

June 23, 2022

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No.2272 3121/2037/2039  Stock Code: 543213	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor Plot No.C/1, 'G'Block, Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No.2659 8237/8238  Stock Code: ROSSARI
---	--

Dear Sir/Madam,

**Sub: Notice of 13<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2021-22**

**Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The 13<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Friday, July 15, 2022 at 11:00 A.M. IST through Video Conferencing/Other Audio-Visual Means ("VC/OAVM").

Pursuant to the General Circular No. 03/2022 dated May 05, 2022 read with General Circular No. 02/2021 dated January 13, 2021, 20/2020 dated May 5, 2020, General Circular No. 17/2020 dated April 13, 2020, and 14/2020 dated April 8, 2020, issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the Notice convening the 13<sup>th</sup> AGM and the Annual Report of the Company for the Financial Year 2021-22 has been sent to all the Members of the Company whose e-mail addresses are registered with the Company or Depository Participant(s).

Pursuant to Regulation 34 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report for the Financial Year 2021-22 containing, inter alia, the Notice convening the 13<sup>th</sup> AGM of the Company.

The Annual Report is also available on the website of the Company at [www.rossari.com](http://www.rossari.com)

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours Sincerely,  
For Rossari Biotech Limited



Parul Gupta  
Company Secretary & Compliance Officer  
Membership No.: A38895



Encl.: as above

## ROSSARI BIOTECH LIMITED

(An ISO 9001:2015 & 14001:2015 Certified Company)

Regd. Office : 201 A - B, 2nd Floor, Akuruti Corporate Park, L.B.S Marg, Next to GE Gardens, 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, Khumbharwadi, Village Naroli, Silvassa - 396 235, Dadra & Nagar Haveli (U.T.), India. T : 0260 - 669 3000

: Plot No: D3/24/3, Opposite ATC Tyre Phase III, G.I.D.C Dahej, Village Galanda, Taluka Vagra, Bharuch-Gujarat - 392 130, India.

info@rossarimail.com  www.rossari.com



<b>Corporate Overview</b>	<b>1-55</b>
Able. Stable. Sustainable.	1
Rossari Biotech – An Overview	6
Executive Chairman’s Message	10
MD’s Communique	14
Our Value Creation Process	16
Divisional Overview	18
Financial Capital	30
Manufacturing Capital	34
Intellectual Capital	36
Human Capital	40
Social And Relationship Capital	44
Natural Capital	48
Governance	52
Corporate Information	55

<b>Statutory Reports</b>	<b>56-126</b>
Board’s Report	56
Corporate Governance	84
Management Discussion and Analysis	106
Business Responsibility Report	118

<b>Financial Statements</b>	<b>128-244</b>
Standalone Financials	128
Consolidated Financials	183
Notice	245

## Investor Information

Market Capitalisation as at 31 <sup>st</sup> March, 2022 (BSE):	₹ 50,296.80 million
CIN:	L24100MH2009PLC194818
BSE Code:	543213
NSE Symbol:	ROSSARI
Bloomberg Code:	ROSSARI:IN
Dividend Declared:	₹ 0.50 Per Share
AGM Date:	15 <sup>th</sup> July, 2022

## ABOUT THIS REPORT

We, at Rossari Biotech Limited, take pleasure in presenting our Annual Report. This is our step to embark on the journey for the Integrated Reporting. As one of our principal communication documents addressed to all our stakeholders, this Report contains comprehensive information on our operational and financial performance and their influence on our strategic objectives, resulting in our ability to create sustainable value. We will further keep adding more such components over the years and keep up with the unwavering trust of our stakeholders.

## OUR APPROACH TO REPORTING

Beginning of 2021-22, Rossari Biotech Limited took a proactive decision to move towards Integrated Reporting <IR> in line with our commitment to voluntarily report more information to our stakeholders on all facets of our business. In this introductory Report, we state our integrated value creation process to our stakeholders, using six capitals, broadly based on the principles of the International Integrated Reporting Council (‘IIRC’). These capitals encompass both financial and non-financial forms of capitals viz. Physical, Intellectual, Human, Social and Relationship and Natural.

## REPORTING PERIOD, SCOPE AND BOUNDARY

The reporting period for this Integrated Report is from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022. It includes an overview of our operations, business divisions and key focus strategies.

## REPORTING STANDARDS AND FRAMEWORKS

This Report is prepared in accordance with the International Integrated Reporting <IR> Framework, outlined by the International Integrated Reporting Council (IIRC). With this framework, the Company intends to add more transparency and accountability through the disclosures and information provided in the Report. The financial information presented in this Report includes the Board’s Report, Corporate Governance Report, Management Discussion and Analysis (MD&A) and the Business Responsibility Report and complies with the financial and statutory data requirements of the Companies Act 2013, Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements Regulations), 2015, and the prescribed Secretarial Standards. The non-financial information presented in this Report is based on the sustainability reporting standards of the Global Reporting Initiative (GRI Standards).



For more investor related information  
Scan this QR code

Please find our online version at:  
<https://www.rossari.com/ir-annual-report/>

**Disclaimer:** This document contains statements and disclosures about expected future events which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions, which are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (including risk factors referred to in the Management Discussion and Analysis section of this Annual Report) could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements.

\* Figures and information provided in this Report are on consolidated basis unless otherwise specified

\*Across the Report Rossari Biotech Limited and Rossari Group is referred to as ‘Rossari’ or ‘We’ or ‘The Company’

Abilities in a business are essential for performance and productivity. They are responsible for deciding an organisation's course of growth.

Stability, on the other hand, is essential for smooth functioning, managing risks and challenges, maintaining confidence and optimism and effective adaptation to change. It is the bandwidth that abilities provide for a business to keep moving on despite all the hurdles.

Together, these two bring agility and responsiveness and a cumulative strength that is vital for a business's survival.

**At Rossari, our robust R&D, innovation skills and strategic acquisitions are our strong abilities that enable our market-leading position in the Indian Specialty Chemical space. They make us who we are, giving us an identity and helping us cater to the dynamic market and evolving customer needs promptly.**

**Our state-of-the-art facilities, professional management, experience and outstanding financial performance brings us stability. If abilities are our roots, our stability helps us fly by giving us the confidence to stay on course and leap when we see an opportunity.**

Our 4 Pillars of Chemistry and 4 Levers of growth together make our strong foundation. So much so that 4 plus 4 equals 44. These 4 pillars and 4 levers form the framework of our abilities and stability, which when combined with our consistent focus and emphasis on sustainability, make us ready for the future. We recognise our role in driving sustainability and so we pay special attention to creating sustainable solutions - ones that meet customer demands responsibly, without taking hope away from our tomorrows. For us, business is about acting, enabling and influencing the best practices which strengthen the connection between commercial, social and environmental management.

**4 Pillars** of Chemistry & **4 Levers** of growth

GIVE US A STRONG FOUNDATION WITH

**4 + 4 = 44**

**THIS REPORT IS AN ACCOUNT OF HOW WE UTILISE THESE SAME PILLARS AND LEVERS DEPLOYING OUR ABILITIES, STABILITY AND FOCUS ON SUSTAINABILITY TO STRENGTHEN OUR FUTURE. IT IS ABOUT HOW ROSSARI IS**

**Able, Stable & Sustainable.**

# Abilities that add to stability

## OUR STRENGTHS

As one of India's leading players in the customised Specialty Chemical space, we have always emphasised strengthening our abilities with a focus on customer-centricity. For us, meeting our customers' evolving needs is crucially essential. And so, we actively employ our knowledge of intelligent chemistry and manufacturing capabilities to develop customised solutions for end-user industries.

We recognise our role as the enablers of sustainability. We identify ourselves as 'greenovators' who believe in developing the right solutions targeted at improving the lives of our customers without taking anything away from the generations to come. Our strengths speak of our abilities that add to our stability, and our expertise helps us be more sustainable.





