions during the year	-	-	-
Balance as at the end of the year	**1,151.29**	**156.00**	**156.00**
Employee Stock Options Outstanding (refer note 16.1)			
Balance as at the beginning of the year	-	-	-
Add: Additions during the year	4.87	-	-
Less: Deletions during the year	-	-	-
Balance as at the end of the year	**4.87**	**-**	**-**
Retained Earnings			
Balance as at the beginning of the year	1,003.38	652.71	652.71
Add: Profit during the year	655.22	457.90	-
Less: Dividend including tax thereon	(26.48)	(104.94)	-
Less: Capitalised as Bonus	(52.80)	-	-
Less: Actuarial gain/(loss) during the year	(2.25)	(2.29)	-
Balance as at the end of the year	1,577.07	1,003.38	652.71
Total	**2,733.23**	**1,159.38**	**808.71**

Description of Nature and purpose of other equity:

Retained earnings:

Retained earnings represent the surplus during the year to be retained in business and not for appropriation.

Employee Stock Options Outstanding:

Employee Stock Options Outstanding represents reserve towards the premium for the equity shares to be issued against the options granted.

Securities Premium:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

16.1 Further, The Company has granted 7,05,000 (Seven Hundred and Five Thousand) Employee Stock Options under Rossari Employee Stock Option Plan – 2019 to its identified employees. This grant is effective from 12th December, 2019. These shall vest as per the vesting schedule approved by the Board and Nomination & Remuneration Committee and can be exercised over the exercise period as approved in the meeting held on 12th December, 2019.

(Currency: Indian Rupees in Million, unless stated otherwise)

17. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Carried at Amortized Cost:			
Secured loans – From Banks			
Vehicle Loans	-	6.73	12.87
Term Loans	339.60	-	-
Total Borrowings (Non-current)	**339.60**	**6.73**	**12.87**

Notes:

17.1. Term loans are secured by first pari passu charge created by mortgage of plant and equipment and immovable properties (including Capital Work in Progress) located at Dahej.

17.2. Vehicle loans were secured by way of hypothecation of underlying vehicles.

17.3. Current maturities in respect of long-term borrowings have been included in Note 22.

Term loan outstanding as at 31st March, 2020 (INR in million)	Rate of interest (p.a.)	Repayment Terms
Secured		
Term loans from banks INR 217.40	8.70 %	60 Monthly Installments w.e.f. November 2020
Term loans from banks INR 186.15	12M MCLR +0.15 %	20 Quarterly Installments w.e.f. December 2020

Term loan outstanding as at 31st March, 2020 (INR in million)	Rate of interest (p.a.)	Repayment Terms
Secured		
Vehicle Loans	9.10 %	60 Monthly Installments

Reconciliation of borrowings outstanding at the beginning and end of the year:

Borrowings movement	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Noncurrent	Current	Noncurrent	Current
Balance as at beginning of the year (including current maturities)	6.73	5.86	12.87	8.28
Cash Flow (Repayment)/ Proceeds	337.77	53.31	(6.14)	(2.42)
Non cash changes				
Amortised borrowing cost	(4.90)	-	-	-
Balance as at end of the year (including current maturities)	**339.60**	**59.17**	**6.73**	**5.86**

18. DEFERRED TAX LIABILITY (NET) (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred Tax Liability	5.40	18.12	20.87
Total Deferred Tax Liability (Net) (Non-current)	**5.40**	**18.12**	**20.87**

(Currency: Indian Rupees in Million, unless stated otherwise)

Movement in Deferred Tax balances:

Particulars	For the year ended 31st March, 2020			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities:				
a) Allowances on property, plant & equipment and other assets	(28.42)	13.56	-	(14.86)
Tax effect of items constituting deferred tax assets:				
b) Allowances for credit losses	1.16	(0.01)	-	1.15
c) Provision for employee benefits	4.86	(1.66)	0.56	3.76
d) Others	4.28	0.27	-	4.55
Net Tax Asset/(Liability)	**(18.12)**	**12.16**	**0.56**	**(5.40)**

Particulars	For the year ended 31st March, 2019			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities:				
a) Allowances on property, plant & equipment and other assets	(28.78)	0.36	-	(28.42)
Tax effect of items constituting deferred tax assets:				
b) Allowances for credit losses	1.23	(0.07)	-	1.16
c) Provision for employee benefits	3.32	0.62	0.92	4.86
d) Others	3.36	0.92	-	4.28
Net Tax Asset/(Liability)	**(20.87)**	**1.83**	**0.92**	**(18.12)**

19. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
Gratuity	9.93	12.78	1.65
Leave Encashment	6.33	4.73	1.31
Total Provisions (Non-current)	**16.26**	**17.51**	**2.96**

Notes:

For disclosures related to employee benefits, refer note 42

(Currency: Indian Rupees in Million, unless stated otherwise)

20. BORROWINGS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Carried at Amortized Cost:			
Secured loans			
Working Capital Loans from Banks (refer note 20.2 below)	19.41	21.12	169.94
Unsecured Loans			
From banks	251.11	-	-
From Related parties (refer note 41)	--	30.14	4.70
Total Borrowings (Current)	**270.52**	**51.26**	**174.64**

Notes:

20.1 The rate of interest ranges from 8.45 % to 8.50 %

20.2 Working capital facilities are secured by first pari passu charge created by hypothecation of current assets.

21. TRADE PAYABLES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total outstanding dues of Small Enterprises and Micro enterprises	51.28	46.17	20.15
Total outstanding dues of creditors other than small enterprises and micro enterprises (refer note 41 for payables to related parties)	918.59	1,013.54	396.10
Total Trade Payables (Current)	**969.87**	**1,059.71**	**416.25**

Micro, Small, Medium Enterprises Disclosure

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Dues remaining unpaid:			
Principal	51.28	46.17	20.15
Interest	0.55	1.21	0.26
Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") along with the amount of payment made to the supplier beyond the appointed day during the year			
- Principal paid beyond the appointed date	106.46	218.52	20.15
- Interest paid in terms of Section 16 of the Act	-	-	-
Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	3.95	6.55	1.56
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	4.50	7.76	1.82
Amount of interest accrued and remaining unpaid	12.26	7.76	1.82

(Currency: Indian Rupees in Million, unless stated otherwise)

22. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Measured at Amortized Cost:			
Security Deposits	32.89	30.16	30.30
Current maturities of Long-term Debts (refer note 17)	59.17	5.86	8.28
Creditors for capital goods & services	55.59	55.37	37.47
Interest Accrued	13.86	11.30	--
Others *	0.36	1.18	0.51
Total Other Financial Liabilities (Current)	**161.87**	**103.87**	**76.56**

* Refer Note 41 for payable to Related Parties.

23. PROVISIONS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
- Gratuity	4.97	3.90	1.21
- Leave Encashment	1.69	2.12	0.82
Total Provisions (Current)	**6.66**	**6.02**	**2.03**

Notes:

For disclosures related to employee benefits, refer note 42

24. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for tax (net of Advance Income Tax of 201.40 (31st March, 2019 – Nil)	36.61	-	14.40
Total Current Tax Liabilities (Net)	**36.61**	**-**	**14.40**

25. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
i. Advances received from customers	16.29	1.53	4.08
ii. Statutory dues			
- Taxes Payable	9.33	5.88	3.70
- GST Payable	14.02	9.50	0.44
- Employee Liabilities	1.69	1.32	1.13
Total Other Current Liabilities	**41.33**	**18.23**	**9.35**

(Currency: Indian Rupees in Million, unless stated otherwise)

26. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers:		
Sale of products	5,981.74	5,131.33
Other operating revenues:		
i. Royalty	4.04	2.79
ii. Others*	15.16	25.06
Total Revenue from operations	**6,000.94**	**5,159.18**

*Includes Export Incentives.

Notes:

26.1. Refer note 36 for geography wise revenue from contracts with customers

26.2. The Company is engaged in manufacturing of specialty chemicals. Effective 1st April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". In terms of Ind AS 115, the company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the company recognizes revenue at a point in time.

The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contract Price	6,012.12	5,135.24
Less: Discounts	30.38	3.91
Total	**5,981.74**	**5,131.33**

27. OTHER INCOME

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Interest Income:		
- On bank deposits	6.03	1.23
- On others	8.55	4.41
ii. Dividend Income	0.73	4.80
iii. Other non-operating income:		
- Net Gain on foreign currency transactions & translation	19.99	1.33
- Profit on Sales of Assets	-	0.01
- Profit on Sale of Mutual Funds/Shares	-	0.01
- Others	1.01	0.87
Total Other Income	**36.31**	**12.66**

(Currency: Indian Rupees in Million, unless stated otherwise)

28. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost of materials consumed:		
Opening Stock of Raw Materials, Packing materials, Consumable Stores and spares	324.16	285.81
Add: Purchases (Net)	3,749.73	3,590.60
Less: Closing Stock of Raw Materials , Packing materials, Consumable Stores and spares	381.25	324.16
Total Cost of materials consumed	**3,692.64**	**3,552.25**

29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock		
Work-in-progress	11.37	6.40
Finished Goods	213.46	58.84
Total	224.83	65.24
Less: Closing Stock		
Work-in-progress	4.81	11.37
Finished Goods	195.64	213.46
Total	200.45	224.83
Total Changes in inventories of finished goods and work-in-progress	**24.38**	**(159.59)**

30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages, including bonus	337.80	255.62
Contribution to provident and other funds	16.53	10.87
Equity-settled share-based payments	4.63	--
Workmen & Staff welfare expenses	12.38	7.74
Total Employee Benefits Expense	**371.34**	**274.23**

Share-based payments

The Company has introduced a Rossari Employee Stock Option Plan, 2019 (“ESOP 2019”) as approved at the Board Meeting held on 29th November, 2019. As per the ESOP 2019, the Board of directors at board meeting dated 12th December, 2019 granted ESOP’s to the eligible employees to acquire equity shares of the Company, that vests in a graded manner. The vested options can be exercised within two years from respective vesting date or the period as specified by Nomination & Remuneration Committee (NRC) as specified in the ESOP 2019. The number of options granted is calculated in accordance with the experience and performance- based formula approved by the Board and recommended by the NRC.

The Company has granted 7,05,000 (Seven Hundred and Five Thousand) Employee Stock Options under ESOP 2019 to its identified employees. This grant is effective from 12th December, 2019. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the meeting held on 12th December, 2019. Personnel Cost mentioned above includes INR 1.48 Million for the year towards the said grants

(Currency: Indian Rupees in Million, unless stated otherwise)

Information in respect of Options outstanding as on 31st March, 2020.

Particulars	Number of shares	Grant date	Vesting Date	Exercise Price	Fair value at Grant Date
Equity Settled					
ESOP 2019	1,41,000	12-12-2019	30-06-2021	475	44.60
ESOP 2019	1,41,000	12-12-2019	30-06-2022	475	63.64
ESOP 2019	1,41,000	12-12-2019	30-06-2023	475	80.66
ESOP 2019	2,82,000	12-12-2019	30-06-2024	475	96.08

Movement in Share Options

Borrowings movement	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Number of Shares	Weighted Average exercise price	Number of Shares	Weighted Average exercise price
The number and weighted average exercise prices of share options outstanding at the beginning of year	-	-	-	-
Granted during the year	7,05,000	475	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,05,000	475	-	-
Exercisable at the end of the year	-		-	-
Remaining contractual life (no of days)			-	-

The inputs used in the measurement of the fair values at grant date of the employee stock option plans (ESOPs) were as follows:

Grant Date	12/12/2019	12/12/2019	12/12/2019	12/12/2019
Exercise price per share (Rs.)	475	475	475	475
Share price on the date of grant*	425	425	425	425
Expected life of options (Years)	1.99	2.99	3.99	4.99
Volatility (% P.a.) #	20%	20%	20%	20%
Risk Free Rate of Return (%)	6.00%	6.40%	6.70%	6.90%
Dividend Yield (P.a)	1%	1%	1%	1%
Lapse Rates (P.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options Fair Value	44.60	63.64	80.66	96.08

The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

(Currency: Indian Rupees in Million, unless stated otherwise)

31. FINANCE COSTS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expense:		
(i) On Vehicle Loans	0.49	1.37
(ii) On working capital facilities	16.40	29.01
(iii) On term loan	4.44	-
(iv) Other Borrowing Cost	15.45	2.30
Total Finance Costs	**36.78**	**32.68**

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use in accordance with the Company policy which is when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short-term investments is also capitalised to reduce the total capitalised borrowing cost. The Company have capitalized interest amount of INR. 4.16 million in FY 19-20 (Previous Year-Nil)

Analysis of Interest Expense by category:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expenses:		
a) On financial liability at amortized cost	36.78	32.68

Notes:

31.1 The weighted average capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 8.95% (Previous year: Nil)

32. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on property, plant and equipment	155.71	109.67
Amortization on right of use asset	0.77	-
Amortization of intangible assets	12.04	12.20
Total Depreciation and amortization expenses	**168.52**	**121.87**

(Currency: Indian Rupees in Million, unless stated otherwise)

33. OTHER EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Factory Expenses	77.43	60.47
Freight Charges	147.19	161.29
Consumption of stores, spares and consumables	16.30	22.63
Repairs & Maintenance	25.43	33.85
Travelling & Conveyance	58.10	51.32
Clearing & Forwarding Charges	32.23	34.89
Selling & Distribution Expense	260.74	180.90
Exhibition, Conference & Seminars	46.61	28.52
Legal and Professional Fees	48.47	27.94
Rent	22.27	25.68
Loss on Sale of Mutual Fund	0.21	-
Loss on sale of Assets	0.42	-
Corporate Social Responsibility Expenditure (refer note 38)	14.35	4.29
Electricity Charges	17.39	12.58
Office Expenses	30.84	24.23
Insurance Charges	5.38	4.47
Donation	1.88	0.34
Provision for Expected credit loss	0.60	-
Payments to the Auditors as		
Statutory Audit Fees *	2.50	2.50
For Certification Matters	-	0.10
Sundry Debtors Written Off	1.20	-
Miscellaneous expenses	52.98	39.89
Total	**862.52**	**715.89**

* This fee does not include IPO related fee which has been accounted as Other Financial Assets under note 13.

