

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of **ROSSARI BIOTECH LIMITED** will be held at the registered office of the company at 201, A – B, 2nd Floor, Akruiti Corporate Park, L.B.S. Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai – 400079, on Saturday, 29th September 2018 at 3.00 pm to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statement of the company for the financial year end 31st March, 2018, the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Jyotishna Sunil Chari who retires by rotation, and being eligible, offers himself for re-appointment.
3. To receive, consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Deloitte Haskins & Sells LLP, Chartered Accountants be and is hereby appointed as statutory auditors of the company for a period of 5 years starting with the financial year 2018-19 to the financial year 2022-23.

4. To Declare a dividend on equity shares

Special Business:

5. To Appoint Mrs. Meher Bruno Castelino as Director of the Company liable to retire by Rotation.

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

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

6. To pass a Resolution authorising the company to sell, lease or otherwise dispose of whole or substantially whole of the undertaking of the Company.

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Factory : Plot No. 10 & 11, Survey No. 90/1/10 & 90/1/11/1, Kumbharwadi, Village Naroli, Dadra & Nagar Haveli (U.T.), Silvassa - 396 235. India. T 0260 - 669 3000

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

“RESOLVED that the consent of the Company be and is hereby accorded in terms of the provisions of section 180(1)(a) of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and/or charge all the immovable & movable properties of the company wheresoever situate, both present and future, and whole or substantially whole of the undertaking of the company (*with power to takeover the management of the business and concern of the company in certain events) to or in favour of HDFC Bank Ltd and/or any other bank(s)/lender(s) to secure such sum or sums as they may deem requisite but not exceeding Rs. 100,00,00,000 (Rupees Hundred Crs).”


7. To pass a Resolution authorising the Board to borrow in excess of paid up capital and free reserves of the company.

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

“RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company’s bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs Rs. 100,00,00,000 (Rupees Hundred Crs).”

Place: Mumbai
Date: 07th September, 2018

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


Sunil Srinivasan Chari
Whole Time Director
DIN: 00149083

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NOTE:

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

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

Item No. 5

Appointment of Mrs. Meher Bruno Castelino

The Board of Directors of the Company (the Board), at its meeting held on 7th July, 2018 appointed Mrs. Meher Bruno Castelino an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act).

In terms of the provisions of Section 260 of the Act, Mrs. Meher Bruno Castelino would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice, along with requisite fee, from a member under Section 160 of the Companies Act, 2013 proposing candidature of Mrs. Meher Bruno Castelino as a Director of the Company under the provisions of Section 160 of the Act.

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

Save and expect for Mrs. Meher Bruno Castelino, none of the Directors of the Company are, in any way, concerned or interested in the resolution.

Item No. & 7

Consent of shareholders to increase borrowing limits:

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of the Company should obtain approval of the Shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

In order to meet the increased requirements of funds in future, which may arise on account of long term working capital requirement, capital expenditure or the expansion plan / program of the Company, the Company may require to raise further loans / borrowings from financial institutions, banks and others. Accordingly, it is proposed to increase the present limits of borrowings to Rs. 100 Crores.

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Further, to secure the said borrowings, which the Company may borrow from time to time, the Company may be required to create mortgages / charges / hypothecation in favour of the Lenders/Financial Institutions/Bodies Corporate/others, on all or any of its movable and immovable properties. In order to create aforesaid mortgages / charges / hypothecation, the consent of the Shareholders by means of Special Resolution is required under section 180(1)(a) of Companies Act, 2013.

Accordingly, the Resolution Nos. 6 & 7 are proposed to obtain necessary consent of the Company in term of the provision of Sections 180(1) (c) and 180(1)(a) of the Companies Act, 2013.

In view of the above, the Board of Directors recommends passing of resolutions under Item nos. 6 and 7 as Special Resolutions.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise in the aforesaid resolutions.

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REPORT OF THE DIRECTORS

Your Directors submit herewith their 9th Annual Report together with the Audited Accounts statements for the financial year ended 31st March 2018.

1. FINANCIAL RESULTS:

Particulars	<u>YEAR ENDED</u>	<u>YEAR ENDED</u>
	31.03.2018	31.03.2017
	Rs.	Rs.
Revenue from operation	2,916,078,503	2,333,758,276
Total Expenses	2,532,962,604	2,152,690,405
Profit before Tax	394,341,601	187,291,329
Net Surplus for the year	289,240,657	155,938,507
	-----	-----
Balance carried to Balance Sheet	289,240,657	155,938,507

2. OPERATIONAL PERFORMANCE:

There is a quantum jump in the turnover of the company, a growth of around 24.89%. The net surplus of the company increased by Rs. 289,240,657/- from the previous year. The Company is working on future growth prospects and expansion plans in new areas of business so that the Company can gain an extra market in the industry.

3. DIVIDEND:

Considering the present financial condition & current market situation the Board of the Company declares a dividend @200 % for FY 17-18

4. INSURANCE:

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

5. MANAGEMENT DISCUSSIONS AND ANALYSIS:

A. Business Operations & Outlook:

Your Company's performance in the financial year 2017-18 has been good considering difficult economic conditions and taxation process in the country. Despite such challenges your Company maintained its market. The demand for your Company products is steady in both domestic and international markets. This has been possible due to focused on customers, product innovation, greater effectiveness & efficiency everywhere & strengthening organizational leadership. During the year the Company has managed to curtail its expenses and achieve net profit after tax amount to Rs. 289,240,657/- in the current year.

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There has been a significant increase in sale of products for export and to the Export Oriented Units in India. This speaks for the quality of products, which are to world standards. Your company considers Export and sales to Export Oriented Units as a key thrust area as it involves direct competition against international makers.

B. R&D Recognition:

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

6. PUBLIC DEPOSITS:

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

7. DIRECTORS:

The Board consists of 4 Directors namely, Mr. Sunil Chari, Mr. Edward Menezes, Mrs. Jyotishna Chari and Mrs. Anita Menezes. Mrs. Jyotishna Suni Chari retire by rotation and eligible offers herself for appointment.

The Board of Directors of the Company in its meeting held on 07th July 2018, appointed Mrs. Meher Bruno Castelino as independent Director of the Company and her appointment requires confirmation in the ensuing annual general meeting.