# Leading Player



- Acrylic Acid Consumer
- Textile Chemical Producer
- Agrochem Surfactants Producer

- Producer of Phenoxyethenol
- Producer of Institutional Hygiene Chemicals in India



- Silicone Polymer Producer
- Ethoxylates & Propoxylates
- Defoamer/Antifoam Producer

# Stability Reflected in Performance, Collaborations and Leadership

## KEY DEVELOPMENTS DURING THE YEAR

A company's growth is indicative of how an effective management leads it, how it adds to its abilities through strategic collaborations and how it meets its objectives, offering good returns to stakeholders.

At Rossari, the year that went by speaks volumes about all three parameters, underlining how Able, Stable and Sustainable we are in every aspect.

### ACHIEVED HEALTHY TOPLINE

driven by Home, Personal care and Performance Chemicals (HPPC), Textiles Specialty Chemicals (TSC), and Animal Health and Nutrition (AHN) division

### ENHANCED VOLUME OFFTAKES

from Textiles Specialty Chemicals (TSC), and Animal Health and Nutrition (AHN)

### INTEGRATED

Unitop Chemicals Private Limited (Unitop Chemicals), Tristar Intermediates Private Limited (Tristar Intermediates) and Romakk Chemicals Private Limited (Romakk Chemicals)) along with a complete buy-out of our subsidiary – Rossari Personal Care Products Private Limited



## STRENGTHENED THE SENIOR MANAGEMENT TEAM

Onboarded new CEO for driving growth across group through integration of newer businesses with the Group. Our Group- CFO, with a rich background in Specialty Chemical business and inorganic growth will help Rossari streamline processes and system's thereby building efficiency and productivity. Lastly the CIO is responsible for transforming the Group through integration of digital upgradations of all business verticals, thereby leading us to the next phase of growth.

## GROWTH IN REVENUES

# 109% Y-o-Y

Increased client wins and engagements

## CLIENTS ADDED DURING THE YEAR

# 100+

Immense synergies and multiple growth dimensions

## NEW PRODUCTS ADDED TO THE PORTFOLIO

# 100+

## TOTAL CAPACITY ADDITIONS IN 2021-22 DUE TO ACQUISITION

# 101,600 MTPA

## GEOGRAPHIES UNLOCKED

# 9+ Countries





# Being Able. Growing Stable. Adapting Sustainable.

## ROSSARI BIOTECH – AN OVERVIEW

**Rossari Biotech Limited is in the business of consistency! Consistently adding abilities, consistent growth with stability and consistent adapting and advancing with sustainability.**

Rossari Biotech Limited is one of India's largest chemical manufacturers, with expertise in Specialty Chemicals. In more than two decades of our existence, we have launched more than 4,250 products in industries like specialty and performance chemicals, and animal health and nutrition. Our customers use our products across domains and services that are trusted and reliable – entrusting us with their undeterred faith as we serve them with sustainability.

Rossari was co-founded by Mr. Edward Menezes and Mr. Sunil Chari, with the sole intention and focus on customer-centric products delivered using advanced technologies and sustainable ways of manufacturing. We firmly believe sustainability is all about the right balance between our ability and responsibility to gain relevance and stability. With this thought as our core value, we have designed our processes to keep them efficient and effective to drive our business. We provide solutions by catering the industries of Home, Personal care and Performance Chemicals (HPPC), Textiles Specialty Chemicals (TSC), and Animal Health and Nutrition (AHN).

We have always been strong believers of growing with collaborative efforts. We think right collaborations can facilitate the exchange of ideas and bring together collective efforts and expertise – giving an opportunity to create something exceptional. We made strategic investments in Unitop Chemicals Private Limited, Tristar Intermediates Private Limited and Romakk Chemicals Private Limited, during the year. This has helped enhance our technological capabilities, added certifications, and helped combine our workforce pool's knowledge to offer the best solutions. These acquisitions play a crucial role in creating new potential for innovation through technology integration. Our aim is to emphasise the development of sustainable products with our focus on wellness and hygiene. We endeavour to use our combined abilities to introduce new categories, a whole new product line, and new consumers. Thereby broadening and deepening our market reach through these strategic collaborations. We are paying special attention to progressing while adding stability to our business. Our aim is to make our business even more resilient and agile while enhancing our offerings with a touch of sustainability.



REVENUE IN 2021-22

₹ **14,829.74 million**

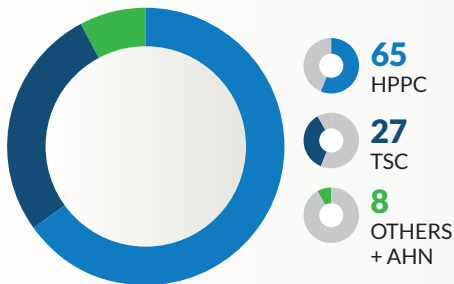
PRODUCTS

**4,250+**

INDUSTRIES SERVED

**20+**

REVENUE MIX FOR 2021-22 (%)



OUR CORE VALUES



Makes Us Sustainable

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

OUR MISSION



Makes Us Stable

To achieve our vision, we intend :

- To develop leaders across the organisation with a capacity to take ownership
- To use technology, innovation and efficiency in managing operations to give products that are customer-centric
- To work with being environmentally responsible and sustainable
- To work with the best industry standards on environment, health, safety and quality
- To be a socially responsible organisation that focuses on building communities and developing together



OUR VISION



Makes Us Able

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



# Customised Solutions Driving Sustainability

At Rossari, we provide wellness solutions that adhere to the greatest environmental, safety, and quality requirements, guided by our idea of leaving a sustainable imprint. As a leading Specialty Chemicals manufacturer and exporter, we emphasise on offering environmentally responsible and sustainable chemical solutions. We recognise our position in this field and are committed to substituting harmful chemicals and decreasing overall effect by implementing customised and sustainable methods.

## ADDING STABILITY TO OUR ABILITY: OUR FOUR PILLARS OF CHEMISTRY

- Surfactants
- Silicones
- Acrylic Chemistry
- Enzymes

## ADDING SUSTAINABILITY TO OUR STABILITY: OUR FOUR LEVERS

- R&D Capabilities
- Agile and Fungible Manufacturing Facilities
- Digitisation and Innovation
- Intelligent Application of Knowledge