34. INCOME TAX RECOGNIZED IN PROFIT OR LOSS

(a) Income Tax recognized in Profit & Loss

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Current Tax Charges:		
- In respect of current year	238.01	178.44
Total	**238.01**	**178.44**
B. Deferred Tax Credit:		
- In respect of current year origination and reversal of temporary differences	(12.16)	(1.83)
Total	**(12.16)**	**(1.83)**
Total (A+B)	**225.85**	**176.61**

(Currency: Indian Rupees in Million, unless stated otherwise)

(b) Income tax recognized in Other Comprehensive Income

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Current Tax:		
Total	**-**	**-**
ii. Deferred Tax:	-	-
Remeasurement of defined benefit obligations	0.56	0.92
Total	**0.56**	**0.92**
Classification of income tax recognized in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	0.56	0.92
Income taxes related to items that will be reclassified to profit or loss	-	-
Total	**0.56**	**0.92**

(c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit or loss is as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	881.07	634.50
Applicable Income tax rate	25.17%	29.12%
Expected income tax expense	221.76	184.77
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible	6.90	1.34
Effect of concessions (Research and development and other allowances)	-	(9.89)
Exempt income – Dividend	(0.18)	(1.40)
Profit on sale of mutual fund	-	*
Adjustments due to change in tax rate	(2.61)	(1.21)
Others**	(0.02)	3.01
Reported income tax expense	**225.85**	**176.61**

*Amount less than INR 10,000

**Includes tax effect of items of expenditure in respect of earlier years recognized during previous year

35. EARNING PER SHARE (EPS)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year	655.22	457.90
Weighted average no. of ordinary equity shares used in computing basic EPS	4,86,18,577	4,84,00,000
Basic EPS (face value of INR 2 per share)	**13.48**	**9.46**
Weighted average no. of ordinary equity shares used in computing diluted	4,93,23,577	4,84,00,000
Diluted EPS (face value of INR 2 per share)	**13.28**	**9.46**

(Currency: Indian Rupees in Million, unless stated otherwise)

Reconciliation of weighted average number of equity shares

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Weighted average number of equity shares used in the calculation of Basic EPS	4,86,18,577	4,84,00,000
Add: Effect of ESOPs	7,05,000	--
Weighted average no. of ordinary equity shares used in computing diluted	4,93,23,577	4,84,00,000

36. SEGMENT INFORMATION

The company deals in Specialty 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.

Geographical Revenue:

Sr. No	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Segment Revenue (Gross sales)		
(i)	India	5,338.59	4,440.66
(ii)	Outside India	662.35	718.52
	Total	**6,000.94**	**5,159.18**

The operating segments have been reported in a manner consistent with the internal reporting provided to Managing Director, who is the Chief Operating Decision Maker and responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. specialty chemicals.

The Company is not reliant on revenues from transactions with any single external customer and has only one customer who contributes to more than 10% of its revenues.

37. DETAILS OF RESEARCH & DEVELOPMENT

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue expenditure	55.53	38.62
Capital expenditure	44.13	29.29

38. DETAILS OF CSR EXPENDITURE

We firmly believe that we are a part of society & 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.

Gross amount required to be spent by the Company during the period is INR 8.19 million

Amount spent during the year:

Particulars	In cash	Other than cash	Total 31st March, 2020
Construction/Acquisition of any asset	-	-	-
On purpose other than above	14.35	-	14.35

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	In cash	Other than cash	Total 31st March, 2019
Construction/Acquisition of any asset	-	0.31	0.31
On purpose other than above	-	3.98	3.98

39. CONTINGENT LIABILITY AND COMMITMENTS

Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for INR 212.29 million.

40. DISCLOSURE OF INTEREST IN SUBSIDIARY AND JOINT VENTURE COMPANY

The Company has a wholly owned subsidiary, Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited) which was engaged in the business of manufacturing, exporting and importing specialty chemicals, dyes, etc. upto 31st March 2015. The Company has also acquired a Joint Venture (JV) company, Buzil Rossari Private Limited, engaged in the business of providing Trading of specialty chemicals.

Details of Company's subsidiary at the end of the reporting periods are as follows:

Name of the subsidiary	Principal Activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Company	Quoted (Yes/No)
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	Manufacturing of specialty chemicals	Mumbai	100%	No

Details of Company's Joint Venture Company at the end of the reporting periods are as follows:

Name of the Joint Venture	Principal Activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Company	Quoted (Yes/No)
Buzil Rossari Private Limited	Marketing and Distribution of specialty chemicals	Mumbai	60%	No

(Currency: Indian Rupees in Million, unless stated otherwise)

41. RELATED PARTY DISCLOSURES:

i. List of Related Parties:

a) Subsidiary Company

Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)

b) Joint Venture (w.e.f 30th September, 2019)

Buzil Rossari Private Limited (Earlier enterprise over which KMP is able to exercise significant influence)

c) Key Managerial Persons (KMP)

Mr. Sunil Chari (Managing Director) w.e.f. 26th September, 2019 (Earlier Whole-time Director)

Mr. Edward Menezes (Chairman) w.e.f. 26th September, 2019 (Earlier Managing Director)

d) Non-Executive Directors/Relatives of Directors

Mrs. Jyotishna Chari (Director up to 12th November, 2019)

Mrs. Anita Menezes (Director up to 12th November, 2019)

Mr. Yash Chari (Relative of director)

Mr. Mikhail Menezes (Relative of director)

e) Enterprises on which key managerial persons or their relatives are able to exercise significant influence

Rossari Biotech (India) Pvt. Ltd

Glad Properties (India) Pvt. Ltd

Rossari Manuchar (India) Pvt. Ltd

Rossari Speciality Chemicals Pvt. Ltd

(Currency: Indian Rupees in Million, unless stated otherwise)

ii. Transaction with related parties in ordinary course of business is given below:

Nature of Transaction	For the year ended 31st March, 2020					For the year ended 31st March, 2019				
	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
Remuneration:										
Mr. Sunil Chari	7.35	-	-	-	-	5.37	-	-	-	-
Mr. Edward Menezes	7.35	-	-	-	-	5.37	-	-	-	-
Sales:										
Buzil Rossari Private Limited	-	-	-	214.69	-	-	-	-	-	124.25
Royalty Income:										
Buzil Rossari Private Limited	-	-	-	4.04	-	-	-	-	-	2.79
Deemed Contribution:										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	0.31	-	-	-	-	0.28	-	-
Rent paid:										
Mr. Sunil Chari	1.55	-	-	-	-	2.48	-	-	-	-
Mrs. Jyotishna Chari	-	0.93	-	-	-		1.86	-	-	-
Mr. Edward Menezes	2.48		-	-	-	4.34		-	-	-
Glad Properties (India) Pvt. Ltd	-	-	-	-	0.49	-	-	-	-	0.84
Expenses Reimbursement										
Buzil Rossari Private Limited	-	-	-	14.18	-	-	-	-	-	--
Vehicle hire charges:										
Mr. Sunil Chari	0.07	-	-	-	-	0.14	-	-	-	-
Mr. Edward Menezes	0.07	-	-	-	-	0.14	-	-	-	-
Salary:										
Mr. Mikhail Menezes	-	5.09	-	-	-	-	3.55	-	-	-
Mr. Yash Chari	-	5.01	-	-	-	-	0.86	-	-	-
Dividend received:										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	-	-	-	-	-	4.80	-	-
Dividend paid:										
Mrs. Jyotishna Chari	-	0.48	-	-	-	-	1.91	-	-	-
Mr. Mikhail Menezes	-	0.08	-	-	-	-	0.30	-	-	-

(Currency: Indian Rupees in Million, unless stated otherwise)

Nature of Transaction	For the year ended 31st March, 2020					For the year ended 31st March, 2019				
	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
Mr. Yash Chari	-	0.08	-	-	-	-	0.30	-	-	-
Rossari Biotech India Private Limited	-	-	-	-	1.37	-	-	-	-	5.48
Mr. Sunil Chari	9.76		-	-	-	39.05		-	-	-
Mr. Edward Menezes	9.76		-	-	-	39.05		-	-	-
Mrs. Anita Menezes	-	0.48	-	-	-		1.91	-	-	-
Sitting fees:										
Mrs. Anita Menezes	-	0.10	-	-	-		0.06	-	-	-
Mrs. Jyotishna Chari	-	0.10	-	-	-		0.06	-	-	-
Interest payable:										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	1.98	-	-	-	-	3.90	-	-
Rossari Biotech India Private Limited	-	-	-	-	0.19	-	-	-	-	-
Interest receivable:										
Buzil Rossari Private Limited	-	-	-	8.41	-	-	-	-	-	5.07
Rossari Biotech India Private Limited	-	-	-	-		-	-	-	-	0.57
Commission paid:										
Buzil Rossari Private Limited	-	-	-	26.88	-	-	-	-	-	14.04
Loan given to :										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	0.63	-	-	-	-	-	-	-
Rossari Biotech India Private Limited	-	-	-	-	6.57	-	-	-	-	-
Rossari Manuchar (I) Pvt. Ltd	-	-	-	-	0.49	-	-	-	-	-
Buzil Rossari Private Limited	-	-	-	-	-	-	-	-	-	31.25

(Currency: Indian Rupees in Million, unless stated otherwise)

Nature of Transaction	For the year ended 31st March, 2020					For the year ended 31st March, 2019				
	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
Loan repaid by :										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	30.78		-	-	-	-	-	-
Rossari Biotech India Private Limited	-	-	-	-	6.57	-	-	-	-	-
Rossari Manuchar (I) Pvt. Ltd	-	-	-	-	0.49					
Buzil Rossari Private Limited	-	-	-	-	-	-	-	-	-	51.70
Purchase of Fixed Asset:										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	-	-	-	-	-	0.30		
Refund of Security Deposit:										
Glad Properties (India) Pvt. Ltd	-	-	-	-	1.50	-	-	-	-	-
Sunil Chari (Eden bungalow)	0.75					-	-	-	-	-
Jyotishna Chari (Eden bungalow)	-	0.75	-	-	-	-	-	-	-	-
Outstanding's:										
Receivables:										
Buzil Rossari Private Limited	-	-	-	59.04	-	-	-	-	-	71.39
Rossari Speciality Chemicals Pvt ltd	-	-	-	-	-	-	-	-	-	0.02
Payables:										
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	-	-	-	-	-	-	-	30.14	-	-
Security Deposits (Asset):										
Glad Properties (India) Pvt. Ltd	-	-	-	-	-	-	-	-	-	1.50
Sunil Chari (Eden bungalow)						0.75				
Jyotishna Chari (Eden bungalow)	-	-	-	-	-	-	0.75	-	-	-

Notes:

41.1. All Related Party Transactions entered during the year were in ordinary course of business.

41.2 All loans to related parties are repayable on demand along with prevailing market interest rate.

41.3. No Separate actuarial valuation is obtained for amount paid to Key Managerial personnel

(Currency: Indian Rupees in Million, unless stated otherwise)

42. EMPLOYEE BENEFITS

Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognized INR 7.78 million for the year ended 31 March, 2020, being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

Defined benefit plan

i. Gratuity plan

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the Profit & Loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

b) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

c) Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice

(Currency: Indian Rupees in Million, unless stated otherwise)

versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the payment of gratuity act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Gratuity as per actuarial valuation	Funded Plan Gratuity	
Particulars	As at 31st March, 2020	As at 31st March, 2019
I Expense recognized in the Statement of Profit and Loss for the year ended		
1. Current Service Cost	3.90	3.06
2. Interest cost on benefit obligation(Net)	1.06	0.94
3. Net value of Remeasurements on the obligation and plan assets	-	-
4. Past service cost and loss/(Gain) on curtailments and settlement	-	-
Total expenses included in employee benefits expense	**4.96**	**4.00**

II Recognized in other comprehensive income for the year	As at 31st March, 2020	As at 31st March, 2019
1. Actuarial (gains)/ losses arising from changes in financial	1.54	0.47
2. Actuarial (gains)/ losses arising from changes in experience adjustment	1.34	2.67
3. Actuarial (gains)/ losses arising from changes in demographic assumption	*	-
4. Return on plan asset	(0.06)	0.07
Recognized in other comprehensive income	**2.81**	**3.21**

*Amount less than INR 10,000

III Change in the present value of defined benefit obligation	As at 31st March, 2020	As at 31st March, 2019
1. Present value of defined benefit obligation at the beginning of the year	26.85	19.86
2. Current service cost	3.90	3.06
3. Interest cost/(Income)	1.81	1.39
4. Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	*	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	1.54	0.47
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	1.34	2.67
5. Past service cost	-	-
6. Benefits paid	(0.57)	(0.59)
7. Liabilities assumed/(settled)	-	-
Present value of defined benefit obligation at the end of the year	**34.86**	**26.85**

*Amount less than INR 10,000

(Currency: Indian Rupees in Million, unless stated otherwise)

IV	Change in fair value of plan assets during the year	As at 31st March, 2020	As at 31st March, 2019
	1. Fair value of plan assets at the beginning of the year	10.17	6.07
	2. Interest income	0.74	0.45
	3. Contribution by employer	9.56	4.30
	4. Benefits paid	(0.57)	(0.59)
	5. Remeasurements (gains)/ losses		
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
	(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
	6. Return on plan assets excluding interest income	0.06	(0.07)
	Fair value of plan assets at the end of the year	**19.96**	**10.17**

