

BOARD'S REPORT

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:

(Rs. in Million)

Particulars	2019-2020	2018-2019
Revenue from Operations	6,000.94	5,162.18
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

ROSSARI BIOTECH LIMITED

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Factory : Plot No. 10 & 11, Survey No. 90/1/10 & 90/1/111/1, Kumbharwadi, Village Naroli, Dadra & Nagar Haveli (U.T.), Silvassa - 396 235, India. T 0260 - 669 3000

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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 Rs. 6,038.18 million for the year ended March 31, 2020 as compared to net revenue of Rs. 5,171.24 million in the previous year. Total expenses (including depreciation & amortization and finance costs) incurred during the year was at Rs. 5,156.18 million. The profit for the year is Rs. 655.22 million, as compared to Rs. 457.90 million 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.

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DIVIDEND

The Board of Directors of the Company recommend a Final Dividend for the Financial Year 2019-20 at the rate of Rs. 0.50 (Rupee Fifty Paise Only) per Equity Share of Face Value of Rs. 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 Rs. 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

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equity funds and without any high leverage from lenders. The Company's ability to fund its capital expenditure from the internal accruals, its efficient sweating of assets which has led to a high asset turn-over and its efficient working capital management are testament to its efficient and prudent financial management.

The Company also believe that its 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 its customers while its 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 its Silvassa Manufacturing Facility as well as in its 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 its 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 its 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.

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CHANGE IN THE STATUS OF THE COMPANY

During the year under review, there 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 Rs. 10 each was sub-divided into 2,50,00,000 Equity Shares of face value of Rs. 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 Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 2 each to Rs. 12,00,00,000 divided into 6,00,00,000 equity shares of Rs. 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 Rs. 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 Rs. 2/- each to the eligible Qualified Institutional Buyers at issue price of Rs. 425/-

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per Equity Share i.e. at a premium of Rs. 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 Rs.)
Equity shares of Rs. 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 Rs.)
Equity shares of Rs. 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.

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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 Mr. Sharabh Pachory (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 Mr. Sharabh Pachory were appointed as Directors and Independent Director of the Company.

Retirement By Rotation

Mr. Sunil Chari (DIN:00149083) will retire by rotation and being eligible, offers himself for re-appointment.

A detailed profile(s) of Mr. Sunil Chari 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.

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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 Mr. Sharabh Pachory 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 11 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; 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	11	11
Mr. Sunil Chari	Executive, Non-Independent	11	11
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	11	8
Ms. Meher Castelino	Non-Executive, Independent	11	8
Ms. Aseem Dhru (w.e.f 12.11.19)	Non-Executive, Independent	6	5
Mr. Robin Banerjee (w.e.f 12.11.19)	Non-Executive, Independent	6	2
Mr. Sharabh Pachory (w.e.f 12.11.19)	Non-Executive, Independent	6	4

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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.

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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:

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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), Mr. Sharabh Pachory 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:

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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
Mr. Sharabh Pachory (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.

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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.

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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 Rs. 3.22 Million as compared to Rs. 8.39 Million in the previous year. Profit before tax is Rs. (0.48) Million as against profit of Rs. 4.22 Million of the previous year. The profit after tax stood at Rs. (0.51) Million as compared to the profit of Rs. 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 Rs. 326.83 Million as compared to Rs. 271.02 Million in the previous year. Profit before tax is Rs. 3.71 Million as against profit of Rs. 1.22 Million of the previous year. The profit after tax stood at Rs. 2.94 Million as compared to the profit of Rs. 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.

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Regd. Office : 201 A & B, Akruti Corporate Park, Next to GE Gardens, LBS Marg, Kanjurmarg (W), Mumbai - 400078. India. T +91-22-6123 3800 F +91-22-2579 6982

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

E info@rossarimail.com W www.rossari.com CIN: U24100MH2009PLC194818

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.

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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.

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STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W), 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.

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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.

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The presiding officer of the Committee has been relieved 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 Rs. 2 per equity share and received initial approval of the SEBI in this regard.

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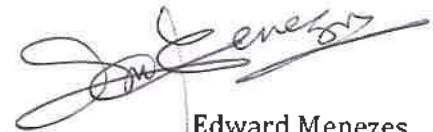
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- b) the Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of Companies Act, 2013 and Rules made thereunder.
- c) the Company has not accepted any deposit from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

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