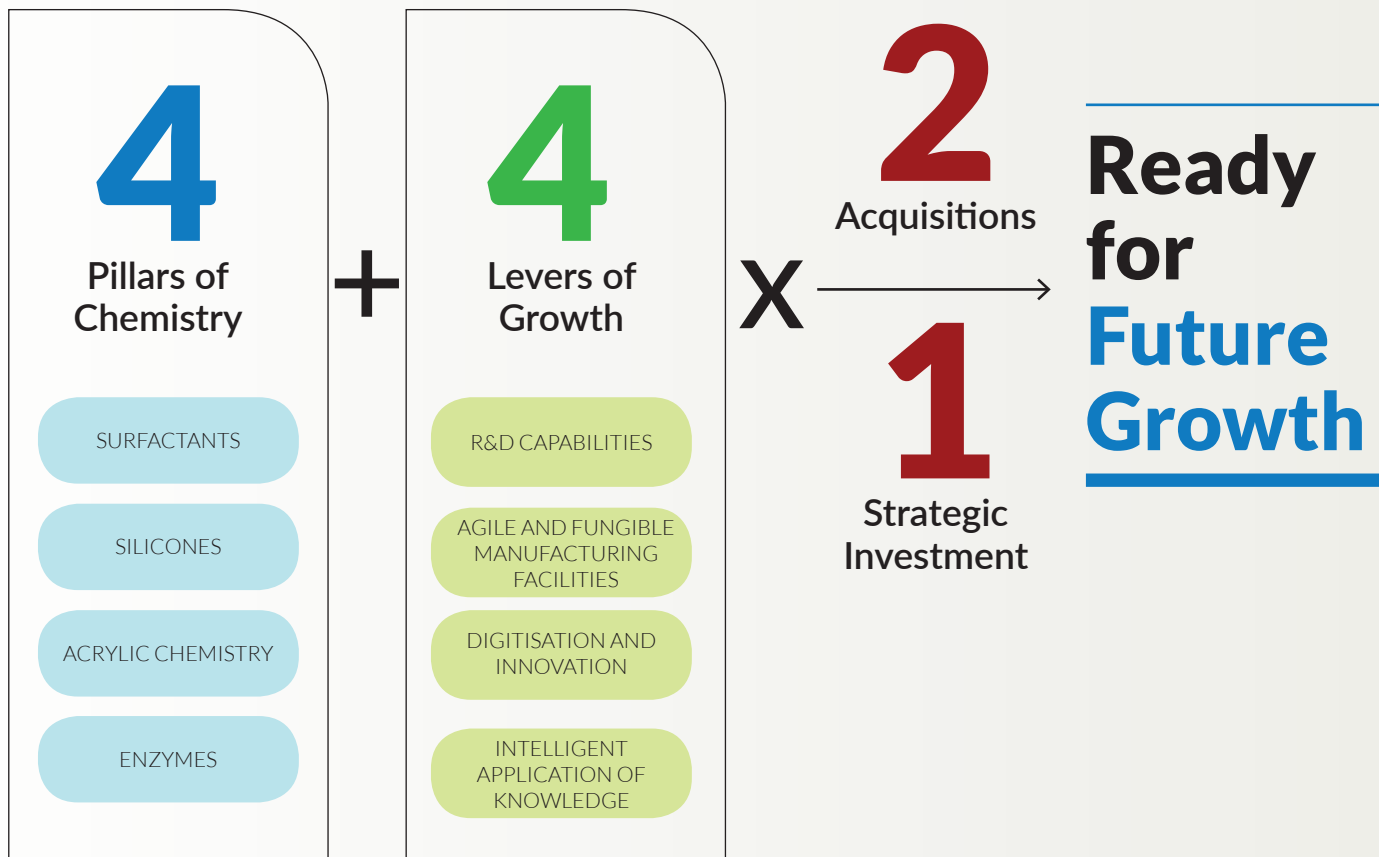
## OUR CERTIFICATIONS ADDING CREDIBILITY TO OUR ABILITIES



## Our Journey to Being Future Ready: 2021-22

### LEVERAGING 4 PILLARS WITH OUR 4 LEVERS OF GROWTH

The four pillars of chemistry at Rossari Biotech are surfactants, silicones, acrylic chemistry, and enzymes. The ability of our four pillars of chemistry, reinforced by the stability of our four levers of growth, make a sustainable foundation. A sustainable foundation guarantees the potential to generate significant value. We combine the strength of our four pillars with the force of our four levers, which are backed by robust R&D capabilities, flexible and fungible production facilities, digitisation and innovation, and intelligent application of knowledge. Resulting in a foundation that is able, stable, and sustainable.



### MULTIPLYING GROWTH WITH ACQUISITIONS

At Rossari, we developed a strong and sustainable foundation in 2020-21. All we needed was a little push to unlock the next orbit of growth. That came with our strategic acquisitions during 2021-22. Our acquisitions of Unitop Chemicals and Tristar Intermediates along with the investment in Romakk Chemicals, has not only expanded our capacities and unlocked synergies, it has also opened up opportunities for technology and knowledge-sharing, cross selling of products, development of new product lines in adjacent Specialty Chemicals divisions as well as expansion of customer base and target geographies. Our acquisitions are expected to strengthen Rossari's position in the Indian Specialty Chemicals space and unleash our full potential.

The combined strength of our **4 pillars of Chemistry** with of **4 levels of Growth** multiplied with our **Acquisitions**, has made us **Ready for Future Growth** and resulted in an outstanding revenue growth of..

**109%**  
IN 2021-22

# One on One with Mr. Edward Menezes

## EXECUTIVE CHAIRMAN



“ Amid a wild and unpredictable year, it gives me immense pleasure to share that, at Rossari, we had a good year. I am extremely proud of how our team excelled, rose to the challenges despite a turbulent business environment, and clocked in an outstanding performance. Our acquisitions during the year opened up a plethora of opportunities for us to enhance, adapt and grow in the Specialty Chemical space. Together these developments have perfectly modelled how Able, Stable and Sustainable we are – speaking volumes about our agility, resilience and preparedness for today and tomorrow. As we move ahead, our focus is on building an impressive responsible corporate entity that actively contributes to building a world safer for our generations, today and tomorrow. ”

## 01. HOW WAS ROSSARI BIOTECH'S PERFORMANCE DURING THE YEAR?

We have had an excellent year on many fronts, and our robust performance was definitely one of the highlights of 2021-22 for us. If you ask me, what makes this performance even more significant is the backdrop against which it was achieved. Despite challenges with regard to the availability of raw material, supply chain and inflation in the macro environment, our revenue during the year grew by 109% – registering growth across all our business divisions.

Divisions-wise, our HPPC division delivered brilliant performance led by accelerated momentum in hygiene products and anti-viral portfolio sales. TSC and AHN divisions, on the other hand, saw gradual normalisation in demand and volumes towards the latter half of the fiscal. Further, steady growth in the export market aided sales in the TSC division. The consolidated growth considers the two full quarter growth of our recently acquired subsidiaries, Unitop Chemicals and Tristar Intermediates. Their stable performance also contributed to our overall growth, helping us inch closer to our goals and objectives.

Our overall margins were impacted on the profitability front due to raw material challenges and inflationary trend pressures. We expect the trend to continue in the near future and have undertaken suitable price hikes with our customers to manage our profitability. All in all, it was a year that spelt success, advancement, evolution and definitely confidence for Rossari.

## 02. WHAT IS YOUR TAKE ON THE OVERALL MACRO-ENVIRONMENT?

The year 2021-22 witnessed the second wave of the COVID-19 pandemic and the subsequent lockdown. But despite the setback, the economic drivers gradually started improving, adding a cautious ray of hope to the economy's outlook. Reopening of national borders across the globe and resumption of normal trade and travel, sure instilled better public confidence. However, challenges around global supply chain, raw material availability and rising commodity prices still pose to be areas of threat and concern.

Indian economy has shown drastic shift, with this the GDP has rebounded to 8.7% in 2021-22. We are experiencing an increase in economic activities across sectors – geared for further improvement. The macroeconomic indicators all portray a positive growth momentum. However, potential COVID-19 outbreaks and the ongoing geopolitical crisis add to the uncertainties.

The Specialty and Performance Chemicals space has seen a tremendous uplift in the past decade, witnessing major growth in the last two years. There has been an increasing inclination toward health and hygiene by consumers globally. This has led to rising demand for wellness-focused products across the Specialty Chemicals value chain which has been our forte at Rossari since the beginning. With the global economies shifting their focus away from China as a leading supplier of chemicals, India stands in a good position to fill the gap. And we at Rossari, stand prepared with our enhanced capacities and capabilities to fulfil the rising demand.

### Q3. WHAT ARE THE MEASURES TAKEN BY THE COMPANY TO TACKLE THE RAW MATERIAL SOURCING AND SUPPLY-SIDE ISSUES?

Rossari has always emphasised being prepared for every opportunity and uncertainty. We have a sound raw material procurement strategy in place that safeguards us against supply chain interruptions. We ensure limited dependence on import, with over 90% of our raw materials sourced domestically. We also effectively plan to manage all the supply chain disruptions to reduce the overall costs and impact on our margins. Our Company has made an arrangement with customers to pass on suitable price changes. In addition, Rossari also has the option to use alternative raw materials to develop its products and solutions, ensuring the quality of the product is maintained. We witnessed improved traction in engagements with several new and existing customers across various industries during the year, leading to a healthy uptick in all business verticals.

### Q4. WHAT IS YOUR TAKE ON THE SYNERGIES FROM THE RECENT ACQUISITIONS OF UNITOP CHEMICALS AND TRISTAR INTERMEDIATES MADE BY THE COMPANY?

Synergies are about working harmoniously without having to worry about the balance. Our recent acquisitions of Unitop and Tristar Intermediates have expanded our capacities. They have helped us cater to the increased demand for customised Specialty Chemicals while enhancing our knowledge capital, bringing in technological advancement and other synergistic opportunities.