V	Net (Liability) recognized in the Balance Sheet as at	As at 31st March, 2020	As at 31st March, 2019
	1. Present value of defined benefit obligation	34.86	26.85
	2. Fair value of plan assets	19.96	10.17
	3. Surplus/(Deficit)	(14.90)	(16.69)
	4. Current portion of the above	(4.97)	(3.90)
	5. Noncurrent portion of the above	(9.93)	(12.78)

VI	Actuarial assumptions	As at 31st March, 2020	As at 31st March, 2019
	1. Discount rate	6.45%	7.20%
	2. 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
	3. Average salary escalation rate	10.00%	10.00%
	4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table	

VII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2020	As at 31st March, 2019
	1. Insurer managed funds*	100%	100%

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VIII	The expected contributions to the plan for the next annual reporting period	As at 31st March, 2020	As at 31st March, 2019
		(4.97)	(3.90)

(Currency: Indian Rupees in Million, unless stated otherwise)

IX	Quantitative sensitivity analysis for significant assumption is as below	As at 31st March, 2020	As at 31st March, 2019
	1. Discount rate varied by +0.5%	33.82	26.08
	2. Discount rate varied by -0.5%	35.97	27.67
	3. Salary growth rate varied by +0.5%	35.57	27.45
	4. Salary growth rate varied by -0.5%	34.14	26.27
	5. Withdrawal rate (W.R.) varied + 10%	34.58	26.61
	6. Withdrawal rate (W.R.) varied - 10%	35.17	27.12

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

X	Maturity profile of defined benefit obligation	As at 31st March, 2020	As at 31st March, 2019
	Year 1	6.55	3.44
	Year 2	3.40	4.94
	Year 3	3.11	2.81
	Year 4	3.12	2.39
	Year 5	2.93	2.52
	More than 5 years	15.32	11.95

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" in the statement of Profit and Loss account. The Remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The leave encashment expenses have been recognized as part of "Salaries and wages" in the statement of Profit and Loss account.

ii. Privilege Leave benefits Plan

The privilege Leave Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

The Privilege Leave benefits are classified as Other Long-term employee benefits as per Ind AS 19 and the accounting policy is outlined as follows.

Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these actuarial gains and losses immediately in the statement of profit and loss as income or expense.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Privilege Leave benefits liabilities of the company are unfunded.

There are no minimum funding requirements for a Privilege Leave benefits plans in India and there is no compulsion on the part of the Company to fully prefund the liability of the Plan.

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy devised for the plan.

The Actuarial Value of Defined Benefit Obligation calculated using the above stated assumptions is INR 8.02 Millions

(Currency: Indian Rupees in Million, unless stated otherwise)

This is the amount to be provided in the Balance Sheet as 'Provision towards Privilege Leave benefits Liability' as at 31-March-2020.

Bifurcation of Liability	31st March, 2020	31st March, 2019
Current liability	1.69	2.12
Non-current liability	6.33	4.73
Net liability	**8.02**	**6.85**

43. LEASES

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	31st March, 2020	31st March, 2019
Opening Balance	-	-
Reclassified on account of adoption of Ind AS 116	70.91	-
Additions	-	-
Deletions	-	-
Depreciation	0.76	-
Closing Balance	**70.15**	**-**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent expense recorded for short-term leases was INR 22.27 million for the year ended March 31, 2020.

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease ter. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease inventories. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measure at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(Currency: Indian Rupees in Million, unless stated otherwise)

Transition

Effective from 1st April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at end of the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset as at the date of initial application
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

44. CAPITAL MANAGEMENT

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management’s judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

Particulars	31st March, 2020	31st March, 2019
Short term debt	270.52	51.26
Long term debt	398.77	12.59
Total	**669.29**	**63.85**
Equity	2,834.74	1,203.38
Long term debt to equity	0.14	0.01
Total debt to equity	0.24	0.05

45. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company has formulated and implemented a policy on risk management, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analyzing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Company’s risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company’s business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks. For COVID related disclosures refer note 2 (i) e in our critical estimates and judgements.

(Currency: Indian Rupees in Million, unless stated otherwise)

Market Risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

Currency Risk

The company is exposed to exchange rate risk as certain portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/ decrease the Rupee value of debtors/ creditors. For exposure beyond natural hedge, the company uses foreign exchange derivatives such as foreign exchange forward contracts to minimize the risk.

The carrying amount of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	As at31st March, 2020		As at 31st March, 2019	
	Assets	Liabilities	Assets	Liabilities
USD	161.55	134.04	162.84	136.77
EURO	-	0.18	-	7.07

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

i. *Maturity profile of financial liabilities:*

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March, 2020					
Short term borrowings	**270.52**	**270.52**	**-**	**-**	**-**
Long term borrowings	339.60	-	159.51	159.51	20.58
Trade payables	969.87	969.87	-	-	-
Other Financial Liabilities	161.87	161.87	-	-	-
Total	**1,741.86**	**1,402.26**	**159.51**	**159.51**	**20.58**

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March 2019					
Short term borrowings	51.26	51.26	-	-	-
Long term borrowings	6.73	-	6.73	-	-
Trade payables	1,059.71	1,059.71	-	-	-
Other Financial Liabilities	103.87	103.87	-	-	-
Total	**1,221.57**	**1,214.84**	**6.73**	**-**	**-**

ii. *Financing Arrangements:*

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Working Capital facilities:		
- Expiring within one year	19.41	21.12
- Expiring beyond one year	-	-

46. CREDIT RISK MANAGEMENT

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The Company's exposures are continuously monitored and wherever necessary we take advances/Letter of Credits to minimize the risk.

47. TRADE RECEIVABLE AND ADVANCES

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on actual basis. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

Reconciliation of loss allowance for trade receivables:

Particulars	31st March, 2020	31st March, 2019
Balance as at beginning of the year	3.98	3.98
Additions during the year	0.60	-
Balance as at end of the year	4.58	3.98

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

48. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31st March 2020	USD	10%	2.75
	EURO	10%	(0.02)
Year ended 31st March 2019	USD	10%	2.61
	EURO	10%	0.71

(Currency: Indian Rupees in Million, unless stated otherwise)

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rate for both Term Loans & Working Capital loans.

The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase/ Decrease in basis points	Effect on Profit Before Tax
Year ended 31st March 2020	INR	+50	2.24
Year ended 31st March 2019	INR	+50	0.72

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

49. OFFSETTING OF BALANCES:

The Company has not offset financial assets and financial liabilities, unless permissible contractually.

50. COLLATERALS

The Company has long term loans and working capital loans which are secured mortgage of plant and equipment and immovable properties located at Silvassa & Dahej.

51. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

All financial liabilities and financial assets have no material impact.

(Currency: Indian Rupees in Million, unless stated otherwise)

Financial instruments measured using Fair Value.

Particulars	Carrying Value	Fair value (Level 2)	Valuation Technique
As at 31st March 2020			
Derivative investments	248.01	248.13	Quoted Market Price
Total	**248.01**	**248.13**	
Mutual Fund	105.45	105.60	Quoted Market Price
Total	**105.45**	**105.60**	
Year ended 31st March 2019			
Derivative investments	-	-	
Total	-	-	

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

52. STATEMENT OF RECONCILIATION BETWEEN INDIAN GAAP AND IND AS

First Time Ind AS Adoption:

(i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS of 1st April 2018 (the transition date) by:

a. recognizing all assets and liabilities whose recognition is required by Ind AS,

b. not recognizing items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS required under Ind AS, and

d. applying Ind AS in measurement of recognized assets and liabilities

A. Reconciliations of total comprehensive income for the year ended 31st March 2019, is summarized as follows:

Particulars	Notes	For the year ended 31st March, 2019
Profit after tax as reported under previous GAAP		454.61
Prior period expense		22.50
Amortization of prepaid expenses		(0.77)
Provision for employee benefits	(d)	(12.74)
Reclassification of Actuarial Losses arising in respect of employee benefit schemes to other comprehensive income	(d)	3.21
Deemed investments	(c)	0.28
Deferred tax Adjustments for above items		(9.19)
Profit after tax as reported under Ind AS		**457.90**
Other comprehensive income (including deferred tax impact thereon)		(2.29)
Total other comprehensive income		**455.61**

(Currency: Indian Rupees in Million, unless stated otherwise)

B. Reconciliation of total equity as reported under previous GAAP is summarized as follows:

Particulars	Notes	As at 31st March, 2019	As at 1st April, 2018
Equity as reported under previous GAAP		1200.80	851.13
Prior Period expenses	(a)	-	(7.38)
Impact of measuring investments at fair value			(0.41)
Property, plant & equipment	(b)	(75.91)	(75.91)
Deemed investment	(c)	0.28	-
Prepaid lease (land)		70.91	71.68
Allowance for Expected credit loss		(3.98)	(3.98)
Employee benefits	(d)	4.36	2.37
Deferred tax Adjustments for above items		(37.08)	(28.79)
Equity as reported under Ind AS		**1159.38**	**808.71**

Notes:

Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a) Prior period expenses relate to employee benefit expenses.

b) Property, plant and equipment and intangible assets were carried at cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March 2018. Under Ind AS, the Company has elected to apply Ind AS 16 - Property, Plant and Equipment retrospectively at the date of transition.

c) Under previous GAAP, investment in subsidiary were stated at cost and provisions made to recognize the decline, other than temporary. Under Ind AS, the Company has considered their previous GAAP carrying amount as their deemed cost. Under Ind AS, financial assets in equity instruments [Other than that in subsidiary] have been classified as fair value through profit and loss at the time of transition.

d) As required by the provisions of para 120(c) read with 122 and 127 of Ind AS 19 'Employee Benefits', the actuarial gains/losses should be accounted as remeasurements of the net defined benefit liability\ (asset). The remeasurements will be recognized in other comprehensive income and shall not be reclassified to profit or loss in subsequent period but may be transferred within equity.

There are no material adjustments to the statement of Cash Flows as reported under the previous GAAP.

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Independent Auditor's Report

To The Members of Rossari Biotech Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Rossari Biotech Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which includes the Group's share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture 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 consolidated 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 and the audit evidence obtained by the other auditor in terms of reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Parent'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 consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary and joint venture audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and joint venture, is traced from their financial statements audited by the other auditor.

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 CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 Parent 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

OTHER MATTERS

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 37.04 Million as at 31st March, 2020, total revenues of Rs.3.22 Million and net cash inflows amounting to Rs. 0.05 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 2.18 Million for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditor.

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

REPORTING ON COMPARATIVES IN CASE OF FIRST IND AS FINANCIAL STATEMENTS

a) The comparative financial statements for the year ended 31st March 2019 in respect of one subsidiary and the related transition date opening balance sheet as at 1st April 2018 prepared in accordance with the Ind AS and included in these consolidated financial statements have been audited by other auditor, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiary and joint venture in these consolidated financial statements, is based solely on the reports of the other auditor.

   Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on the separate financial statements of the subsidiary and joint venture referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group companies, its joint venture company incorporated in India is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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 Parent 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) there were no pending litigations which would impact the consolidated financial position of the Group and its joint venture.

ii) the Group and its joint venture did not have 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 Parent, its subsidiary company and joint venture company incorporated in India.

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

Kedar Raje
(Partner)
(Membership No. 102637)
UDIN: 20102637AAAABK5509

Place: Mumbai
Date: 11 June 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Rossari Biotech Limited (hereinafter referred to as "the Company/ the Parent") and its subsidiary and joint venture, which are companies incorporated in India, as of that date. Reporting on internal financial controls over financial reporting is not applicable to the subsidiary and joint venture as per the auditor's report of the said subsidiary and joint venture.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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 the respective 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary and its joint venture, which are companies incorporated in India, 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary and its joint venture, which are companies incorporated in India.

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 Parent, its subsidiary and joint venture, which are companies incorporated in India, have, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

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

Kedar Raje
(Partner)
(Membership No. 102637)
UDIN: 20102637AAAABK5509

Place: Mumbai
Date: 11 June 2020

Consolidated Statement of Assets and Liabilities

as at 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
I NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	3	817.55	680.33	436.96
(b) Right of Use Assets	44	70.15	-	-
(c) Capital Work-in-Progress		217.51	28.27	23.96
(d) Intangible Assets	4	47.66	59.70	0.40
(e) Financial Assets				
(i) Investments	5	41.75	-	-
(ii) Other Financial Assets	6	3.96	3.51	3.08
(f) Income Tax Assets (Net)	7	15.76	15.53	0.16
(g) Deferred Tax Assets	8	0.51	0.51	0.23
(h) Other Non-current Assets	9	237.06	112.25	84.27
Total Non- Current Assets		**1,451.91**	**900.10**	**549.06**
II CURRENT ASSETS				
(a) Inventories	10	581.70	548.99	351.04
(b) Financial Assets				
(i) Investments	11	137.30	-	69.11
(ii) Trade Receivables	12	941.36	859.19	615.59
(iii) Cash and Cash Equivalents	13a	292.11	57.42	6.25
(iv) Bank Balances other than cash and cash equivalents	13b	980.22	2.67	3.40
(v) Other Financial Assets	14	53.89	13.68	8.97
(c) Other Current Assets	15	276.66	116.40	50.69
Total Current Assets		**3,263.24**	**1,598.35**	**1,105.05**
Total Assets		**4,715.15**	**2,498.45**	**1,654.11**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	16	101.51	44.00	44.00
(b) Other Equity	17	2,765.28	1,194.12	845.50
Total Equity		**2,866.79**	**1,238.12**	**889.50**
Equity Attributable to Owners		2,866.79	1,238.12	889.50
Attributable to non-controlling interests		-	-	-
Total Equity		**2,866.79**	**1,238.12**	**889.50**
LIABILITIES				
I Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	18	339.60	6.73	12.87
(b) Deferred Tax Liability (Net)	19	5.40	18.12	20.87
(c) Provisions	20	16.26	17.51	2.96
Total Non Current Liabilities		**361.26**	**42.36**	**36.70**
II Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	270.52	32.70	186.00
(ii) Trade Payables				
(a) Total outstanding dues of Small Enterprises and Micro enterprises	22	51.28	46.17	20.15
(b) Total outstanding dues of creditors other than small enterprises and micro enterprises	22	918.76	1,013.65	419.42
(iii) Other Financial Liabilities	23	161.87	100.35	76.56
(b) Provisions	24	6.66	6.02	2.03
(c) Current Tax Liabilities (net)	25	36.61	0.28	14.40
(d) Other Current Liabilities	26	41.40	18.80	9.35
Total Current Liabilities		**1,487.10**	**1,217.97**	**727.91**
Total Equity and Liabilities		**4,715.15**	**2,498.45**	**1,654.11**

Note:

The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached.