8. BOARD MEETINGS:

The Board met ten times during the financial year 2017-18 on 18th April, 2017, 24th April, 2017, 23rd May, 2017, 25th May, 2017, 04th September, 2017, 12th September, 2017, 20th September, 2017, 27th October, 2017, 15th January, 2018 and 12th March, 2018.

Details of the Directorship, Membership and Chairmanship in other companies for each Director of the Company and their shareholdings and Attendance at the meetings for the period ended on 31st March, 2018 are as follows:

Name of Director	No. of Shares Held	Category	Attendance
Mr. Sunil Chari	19,52,620	Executive Director	10
Mr. Edward Menezes	19,52,620	Executive Director	10
Mrs. Jyotishna S. Chari	95,280	Non- Executive Director	7
Mrs. Anita Menezes	95,280	Non- Executive Director	7

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9. AUDITORS APPOINTMENT AND AUDITORS' REPORT :

V. I Bhatia & Co, Chartered Accountants, Mumbai, Auditors of the company expressed their inability to continue as auditors of the Company.

The Board of directors of the Company proposed the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory auditors of the Company for a period of 5 years starting with the financial year 2018-19 to the financial year 2022-23 to hold the office of auditor till the conclusion of annual general meeting of the company for the financial year 2022-23.

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

10. SECRETARIAL AUDIT

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

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. RESEARCH AND DEVELOPMENT (R&D):

a) Specific areas in which R & D carried out by the Company -

Up gradation of few of the microbial strains to get better yield and better application effects. Optimization of SMF conditions for cellulose enzymes. This resulted in better product and applicability. Developed and provided various formulations for Animal Health & nutrition export market. New products and process was developed for paper industries.

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

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

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

c) Expenditure on R & D –

Particulars	Revenue Exp. For the year Rs.	Capital Investment Rs.	Total for the Year Rs.
Opening Balance as on 01.04.2017	NIL	11,30,38,545	
Incurred during the year	3,13,91,896	5,37,47,975	8,51,39,871
Total	3,13,91,896	16,67,86,520	

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

Total R & D expenditure for the year as a percentage of total turnover = 2.86 %

(II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

Efforts made towards Technology Absorption, adaption and innovation

Development of techniques for enzymes cellulases and pectinase with better applicability and yield. New technologies were adapted for the development of niche products for animal health care and we have applied for a Trademark related to our animal health care products.

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Technical personnel got trained for the latest trends in the biotechnological field to gear up for further research. One patent writing is underway.

13. FOREIGN EXCHANGE EARNING AND OUTGO:

Total foreign exchange earned:	Rs.
FOB Value of Exports Sale	395,655,000
Total inflow	395,655,000
Total foreign exchange outgo:	
CIF Value of imported components	369,049,000
Travelling Expenses, Membership / Subscription & Others	11,950,118
Total outflow	380,999,118

ISO Certification:

Company's Silvassa Plant is certified for ISO 9001: 2008 and 14001: 2004 standards.

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

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

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

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

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

Nature of Transaction	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Remuneration Paid to Mr.Sunil Chari	90,73,543	--	--	--
Remuneration Paid to Mr.Edward Menezes	90,73,543	--	--	--
Rent Paid to Mr.Sunil Chari	29,40,000	--	--	--
Rent Paid to Mrs. Jyotishna Chari	13,95,000	--	--	--
Rent Paid to Mr.Edward Menezes	43,35,000	--	--	--
Rent Paid to Glad Properties India Pvt.Ltd	--	--	--	8,40,000
Purchase of Material from Buzil Rossari Pvt. Ltd.	--	--	--	24,49,240
Sale of Material to Rossari Manuchar India Pvt. Ltd.	--	--	--	6,75,521
Sale of Material to Neutron Impex Pvt.Ltd.	--	--	33,34,750	--
Sale of Material to Buzil Rossari Pvt. Ltd.	--	--	--	7,88,69,055
Royalty Income From Bruzil Rossari Private Limited	--	--	--	18,63,654
Interest Received From Buzil Rossari Private Limited	--	--	--	25,71,046
Commission Paid to Buzil Rossari Private Limited	--	--	--	1,91,82,298
Vehicle Hire Charges paid to Mr.Sunil Chari	1,44,000	--	--	--
Vehicle Hire Charges paid to Mr.Edward Menezes	1,44,000	--	--	--
Salary Paid to Mr.Mikhail Menezes	--	28,28,629	--	--
Salary Paid to Mr.Yash Chari	--	7,75,112	--	--

Particulars	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Unsecured Loans from Mr.Sunil Chari	16,58,972	--	--	--
Unsecured Loans from Mrs.Jyotishna Chari	18,52,617	--	--	--
Unsecured Loans from Mrs.Anita Menezes	6,76,313	--	--	--
Unsecured Loans from Mrs.Usha Chari	--	7,500	--	--
Unsecured Loans from Mrs. Mikhail Menezes	--	5,07,500	--	--
Buzil Rossari Pvt.Ltd.	--	--	--	2,96,45,628
Neutron Impex Pvt Ltd	--	--	2,16,16,332	--
Rossari Manuchar (I) Pvt. Ltd.	--	--	--	2,61,722

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16. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

There are no material changes and commitments noticed by the Board between the end of the financial year of the company, i.e., 31.03.2018 and the date of the report.

17. PARTICULARS OF EMPLOYEES:

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

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

18. ACKNOWLEDGEMENTS:

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

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



Edward Menezes
Managing Director
DIN: 00149205



Sunil Chari
Whole Time Director
DIN: 00149083

Place: Mumbai

Dated: 07th September, 2018

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V. I. Bhatia & Co.

Chartered Accountants

Independent Auditors' Report

To the Members of **Rossari Biotech Limited**

1. **Report on the Financial Statements:**

We have audited the accompanying financial statements of **Rossari Biotech Limited** which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit & Loss Account & Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. 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; 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.
3. **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its Profits for the year ended on that date and cash flow for the year ended on that date.

Contd...2...

103, Gateway Plaza, Hiranandani Gardens, Powai, Mumbai – 400 076

Tel.:2570 5977, 4924 5801,

Email:vijaybhatia@email.com


7. **Report on Other Legal and Regulatory Requirements:**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we enclose in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the said order.

8. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance sheet, the Statement of Profit & Loss and the Cash Flow statement dealt with by this report are in the agreement with the books of account;
- d. in our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. On the basis of written representations received from the directors as on 31st March 2018 and taken on records by the Board of Directors, we report that none of the director is disqualified as on 31st March 2018 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 operating effectiveness of such controls, we enclose our separate report in **Annexure 'B'**;
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:;
 - i. The Company in India does not have any pending litigations which would impact its financial position
 - ii. The Company in India did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company in India during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For V. I. Bhatia & Co.
Chartered Accountants
Firm Registration No.101319W


Vijay Bhatia
(Proprietor)
Membership No.035497



Place: Mumbai
Date: 7th September 2018

ANNEXURE 'A' TO THE AUDITORS' REPORT

(Referred to in paragraph 7 of our Audit Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b. As explained to us, the fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- c. The title deed of the immovable property is held in the name of the Company.
- ii. (a) The inventories have been physically verified by the management during the year at reasonable intervals;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) The Company has maintained proper records showing full particulars, including quantitative details and situation of inventories and discrepancies, if any, noticed during physical verification were properly dealt in the books of accounts;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has not given any loans, investments guarantees, security and hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the company has maintained cost records as prescribed by Central Government under sub-section (1) of Section 148 of the Act.
- vii. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2018 for a period of more than six months from the date on when they become payable.
- b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

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- viii. Based on the audit procedures and according to informations and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions, if any, have been disclosed in the financial statements as required by applicable accounting standard.
- xiv. According to informations and explanations given to us by the management and based on our examination of records the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable.
- xv. According to informations and explanations given to us by the management and based on our examination of records the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable.

For V. I. Bhatia & Co.
Chartered Accountants
Firm Registration No.101319W

Vijay Bhatia
(Proprietor)
Membership No.035497



Place: Mumbai
Date: 7th September 2018

Annexure 'B' to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 8 (f) of our Audit Report of even date)

1. We have audited the internal financial controls over financial reporting of **Rossari Biotech Limited**, as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The Management of the Company 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.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

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4. 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.

5. 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.

6. Opinion

In our opinion, 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 31st March 2018, 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.

For V. I. Bhatia & Co.

Chartered Accountants

Firm Registration No.101319W

Vijay Bhatia

(Proprietor)

Membership No.035497



Place: Mumbai

Date: 7th September 2018

ROSSARI BIOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS	31.03.2018	31.03.2017
A. Cash Flow from Operating Activities		
Net Profit Before Tax	39,43,41,601	18,72,91,329
Adjustment for :		
Depreciation	5,09,62,369	4,26,79,691
Profit on Sales of Assets	-	22,009
Interest	1,35,50,995	2,12,31,372
Operating Profit before Working Capital Changes	43,17,52,975	20,87,17,639
Adjustment for Working Capital Changes		
(Increase)/Decrease in Stock in Trade	(11,59,57,349)	1,53,34,566
Increase in Debtors	(12,04,20,765)	(18,37,70,289)
Decrease in Loans & Advances	1,22,39,201	1,17,68,060
Increase in Current Liabilities	9,34,80,596	28,55,347
	(13,06,58,317)	(15,38,12,316)
Cash Generated from Operation	30,10,94,658	5,49,05,323
Taxes Paid	10,51,00,944	3,13,52,822
Dividend Paid	-	26,47,868
Cash Flow before Exceptional item & Prior Period Items	19,59,93,714	2,09,04,633
Net Cash from Operating Activities	19,59,93,714	2,09,04,633
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(14,03,75,486)	(5,54,42,482)
(Purchase)/Sale of Investments	(3,00,00,000)	25,400
Net Cash used in Investing Activities	(17,03,75,486)	(5,54,17,082)
C. Cash Flow from Financing Activities		
Increase in Secured/Unsecured Loan	(4,87,11,836)	1,65,66,906
Increase in Other Long Term Liabilities	38,20,986	33,26,144
Increase in Loans & Advances	(53,90,346)	(89,54,259)
Interest Paid	1,35,50,995	2,12,31,372
Net Cash used/from in Financing Activities	(3,67,30,201)	3,21,70,163
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	(1,11,11,973)	(23,42,286)
D. Opening Cash and Cash Equivalents	1,77,53,989	2,00,96,275
Closing Cash and Cash Equivalents	66,42,016	1,77,53,989

Notes:

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements".
- 2) Previous year's figures have been reclassified to conform to the current years' presentation. In terms of our report attached.

For V. I. Bhatia & Co.
Chartered Accountants



Vijay Bhatia
(Proprietor)




Edward Menezes
(Director)

DIN:00149205
601-602 Gem House
Hiranandani Gardens,
Powai, Mumbai : 400076

For Rossari Biotech Limited



Sunil Chari
(Director)

DIN:00149083
B-902, Valencia CHS
Hiranandani Gardens,
Powai, Mumbai : 400076

Place : Mumbai
Date : 7th September 2018

ROSSARI BIOTECH LIMITED

NOTE-1: CORPORATE INFORMATION

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

NOTE-2: NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

1) SIGNIFICANT ACCOUNTING POLICIES

a) Method of Accounting:

The Financial Statements are prepared in accordance with the historical cost convention & applicable standard and recognize the income & expenditure on accrual basis except those with significant uncertainty and unless referred to otherwise, are consistent with generally accepted accounting principles.

b) Revenue Recognition:

Revenue from the sale of goods is recognized in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is recognized when the Company has satisfied all of its obligations to the customer. Revenue, including any amounts invoiced for shipping and handling costs, represents the value of goods supplied to customers, net of returns, quantity / quality rebates and discounts except cash discount but excluding excise duty. Revenue from Export Benefit - Duty Drawback is accounted on accrual basis.

c) Fixed assets, Capital Work in Progress & Depreciation:

Fixed assets are stated at cost including any cost attributable for bringing the asset to its working condition for its intended use less any accumulated depreciation and any impairment losses. Depreciation has been provided by Written Down Value method at rates prescribed in Schedule II of the Companies Act, 2013. In case of additions to fixed assets put to use for period More than 180 Days, depreciation for full year has been provided and if Additions to fixed assets put to use for period Less than 180 Days, depreciation at half of the amount of depreciation for full year has been provided.