Unitop Chemical has a strong track record of catering to a diverse set of clients in India and overseas. The company provides customised and innovative solutions to the

Agrochemicals and Oil & Gas space. Rossari and Unitop Chemicals both enjoy a customer-focused business model and work culture. Unitop Chemical's primary competence lies in surfactants, which is also one of Rossari's four core chemistries. Furthermore, Unitop Chemical's key facility located in Dahej, close to Rossari's existing facility, is expected to bring locational advantages to our Company. This acquisition is also anticipated to bring a plethora of synergies, including an enhanced product range in Speciality Chemical divisions, the pooling of related technologies, improved international exposure, stronger domestic market reach, and increased end-user industrial applications.

The acquisition of Tristar Intermediates brings combined synergy of two highly potential Specialty Chemical companies. Tristar Intermediates offers an extensive product portfolio as a leading manufacturer of preservatives, aroma chemicals, and home and personal care additives in India. Its products include applications across varied sectors such as pharmaceuticals, textiles, paints, automotive, agro-chemicals, and others, along with a strong presence in the Personal Care and Home Care divisions as well.

The acquisition is expected to provide Rossari with scale and cross-selling opportunities backed by an enhanced product portfolio, increased presence in the new and existing geographies, access to relevant technology and sustainable value creation, going ahead.

### Q5. WHAT DOES SUSTAINABILITY MEAN TO ROSSARI BIOTECH?

Sustainability, for us, is a way of creating a massive change. It is about making choices keeping long-term perspectives of business, society and the environment in mind. Simply put, it forms the core at Rossari. We aim to deliver sustainable products to our customers backed by a sustainable business model. Our dedication toward sustainability is reflected in our customised, environmentally responsible, and cost-effective solutions on the operational front that we constantly keep working on. As a domestic market leader in creating environmentally friendly products across all categories, we have campaigned for sustainable procedures and green chemistry as an organisation right from our outset. I am happy to state that our green products were positively received, and we're always looking for new ways to expand our business with unique and sustainable products. We believe, this will be

an important growth lever for us in the future as sustainable competitive advantage takes centre stage. We're also pleased to report that all of our recent product releases in the domestic market, including hygiene, laundry, and fabric care, have received positive feedback from both existing and new consumers.

## 06. COULD YOU GIVE US AN INSIGHT INTO THE INNOVATION AND R&D FOCUS OF THE COMPANY?

For us Innovation and R&D drive positive growth at Rossari. We are constantly trying to innovate and develop products that meet our customers' evolving requirements without disturbing the balance between the business, society and environment. We are targeting new product formulations and the adoption of advanced technologies to create sustainable value. Rossari believes in being innovative and agile and provide customised services to customers. These factors primarily differentiate Rossari in the Specialty Chemicals industry. Our knowledge of our four pillars of chemistry and innovative product formulation is what has kept us ahead of the curve. Consequently, our R&D lab at IIT Bombay focuses on product development. This, along with our extensive distribution reach across the country, adds to our Company's growth narrative. Our recent innovation, Dr. Nanoxa – a nanotechnology based antimicrobial surface disinfectant – has been a breakthrough in its domain. It is raising standards in personal care and hygiene space and setting the right benchmarks for our Company to surpass each time.

## 07. WHAT ARE YOUR THOUGHTS ON OUTLOOK FOR 2022-23?

The future, if you ask me, is both stable and sustainable. With the global focus shifting from China, India is emerging as a powerful player in the Specialty Chemicals' domain. The rising demand for health and wellness-related products, backed by improving economic activities and India's low-cost producer attribute, has contributed to the increased demand for Specialty Chemical industry in India. Given our Company's diverse range of product offerings, fungible and flexible production Computer Aided Design capacities and ability to consistently develop diversified products for our growing

client base, Rossari is well-positioned to capitalise on these significant growth prospects.

During the year, we witnessed improved traction in engagements with several new and existing customers across various industries. Thereby leading to a healthy uptick in all business verticals. Overall, our financial position remains solid. Even after undertaking organic and inorganic expansion, our balance sheet profile is healthy.

Looking ahead, we anticipate ample growth potential for all of our business verticals and acquired businesses in both the domestic and international markets. Our diverse product range, fungible manufacturing facilities, and ongoing innovation emphasis position us well to take advantage of these multi-dimensional growth opportunities. Furthermore, the stabilisation of the raw material environment and demand scenario is also likely to help maintain our Company's momentum in the future. With our focus on consistently growing our abilities through opportunities that add to our stability, we are hoping the coming years to bode well for Rossari. Moreover, our special attention to growing our business sustainably while adopting sustainable ways of manufacturing indicates our unshakeable commitment to supporting our planet's life support systems. We were, are and will always be keen to promote and adopt sustainability as a catalyst to a safe future.

With Regards,

**Mr. Edward Menezes**

**Promoter and Executive Chairman**





# MD's Communiqué



Dear Shareholders,

**A warm hello to everyone and I hope you and your families are all doing well. The year that went by was challenging for most of us with continued disruptions in pricing and supply chain. But despite these trials, we, at Rossari, were able to maintain our position as a leading Specialty Chemical manufacturer in India. Our agility and responsiveness to capture opportunities while constantly evolving our offerings, has helped us be a trusted and dedicated partner of our customers, clients and end-users across all our business divisions.**

Throughout the year, we continued to drive our agenda for accelerated and sustainable growth amid a dynamic operating environment, reflecting our ability and stability. We have focused on consistently growing while catering to the shifting consumer demand for health and hygiene. At Rossari, we recognise sustainability as a core component of our business strategy and strive to be sustainable across the value chain. Leveraging our knowledge of intelligent chemistry, we have been creating sustainable products while minimally impacting the environment. Thereby moving along the course of our sustainability agenda, one product at a time.

I would like to extend my thanks to all our stakeholders for their unwavering support in all

our ventures, expansions and acquisitions. Last year, we had 3 major acquisitions with Unitop Chemicals, Tristar Intermediates, and Romakk Chemicals. These acquisitions have ensured a greater synergy and additional dimensions like larger international exposure, pooling of related technologies that will increase our technical capabilities, and an expanded product portfolio. In addition to the three sectors that we have established our presence in – Home, Personal Care and Performance Chemicals, Textile Specialty Chemicals and Animal Health and Nutrition, we are also anticipating to see a strong hold in Agrochemicals and Oil & Gas divisions and Preservatives and Aroma Chemicals. We envision our acquisitions to provide us with greater knowledge, expertise and complementary growth dimensions for us to prosper together.

Despite a tough inflationary macro environment, we maintained a consistent performance during the year. Our HPPC business continued to perform strong, owing to consistent offtake from the FMCG sector. This, together with growth in our antiviral and hygiene portfolio categories, helped HPPC division volumes. We witnessed an excellent increase in demand in our TSC and AHN businesses. Furthermore, consistent expansion in the international market benefited TSC division sales. We expect this trend to continue in the coming years.

The Company registered a consistent performance during the year, owing to increased demand and traction across all businesses. Revenues grew by 109% to ₹ 14,829.74 million on a consolidated basis, up from ₹ 7,093.45 million in 2020-21. Our organic revenue growth is attributable to strong customer gains during the year. HPPC generated ₹ 9,661.32 million in sales, accounting for 65.15% of total revenues, followed by TSC at ₹ 4,047.31 million, accounting for 27.29%, and AHN at ₹ 1,121.17 million, accounting for 7.56% of total revenues. EBITDA stood at ₹ 1,834.43 million in 2021-22, up from ₹ 1,235.44 million in the previous fiscal. In 2021-22, the EBITDA margin stood at 12.3%. Profit after Tax during the year grew by 22% to ₹ 976.95 million, with a margin of 6.6%. Raw material problems hampered gross profit and margin during the year. The fact that this performance was clocked in after completing many major acquisitions and launching various expansion projects indicates our Company's financial stability. We expect robust and consistent growth in the medium to long term, thanks to synergies gained from these acquisitions along with optimum utilisation of our current production capacity. At Rossari, we believe in empowering our customers by reducing their costs while providing them suitable products. Our aim is to become a preferred supplier in our target markets. The Company's R&D facilities work towards making sustainable products that have a minimal ecological impact and maximum customer satisfaction, all in a cost-effective manner. Dr. Nanoxa – our recent innovation – is a nanotechnology

based antimicrobial surface coating that provides bio-security against bacteria and virus. It is a new-age unique product that disinfects surfaces and provides protection for up to a month. Innovation and formulation remain integral to Rossari and will continue to be our focus and driver of growth in future.