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	27	6,000.94	5,162.18
II	Other Income	28	37.24	9.06
III	**Total Income (I + II)**		**6,038.18**	**5,171.24**
IV	**EXPENSES**			
(a)	Cost of materials consumed	29	3,692.64	3,552.25
(b)	Changes in inventories of finished goods and work-in-progress	30	24.38	(159.59)
(c)	Employee benefits expense	31	372.07	275.15
(d)	Finance costs	32	35.57	28.78
(e)	Depreciation and amortization expense	33	168.52	121.87
(f)	Other expenses	34	864.41	718.86
Total Expenses			**5,157.59**	**4,537.32**
V	**Profit before tax for the year (III - IV)**		**880.59**	**633.92**
	Share of Loss of Joint Venture		(2.18)	-
	Profit before tax for the year		**878.41**	**633.92**
VI	**Tax Expense**			
	Current tax charge	35	238.04	178.92
	Deferred tax	35	(12.16)	(1.83)
	Total Tax Expense		**225.88**	177.09
VII	**Profit for the year (V - VI)**		652.53	456.83
	Attributable to Owners		652.53	456.83
	Attributable to non-controlling interests		-	-
VIII	**Other comprehensive income**			
(i)	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(2.81)	(3.21)
(ii)	Income tax relating to items that will not be reclassified to profit or loss		0.56	0.92
	Total Other Comprehensive Income		**(2.25)**	**(2.29)**
	Attributable to Owners		(2.25)	(2.29)
	Attributable to non-controlling interests		-	-
IX	**Total comprehensive income for the year (VII + VIII)**		650.28	454.54
	Attributable to Owners		650.28	454.54
	Attributable to non-controlling interests		-	-
X	**Earnings per equity share (in Rs.)**	36		
	Basic		13.42	9.44
	Diluted		13.23	9.44

Note:
The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

KEDAR RAJE
Partner

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

(A) EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at 1st April, 2018	**2,20,00,000**	**44.00**
Changes in equity share capital during the year	-	-
As at 31st March, 2019	**2,20,00,000**	**44.00**
Bonus shares issued during the year (refer note 16.2)	2,64,00,000	52.80
Fresh Issue during the year (refer note 16.3)	23,52,920	4.71
As at 31st March, 2020	**5,07,52,920**	**101.51**

(B) OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	
Balance as at 1st April, 2018	**156.00**	**-**	**689.50**	**845.50**
Profit for the year	-	-	456.83	456.83
Actuarial loss	-	-	(2.29)	(2.29)
Dividend paid on equity shares (including Dividend Distribution Tax)	-	-	(105.92)	(105.92)
Balance as at 31st March, 2019	**156.00**	**-**	**1,038.12**	**1,194.12**
Profit for the year	-	-	652.53	652.53
Share based payment expenses	-	4.87	-	4.87
Actuarial loss	-	-	(2.25)	(2.25)
Dividend paid on equity shares (including Dividend Distribution Tax)	-	-	(26.48)	(26.48)
Capitalisation on account of Bonus Issue	-	-	(52.80)	(52.80)
Premium on fresh issue of Equity Shares (refer note 16.3)	995.29	-	-	995.29
Balance as at 31st March, 2020	**1,151.29**	**4.87**	**1,609.12**	**2,765.28**

Note:
The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
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DIN: 00149205

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Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Consolidated Statement of Cash Flow

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash flows from operating activities		
Profit before tax	**880.59**	**633.92**
Adjustments for:		
Loss / (Profit) on sale of property, plant and equipment (net)	0.42	(0.01)
Provision for expected credit loss recognized on trade receivables	0.83	-
Depreciation and amortization expenses *	168.52	122.64
Written down of Inventory to net realisable value	4.93	16.07
Finance Costs	35.57	28.78
Dividend Income	(1.11)	(0.57)
Interest Income	(15.44)	(6.55)
Employees Compensation Expense	4.63	-
Provision/Write off of doubtful advances	1.20	-
Net foreign exchange loss/(gain)	(19.99)	4.88
Net gain arising on financial assets measured at fair value through profit/loss	0.29	2.35
Operating profit before working capital changes	**1,060.44**	**801.51**
Changes in:		
Trade Receivables and other assets	(204.06)	(344.23)
Inventories	(37.65)	(214.02)
Trade Payables and other liabilities	(68.97)	672.19
Cash (used in) / generated from operations	**749.76**	**915.45**
Income taxes paid (net of refunds)	(201.48)	(203.68)
Net cashflow (used in) / generated from operating activities	**548.28**	**711.77**
B. Cash flows from investing activities		
Net (Investment)/Proceeds on sales in financial assets - Mutual Fund	(137.38)	69.39
Investment in joint venture	(43.93)	-
Dividend Received	1.11	0.57
Interest Received	13.86	5.23
Payments for property, plant and equipment and intangible assets	(759.71)	(439.91)
Proceeds from disposal of property, plant and equipment	0.83	0.01
(Increase)/Decrease in earmarked and margin account (net)	(977.79)	0.49
Net cashflow used in investing activities	**(1,903.01)**	**(364.22)**

Consolidated Statement of Cash Flow (Contd...)

for the year ended 31st March, 2020

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
C. Cash flows from financing activities		
Proceeds from / (Repayment of) short term borrowing (net)	249.40	(148.82)
Proceeds of loans from related parties	(11.58)	354.12
Repayment of loans from related parties	-	(360.92)
Proceeds from long-term borrowings	403.67	3.23
Repayment of long-term borrowings	(12.58)	(11.80)
Interest paid	(33.00)	(21.39)
Dividend paid on equity shares	(26.48)	(105.92)
Issue of Share capital	4.71	-
Share Premium received	995.29	-
Net cash flow generated from / (used in) financing activities	**1,569.43**	**(291.50)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	214.70	56.05
Opening Cash and cash equivalents	57.42	6.25
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	19.99	(4.88)
Closing Cash and cash equivalents	**292.11**	**57.42**

*Includes rent on lease hold land

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (Ind AS 7) – Statement of Cashflow.
2. Figures in bracket indicate cash outgo.
3. Additions to property, plant and equipment and intangible assets include movements in capital work-in-progress during year.

The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached.
Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Notes Accompanying the Consolidated Financial Statements

for the year ended 31st March, 2020

1. CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of Rossari Biotech Ltd ('the Parent'), its subsidiary (collectively 'the Group') and its joint venture.

The Parent, Rossari Biotech Limited was incorporated in the year 2009, having Corporate Identity Number U24100MH2009PLC194818. The Group has its registered office at 201-A & B, Ackruti Corporate Park, LBS Marg, Next to GE Garden, Kanjurmarg (West), Mumbai – 400078. The parent is engaged in manufacturing of specialty chemicals. The parent's products cater to global brands in the FMCG sector and find applications in a host of consumer-centric products and home and personal care products, textile chemicals and pet cosmetic products.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliances and Basis of Preparation

(a) The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first consolidated financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 'First time adoption of Indian Accounting standards'. Reconciliations and descriptions of the effect of the transition have been summarized in Note 53.

These Ind AS Financial Statements comprise Consolidated Statement of Assets and Liabilities as at 31st March, 2020,as at 31st March, 2019 and as at 1st April, 2018, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31st March, 2020 and year ended 31st March, 2019, Consolidated Statement of Cash Flows, the Statement of Changes in Equity for years then ended, and a summary of significant accounting policies and other explanatory information.

(b) The aforesaid Financial Statements for the year ended 31st March, 2020 and for the year ended 31st March, 2019 have been prepared by the Group in accordance with the recognition and measurement principles of Indian Accounting Standard (as applicable), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. These Consolidated Financial Statements were approved by the parent's Board of Directors and authorized for issue on June 11, 2020.

(c) The Financial Statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and Liabilities are classified as Current or Non-Current as per the provisions of Schedule III to the Companies Act, 2013 and Group's Normal Operating Cycle. Based on the nature of business, the Group has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note e. Accounting Estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(e) Critical estimates and judgements

Useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. Their reassessments may result in change in the depreciation /amortization expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the

Company uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and ongoing discussions with the Customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

Revenue from Contracts with Customers:

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in Million.

The principal accounting policies are set out below.

ii. Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the parent and entities (including structured entities) controlled by the parent and its subsidiary (Rossari Personal Care Products Private Limited [Formerly known as Neutron Impex Private Limited]). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the parent obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the parent gains control until the date when the parent ceases to control the subsidiary.

A joint venture is a joint arrangement whereby the parties have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Group's activities are conducted through joint operations (i.e. the parties have rights to the assets and obligation for the liabilities relating to the arrangements), the Group recognizes its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output and any liability and expenses incurred in relation to joint operations.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions between the group and joint venture are eliminated in consolidated financial statement by adjusting group's share of unrealised profit/loss from the carrying value of investment in joint venture.

iii. Revenue Recognition

(a) Sale of Goods:

Revenue from contract with customers is recognized when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

(b) Export Incentive:

Income from export incentives such as duty drawback and MEIS are recognized on an accrual basis.

(c) Dividend and Interest Income:

Dividend income from investments is recognized when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate

that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv. Property, Plant & Equipment

Property, Plant & 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 & 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 & 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.

The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain/loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value of the asset and is recognized in Profit and Loss.

v. Intangible Assets

The useful life of intangible assets is assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are carried at cost and amortized on a Straight-Line Basis so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful lives, residual value and depreciation method are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on prospective basis.

(a) Copyright & Patent:
The expenditure incurred is amortized over the estimated period of benefit, not exceeding six years commencing with the year of purchase.

(b) Computer Software:
The expenditure incurred is amortized over three financial years equally commencing from the year in which the expenditure is incurred.

vi. Research & 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.

vii. 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 recognized, 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

viii. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are value at the lower of cost or net realizable value.

Cost is determined based on the First in First Out (FIFO) method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realizable value whichever is lower. Stores, spares and consumables other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

ix. Acquisition of interest in Joint Venture

Acquisition of interest in a joint venture, is initially recognized at cost. Any excess of the cost of the investment over the Group's share of fair value of identifiable assets and liabilities of the investee is regarded as goodwill, which is included in the carrying value of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after re-assessment, is recognized in equity as capital reserve in period in which the investment is acquired.

x. Employee Benefits

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

For defined plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of period to the net benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

xi. Foreign Exchange Transactions and Translations

Transactions in foreign currencies i.e. other than the Group's functional currency of Indian Rupees are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognized in Profit and Loss in period in which they arise.

Forward Exchange Contracts

The use of foreign currency forward contract is governed by the Group's strategy. Approved by board of Directors, which provides principle on uses of such forward contract consistent with the Group's risk management policy. The Group 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 Group doesn't use forward contract for speculative purpose.

All derivative contracts are marked to- market and losses/ gains are recognized in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

xii. Taxation

Income tax expense represents the sum of the current tax currently payable and deferred tax.

(a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilised the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(c) Current and Deferred Tax for the year

Current and Deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

xiii. Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalized as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortized using effective interest rate method over period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

xiv. Leases

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

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 1, 2019 Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

xvi. Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through Profit or Loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss is recognized immediately in Profit and Loss.

Classification and subsequent measurement

(a) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in period the

Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Profit and Loss. Any gain and loss on derecognition are recognized in Profit and Loss.

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

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in Profit and Loss. Dividend income received on such equity investments are recognized in Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Profit and Loss.

(i) Financial assets at Fair value through Profit & loss

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend of financial assets at FVTPL is recognized when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(ii) Impairment of Financial Assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impairment financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(iii) De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than its entirety, (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(iv) Foreign Exchange Gains & Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measure at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(v) Financial liabilities and equity instruments

(a) Classification as debt or equity

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

(b) Equity Instruments

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

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit of loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Compound Financial Instruments

The component parts of compound financial instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instruments' maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

(d) Financial Liabilities

All financial liabilities are subsequently measure at amortised cost or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at

FVTPL are measure at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance cost' line item.

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

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(vii) Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

xvii. Dividend Distribution

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

xviii. Use of Estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent Liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical accounting judgements and key source of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets aredetermined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation / amortization expense in future periods.