Capital work in Progress represent cost of the Assets / Expenses incurred for the new project and include interest paid on Bank Loan availed for the acquisition of the Project related assets.

d) Research and Development:

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

e) Impairment:

The carrying amount of the Company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount (being the greater of fair value less costs to sell and value in use) is assessed at each balance sheet date. Fair value less costs to sell is defined as the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties, less the costs that would be incurred in disposal. Value in use is defined as the present value of the future

Contd....2

cash flows expected to be derived through the continued use of an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not yet been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. For an asset that does not generate largely independent cash flows, the recoverable amount is determined by reference to the cash generating unit to which the asset belongs. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account.

f) Inventories:

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at as Follows:-

- (i) In case of Raw Materials, Packing Material and other inputs, Cost is determined on First in First out basis.
- (ii) In case of work in process Cost is arrived at by taking in to consideration material consumed and percentage of related overheads.
- (iii) In case of Finished goods Cost is arrived at by taking in to consideration material consumed and percentage of related overheads up to present location & condition.
- (iv) In case of Goods for resale Cost is determined on First in First out basis.

g) Employees Retirement Benefits

(i) Defined Contribution Plan:

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

(ii) Defined Benefit Plan:

The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees.

The scheme provides for payment as under:

(i) On normal retirement / early retirement / withdrawal / resignation:

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

(ii) On death in service:

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

h) Foreign currency:

A majority of the revenue of the Company is generated in Indian Rupees. The presentation currency of the Company is Indian Rupees. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The resulting gains and losses are charged / recognized in the profit and loss account for the year.

i) 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 use 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 fluctuations 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.

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

Foreign Currency	(Rs.in Crores)	
	As at 31 st March 2018	
	Assets	Liabilities
USD	8,03,34,676	2,07,14,643
EURO	--	58,40,448

j) Tax (Current and Deferred):

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the profit and loss account.

Current tax represents the expected tax payable on the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments stemming from prior years.

Deferred tax is provided on the basis of the timing differences method. Deferred tax assets and liabilities are not subject to discounting and are measured at the applicable tax rates.

The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are derecognized to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilized.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to carry forward. In the year in which company recognizes MAT credit as an asset in accordance with Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under Income Tax Act, 1961 the said asset is created by way of credit to statement of profit and loss and shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to extent the company does not have convincing evidence that it will pay normal tax during the specified period.

k) Financial Expenses:

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

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Interest on Term Loan to the extent attributable to the Acquisition/Construction of the Fixed Assets which has not been put to use till the date of the Balance Sheet has been capitalized and added to the Cost of respective Fixed Assets.

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

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

l) Excise Duty

- (i) Material consumed is valued inclusive of excise duty, sales tax and any other cess actually paid or incurred, but excluding CENVAT
- (ii) Excise duty is chargeable on production but is payable on clearance of goods. Accordingly, Excise Duty on goods manufactured by the company is accounted for at the time of their clearance.
- (iii) Excise Duty on clearance of Animal Health Nutrition products are paid by Company and accounted as an Expense. In case of Other Product It is recovered from Customers and accounted accordingly.
- (iv) Excise duty for the Financial Year ended on 31st March 2018 is on sales up to 30th June 2017 only, post which GST is applicable.

m) Goods and Services Tax (GST)

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise and most indirect taxes in India has been replaced with GST. The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the said change in indirect taxes, revenue from operations for the year ended 31st March 2018 is not comparable with revenue from operations for the year ended 31st March 2017.

n) Lease :

- Operating Lease:
The Company does not have any operating Lease.
- Finance Lease:
The Company has future obligations under finance lease arrangements against procured Vehicles, which are as under:

Particulars	F.Y. 2017-18			F.Y. 2016-17		
	Present Value of Minimum Lease Payment	Future Interest Cost	Minimum Lease Payments	Present Value of Minimum Lease Payment	Future Interest Cost	Minimum Lease Payments
Not later than one year	58,05,915	13,70,149	71,76,064	51,60,250	16,20,053	67,80,303
Later than one year but not later than five years	1,28,71,933	12,35,709	1,41,07,642	1,86,77,847	26,05,865	2,12,83,712
Later than five years	-	-	-	-	-	-
Total	1,86,77,848	26,05,858	2,12,83,706	2,38,38,097	42,25,918	2,80,64,015

2) OTHER NOTES

1. Contingent Liabilities not provided for:

Outstanding Bank Guarantees: Rs.11,17,000/- (Previous Year : Rs. 11,39,000/-)

2. Segment wise Information:-

a. Business Segment

The Company operates in only one business segment viz. Specialities Chemicals.

b. Geographical Segment

The Company's operating facilities are located in India:

Sr.No.	Particulars	F.Y.2017-18	F.Y.2016-17
I.	Segment Revenue (Gross Sales)		
a.	India	2,57,31,99,610	2,26,17,31,175
b.	Outside India	41,17,74,317	31,63,50,709
	Total	2,98,49,73,927	2,57,80,81,884

3. Related Party Disclosures

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

i) Related Parties

a) Key Managerial Persons

- I. Mr. Sunil Chari
- II. Mr. Edward Menezes
- III. Mrs. Jyotishna Chari
- IV. Mrs. Anita Menezes

b) Relatives of Key Managerial Persons

- I. Mr. Yash Chari
- II. Mr. Mikhail Menezes
- III. Mrs. Usha Chari

c) Subsidiary Company

I. Neutron Impex Pvt. Ltd.

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

I. Rossari Biotech India Pvt. Ltd.

II. Rossari Specialities

III. Rossari Manuchar India Pvt. Ltd.

IV. Glad Properties India Pvt. Ltd

V. Sunjyot Properties LLP

VI. Buzil Rossari Pvt. Ltd.

VII. Rossari Hydra Chemicals Private Limited

VIII. Suisse Silicon Specialties Private Limited

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

Nature of Transaction	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Remuneration Paid to Mr.Sunil Chari	90,73,543	--	--	--
Remuneration Paid to Mr.Edward Menezes	90,73,543	--	--	--
Rent Paid to Mr.Sunil Chari	29,40,000	--	--	--
Rent Paid to Mrs. Jyotishna Chari	13,95,000	--	--	--
Rent Paid to Mr.Edward Menezes	43,35,000	--	--	--
Rent Paid to Glad Properties India Pvt.Ltd	--	--	--	8,40,000
Purchase of Material from Buzil Rossari Pvt. Ltd.	--	--	--	24,49,240
Sale of Material to Rossari Manuchar India Pvt. Ltd.	--	--	--	6,75,521
Sale of Material to Neutron Impex Pvt.Ltd.	--	--	33,34,750	--
Sale of Material to Buzil Rossari Pvt. Ltd.	--	--	--	7,88,69,055
Royalty Income From Bruzil Rossari Private Limited				18,63,654
Interest Received From Buzil Rossari Private Limited				25,71,046
Commission Paid to Buzil Rossari Private Limited				1,91,82,298
Vehicle Hire Charges paid to Mr.Sunil Chari	1,44,000	--	--	--
Vehicle Hire Charges paid to Mr.Edward Menezes	1,44,000	--	--	--
Salary Paid to Mr.Mikhail Menezes	--	28,28,629	--	--
Salary Paid to Mr.Yash Chari		7,75,112		