The growth we have experienced so far has only been possible with our employees and scientists' hard work and efforts. Their continued support has been among our key growth drivers. At Rossari, we regularly engage with our employees and provide them adequate training and learning opportunities to stay updated in the ever-changing macro environment. We prioritise our employees' health and safety, with our health and safety policies and keep them motivated through an inclusive and rewarding work environment. With our new and committed leadership team, we have unlocked fresh talent in the Company, which portrays a bright future for the Company.

We have expanded our capacities to an optimum level, our utilisation levels are at 65%, leaving enough room for us to be prepared for rising demand. We believe in under-promising and over-delivering. Since the IPO, our turnover has more than doubled in a year. With raw material pricing and freight costs returning to normal, we expect a positive impact on our profitability. Our subsidiaries are expected to make a significant contribution in 2022-23. Furthermore, exports that accounted for around 10% of the entire topline in 2021-22, are expected to almost double in 2022-23 due to enhanced production capabilities.

I take this opportunity to thank our stakeholders, my colleagues on the Board, our customers, and our regulators for their continued trust and support. Your trust in us has helped us remain Able, Stable and Sustainable while turning into a formidable organisation with an optimistic future. We have a bright and promising future, and we are committed to work our way through the current environment, driving progress with our core purpose of enabling a safer and healthier world.

With Regards,

**Mr. Sunil Chari**

Promoter and Managing Director



# Ability to Offer Value

## OUR VALUE CREATION PROCESS

When treated as a core business strategy, value creation collectively adds to a business's ability, stability, and sustainability.

### RESOURCES AVAILABLE TO US



#### FINANCIAL CAPITAL

Our robust capital base raised from our investors to support business activities

Total Equity:	₹ 110.11 million
Total Debt:	₹ 84.27 million
Capital Employed:	₹ 6,220.45 million



#### MANUFACTURING CAPITAL

Our certified manufacturing facilities, employed to leverage our backward integrations and our expertise in synthesising to deliver a differentiated product portfolio

Manufacturing facilities:	8 Plants
Total Installed Capacity:	354,100 MTPA
Countries Present in:	1



#### INTELLECTUAL CAPITAL

Our R&D facilities and personnel, optimally utilised to develop cost-efficient and effective solutions under our trusted brand

R&D Centres:	4
R&D Expenditure:	59.53 million
R&D Professional:	60+



#### HUMAN CAPITAL

Our competent and experienced workforce to develop and deliver our products and services

Total Employees:	1,000+
------------------	--------



#### SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with our societies, consumers, distributors, government, and regulators for sustainable value creation

Contribution towards CSR:	₹ 26.62 million
---------------------------	-----------------



#### NATURAL CAPITAL

Our judicious consumption of the environmental resources and efforts to minimise our impact through sustainable business activities

Zero Discharge of Hazardous Chemicals (Z DHC - level 3) in both the Facilities
Solar Power Capacity: 50 KVA
Waste Water Treatment ETP 142KLD
Recycling of HDPE Drums

The above numbers are on consolidated basis

### OUR STABLE BUSINESS MODEL

#### WHAT WE WANT TO ACHIEVE 1

To be the leading and most reliable Specialty Chemicals solution provider globally with a focus on sustainability

#### WHAT DIFFERENTIATES US 3

Proven track record of robust financial performance

Inorganic growth through strategic acquisitions

Experienced promoters with a strong management team

Extensive manufacturing and technical capabilities

Strong R&D capabilities with a focus on intelligent and sustainable solutions

Diversified product portfolio

Wide sales and distribution network

## WHAT WE OFFER 2



Home, Personal Care and Performance Chemicals (HPPC)



Textile Specialty Chemicals (TSC)



Animal Health and Nutrition (AHN)



Surfactants



Personal Care, Homecare and Industrial Additives



Preservatives



Aroma Chemicals



Agrochemicals

## FOR SUSTAINABLE VALUE CREATION



Revenue:	₹ 14,829.74 million
Profit After Tax (PAT):	₹ 976.95 million
Return on Equity (ROE):	16.10%



Total Products:	4,250+
Industries Catered:	15+



Engaged and Motivated Workforce	
Total Training Provided:	240+ Person-hours



Communities Benefitted:	10+
Total Distributors:	350+



Energy Savings:	50 kva per day
Water Savings:	17 KLD
Trees Planted:	2,250

# Sustainability is the Catalysing Ingredient for our Abilities and Stability

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





## Home, Personal Care and Performance Chemicals (HPPC)

We provide a wide range of products in the HPPC categories, as well as active compounds that improves the performance of the composition. We are among India's leading producers of acrylic polymers, manufacturing a sustainable range of products for various applications in the cleaning industry. Rossari produces over 300 products for our clients, including cleaning polymers and emulsions that improve the appearance, feel, and performance of paints and paper, solutions that improve the strength and processability of ceramics, and safe and cost-effective water treatment agents. All of our performance enhancers directly influence the customer and comply with our sustainability approach by reducing energy and natural resource use.

PRODUCTS MANUFACTURED

**1,050+**

CUSTOMERS

**200+**

DISTRIBUTORS

**40+**

### INDUSTRIES WE CATER



HOME CARE



PERSONAL CARE



INKS, PAINTS  
AND COATINGS



PAPER AND PULP



HOSPITALITY



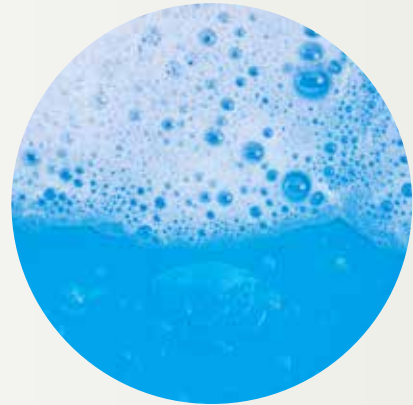
FACILITY  
MANAGEMENT



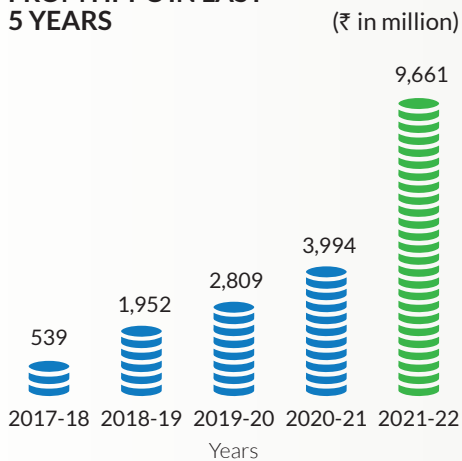
CERAMICS  
AND TILES



## FEATURED PRODUCTS



### REVENUE GROWTH FROM HPPC IN LAST 5 YEARS



**142%**  
Growth (Y-o-Y)



## Ability and stability reflected in key developments in 2021-22

- The synergy of polymers and surfactants is used to offer a novel ingredient that not only enhances cleaning performance but also provides value addition to the customer
- A foray into the nanotechnology space led to the launch of the Dr. Nanoxa brand under the Rossari Biotech Limited. This range of products offers a 30-day antimicrobial and antiviral protection and is based on unique nanotechnology that stays fixed to any surface.



# Sustainability is Motivation, Ability is the Effort and Stability is the Result

TEXTILE SPECIALTY CHEMICALS (TSC)





## Textile Specialty Chemicals (TSC)

We strive to deliver textile solutions that ideally integrate wellness and sustainability through our innovative solutions. We focus on providing customers with eco-friendly, sustainable chemical solutions. These either replace or lessen the environmental effect of highly polluting chemicals by appropriately altering the whole industrial process. We provide solutions for pre-treatment, dyeing and printing, finishing, and Specialty Chemicals for the entire value chain of the textile industry. We are a renowned name in the industry today and have pioneered the new-age textile and garment manufacturing chemicals.