(ii) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

(iii) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

xix. Earnings per share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

xx. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 30.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(Currency: Indian Rupees in Million, unless stated otherwise)

3. PROPERTY, PLANT AND EQUIPMENT

	Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer System	Total
(I)	**Gross Carrying Amount (Deemed Cost)**								
	Balance as at 1st April, 2018	**101.23**	**141.18**	**170.56**	**5.96**	**16.20**	**0.81**	**1.02**	**436.96**
	Additions during the year	-	105.12	210.29	18.44	7.66	7.81	3.72	353.04
	Disposals/ Reclassifications during the year	-	-	-	-	-	-	(0.02)	(0.02)
	Balance as at 31st March, 2019	**101.23**	**246.30**	**380.85**	**24.40**	**23.86**	**8.62**	**4.72**	**789.98**
	Additions during the year	-	171.78	108.61	0.86	7.03	3.94	1.95	294.17
	Disposals	-	-	(1.74)	-	(0.53)		-	(2.27)
	Reclassifications during the year	-	-	(0.53)	-	-	0.53	-	-
	Balance as at 31st March, 2020	**101.23**	**418.08**	**487.19**	**25.26**	**30.36**	**13.09**	**6.67**	**1,081.88**
(II)	**Accumulated depreciation**								
	Balance as at 1st April, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation expense for the year	-	11.11	83.47	5.03	5.90	2.08	2.08	109.67
	Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	-	(0.02)	(0.02)
	Balance as at 31st March, 2019	**-**	**11.11**	**83.47**	**5.03**	**5.90**	**2.08**	**2.06**	**109.65**
	Depreciation expense for the year	-	21.38	115.88	5.26	6.82	4.05	2.32	155.71
	Eliminated on disposal of asset	-	-	(0.77)	-	(0.26)	-	-	(1.03)
	Reclassifications	-	-	(0.16)	-	-	0.16	-	-
	Balance as at 31st March, 2020	**-**	**32.49**	**198.42**	**10.29**	**12.46**	**6.29**	**4.38**	**264.33**
(III)	**Net Carrying amount(I-II)**								
	Balance as at 31st March, 2019	101.23	235.19	297.38	19.37	17.96	6.54	2.66	680.33
	Balance as at 31st March, 2020	**101.23**	**385.59**	**288.77**	**14.97**	**17.90**	**6.80**	**2.29**	**817.55**

Notes:

Term loans of INR 398.77 million from banks are secured by first pari passu charge created by mortgage of plant and equipment and immovable properties(including Capital Work in Progress)located at Dahej.

4. INTANGIBLE ASSETS

	Particulars	Computer Software	Copyright & Patent	Total
(I)	**Gross Carrying Amount**			
	Balance as at 1st April, 2018	**0.40**	**-**	**0.40**
	Additions during the year	-	71.50	71.50
	Deductions during the year	-	-	-
	Balance as at 31st March, 2019	**0.40**	**71.50**	**71.90**
	Additions during the Year	-	-	-
	Deductions during the Year	-	-	-
	Balance as at 31st March, 2020	**0.40**	**71.50**	**71.90**
(II)	**Accumulated amortization**			
	Balance as at 1st April 2018	**-**	**-**	**-**
	Amortization expense for the year	0.28	11.92	12.20
	Deductions for the year	-	-	-
	Balance as at 31st March 2019	**0.28**	**11.92**	**12.20**
	Amortization expense for the year	0.12	11.92	12.04
	Deductions for the Year	-	-	-
	Balance as at 31st March, 2020	**0.40**	**23.84**	**24.24**
(III)	**Net Carrying amount (I-II)**			
	Balance as at 31st March, 2019	**0.12**	**59.58**	**59.70**
	Balance as at 31st March, 2020	**-**	**47.66**	**47.66**

Notes:

The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

(Currency: Indian Rupees in Million, unless stated otherwise)

5. INVESTMENTS (NON-CURRENT)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At Amortized Cost:						
Investment in Equity Instruments (unquoted)						
- Investments in Equity Instruments of Joint Venture						
Equity Shares - Buzil Rossari Private Limited	4,392,918	43.93	-	-	-	-
Share of Profit of Joint Venture		1.23				
Stock Adjustment		(3.41)				
Total Investment (Non-Current)	4,393,918	41.75	-	-	-	-
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate amount of unquoted investments;	-	41.75	-	-	-	-
Aggregate amount of impairment in value of investments.	-	-	-	-	-	-
Aggregate amount of impairment in value of investments.						

6. OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Financial Assets at Amortized Cost:			
(unsecured, considered good unless otherwise stated)			
Fixed Deposit with more than 12 months maturity (refer note below)	3.56	3.32	3.08
Interest Accrued	0.40	0.19	--
Total Other Financial Assets (Non-Current)	**3.96**	**3.51**	**3.08**

Notes:

Deposits are earmarked with Electricity authority INR 1.85 (31st March 2019 - 1.85).

7. INCOME TAX ASSETS (NET) (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance Income Tax (net off Provision for Tax of 329.44 (31st March 2020 – 329.62))	15.76	15.53	0.16
Total Income Tax Assets (Net) (Non-current)	**15.76**	**15.53**	**0.16**

8. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred tax assets	0.51	0.51	0.23
Total Deferred Tax Assets	**0.51**	**0.51**	**0.23**

(Currency: Indian Rupees in Million, unless stated otherwise)

9. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Capital advances	236.78	36.08	7.57
Balance with government authorities	-	5.76	5.76
Prepaid Expenses	0.28	70.41	70.94
Total Other Non-Current Assets	**237.06**	**112.25**	**84.27**

10. INVENTORIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Raw Materials (Including in transit of 24.06 (31st March, 2019 - 32.98))	303.52	266.06	258.81
Packing Materials	76.83	54.30	26.87
Work-in-progress	4.81	11.37	6.40
Finished goods	195.64	213.46	58.84
Consumables, stores and spares	0.90	3.80	0.12
Total Inventories	**581.70**	**548.99**	**351.04**

Notes:

10.1. The cost of Inventories recognized as an expense during the year was 3,970.46 (31st March 2019 – 3,768.30), including in respect of write down of inventories to net realizable value 4.91 (31st March, 2019 - 16.07).

10.2. The Group has availed credit facilities from banks which are secured interalia by hypothecation of inventories.

10.3. The mode of valuation of inventories is stated in sub note viii of Note 2.

11. INVESTMENTS (CURRENT)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
At Fair value through Profit or loss						
I Investment in Mutual Funds (Quoted)						
HDFC Balance fund - Growth - Regular Plan	-	-	-	-	2,02,924	29.58
HDFC Arbitrage Fund - Wholesale Plan - Regular Plan – Growth	4,32,544.66	10.06	-	-	-	-
HDFC Liquid Fund – Growth	2,594.82	10.08	-	-	-	-
HDFC Liquid Fund - Daily Dividend Reinvest	83,804.85	85.46	-	-	-	-
Kotak Equity Arbitrage Fund Regular Plan	29,64,367.34	31.70	-	-	-	-
HDFC Prudence Fund Dividend					3,17,104	9.34
ICICI Prudential Balanced Fund Dividend					7,62,808	9.76
Kotak Equity Arbitrage Fund Dividend Reinvestment					9,56,348	10.22
ICICI Prudential Equity Arbitrage - Dividend Reinvestment					7,48,168	10.21
Total Investments (Current)	**34,83,311.67**	**137.30**	**-**	**-**	**29,87,352**	**69.11**
Aggregate amount of quoted investments and market value thereof		137.30	-	-	-	69.11
Aggregate amount of unquoted investments;	-	-	-	-	-	-
Aggregate amount of impairment in value of investments.	-	-	-	-	-	-

(Currency: Indian Rupees in Million, unless stated otherwise)

12. TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured:			
Considered good	941.36	859.19	615.59
Considered doubtful	4.82	3.98	3.98
Receivables with Significant increase in credit risk	-	-	-
Credit impaired	-	-	-
	946.18	**863.17**	**619.57**
Less: Allowance for Expected Credit Losses	(4.82)	(3.98)	(3.98)
Total Trade Receivables	**941.36**	**859.19**	**615.59**

Notes:

12.1. Please refer Note 42 for receivables outstanding from Related Parties.

12.2. Refer Note 47 for disclosures related to credit risk and Note 48 for impairment of trade receivables under expected credit loss model and related disclosures.

12.3. Provision is made for doubtful debt based on lifetime expected credit loss method as specified under simplified approach.

12.4. Trade receivables are hypothecated to banks against working capital facility.

13a. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash and cash Equivalents			
Balances with banks	18.25	38.13	2.08
Cheques, drafts on hand	0.18	-	-
Cash on hand	1.71	1.05	0.95
Fixed deposits with maturity of less than 3 months	267.63	15.30	1.16
Others*	4.34	2.94	2.06
Total Cash and cash Equivalents	**292.11**	**57.42**	**6.25**

*Others include imprest given to employees

13b. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Bank Balances other than cash and cash equivalents			
- Fixed Deposits with maturity greater than 3 months	980.22	2.67	3.40
Total Bank Balances other than cash and cash equivalents	**980.22**	**2.67**	**3.40**

(Currency: Indian Rupees in Million, unless stated otherwise)

14. OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
At Amortized Cost:			
Security & Business Deposits	11.65	8.11	8.41
Accrued interest	2.46	1.64	0.11
Others (including employee loans and IPO Expenses) *	39.66	3.93	0.45
Measured at fair value through Profit & Loss:			
Derivative instruments	0.12	-	-
Total Other Financial Assets (Current)	**53.89**	**13.68**	**8.97**

*Loans given to employees as per the Group's policy are not considered for the purpose of disclosure under Section 186 (4) of the Companies Act 2013.

Includes IPO Expense aggregating to INR 37.89 Million, to be set off against Security Premium on completion of IPO.

Notes:

14.1 Refer Note 47 for disclosures related to credit risk and Note 48 for impairment under expected credit loss model and related financial instrument disclosures.

15. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Balances with Government Authorities	132.32	75.34	19.97
Prepaid expenses	4.15	2.79	3.83
Advance paid to supplier	137.74	37.77	25.91
Others*	2.45	0.50	0.98
Total Other Current Assets	**276.66**	**116.40**	**50.69**

*Others include Royalty

16. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorized:						
Equity shares of Rs.2 each (Refer Note 16.1)	6,00,00,000	120.00	2,50,00,000	50.00	2,50,00,000	50.00
Total	**6,00,00,000**	**120.00**	**2,50,00,000**	**50.00**	**2,50,00,000**	**50.00**
Issued, Subscribed and Paid-up:						
Equity shares of Rs.2 each	5,07,52,920	101.51	2,20,00,000	44.00	2,20,00,000	44.00
Total Equity Share Capital	**5,07,52,920**	**101.51**	**2,20,00,000**	**44.00**	**2,20,00,000**	**44.00**

Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening balance (refer note 16.1)	Bonus Issue (refer note 16.2)	Fresh Issue (refer note 16.3)	Closing balance
Equity Shares:				
Year Ended 31st March, 2020				
No. of Shares	**2,20,00,000**	**2,64,00,000**	**23,52,920**	**5,07,52,920**
Amount	**44.00**	**52.80**	**4.71**	**101.51**
Year Ended 31st March 2019				
No. of Shares	**2,20,00,000**	**-**	**-**	**2,20,00,000**
Amount	**44.00**	**-**	**-**	**44.00**

(Currency: Indian Rupees in Million, unless stated otherwise)

Rights, preferences & restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of shares held	% shareholding	No. of shares held	% shareholding	No. of shares held	% shareholding
Equity shares:						
Mr. Edward Menezes	2,13,68,820	42.10%	97,63,100	44.38%	97,63,100	44.38%
Mr. Sunil Chari	2,13,39,320	42.05%	97,63,100	44.38%	97,63,100	44.38%
Rossari Biotech (India) Private Limited	30,16,200	5.94%	13,71,000	6.23%	13,71,000	6.23%

Notes:

161 The board of Directors of the Company at its meeting held on 12th November 2019 had approved to split the equity shares of the Company from Face Value of Rs. 10 per share to Face Value of Rs. 2 per share and to increase the authorised share capital of the Company to Rs. 12,00,00,000. As a result of this:

a. The authorized share capital of the company was revised and increased from 50,00,000 equity shares of nominal value of Rs. 10 each to 6,00,00,000 equity shares of Rs. 2 each;

b. the issued and subscribed shares were increased from 44,00,000 shares to 2,20,00,000 shares; and

16.2 Further the shareholders of the Company at its meeting held on 2nd December 2019, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, approved a sum of Rs. 5,28,00,000 be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 2,64,00,000 Equity shares of Rs. 2/- each credited as fully paid to the Equity Shareholders in the proportion of 6 (Six) Equity share for every 5(Five) Equity shares.

16.3 Further,pursuant to Section 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there underand as per the approval of the Members of the Company, the Board of Directors of the Company at their meeting held on 27th February, 2020 allotted 23,52,920 Equity Shares of the Face Value of Rs. 2/- each, at the issue price of Rs. 425/-each including a premium of Rs. 423/- each on preferential basis by way of a private placement.

17. OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securities premium	1,151.29	156.00	156.00
Employee Stock Options Outstanding (Refer Note 17.1)	4.87	-	-
Retained earnings	1,609.12	1,038.12	689.50
Total Other Equity	**2,765.28**	**1,194.12**	**845.50**

Movement in Reserves

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securities Premium			
Balance as at the beginning of the year	156.00	156.00	156.00
Add: Additions during the year (refer note no. 16.3)	995.29	-	-
Less: Deletions during the year	-	-	-
Balance as at the end of the year	**1,151.29**	**156.00**	**156.00**

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Employee Stock Options Outstanding (refer note 17.1)			
Balance as at the beginning of the year	-	-	-
Add: Additions during the year	4.87	-	-
Less: Deletions during the year	-	-	-
Balance as at the end of the year	**4.87**	**-**	**-**
Retained Earnings			
Balance as at the beginning of the year	1,038.12	689.50	689.50
Add: Profit during the year	652.53	456.83	-
Less: Dividend including tax thereon	(26.48)	(105.92)	-
Less: Capitalised as Bonus	(52.80)	-	-
Less: Actuarial gain/(loss) during the year	(2.25)	(2.29)	-
Balance as at the end of the year	1,609.12	1,038.12	689.50
Total	**2,765.28**	**1,194.12**	**845.50**

Description of Nature and purpose of other equity:

Retained earnings:

Retained earnings represent the surplus during the year to be retained in business and not for appropriation.

Employee Stock Options Outstanding:

Employee Stock Options Outstanding represents reserve towards the premium for the equity shares to be issued against the options granted.