Contd. ..7

iii) Outstanding Balance as on 31st March 2018 of the related parties is given below:

Particulars	Key Management Personnel	Relatives of Directors	Subsidiary Company	Enterprises on which key managerial persons or their relatives are able to exercise significant influence
Unsecured Loans from Mr.Sunil Chari	16,58,972	--	--	--
Unsecured Loans from Mrs.Jyotishna Chari	18,52,617	--	--	--
Unsecured Loans from Mrs.Anita Menezes	6,76,313	--	--	--
Unsecured Loans from Mrs.Usha Chari	--	7,500	--	--
Unsecured Loans from Mrs. Mikhail Menezes	--	5,07,500	--	--
Buzil Rossari Pvt.Ltd.	--	--	--	2,96,45,628
Neutron Impex Pvt Ltd	--	--	2,16,16,332	--
Rossari Manuchar (I) Pvt. Ltd.	--	--	--	2,61,722

4. Expenditure on Research and Development incurred during the year:

Particular	Amount Rs. 2017-18	Amount Rs. 2016-17
Revenue Expenditure	3,13,91,896	4,71,02,610
Capital Expenditure	5,37,47,975	2,53,11,174
Total	8,51,39,871	7,24,13,784

5. Deferred Tax:

Break up of Deferred Tax Assets arising on account of Timing Differences:

Particular	Amount Rs. 2017-18	Amount Rs. 2016-17
Depreciation on Fixed Assets	79,19,752	47,12,884

6. There are no micro, small and medium Enterprises to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date, to the extent such parties have been identified on the basis of information available with the company.

7. Additional information pursuant to Schedule III of the Companies Act, 2013.

A) Particulars in respect of class of goods manufactured:

Class of products	Installed Capacity p.a. Qty. MT	Actual Production Qty (Kgs.,Nos.& Ltrs)
Specialty Bio-chemicals, Green/Eco Friendly Chemicals & Enzymes for various application	NA	F.Y.2017-18 : 4,45,12,538 F.Y.2016-17 : 3,36,85,890

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

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

Class of products	Opening Stock Value Rs.	Closing Stock Value Rs.	Sales Value Rs.
Specialty Bio-chemicals, Green / Eco Friendly Chemicals & Enzymes for various application	5,14,76,778 (5,44,97,113)	5,88,40,126 (5,14,76,778)	2,91,04,93,020 (2,15,85,91,065)
Chemicals & Others Goods Traded	9,18,022 (15,03,951)	85,78,150 (9,18,022)	5,69,995 (17,10,86,242)
Total	5,23,94,800 (5,60,01,064)	6,74,18,276 (5,23,94,800)	2,91,10,63,015 (2,32,96,77,307)

Figures mentioned in brackets are pertaining to F.Y.2016-17

8. Analysis of Raw Material consumed:

Item Description	31 st March 2018 Value Rs.	31 st March 2017 Value Rs.
1 Agro Origin Raw Materials, Acetic acid, Citric acid, Polymers, Base oil, Ethoxylates, Surfactants, Enzymes etc.	1,95,96,73,560	1,65,84,72,831
Total	1,95,96,73,560	1,65,84,72,831

9. The value of consumption of directly imported and indigenously obtained Raw Materials and percentage to that of the total consumption:

Particulars	31 st March 2018		31 st March 2017	
	Value (Rs.)	%	Value (Rs.)	%
Imported Raw Materials	39,34,35,364	20.08%	39,09,31,150	23.57%
Indigenous Raw Materials	1,56,62,38,196	79.92%	1,26,75,41,681	76.43%
Total	1,95,96,73,560	100%	1,65,84,72,831	100%

10. Value of Imports on C.I.F. Basis:

Particulars	31 st March 2018 Rs.	31 st March 2017 Rs.
Raw Materials	36,90,49,000	17,30,48,054

11. Expenditure in Foreign Currency on account of:

Particulars	31 st March 2018 Rs.	31 st March 2017 Rs.
Traveling	53,71,884	67,41,761
Others	65,78,234	63,57,742
Total	1,19,50,118	1,30,99,503

12. Earning in Foreign Currency (F.O.B. Value):

Particulars	31 st March 2018	31 st March 2017
	Rs.	Rs.
Sales	39,56,55,000	30,49,73,600

13. ISO Certification:

Company's Silvassa Plant is certified for ISO 9001: 2008 and 14001: 2004 standards.

14. R&D Recognition:

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

15. Corporate Social Responsibility:

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

16. Proposed Dividend:

The Board of the company has proposed dividend of Rs. 8,80,00,000 .

17. Previous year's figures:

Previous figures have been re-grouped / re-arranged wherever necessary.