PRODUCTS MANUFACTURED

**3,000+**

CUSTOMERS

**1,000+**

DISTRIBUTORS

**200+**

### OUR INNOVATIVE SOLUTIONS

Protective Finishes	Health and Hygiene Products	Sustainable Solutions
UV PROTECTION FINISH	ANTIMICROBIAL	GREENACID SERIES
ANTISTATIC FINISH	ANTIFUNGAL	GREENSODA SERIES
HYDROPHOBIC FINISH	ANTIVIRAL	GREENHYDRO 400 POWDER



## FEATURED PRODUCTS



GREEN ACID



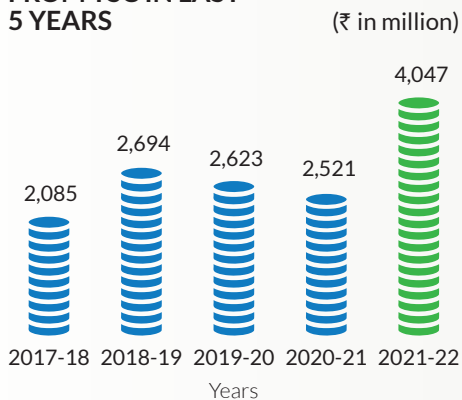
GREEN SODA



MARVEL SERIES



BIOCOOL SERIES

REVENUE GROWTH  
FROM TSC IN LAST  
5 YEARS

**61%**  
Growth (Y-o-Y)



## Ability and stability reflected in key developments in 2021-22

- Strategic investment in Unitop Chemicals, Tristar Intermediates and Romakk Chemicals has unlocked significant cross selling opportunities.
- A new line of products based on polyester chemistry was developed and ramped up at Rossari's Dahej facility – addressing a key product gap in our textile portfolio for the sizing market in polyester and cotton fabric.
- The application team at Rossari worked jointly with Unitop Chemicals to develop a range of products for the spin finish market which key global customers have already approved
- In sync with our strategy to introduce Green Chemistries, Rossari's R&D has successfully introduced green products in newer divisions to reduce high TDS and save energy by designing products that work at lower temperatures. The state-of-the-art 'Sustainable dyeing,' programmed for blacks, using Green Chemistry, has been successful on knit fabric and is generating good interest from big brands.

# Sustainability as Promise, Ability as Competency and Stability as Opportunity

ANIMAL HEALTH AND NUTRITION (AHN)

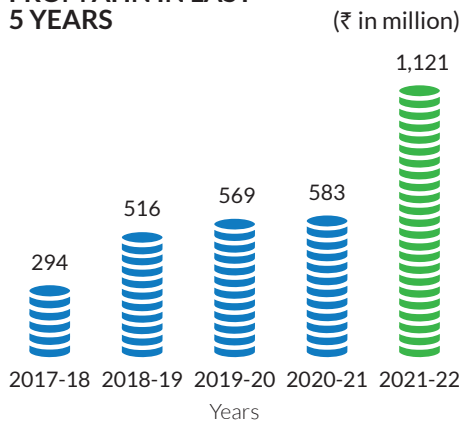




## Animal Health and Nutrition (AHN)

We enjoy a strong presence in India’s animal health and nutrition market as one of the largest organised players in the domain. Through our products, Rossari provides wellness solutions for pet animals and poultry, focusing on their health and performance. Our portfolio includes animal feed supplements and other veterinary products comprising Pet Care, Poultry and Aqua feed.

### REVENUE GROWTH FROM AHN IN LAST 5 YEARS



**92%**  
Growth (Y-o-Y)

### PRODUCTS MANUFACTURED

**200+**

### CUSTOMERS

**3,000+**

### DISTRIBUTORS

**40+**



## POULTRY NUTRITION

Rossari provides a comprehensive collection of high-quality poultry nutrition products, focused on enzymes, vitamin premixes and probiotics. Our product portfolio includes vitamin–mineral formulations, toxin binders, individual and cocktail enzymes, liquid nutraceuticals, supplements, and herbal treatments.

## OUR WELLNESS SOLUTIONS

### RESPITE DX

Natural essential oil phytochemical concentrate in a water-soluble form for viral and non-infectious respiratory disorders, as well as weakened gut integrity.

### MAXIZYME EX

Suited for pellet and mash feed delivery, Maxizyme EX's unique formulation enhances digestion and absorption of complex nutrients through the synergistic effects of probiotics and highly active cocktail enzymes.

### PROTOXY FORTE

Aids in the digestion of proteins and amino acids and the absorption of other vital nutrients for improved development and performance in poultry.

### TRIMIN FORTE

Safe, reliable, and comprehensive solution to address the mineral needs of modern poultry, Trimin Forte aids in growth and development while also enhancing metabolism.

### XYLOT EX

Micro-granulated xylanase enzyme feed additive that is highly thermostable and professionally produced for consistent and premium feed performance. XYLOT EX aids digestion by lowering digestive viscosity by increasing nutrient absorption and diffusion of pancreatic enzymes.

### ROSSZYME PLUS

Powdered cocktail enzyme from a fungal source enhances the hen's ability to absorb all of the nutrients in their meal.

## #PETCAREBYROSSARI

We are also present in the pet care category with products for weaning infant and adult pets. Our brand Lozalo offers a comprehensive range of natural pet grooming products with the right pH balance to suit pets' dermal conditioning needs. We offer a diverse range of products that encompass natural pet shampoos, powders, deodorants, sprays, creams, and kennel & floor washing liquid for the pet's well-being. Rossari also launched a new need based grooming products under Constellation by Lozalo for Cats, Puppies & Dogs. We also have pet treats under the brand name Hunger Fills and power-packed diet meals under the brand name Sniffy

### PET GROOMING SOLUTIONS

- Lozalo Range of Pet Grooming Products
- Constellation Shampoo Range by Lozalo

### PET TREATS AND FOOD SOLUTIONS

- Hunger Fills Dog Treats (chicken, milk, carrot)
- Sniffy Dog food

### BRANDS THAT ADD TO OUR STABILITY

#### LOZALO

- Natural pet shampoo variety by Lozalo
- Fortified with additional moisturisers and conditioners
- Comprehensive range of natural pet grooming products
- pH balanced products to suit pets' dermal conditioning needs

#### SNIFFY

- Power-packed diet food sourced from Europe
- Provides energy and protein to dogs
- Infused with vital nutrients to make a complete, healthy and balanced meal

#### HUNGER FILLS

- Delicious, nutritious and healthy dog treats
- Ideal snack for in-between meal breaks
- Comes enriched with a high value of proteins in various flavours





# Stable Performance. Able Strategies. Sustainable Business Model.

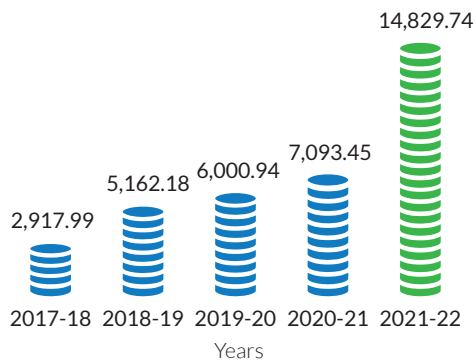
Our focus is always on being significant over successful when it comes to financial capital. We strive to promote sustainable business development, enhance efficiencies and abilities and therefore stabilise our performance.

## FINANCIAL CAPITAL

Last year brought some challenges and changes with the new waves and strains of the COVID-19 pandemic. But despite all the hurdles, our financial performance was remarkable, as reflected in our numbers. Our outstanding performance was backed by healthy growth across all our business divisions. Our balance sheet has been resilient, and we witnessed strong performance in the HPPC business. This year, we scaled with new acquisitions and strategic investments. However, the margins were affected due to the raw material and supply chain disruptions. Going forward, we expect to see a healthy rise in consumption demand and steady margins.