Securities Premium:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

17.1 Further, The Company has granted 7,05,000 (Seven Hundred and Five Thousand) Employee Stock Options under Rossari Employee Stock Option Plan – 2019 to its identified employees. This grant is effective from 12th December, 2019. These shall vest as per the vesting schedule approved by the Board and Nomination & Remuneration Committee and can be exercised over the exercise period as approved in the meeting held on 12th December, 2019.

18. BORROWINGS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Carried at Amortized Cost:			
Secured loans – From Banks			
Vehicle Loans	-	6.73	12.87
Term Loans	339.60	-	-
Total Borrowings (Non-current)	**339.60**	**6.73**	**12.87**

Notes:

18.1. Term loans are secured by first pari passu charge created by mortgage of plant and equipment and immovable properties (including Capital Work in Progress)located at Dahej.

18.2. Vehicle loans were secured by way of hypothecation of underlying vehicles.

18.3. Current maturities in respect of long-term borrowings have been included in Note 23.

(Currency: Indian Rupees in Million, unless stated otherwise)

Term loan outstanding as at year end 31st March, 2020	Rate of interest (p.a.)	Repayment Terms
Secured		
Term loans from banks INR 217.40	8.70%	60 Monthly Installments w.e.f. November 2020
Term loans from banks INR 186.15	12M MCLR +0.15%	20 Quarterly Installments w.e.f. December 2020

Term loan outstanding as at year end 31st March, 2019	Rate of interest (p.a.)	Repayment Terms
Secured		
Vehicle Loans	9.10%	60 Monthly Installments

Reconciliation of borrowings outstanding at the beginning and end of the year:

Borrowings movement	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Noncurrent	Current	Noncurrent	Current
Balance as at beginning of the year (including current maturities)	6.73	5.86	12.87	8.28
Cash Flow (Repayment)/ Proceeds	337.77	53.31	(6.14)	(2.42)
Non cash changes				
Amortised borrowing cost	(4.90)	-	-	-
Balance as at end of the year (including current maturities)	**339.60**	**59.17**	**6.73**	**5.86**

19. DEFERRED TAX LIABILITY (NET) (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred Tax Liability	5.40	18.12	20.87
Total Deferred Tax Liability (Net) (Non-current)	**5.40**	**18.12**	**20.87**

Movement in Deferred Tax balances:

Particulars	For the year ended 31st March, 2020			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities:				
a) Allowances on property, plant & equipment and other assets	(28.42)	13.56	-	(14.86)
Tax effect of items constituting deferred tax assets:				
b) Allowances for credit losses	1.16	(0.01)	-	1.15
c) Provision for employee benefits	4.86	(1.66)	0.56	3.76
d) Others	4.28	0.27	-	4.55
Net Tax Asset/(Liability)	**(18.12)**	**12.16**	**0.56**	**(5.40)**

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	For the year ended 31st March, 2020			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax asset:				
a) MAT Credit	0.51	-	-	0.51
Total Deferred Tax Assets	**0.51**	**-**	**-**	**0.51**

Particulars	For the year ended 31st March, 2019			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities:				
a) Allowances on property, plant & equipment and other assets	(28.78)	0.36	-	(28.42)
Tax effect of items constituting deferred tax assets:				
b) Allowances for credit losses	1.23	(0.07)	-	1.16
c) Provision for employee benefits	3.32	0.62	0.92	4.86
d) Others	3.36	0.92	-	4.28
Net Tax Asset/(Liability)	**(20.87)**	**1.83**	**0.92**	**(18.12)**

Particulars	For the year ended 31st March, 2019			
	Opening balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax asset:				
a) MAT Credit	0.23	0.28	-	0.51
Total Deferred Tax Assets	**0.23**	**0.28**		**0.51**

20. PROVISIONS (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
Gratuity	9.93	12.78	1.65
Leave Encashment	6.33	4.73	1.31
Total Provisions (Non-current)	**16.26**	**17.51**	**2.96**

Notes:

For disclosures related to employee benefits, refer note 43

(Currency: Indian Rupees in Million, unless stated otherwise)

21. BORROWINGS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Carried at Amortized Cost:			
Secured loans			
Working Capital Loans from Banks (refer note 21.2 below)	19.41	21.12	169.94
Unsecured Loans			
From banks	251.11	-	-
From Related parties (refer note 42)	--	11.58	16.06
Total Borrowings (Current)	**270.52**	**32.70**	**186.00**

Notes:

21.1 The rate of interest ranges from 8.45 % to 8.50 %

21.2 Working capital facilities are secured by first pari passu charge created by hypothecation of current assets.

22. TRADE PAYABLES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total outstanding dues of Small Enterprises and Micro enterprises	51.28	46.17	20.15
Total outstanding dues of creditors other than small enterprises and micro enterprises (refer note 42 for payables to related parties)	918.76	1,013.65	419.42
Total Trade Payables (Current)	**970.04**	**1,059.82**	**439.57**

Micro, Small, Medium Enterprises Disclosure

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Dues remaining unpaid:			
Principal	51.28	46.17	20.15
Interest	0.55	1.21	0.26
Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") along with the amount of payment made to the supplier beyond the appointed day during the year			
- Principal paid beyond the appointed date	106.46	218.52	20.15
- Interest paid in terms of Section 16 of the Act	-	-	-
Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	3.95	6.55	1.56
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	4.50	7.76	1.82
Amount of interest accrued and remaining unpaid	12.26	7.76	1.82

(Currency: Indian Rupees in Million, unless stated otherwise)

23. OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Measured at Amortized Cost:			
Security Deposits	32.89	30.16	30.30
Current maturities of Long-term Debts (refer note 18)	59.17	5.86	8.28
Creditors for capital goods & services	55.59	55.37	37.47
Interest Accrued	13.86	7.78	--
Others*	0.36	1.18	0.51
Total Other Financial Liabilities (Current)	**161.87**	**100.35**	**76.56**

*Refer Note 42 for payable to Related Parties.

24. PROVISIONS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
- Gratuity	4.97	3.90	1.21
- Leave Encashment	1.69	2.12	0.82
Total Provisions (Current)	**6.66**	**6.02**	**2.03**

Notes:

For disclosures related to employee benefits, refer note 43

25. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for tax (net of Advance Income Tax of 201.40 (31st March, 2019 – 0.48)	36.61	0.28	14.40
Total Current Tax Liabilities (Net)	**36.61**	**0.28**	**14.40**

26. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
i. Advances received from customers	16.29	1.53	4.08
ii. Statutory dues			
- Taxes Payable	9.40	6.44	3.70
- GST Payable	14.02	9.50	0.44
- Employee Liabilities	1.69	1.33	1.13
Total Other Current Liabilities	**41.40**	**18.80**	**9.35**

(Currency: Indian Rupees in Million, unless stated otherwise)

27. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers:		
Sale of products	5,981.74	5,131.33
Other operating revenues:		
i. Royalty	4.04	2.79
ii. Others*	15.16	28.06
Total Revenue from operations	**6,000.94**	**5,162.18**

*Includes Export Incentives.

Notes:

27.1. Refer note 37 for geography wise revenue from contracts with customers

27.2. The Group is engaged in manufacturing of specialty chemicals. Effective 1st April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers". In terms of Ind AS 115, the Group is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the Group recognizes revenue at a point in time.

The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Group.

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contract Price	6,012.12	5,135.24
Less: Discounts	30.38	3.91
Total	**5,981.74**	**5,131.33**

28. OTHER INCOME

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Interest Income:		
- On bank deposits	6.03	1.23
- On others	9.41	5.32
ii. Dividend Income	1.11	0.57
iii. Other non-operating income:		
- Net Gain on foreign currency transactions & translation	19.99	1.33
- Profit on Sales of Assets	-	0.01
- Profit on Sale of Mutual Funds/Shares	-	0.01
- Others	0.70	0.59
Total Other Income	**37.24**	**9.06**

(Currency: Indian Rupees in Million, unless stated otherwise)

29. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost of materials consumed:		
Opening Stock of Raw Materials, Packing materials, Consumable Stores and spares	324.16	285.81
Add: Purchases (Net)	3,749.73	3,590.60
Less: Closing Stock of Raw Materials, Packing materials, Consumable Stores and spares	381.25	324.16
Total Cost of materials consumed	**3,692.64**	**3,552.25**

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Stock		
Work-in-progress	11.37	6.40
Finished Goods	213.46	58.84
Total	**224.83**	**65.24**
Less: Closing Stock		
Work-in-progress	4.81	11.37
Finished Goods	195.64	213.46
Total	200.45	224.83
Total Changes in inventories of finished goods and work-in-progress	**24.38**	**(159.59)**

31. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages, including bonus	338.53	256.54
Contribution to provident and other funds	16.53	10.87
Equity-settled share-based payments	4.63	--
Workmen & Staff welfare expenses	12.38	7.74
Total Employee Benefits Expense	**372.07**	**275.15**

Share-based payments

The Company has introduced a Rossari Employee Stock Option Plan, 2019 ("ESOP 2019") as approved at the Board Meeting held on 29th November, 2019. As per the ESOP 2019, the Board of directors at board meeting dated 12th December, 2019 granted ESOP's to the eligible employees to acquire equity shares of the Company, that vests in a graded manner. The vested options can be exercised within two years from respective vesting date or the period as specified by Nomination & Remuneration Committee (NRC) as specified in the ESOP 2019. The number of options granted is calculated in accordance with the experience and performance- based formula approved by the Board and recommended by the NRC.

The Company has granted 7,05,000 (Seven Hundred and Five Thousand) Employee Stock Options under ESOP 2019 to its identified employees. This grant is effective from 12th December, 2019. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the meeting held on 12th December, 2019. Personnel Cost mentioned above includes INR 1.48 Million for the year towards the said grants.

(Currency: Indian Rupees in Million, unless stated otherwise)

Information in respect of Options outstanding as on 31st March 2020

Particulars	Number of shares	Grant date	Vesting Date	Exercise Price	Fair value at Grant Date
Equity Settled					
ESOP 2019	1,41,000	12-12-2019	30-06-2021	475	44.60
ESOP 2019	1,41,000	12-12-2019	30-06-2022	475	63.64
ESOP 2019	1,41,000	12-12-2019	30-06-2023	475	80.66
ESOP 2019	2,82,000	12-12-2019	30-06-2024	475	96.08

Movement in Share Options

Borrowings movement	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Number of Shares	Weighted Average exercise price	Number of Shares	Weighted Average exercise price
The number and weighted average exercise prices of share options outstanding at the beginning of year	-	-	-	-
Granted during the year	7,05,000	475	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,05,000	475	-	-
Exercisable at the end of the year	-		-	-
Remaining contractual life (no of days)			-	-

The inputs used in the measurement of the fair values at grant date of the employee stock option plans (ESOPs) were as follows:

Grant Date	12/12/2019	12/12/2019	12/12/2019	12/12/2019
Exercise price per share (Rs.)	475	475	475	475
Share price on the date of grant*	425	425	425	425
Expected life of options (Years)	1.99	2.99	3.99	4.99
Volatility (% P.a.) #	20%	20%	20%	20%
Risk Free Rate of Return (%)	6.00%	6.40%	6.70%	6.90%
Dividend Yield (P.a)	1%	1%	1%	1%
Lapse Rates (P.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options Fair Value	44.60	63.64	80.66	96.08

The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

(Currency: Indian Rupees in Million, unless stated otherwise)

32. FINANCE COSTS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expense:		
(i) On Vehicle Loans	0.49	1.37
(ii) On working capital facilities	14.42	25.11
(iii) On term loan	4.44	-
(iv) Other Borrowing Cost	16.22	2.30
Total Finance Costs	**35.57**	**28.78**

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use in accordance with the Group policy which is when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short-term investments is also capitalised to reduce the total capitalised borrowing cost. The Company have capitalized interest amount of INR. 4.16 million in FY 19-20 (Previous year -Nil).