Signature on Note 1 to 25

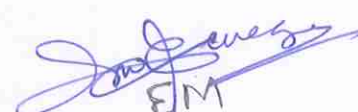
For V. I. Bhatia & Co.
Chartered Accountants,


Vijay Bhatia
(Proprietor)



For Rossari Biotech Limited


Sunil Chari
(Director)


Edward Menezes
(Director)

Place: Mumbai
Date: 7th September 2018

ROSSARI BIOTECH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	4,40,00,000	4,40,00,000
Reserves and Surplus	4	85,11,28,280	56,18,87,623
		89,51,28,280	60,58,87,623
Non-Current Liabilities			
Long-term borrowings	5	1,28,71,932	2,42,62,832
Other long-term liabilities	6	3,02,97,971	2,64,76,985
		4,31,69,903	5,07,39,817
Current Liabilities			
Short-term borrowings	7	17,46,43,741	21,19,64,678
Trade payables	8	41,61,80,163	31,79,45,711
Other Current Liabilities	9	1,37,72,382	1,83,60,604
Short-term provisions	10	1,44,08,549	1,13,67,315
		61,90,04,835	55,96,38,308
Total		1,55,73,03,018	1,21,62,65,748
ASSETS			
Non-current assets			
Fixed assets	11		
i. Tangible Assets		43,68,58,296	36,83,38,298
ii. Intangible Assets		5,00,220	5,30,121
iii. Capital Work In Progress		9,98,80,178	7,89,57,158
		53,72,38,694	44,78,25,577
Non – current Investments	12	3,19,75,000	19,75,000
Deferred tax assets (Net)	2.2.5	79,19,752	47,12,884
Long-term Loans and Advances	13	1,43,19,205	89,28,859
Other non-current assets	14	25,400	25,400
		5,42,39,357	1,56,42,143
Current assets			
Inventories	15	35,10,43,609	23,50,86,260
Trade receivables	16	59,38,13,567	47,33,92,802
Cash and cash equivalents	17	66,42,015	1,77,53,989
Short-term loans and advances	18	1,43,25,776	2,65,64,977
		96,58,24,967	75,27,98,028
Total		1,55,73,03,018	1,21,62,65,748

Significant Accounting Policies 1
 Additional Notes to Accounts 2
 See accompanying notes forming part of the financial statements 3 to 25
 In terms of our report attached.

For V. I. Bhatia & Co.
 Chartered Accountants




Vijay Bhatia
 (Proprietor)



Place : Mumbai
 Date : 7th September 2018

For Rossari Biotech Limited



Edward Menezes
 (Director)

DIN:00149205
 601-602 Gem House
 Hiranandani Gardens,
 Powai, Mumbai : 400076



Sunil Chari
 (Director)

DIN:00149083
 B-902, Valencia CHS
 Hiranandani Gardens,
 Powai, Mumbai : 400076

ROSSARI BIOTECH LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No	Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
Revenue from operations	19	2,91,60,78,503	2,33,37,58,276
Other Income	20	1,12,25,702	62,23,458
Total Revenue		2,92,73,04,205	2,33,99,81,734
Expenses:			
Cost of materials consumed	21	1,95,96,73,560	1,65,84,72,831
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(57,19,977)	(51,01,072)
Employee benefit expense	23	16,08,72,023	14,13,32,517
Financial costs	24	1,35,50,995	2,12,31,372
Depreciation and amortization expense	11	5,09,62,369	4,26,79,691
Research & Development Expenses	2.2.4	3,13,91,896	4,71,02,610
Other expenses	25	32,22,31,738	24,69,72,456
Total Expenses		2,53,29,62,604	2,15,26,90,405
Profit Before Tax		39,43,41,601	18,72,91,329
Tax expense:			
(1) Current tax		10,83,07,812	4,14,35,654
Less : MAT Credit Entitlement		-	80,12,334
(2) Deferred tax		(32,06,868)	(20,70,497)
Profit (Loss) from the period from continuing operations		28,92,40,657	15,59,38,507
Earning per equity share:			
Basic & Diluted		65.74	35.44

Significant Accounting Policies

1

Additional Notes to Accounts

2

See accompanying notes forming part of the financial statements

3 to 25

In terms of our report attached.

For V. I. Bhatia & Co.

Chartered Accountants

For Rossari Biotech Limited



Vijay Bhatia
(Proprietor)




Edward Menezes
(Director)

DIN:00149205
601-602 Gem House
Hiranandani Gardens,
Powai, Mumbai-400076

Sunil Chari
(Director)

DIN:00149083
B-902, Valencia CHS
Hiranandani Gardens,
Powai, Mumbai-400076

Place : Mumbai

Date : 7th September 2018

ROSSARI BIOTECH LIMITED

NOTES FORMING PART OF BALANCE SHEET AS ON 31 ST MARCH 2018

Particulars		Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
Shareholders Funds :			
3	Share Capital		
a	Authorized Share Capital 50,00,000 Equity Share of Rs.10 each	5,00,00,000	5,00,00,000
	Total	5,00,00,000	5,00,00,000
b	Shares issued, subscribed and fully paid 44,00,000 Equity Share of Rs.10 each	4,40,00,000	4,40,00,000
	Total	4,40,00,000	4,40,00,000
c	Details of Shares held by shereholders holding more than 5% of the aggregate shares in the Company		
	Sunil Chari 19,52,620 44.38%		
	Edward Menezes 19,52,620 44.38%		
	Rossari Biotech India Pvt Ltd. 2,74,200 6.22%		
4	Reserves & Surplus		
	Securities Premium Reserve	15,60,00,000	15,60,00,000
	Surplus in Statement of Profit and Loss		
	Opening balance	40,58,87,623	25,25,96,985
	Add: Profit for the year	28,92,40,657	15,59,38,507
		69,51,28,280	40,85,35,491
	Less: Appropriations		
	Proposed Dividend on Equity Shares	-	22,00,000
	Tax on Proposed Dividend	-	4,47,868
	Profit after Appropriations	69,51,28,280	40,58,87,623
	Total	85,11,28,280	56,18,87,623
5	Long-term borrowings		
	Secured Loans		
	Vehicles Loans	1,28,71,932	1,93,08,866
	Term Loans	-	49,53,966
	Total	1,28,71,932	2,42,62,832
	Details of Securities		
	a). Vehicle Loans Secured by way of hypothecation of respective Vehicle.		
	b). Term Loan from Govt. of India under Biotechnology Industrial Partnership Programme (BIPP) under Dept. of Biotechnolgy (Ministry of Science & Technology) scheme included in Term Loan is secured by way of hypothecation of project related assets.		
	c). The Working Capital facilities and Term Loan from Bank are secured by way of hypothecation of entire stocks, book debts and other current assets as primary security and hypothecation of movable fixed assets and equitable mortgage of office premises, factory land & building as collateral security. Further they are secured by personal guarantees of Directors of the Company.		