## REVENUE

₹ in million)



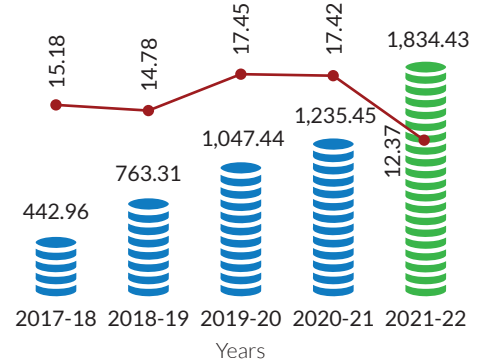
109%

Growth (Y-o-Y)



## EBITDA AND EBITDA MARGINS

₹ in million) (%)



48%

Growth (Y-o-Y)

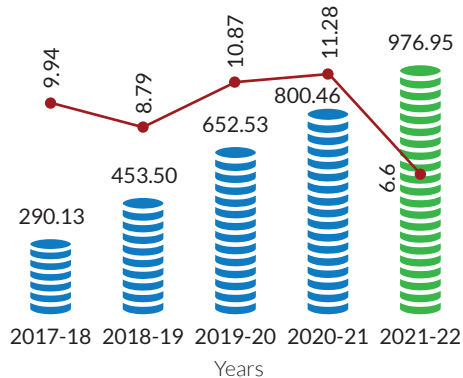


EBITDA

EBITDA Margins

## PAT AND PAT MARGINS

₹ in million) (%)



22%

Growth (Y-o-Y)

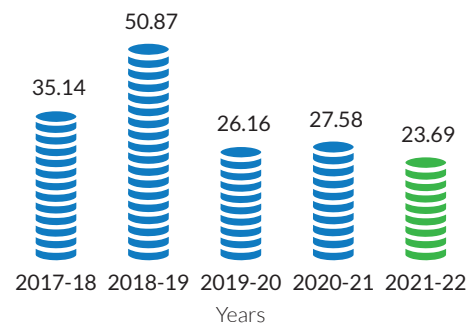


PAT

PAT Margins

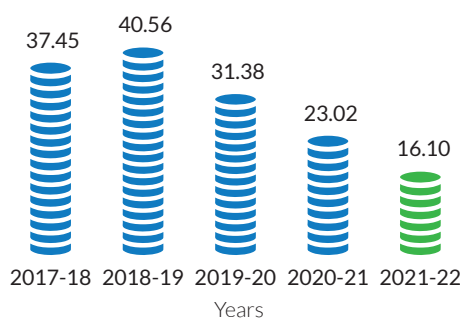
## ROCE

(%)



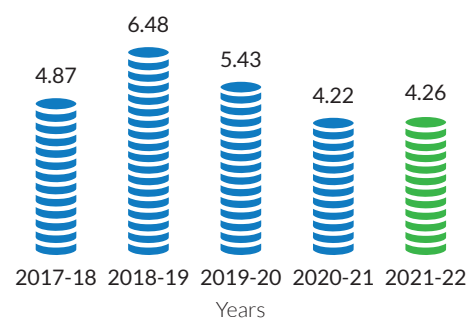
## RONW

(%)



## FIXED ASSET TURNOVER

(times)



EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation

PAT: Profit after Tax

ROCE: Return on Capital Employed

RONW: Return on Net worth

# Able Acquisitions. Stable Outcomes. Sustainable Growth.

## CREATING VALUE WITH OUR STRATEGIC ACQUISITIONS

Backed by our strategic acquisitions, we aim to explore our scalability through added abilities, stable performance and sustainable development. Simply put, our intent is to acquire, improve, consolidate, accelerate, scale and grow.

Surfactants is one of the significant pillars of Chemistry for Rossari. Our strategic acquisitions are a move to strengthen and scale our surfactants capability. In addition, we also aim to unlock new product capabilities and add new geographies catered by our acquired companies for a deeper and wider market reach.

Surfactants are substances that reduce the surface tension of water, making the molecules slipperier and more likely to interact with oil and grease. They are used in a variety of cleaning solutions. Detergents, wetting agents, forming agents, and emulsifiers are all examples of surfactants. Surfactants also play a crucial role in the textile industry from the scouring of the fibre to lubrication, dyeing and finishing

## UNITOP CHEMICALS

Agrochemicals is a new vista for Rossari. With rising demand, food security concerns, and a greater requirement for enhanced output per acre of land, agrochem can play a significant role in enhancing resource use.

Spin finish is an essential factor in the overall performance of polyester fibres and yarns in the current industrial textile production processes. There is a huge opportunity for the spin finish divisions as the market for polyester filaments is rapidly expanding due to the high cost and limited availability of nylon, and the use of polyester as a cheaper and more readily available substitute in many applications.

Phenoxyethanol (PE) is the most widely used globally-approved preservative in personal care products. It is extremely easy to use in most types of formulations and is chemically very stable.

At Rossari, we have identified the opportunites in the surfactant, Agrochemicals, spin finish and preservatives division and undertaken strategic acquisitions to explore the possibilities ahead.

During 2021-22, Rossari acquired a controlling stake in Unitop Chemicals. Unitop Chemicals is a leading supplier of Surfactants, Emulsifiers and Specialty Chemicals to a diversified customer base, including large domestic and international companies. It offers a diverse product range and a significant presence in the Agrochemicals and Oil & Gas sectors.

This acquisition brings synergies and complementary dimensions. It brings an expanded and new product portfolio, capability certifications, presence in adjacent Specialty Chemical divisions, pooling of related technologies. Additionally, it also promises increased international exposure, better domestic market reach, a well-experienced and competent talent pool, increased end-user industry applications and access to a new customer base. The integration of Unitop Chemicals and Rossari will help Rossari improve its products' quality and accelerate growth in the future. Furthermore, with our key facility in Dahej, in close proximity to our existing facility, would also provide locational advantages.

## ABILITY AND STABILITY REFLECTED IN KEY DEVELOPMENTS IN 2021-22

The application team at Rossari worked jointly with Unitop to develop a range of products for the spin finish market which key global customers have already approved.

### CAPACITY ADDITION

# 86,000 MTPA

### ACQUIRED REVENUE FROM UNITOP CHEMICAL IN 2021-22

# ₹ 2,697.37 million



## TRISTAR INTERMEDIATES

Rossari acquired Tristar Intermediates, one of India's leading manufacturers of preservatives, aroma chemicals, and home and personal care additives with high-tech distillation facilities. With a strong position in the Personal Care and Home Care divisions, the company's extensive product line also has applications in pharmaceuticals, textiles, paints, automotive, agro-chemicals, and other industries. Tristar Intermediates is a favoured supplier to several reputable organisations and MNCs in India, Europe, the United States, and the Far East.

This union brings together two high-potential Specialty Chemical businesses. The combination of expertise will increase scale, enable cross-selling possibilities, and expedite Rossari's growth while improving value creation in the long run. This would strengthen and reinforce Rossari's market position as a preferred solutions provider in the Specialty Chemicals space in India.

### ABILITY AND STABILITY REFLECTED IN KEY DEVELOPMENTS IN 2021-22

A joint development exercise between Tristar Intermediates' and Unitop Chemicals' R&D teams at Unitop's state-of-the-art pilot plant led to the development of a next-generation of preservative ingredients, with significant potential in the export market.

#### CAPACITY ADDED

# 15,000 MTPA

#### ACQUIRED REVENUE FROM TRISTAR INTERMEDIATES IN 2021-22

# ₹ 1,045.19 million

## ROMAKK CHEMICALS

Rossari successfully completed the integration of Romakk Chemicals during the year, acquiring a 50.1% stake in the company. Romakk Chemicals has been generating positive results as market demand and volume offtake has also increased. This combination is expected to increase Rossari's footprint in the textile and home & personal care industries in the future.