Analysis of Interest Expense by category:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expenses:		
a) On financial liability at amortized cost	35.57	28.78

Notes:

32.1 The weighted average capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 8.95% (Previous year: Nil)

33. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on property, plant and equipment	155.71	109.67
Amortization on right of use asset	0.77	-
Amortization of intangible assets	12.04	12.20
Total Depreciation and amortization expenses	**168.52**	**121.87**

(Currency: Indian Rupees in Million, unless stated otherwise)

34. OTHER EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Factory Expenses	77.43	60.47
Freight Charges	147.19	161.29
Consumption of stores, spares and consumables	16.30	22.63
Repairs & Maintenance	25.43	33.85
Travelling & Conveyance	58.10	51.32
Clearing & Forwarding Charges	32.23	34.89
Selling & Distribution Expense	260.74	180.91
Exhibition, Conference & Seminars	46.61	28.52
Legal and Professional Fees	49.07	28.00
Rent	22.27	25.69
Loss on Sale of Mutual Fund	0.29	2.73
Loss on sale of Assets	0.42	-
Corporate Social Responsibility Expenditure (refer note 39)	14.35	4.29
Electricity Charges	17.44	12.64
Office Expenses	30.84	24.23
Insurance Charges	5.38	4.47
Donation	1.88	0.34
Provision for Expected credit loss	0.83	-
Payments to the Auditors as		
Statutory Audit Fees *	2.65	2.58
For Certification Matters	-	0.10
Sundry Debtors Written Off	1.20	-
Miscellaneous expenses	53.76	39.91
Total Other Expenses	**864.41**	**718.86**

*This fee does not include IPO related fee which has been accounted as other financial assets under note 14

35. INCOME TAX RECOGNIZED IN PROFIT OR LOSS

(a) Income Tax recognized in Profit & Loss

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(i) Current Tax Charges:		
- In respect of current year	238.04	178.92
Total Current Tax Charges	**238.04**	**178.92**
(ii) Deferred Tax Credit:		
- In respect of current year origination and reversal of temporary differences	(12.16)	(1.83)
Total Deferred Tax Credit	**(12.16)**	**(1.83)**
Total Income Tax recognized in Profit and Loss (i+ii)	**225.88**	**177.09**

(Currency: Indian Rupees in Million, unless stated otherwise)

(b) Income tax recognized in Other Comprehensive Income

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Current Tax:		
Remeasurements of defined benefit obligations	0.56	0.92
ii. Deferred Tax:	-	-
Total		
Total	**0.56**	**0.92**
Classification of income tax recognized in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	0.56	0.92
Income taxes related to items that will be reclassified to profit or loss	-	-
Total	**0.56**	**0.92**

(c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit or loss is as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	878.41	633.92
Applicable Income tax rate	25.17%	29.12%
Expected income tax expense	221.09	184.60
Tax effect of adjustments to reconcile expected income tax ex-pense to reported income tax expense:		
Effect of expenses/provisions not deductible	6.90	1.33
Effect of concessions (Research and development and other al-lowances)	-	(9.98)
Exempt income – Dividend	-	-
Profit on sale of mutual fund	(0.18)	(1.40)
Adjustments due to change in tax rate	(2.61)	(1.21)
Others*	0.68	3.66
Reported income tax expense	**225.88**	**177.09**

*Includes tax effect of items of expenditure in respect of earlier years recognized during previous year

36. EARNING PER SHARE (EPS)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year	652.53	456.83
Weighted average no. of ordinary equity shares used in computing basic EPS	4,86,18,577	4,84,00,000
Basic EPS (face value of INR 2 per share)	**13.42**	**9.44**
Weighted average no. of ordinary equity shares used in computing diluted	4,93,23,577	4,84,00,000
Diluted EPS (face value of INR 2 per share)	**13.23**	**9.44**

(Currency: Indian Rupees in Million, unless stated otherwise)

Reconciliation of weighted average number of equity shares

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Weighted average number of equity shares used in the calculation of Basic EPS	4,86,18,577	4,84,00,000
Add: Effect of ESOPs	7,05,000	-
Weighted average no. of ordinary equity shares used in computing diluted	4,93,23,577	4,84,00,000

37. SEGMENT INFORMATION

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

Geographical Revenue:

Sr. No	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Segment Revenue (Gross sales)		
(i)	India	5,338.59	4443.66
(ii)	Outside India	662.35	718.52
	Total Revenue	**6,000.94**	**5162.18**

The operating segments have been reported in a manner consistent with the internal reporting provided to Managing Director, who is the Chief Operating Decision Maker and responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. specialty chemicals.

The Group is not reliant on revenues from transactions with any single external customer and has only one customer who contributes to more than 10% of its revenues.

38. DETAILS OF RESEARCH & DEVELOPMENT

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue expenditure	53.53	38.62
Capital expenditure	44.13	29.29

39. DETAILS OF CSR EXPENDITURE

We firmly believe that we are a part of society & 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 Group during the year is INR 8.19 million

B. Amount spent during the year:

Particulars	In cash	Other than cash	Total 31st March, 2020
Construction/Acquisition of any as-set	-	-	-
On purpose other than above	14.35	-	14.35

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	In cash	Other than cash	For the year ended 31st March, 2019
Construction/Acquisition of any as-set	-	0.31	0.31
On purpose other than above	-	3.98	3.98

40 CONTINGENT LIABILITY AND COMMITMENTS

Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for INR 212.29 million.

41. DISCLOSURE OF INTEREST IN SUBSIDIARY AND JOINT VENTURE COMPANY

The Company has a wholly owned subsidiary, Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited) which was engaged in the business of manufacturing, exporting and importing specialty chemicals, dyes, etc. upto 31st March 2015. The Company has also acquired a Joint Venture (JV) company, Buzil Rossari Private Limited, engaged in the business of providing Trading of specialty chemicals.

Details of Company's subsidiary at the end of the reporting periods are as follows:

Name of the subsidiary	Principal Activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Company	Quoted (Yes/No)
Rossari Personal Care Prod-ucts Private Limited (Formerly known as Neutron Impex Private Limited)	Manufacturing of specialty chemicals	Mumbai	100%	No

The parent has acquired a Joint Venture (JV) company, Buzil Rossari Private Limited, engaged in the business of providing industrial cleaning, hygiene, disinfectants solutions.

Details of Parent's Joint Venture Company at the end of the reporting periods are as follows:

Name of the joint venture company	Principal Activity	Place of In-corporation	Proportion of ownership interest and voting power held by the Parent	Quoted (Yes/No)
Buzil Rossari Private Limited	Marketing and Distribution of specialty chemicals	Mumbai	60%	No

(Currency: Indian Rupees in Million, unless stated otherwise)

Summarised financial information in respect of the Group's joint venture is set out below.

Particulars	As at 31st March, 2020
Current assets	118.95
Non-current assets	13.81
Current liabilities	89.50
Non-current liabilities	0.68
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	3.07
Current financial liabilities (excluding trade and other payables and provisions)	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-

The above Joint Ventures is accounted for using the equity method in these consolidated financial statements. As the above entity became the joint venture on September 30, 2019 there is INR 2.18 million. share of loss as on year ended 31st March, 2020.

42. RELATED PARTY DISCLOSURES:

i. List of Related Parties:

a) Joint Venture (w.e.f. 30th September, 2019)

Buzil Rossari Private Limited(Earlier enterprise over which KMP is able to exercise significant influence)

b) Key Managerial Persons (KMP)

Mr. Sunil Chari (Managing Director) w.e.f. 26th September, 2019 (Earlier Whole-time Director)

Mr. Edward Menezes (Chairman) w.e.f. 26th September, 2019 (Earlier Managing Director)

c) Non-Executive Directors/Relatives of Directors

Mrs. Jyotishna Chari (Director up to 12th November, 2019)

Mrs. Anita Menezes (Director up to 12th November, 2019)

Mr. Yash Chari (Relative of director)

Mr. Mikhail Menezes (Relative of director)

d) Enterprises on which key managerial persons or their relatives are able to exercise significant influence

Rossari Biotech (India) Pvt. Ltd

Glad Properties (India) Pvt. Ltd

Rossari Manuchar (India) Pvt. Ltd

Rossari Speciality Chemicals Pvt Ltd

(Currency: Indian Rupees in Million, unless stated otherwise)

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

Nature of Transaction	For the year ended 31st March, 2020				For the year ended 31st March, 2019		
	KMP	Relatives of directors	Joint Venture Company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Enterprises on which KMP or their relatives are able to exercise significant influence
Remuneration:							
Mr. Sunil Chari	7.35	-	-	-	5.37	-	-
Mr. Edward Menezes	7.35	-	-	-	5.37	-	-
Sales:							
Buzil Rossari Private Limited	-	-	214.69	-	-	-	124.25
Royalty Income:							
Buzil Rossari Private Limited	-	-	4.04	-	-	-	2.79
Rent paid:							
Mr. Sunil Chari	1.55	-	-	-	2.48	-	-
Mrs. Jyotishna Chari	-	0.93	-	-	-	1.86	-
Mr. Edward Menezes	2.48	-	-	-	4.34	-	-
Glad Properties (India) Pvt. Ltd	-	-	-	0.49	-	-	0.84
Expenses Reimburse-ment							
Buzil Rossari Private Limited	-	-	14.18	-	-	-	-
Vehicle hire charges:							
Mr. Sunil Chari	0.07	-	-	-	0.14	-	-
Mr. Edward Menezes	0.07	-	-	-	0.14	-	-
Salary:							
Mr. Mikhail Menezes	-	5.09	-	-	-	3.55	-
Mr. Yash Chari	-	5.01	-	-	-	0.86	-
Dividend paid:							
Mrs. Jyotishna Chari	-	0.48	-	-	-	1.91	-
Mr. Mikhail Menezes	-	0.08	-	-	-	0.30	-
Mr. Yash Chari	-	0.08	-	-	-	0.30	-
Rossari Biotech India Private Limited	-	-	-	1.37	-	-	5.48
Mr. Sunil Chari	9.76	-	-	-	39.05	-	-
Mr. Edward Menezes	9.76	-	-	-	39.05	-	-
Mrs. Anita Menezes	-	0.48	-	-	-	1.91	-
Sitting Fess:							
Mrs. Anita Menezes	-	0.10	-	-	-	0.06	-
Mrs. Jyotishna Chari	-	0.10	-	-	-	0.06	-
Interest payable:							
Rossari Biotech India Private Limited	-	-	-	0.92	-	-	-
Interest receivable:							
Buzil Rossari Private Limited	-	-	8.41	-	-	-	5.07

(Currency: Indian Rupees in Million, unless stated otherwise)

Nature of Transaction	For the year ended 31st March, 2020				For the year ended 31st March, 2019		
	KMP	Relatives of directors	Joint Venture Company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Enterprises on which KMP or their relatives are able to exercise significant influence
Commission paid:							
Buzil Rossari Private Limited	-	-	26.88	-	-	-	14.04
Loan given to:							
Rossari Biotech India Private Limited	-	-	-	6.57	-	-	-
Rossari Manuchar (I) Pvt. Ltd	-	-	-	0.49	-	-	-
Buzil Rossari Private Limited	-	-	-	-	-	-	31.25
Loan repaid by :							
Rossari Biotech India Private Limited	-	-	-	18.80	-	-	-
Rossari Manuchar (I) Pvt. Ltd	-	-	-	0.49	-	-	-
Buzil Rossari Private Limited	-	-	-	-	-	-	51.70
Refund of Security Deposit:							
Glad Properties (In-dia) Pvt. Ltd	-	-	-	1.50	-	-	-
Sunil Chari (Eden bungalow)	0.75	-	-	-	-	-	-
Jyotishna Chari (Eden bungalow)	-	0.75	-	-	-	-	-
Outstanding's:							
Receivables:							
Buzil Rossari Private Limited	-	-	59.04	-	-	-	71.39
Rossari Speciality Chemicals Pvt ltd	-	-	-	-	-	-	0.02
Security Deposits (Asset):							
Glad Properties (In-dia) Pvt. Ltd	-	-	-	-	-	-	1.50
Sunil Chari (Eden bungalow)	-	-	-	-	0.75	-	-
Jyotishna Chari (Eden bungalow)	-	-	-	-	-	0.75	-
Loans :							
Rossari Biotech India Private Limited	-	-	-	-	-	-	11.58

*Amount less than INR 10,000

(Currency: Indian Rupees in Million, unless stated otherwise)

On consolidation following transaction with Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)- subsidiary has been eliminated:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in subsidiary	--	1.98
Deemed Contribution in subsidiary	0.59	0.28
Loan taken from subsidiary	-	30.14

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on loan from subsidiary	1.98	3.90
Dividend received from subsidiary	-	4.80
Deemed Contribution in subsidiary	0.31	0.28
Purchase of Fixed Asset from subsidiary	-	0.30
Loan Repaid to subsidiary	30.78	-

42.1. All Related Party Transactions entered during the year were in ordinary course of business

42.2. No Separate actuarial valuation is obtained for amount paid to Key Managerial personnel.

42.3. All loans to related parties are repayable on demand along with prevailing market interest rate.

43. EMPLOYEE BENEFITS

Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognized INR 7.78 million for the year, being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

Defined benefit plan

i. Gratuity plan

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the Profit & Loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

(Currency: Indian Rupees in Million, unless stated otherwise)

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

b) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

c) Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cashflows.

d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the payment of gratuity act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Gratuity as per actuarial valuation		**Funded Plan Gratuity**	
Particulars		**As at 31st March, 2020**	**As at 31st March, 2019**
I	**Expense recognized in the Statement of Profit and Loss for the year ended**		
	1. Current Service Cost	3.90	3.06
	2. Interest cost on benefit obligation(Net)	1.06	0.94
	3. Net value of Remeasurements on the obligation and plan assets	-	-
	4. Past service cost and loss/(Gain) on curtailments and settlement	-	-
	Total expenses included in employee benefits expense	**4.96**	**4.00**

II	**Recognized in other comprehensive income for the year**	**As at 31st March, 2020**	**As at 31st March, 2019**
	1. Actuarial (gains)/ losses arising from changes in financial	1.54	0.47
	2. Actuarial (gains)/ losses arising from changes in experience adjustment	1.34	2.67
	3. Actuarial (gains)/ losses arising from changes in demographic assumption	*	-
	4. Return on plan asset	(0.06)	0.07
	Recognized in other comprehensive income	**2.81**	**3.21**

*Amount less than INR 10,000

(Currency: Indian Rupees in Million, unless stated otherwise)

III Change in the present value of defined benefit obligation	As at 31st March, 2020	As at 31st March, 2019
1. Present value of defined benefit obligation at the beginning of the year	26.85	19.86
2. Current service cost	3.90	3.06
3. Interest cost/(Income)	1.81	1.39
4. Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	*	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	1.54	0.47
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	1.34	2.67
5. Past service cost	-	-
6. Benefits paid	(0.57)	(0.59)
7. Liabilities assumed/(settled)	-	-
Present value of defined benefit obligation at the end of the year	**34.86**	**26.85**

*Amount less than INR 10,000

IV Change in fair value of plan assets during the year	As at 31st March, 2020	As at 31st March, 2019
1. Fair value of plan assets at the beginning of the year	10.17	6.07
2. Interest income	0.74	0.45
3. Contribution by employer	9.56	4.31
4. Benefits paid	(0.57)	(0.59)
5. Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial as-sumption	-	-
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6. Return on plan assets excludinginterest income	0.06	(0.07)
Fair value of plan assets at the end of the year	**19.96**	**10.17**

V Net (Liability) recognized in the Balance Sheet as at	As at 31st March, 2020	As at 31st March, 2019
1. Present value of defined benefit obligation	34.86	26.85
2. Fair value of plan assets	19.96	10.17
3. Surplus/(Deficit)	(14.90)	(16.69)
4. Current portion of the above	(4.97)	(3.90)
5. Noncurrent portion of the above	(9.93)	(12.78)

VI Actuarial assumptions	As at 31st March, 2020	As at 31st March, 2019
1. Discount rate	6.45%	7.20%
2. 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
3. Average salary escalation rate	10.00%	10.00%
4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table	

(Currency: Indian Rupees in Million, unless stated otherwise)

VII Major Category of Plan Assets as a % of the Total Plan Assets	**As at 31st March, 2020**	**As at 31st March, 2019**
1. Insurer managed funds*	100%	100%

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VIII The expected contributions to the plan for the next annual reporting period	**As at 31st March, 2020**	**As at 31st March, 2019**
	(4.97)	(3.90)

IX Quantitative sensitivity analysis for significant assumption is as below	**As at 31st March, 2020**	**As at 31st March, 2019**
1. Discount rate varied by +0.5%	33.82	26.08
2. Discount rate varied by -0.5%	35.97	27.67
3. Salary growth rate varied by +0.5%	35.57	27.45
4. Salary growth rate varied by -0.5%	34.14	26.27
5. Withdrawal rate (W.R.) varied + 10%	34.58	26.61
6. Withdrawal rate (W.R.) varied - 10%	35.17	27.12

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

X Maturity profile of defined benefit obligation	**As at 31st March, 2020**	**As at 31st March, 2019**
Year 1	6.55	3.44
Year 2	3.40	4.94
Year 3	3.11	2.81
Year 4	3.12	2.39
Year 5	2.93	2.52
More than 5 years	15.32	11.95

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognized in "Contribution to Provident and other funds" in the statement of Profit and Loss account. The Remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The leave encashment expenses have been recognized as part of "Salaries and wages" in the statement of Profit and Loss account.

ii. Privilege Leave benefits Plan

The privilege Leave Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

The Privilege Leave benefits are classified as Other Long-term employee benefits as per Ind AS 19 and the accounting policy is outlined as follows.

Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these actuarial gains and losses immediately in the statement of profit and loss as income or expense.

(Currency: Indian Rupees in Million, unless stated otherwise)

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Privilege Leave benefits liabilities of the company are unfunded.

There are no minimum funding requirements for a Privilege Leave benefits plans in India and there is no compulsion on the part of the Company to fully prefund the liability of the Plan.

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy devised for the plan.

The Actuarial Value of Defined Benefit Obligation calculated using the above stated assumptions is INR 8.02 Millions

This is the amount to be provided in the Balance Sheet as 'Provision towards Privilege Leave benefits Liability' as at 31st March, 2020.

Bifurcation of Liability	31st March, 2020	31st March, 2019
Current liability	1.69	2.12
Non-current liability	6.33	4.73
Net liability	**8.02**	**6.85**

44. LEASES

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	31st March, 2020	31st March, 2019
Opening Balance	-	-
Reclassified on account of adoption of Ind AS 116	70.91	-
Additions	-	-
Deletions	-	-
Depreciation	0.76	-
Closing Balance	**70.15**	**-**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent expense recorded for short-term leases was INR 22.27 million for the year ended March 31, 2020.

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease ter. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

(Currency: Indian Rupees in Million, unless stated otherwise)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease inventories. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measure at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Transition

Effective from 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at end of the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset as at the date of initial application
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

45. CAPITAL MANAGEMENT

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

The Group may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

Particulars	31st March, 2020	31st March, 2019
Short term debt	270.52	32.70
Long term debt	398.77	12.59
Total	**669.29**	**45.29**
Equity	2,866.79	1,238.12
Long term debt to equity	0.14	0.01
Total debt to equity	0.23	0.04

(Currency: Indian Rupees in Million, unless stated otherwise)

46. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Group has formulated and implemented a policy on risk management, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analyzing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks. For COVID related disclosures refer note 2 (i) e in our critical estimates and judgements.

Market Risk

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks. These risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at fixed rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding.

Currency Risk

The Group is exposed to exchange rate risk as certain portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/ decrease the Rupee value of debtors/ creditors. For exposure beyond natural hedge, the Group uses foreign exchange derivatives such as foreign exchange forward contracts to minimize the risk.

The carrying amount of the Group's foreign currency exposure at the end of the reporting period is as follows:

Particulars	As at31st March, 2020		As at 31st March, 2019	
	Assets	Liabilities	Assets	Liabilities
USD	161.55	134.04	162.84	136.77
EURO	-	0.18	-	7.07

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

i. Maturity profile of financial liabilities:

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(Currency: Indian Rupees in Million, unless stated otherwise)

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March, 2020					
Short term borrowings	**270.52**	**270.52**	**-**	**-**	**-**
Long term borrowings	339.60	-	159.51	159.51	20.58
Trade payables	970.04	970.04	-	-	-
Other Financial Liabilities	161.87	161.87	-	-	-
Total	**1,742.03**	**1,402.43**	**159.51**	**159.51**	**20.58**
As at 31st March 2019					
Short term borrowings	32.70	32.70	-	-	-
Long term borrowings	6.73	-	6.73	-	-
Trade payables	1,059.82	1,059.82	-	-	-
Other Financial Liabilities	100.35	100.35	-	-	-
Total	**1,199.60**	**1,192.87**	**6.73**	**-**	**-**

ii. Financing Arrangements:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Working Capital facilities:		
- Expiring within one year	19.41	21.12
- Expiring beyond one year	-	-

47. CREDIT RISK MANAGEMENT

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Group's customer base majorly has creditworthy counterparties which limits the credit risk. The Group's exposures are continuously monitored and wherever necessary we take advances/LCs to minimize the risk.

48. TRADE RECEIVABLE AND ADVANCES

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The Group has computed expected credit losses based on actual basis. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

Reconciliation of loss allowance for trade receivables:

Particulars (INR in million)	As at 31st March, 2020	As at 31st March, 2019
Balance as at beginning of the year	3.98	3.98
Additions during the year	0.84	-
Balance as at end of the year	**4.82**	**3.98**

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

(Currency: Indian Rupees in Million, unless stated otherwise)

49. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars (INR in million)	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31st March, 2020	USD	10%	2.75
	EURO	10%	(0.02)
Year ended 31st March, 2019	USD	10%	2.61
	EURO	10%	0.71

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rate for both Term Loans & Working Capital loans.

The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars (INR in million)	Currency	Increase/ Decrease in basis points	Effect on Profit Before Tax
Year ended 31st March, 2020	INR	+50	2.24
Year ended 31st March, 2019	INR	+50	0.72

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

50. OFFSETTING OF BALANCES:

The Group has not offset financial assets and financial liabilities, unless permissible contractually.

51. COLLATERALS

The Group has long term loans and working capital loans which are secured mortgage ofplant and equipment and immovable properties located at Silvassa & Dahej.

52. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(Currency: Indian Rupees in Million, unless stated otherwise)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

All financial liabilities and financial assets have no material impact.

Financial instruments measured using Fair Value.

Particulars	Carrying Value	Fair value (Level 2)	Valuation Technique
As at 31st March, 2020			
Derivative investments	248.01	248.13	Quoted Market Price
Total	**248.01**	**248.13**	
Mutual Fund	137.23	137.30	Quoted Market Price
Total	**137.23**	**137.30**	
As at 31st March, 2019			
Derivative investments	-	-	
Total			
Mutual Fund	-	-	
Total	**-**	**-**	

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

53. STATEMENT OF RECONCILIATION BETWEEN INDIAN GAAP AND IND AS

First Time Ind AS Adoption:

(i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Group has prepared the Opening Balance Sheet as per Ind AS of 1st April 2018 (the transition date) by:

a. recognizing all assets and liabilities whose recognition is required by Ind AS,

b. not recognizing items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS required under Ind AS, and

d. applying Ind AS in measurement of recognized assets and liabilities

(Currency: Indian Rupees in Million, unless stated otherwise)

A. Reconciliations of total comprehensive income for the year ended 31st March 2019, is summarized as follows:

Particulars	Notes	For the year ended 31st March, 2019
Profit after tax as reported under previous GAAP		453.50
Amortization of Non-Financial Assets		(0.76)
Actuarial Valuation impact on employee benefits	(c)	9.76
Reclassification of Actuarial Losses arising in respect of employee benefit schemes to other comprehensive income	(c)	3.21
Deferred tax Adjustments for above items		(8.88)
Profit after tax as reported under Restated Ind AS		**456.83**
Other comprehensive income (including deferred tax impact there-on)		(2.29)
Total other comprehensive income		**454.54**

B. Reconciliation of total equity as reported under previous GAAP is summarized as follows:

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
Equity as reported under previous GAAP		1247.27	899.69
Prior period expenses	(a)	(12.62)	(31.33)
Impact of measuring investments at fair value		-	(2.44)
Property, plant & equipment	(b)	(75.91)	(75.91)
Prepaid lease (land)		70.91	71.68
Allowance for Expected credit loss		(3.98)	(3.98)
Employee benefits		4.36	3.07
Deferred tax Adjustments for above items	(c)	(35.91)	(15.28)
Equity as reported under Ind AS		**1194.12**	**845.50**

Notes:

Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions in the financial statements:

(a) Prior period expenses relate to employee benefit expenses.

(b) Property, plant and equipment and intangible assets were carried at cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2018. Under Ind AS, the Group has elected to apply Ind AS 16 - Property, Plant and Equipment retrospectively at the date of transition.

(c) As required by the provisions of para 120(c) read with 122 and 127 of Ind AS 19 'Employee Benefits', the actuarial gains/losses should be accounted as remeasurements of the net defined benefit liability/ (asset). The remeasurements will be recognized in other comprehensive income and shall not be reclassified to profit or loss in subsequent period but may be transferred within equity.

There are no material adjustments to the statement of Cash Flows as reported under the previous GAAP.

(Currency: Indian Rupees in Million, unless stated otherwise)

54. ADDITIONAL DISCLOSURES

Name of the entity	As at March 31, 2020							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
Parent								
Rossari Biotech Limited	98.88 %	2834.74	100.41 %	655.22	100.00 %	(2.25)	100.41 %	652.97
Indian Subsidiary								
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	1.28 %	36.79	(0.08 %)	(0.51)	-	-	(0.08 %)	(0.51)
Indian Joint Venture (Investment as per equity method)								
Buzil Rossari Private Limited	-	-	(0.33 %)	(2.18)	-	-	(0.33 %)	(2.18)
Eliminations	(0.16 %)	(4.74)	-	-	-	-	-	-
Total	**100.00%**	**2866.79**	**100.00%**	**652.53**	**100.00%**	**(2.25)**	**100.00%**	**650.28**

Name of the entity	As at 31st March 2019							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
Parent								
Rossari Biotech Limited	97.19 %	1203.38	100.23 %	457.89	100.00 %	(2.29)	100.23 %	455.60
Indian Subsidiary								
Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)	2.99 %	36.99	0.82 %	3.74	-	-	0.82 %	3.74
Indian Joint Venture (Investment as per equity method)								
Buzil Rossari Private Limited	-	-	-	-	-	-	-	-
Eliminations	(0.18) %	(2.26)	(1.05) %	(4.80)	-	-	(1.05) %	(4.80)
Total	**100.00%**	**1238.12**	**100.00%**	**456.83**	**100.00%**	**(2.29)**	**100.00%**	**454.54**

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

FORM AOC-1

(Pursuant to First Proviso to Sub-Section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Part A Subsidiaries

(Amounts in Rupees)

Sr. No.	Particulars	Rossari Personal Care Products Private Limited (Formerly known as Neutron Impex Private Limited)
1.	Reporting period for the Subsidiary(ies) concerned, if different from the Holding Company's Reporting Period	2019-20
2.	The date since when subsidiary was acquired	06.04.2010
3.	Reporting Currency and Exchange Rate as on the last date of the Relevant Financial Year in the case of Foreign Subsidiaries	Indian Rupee
4.	Share Capital	1,00,000
5.	Reserves and Surplus	3,66,89,771
6.	Total Assets	3,70,38,232
7.	Total Liabilities	3,70,38,232
8.	Investments	3,16,95,312
9.	Turnover	Nil
10.	Profit before taxation	(4,81,700)
11.	Provision for taxation	29,900
12.	Profit after taxation	(5,11,690)
13.	Proposed Dividend	Nil
14.	% of Shareholding	100%

Names of subsidiaries which are yet to commence operations : Nil

Names of subsidiaries which have been liquidated or sold during the year : Nil

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part B Associates and Joint Ventures

(Amounts in Rupees)

Sr. No.	Name of Joint Ventures	**Buzil Rossari Private Limited**
1.	Latest Audited Balance Sheet Date	31.03.2020
2.	Date on which the Associate or Joint Venture was associated or Acquired	26.12.2013
3.	Shares of Associate or Joint Ventures held by the Company on the year end	
	No.	43,92,918
	Amount of Investment in Joint Venture	4,39,29,180
	Extent of Holding (in percentage)	60%
4.	Description of how there is Significant Influence	N.A.
5.	Reason why the Associate/Joint Venture is not consolidated	Even though the Shareholding of the Company is 60%, it does not have control & therefore it is considered as Joint Venture.
6.	Net Worth attributable to Shareholding as per latest audited Balance Sheet	4,25,66,013
7.	Profit or Loss for the year	29,40,322
	Considered in Consolidation	12,31,806
	Not Considered in Consolidation	17,08,514

Names of associates or joint ventures which are yet to commence operations: Nil

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board

EDWARD MENEZES
Chairman
DIN: 00149205

SUNIL CHARI
Managing Director
DIN: 00149083

MANASI NISAL
Chief Financial Officer

PARUL GUPTA
Company Secretary

Place: Mumbai
Date: June 11, 2020

Notes


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