ROSSARI BIOTECH LIMITED

NOTES FORMING PART OF BALANCE SHEET AS ON 31 ST MARCH 2018

	Particulars	Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
6	<u>Other long-term liabilities</u>		
	Security Deposit from Distributors	3,02,97,971	2,64,76,985
	Total	3,02,97,971	2,64,76,985
7	<u>Short-term borrowings</u>		
	<u>Secured Loans</u>		
	Working Capital Loans From Banks	16,99,40,839	19,53,73,504
	<u>Unsecured Loans</u>		
	From Shareholders & Relative of Director	47,02,902	1,65,91,173
	Total	17,46,43,741	21,19,64,678
	<u>Details of Securities</u>		
	Refer Note on Long Term Borrowings		
8	<u>Trade Payable</u>		
	Payable to others	41,61,80,163	31,79,45,711
	Total	41,61,80,163	31,79,45,711
9	<u>Other Current Liabilities</u>		
	Security Deposits	-	2,00,000
	Current maturities of long-term debts	82,82,888	58,03,274
	TDS Payables	32,74,018	90,20,570
	Others Payables	22,15,475	33,36,760
	Total	1,37,72,382	1,83,60,604
10	<u>Short-term provisions</u>		
	Provision for employee benefits	1,44,08,549	87,19,447
	Proposed Dividend	-	22,00,000
	Tax on Dividend	-	4,47,868
	Total	1,44,08,549	1,13,67,315
12	<u>Non - Current Investments</u>		
	<u>Investment in Equity Instruments - Unquoted fully paid up</u>		
	<u>Investment in Subsidiary Company</u>		
	Neutron Impex Private Limited - Equity Shares 1000 Equity Shares of Face Value Rs. 100/- each	19,75,000	19,75,000
	<u>Investment in Mutual Fund</u>		
	HDFC Balance Fund - Growth - Regular Plan (Fair Value : Rs.2,95,87,12)	3,00,00,000	-
	Total	3,19,75,000	19,75,000
13	<u>Long - Term Loans and Advances</u>		
	<u>Unsecured, considered good</u>		
	Security & Business Deposits	1,13,12,609	81,26,757
	Advance to Employee	30,06,596	8,02,101
	Total	1,43,19,205	89,28,859

ROSSARI BIOTECH LIMITED

11. NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2018

FIXED ASSETS -- Amount in Rupees.

Description	Gross Block				Depreciation / Amortisation				Net Block		
	As at	Additions	Deductions/ Adjustments	Deletion (Sale Value)	As at	For the Year	Adjustment (Charged to Reserves & Surplus)	Deductions/ Adjustments	Up to	As at	As at
	01.04.2017				31.03.2018				31.03.2018	31.03.2018	31.03.2017
Tangible Assets											
Freehold Land	10,12,30,185	-	-	-	10,12,30,185	-	-	-	-	10,12,30,185	10,12,30,185
Building	26,09,16,085	1,50,61,511	-	-	27,59,77,596	1,07,35,385	-	-	13,47,97,744	14,11,79,852	13,68,53,726
Computers System	3,50,27,792	12,26,589	-	-	3,62,54,381	9,83,610	-	-	3,52,30,849	10,23,532	7,80,553
Furniture & Fixtures	1,96,24,808	44,98,177	-	-	2,41,22,985	15,73,526	-	-	1,81,65,401	59,57,584	30,32,933
Motor Car	4,42,74,988	38,55,500	-	11,22,904	4,70,07,584	74,82,081	-	6,57,812	3,09,42,459	1,60,65,125	2,01,56,798
Other Vehicle	8,34,573	-	-	-	8,34,573	47,080	-	-	6,99,805	1,34,768	1,81,848
Office Equipment	97,95,223	5,76,335	-	1,64,166	1,02,07,392	4,45,090	-	1,64,166	93,95,837	8,11,555	6,80,310
Plant & Equipments											
i) Plant & Machinery	19,60,31,974	7,51,03,487	-	7,63,098	27,03,72,363	2,13,40,710	-	5,04,902	13,21,51,781	13,82,20,582	8,47,16,001
ii) Lab Equipment	2,77,05,705	1,93,44,548	-	60,001	4,70,50,253	68,91,805	-	60,001	1,79,64,873	2,90,85,380	1,66,32,637
iii) Electrical Installation	2,32,22,636	1,09,611	-	60,001	2,32,72,246	11,15,190	-	60,001	2,00,25,213	32,47,033	42,52,612
Total - A	71,86,63,969	11,97,75,758	-	21,10,169	83,63,29,558	5,06,14,477	-	13,86,881	39,93,73,962	43,69,55,596	36,85,17,603
Intangible Assets											
Computers Software	50,63,234	4,00,000	-	-	54,63,234	3,47,892	-	-	50,60,314	4,02,920	3,50,812
Total - B	50,63,234	4,00,000	-	-	54,63,234	3,47,892	-	-	50,60,314	4,02,920	3,50,812
TOTAL (A+B)	72,37,27,203	12,01,75,758	-	21,10,169	84,17,92,792	5,09,62,369	-	13,86,881	40,44,34,276	43,73,58,516	36,88,68,415

Note:-

- The Above Fixed Assets includes the cost of acquisition of the assets procured & utilized for Research & Development in respective class of Assets.
- Depreciation is provided in WDV Method at the rates specified in Schedule II of the Companies Act, 2013, except on software utilised & included in Plant & Equipments, on which depreciations is provided at the rates prescribed for computer software.
- Depreciation on Additions for the assets put to use for more than Six Month is provided in full & for the assets put to use less than Six Month is provided @ 50% of the applicable rate.

ROSSARI BIOTECH LIMITED

NOTES FORMING PART OF BALANCE SHEET AS ON 31 ST MARCH 2018

	Particulars	Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
14	Other Non Current Assets		
	Investment in Jostar Orgotech	400	400
	Investment in Saraswat Bank	25,000	25,000
	Total	25,400	25,400
15	Inventories		
	Raw Materials	27,72,28,177	16,69,90,804
	Work-in-progress	63,97,157	1,57,00,656
	Finished goods	5,88,40,126	5,14,76,778
	Stock-in-trade	85,78,150	9,18,022
	Total	35,10,43,609	23,50,86,260
16	Trade Receivable		
	Unsecured, considered good;		
	<u>Outstanding for a period exceeding 6 months from the date of invoice</u>		
	From Others	65,93,219	1,42,31,400
	<u>Others:</u>		
	From Related Parties	2,96,65,728	-
	From Others	55,75,54,620	45,91,61,402
	Total	59,38,13,567	47,33,92,802
17	Cash and cash equivalents		
	(a) Balances with banks		
	In Current Accounts	5,05,201	43,11,212
	In EEFC Accounts	14,16,519	43,97,538
		19,21,720	87,08,750
	Cash on hand	9,43,484	10,52,373
	Total (a)	28,65,204	97,61,123
	(b) Other bank balances		
	Margin money deposits against bank guarantees	37,76,812	79,92,865
	Total (b)	37,76,812	79,92,865
	Total	66,42,015	1,77,53,989
18	Short-term loans and advances		
	Unsecured, considered good		
	Recoverable from Revenue Authorities	1,01,78,915	2,47,94,703
	Prepaid expenses	30,59,414	10,17,929
	Accrued Interest	1,06,238	4,91,275
	Other Loans and Advances	9,81,209	2,61,070
	Total	1,43,25,776	2,65,64,977

ROSSARI BIOTECH LIMITED

NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

	Particulars	Amount in Rs. as at 31.03.2018	Amount in Rs. as at 31.03.2017
17	<u>Revenue from operations</u>		
	Sale of products	2,56,76,14,128	2,08,65,63,965
	Sale of trading goods	5,69,995	17,10,86,242
	Export Sales	41,17,74,316	31,63,50,708
	Other operating revenues	50,15,488	40,80,968
		2,98,49,73,927	2,57,80,81,884
	Less : Excise duty	6,88,95,424	24,43,23,608
	TOTAL	2,91,60,78,503	2,33,37,58,276
18	<u>Other Income</u>		
	Rent	-	80,000
	Net Gain on foreign currency transactions & translation	47,27,335	31,47,239
	Profit on Sales of Assets	-	22,009
	Interest Income	40,38,074	15,31,928
	Insurance Claim Received	5,96,639	6,14,386
	Royalty Income	18,63,654	8,27,897
	TOTAL	1,12,25,702	62,23,458
19	<u>Cost of materials consumed</u>		
	Opening Stock of Raw Materials	16,69,90,804	18,74,26,441
	Add : Purchases (Net)	2,06,99,10,932	1,63,80,37,194
		2,23,69,01,736	1,82,54,63,635
	Less : Closing Stock of Raw Materials	27,72,28,177	16,69,90,804
	TOTAL	1,95,96,73,560	1,65,84,72,831
20	<u>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</u>		
	Opening Stock		
	Work-in-progress	1,57,00,656	69,93,320
	Stock-in-Trade	9,18,022	15,03,951
	Finished Goods	5,14,76,778	5,44,97,113
		6,80,95,456	6,29,94,384
	Less : Closing Stock		
	Work-in-progress	63,97,157	1,57,00,656
	Stock-in-Trade	85,78,150	9,18,022
	Finished Goods	5,88,40,126	5,14,76,778
	TOTAL	7,38,15,433	6,80,95,456
	Increase in Stock	(57,19,977)	(51,01,072)
21	<u>Employee Benefits Expense</u>		
	Salaries & Wages	14,85,67,366	12,98,79,372
	Contribution to provident and other funds	53,94,391	52,67,515
	Staff welfare expenses	69,10,266	61,85,630
	TOTAL	16,08,72,023	14,13,32,517
22	<u>Financial Costs</u>		
	Interest expense	86,18,178	1,69,14,319
	Other borrowing costs	49,32,818	43,17,052
	TOTAL	1,35,50,995	2,12,31,372

ROSSARI BIOTECH LIMITED

NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

23	<u>Other Expenses</u>		
	Advertisement	11,88,694	5,64,940
	Directors Remunerations	1,81,47,086	1,25,00,000
	Commission on Sales	4,59,00,415	2,57,66,039
	Computer Expenses	11,24,040	12,69,834
	Consumable, Stores & Spares	1,21,04,983	1,18,94,646
	Conveyance & Petrol	86,38,126	55,27,223
	Corporate Social Responsibility Expenditure	33,08,547	12,41,041
	Electricity Charges - Factory	57,00,218	61,67,481
	Factory Expenses	2,46,22,818	1,47,85,423
	Repairs & Maintenance- Electricals	19,38,535	13,51,724
	Repairs & Maintenance- Plant & Machinery & Electronics	48,71,898	44,93,478
	Repairs & Maintenance- Building	20,01,035	16,87,923
	Repairs & Maintenance - Vehicle & Others	19,05,168	32,01,914
	Repairs and Maintenance - Instrumentation	1,71,925	-
	Transport, Loading & Unloading	1,57,63,120	1,51,98,422
	Donation	2,01,482	4,85,568
	Electricity Charges - Office	27,55,383	30,68,480
	Exhibition, Conference & Seminars	2,10,50,189	57,81,573
	C & F & Other Export / Import Related Expenses	2,29,09,862	2,75,59,816
	Insurance Charges	41,81,867	54,23,618
	Membership & Subscription	1,35,574	2,13,255
	Mobile & Telephones Expenses	18,35,971	16,61,902
	Loss on sale of Assets	2,63,292	-
	Royalty	3,45,659	3,36,135
	Vehicle Hire Charges	18,50,607	17,91,420
	Society Charges	15,05,105	14,00,306
	Office Expenses	1,11,27,074	65,75,952
	Postage & Courier	15,51,858	16,98,690
	Printing & Stationery	22,76,165	17,68,630
	Professional Fees	2,75,23,233	1,55,92,916
	Rent For Office/Residence/Warehouses	1,48,47,239	1,37,43,891
	Rent, Rates & Taxes	18,72,919	19,05,458
	Sales Promotion Expenses	59,19,907	44,02,128
	Travelling Expenses	2,00,95,314	2,38,70,456
	Transport Outward	2,51,56,572	1,69,72,208
	Watch & Ward Expenses	23,38,618	17,99,634
	Miscellaneous expenses	45,67,241	48,29,334
	<u>Payments to the Auditors as</u>		
	Statutory & Tax Audit Fees	4,65,000	3,90,000
	For Certification Matters	69,000	51,000
	TOTAL	32,22,31,738	24,69,72,456