### ABILITY AND STABILITY REFLECTED IN KEY DEVELOPMENTS IN 2021-22

Using Rossari's state-of-the-art production facility at Dahej and Romakk Chemicals' technical expertise, a new range of silicone oils with low volatile cyclic compounds were manufactured.



# Able Facilities. Stable Capacities. Sustainable Opportunities.

Our manufacturing capital enables us to be more flexible and responsive to market needs. It helps better integration and efficiencies of our capacities, thereby stabilising our output and helping us uncover newer opportunities.

## MANUFACTURING CAPITAL

The upcoming year will see a lot of changes and synergies among systems as our acquisitions start to play out on the field. Rossari is well poised to capitalise on these significant growth opportunities, given our diversified range of product offerings, fungible and agile manufacturing establishments, and constantly innovating and launching diversified products for our growing customer base. Our capacities and capabilities have ramped up significantly owing to our recent acquisitions. We strive to leverage our agile and fungible capacities to produce more products interchangeably with our acquired and added abilities. We are also anticipating new product launches and our entry into respective new sectors that would increase our customer base and provide a stronghold on both our domestic and international markets.



Unitop Plant at Dahej

## Our State-of-the-art Manufacturing Facilities

At Rossari Biotech, we have two state-of-the-art facilities at Dahej, Gujarat and Silvassa, Dadra Nagar & Haveli. Our constant focus has been on diversifying our product portfolio while expanding our capacities and further acquiring additional capacities through acquisitions.



### DAHEJ FACILITY

Our Dahej facility is a state-of-the-art manufacturing facility. It serves all the three verticals of the business domains. This facility is designed on lean manufacturing principles and helps in driving cost efficiencies and economies of scale. Well capacitated and within close proximity to Hazira port, this facility not only helps meet the growing consumer demand but also provides a logistical advantage.

### INSTALLED CAPACITY

# 354,100 MTPA

### LAND AREA

# 40+ Acres

Rossari has built a plan of action to establish its leadership in the manufacturing of Specialty Chemicals as part of growth initiative. Rossari Biotech Limited standalone has 2,52,500 MTPA capacity. It's synergies includes Unitop Plant with a total capacity of 86,000 MTPA. The Tristar Intermediates plant is located in Sarigam with a capacity of 15,000 MTPA. Romakk Plant at Vasai is a state of art production facility and has 600 MTPA capacity. With this, Rossari has opened doors for opportunity and synergies in manufacturing.



### SILVASSA FACILITY

Our core production unit in Silvassa has variable manufacturing capacity for powders, granules, and liquids. It has an effluent treatment facility and acid, alkali, oil, and surfactant storage capacity. Furthermore, it provides a variety of testing and packaging possibilities.



Tristar Plant at Sarigam



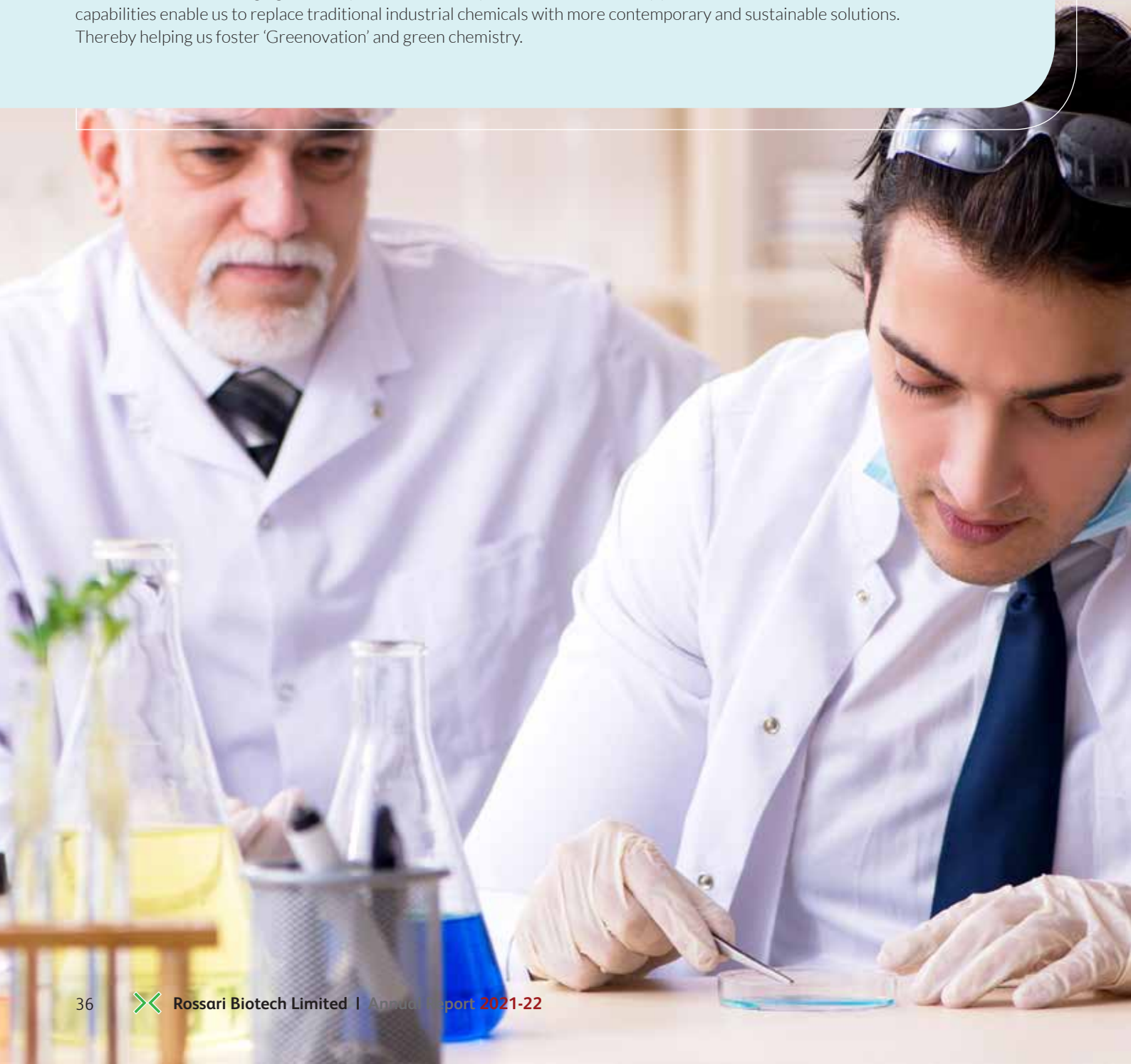
Romakk Plant at Vasai

# Able Ideas. Stable Innovation. Sustainable Future.

Our intellectual capital enables us to create more value, increase efficiency, and drive growth while giving us a competitive edge in the market. It helps us deepen our customer relations by better understanding and catering to their needs.

## INTELLECTUAL CAPITAL

Research and innovation are at the foundation of our strategic initiatives for achieving the next orbit of growth. At Rossari, we are devoted to leveraging our four pillars of chemistry to create extraordinary products. Our research and innovation capabilities enable us to replace traditional industrial chemicals with more contemporary and sustainable solutions. Thereby helping us foster 'Greenovation' and green chemistry.



## Research and Development at Rossari Biotech

At Rossari, we nurture our skills and knowledge of intelligent chemistry to develop differentiated products. We combine product synthesis research, formulation and development, and technical service to provide our customers with customised solutions quickly and efficiently. Our primary aim is to create solutions that are:

Superior in quality and offered at a competitive pricing

Harmless to the environment and the communities

Capable of delivering sustainable value to the end-user

Customer centricity is at the heart of our Company, and we keep our customers' expectations in mind when developing new products and enhancing existing ones. Our research goal is to create unique and intelligent solutions that contribute to the overall wellbeing and sustainability of people and processes.

### OUR R&D CAPABILITIES

We place considerable emphasis on expanding our Company's inherent R&D capabilities through our research centre at IIT Bombay Campus (Rossari Centre of Excellence). The addition of Unitop and Tristar research centres has further strengthened our R&D capabilities.

Rossari Centre of Excellence is fully equipped with cutting-edge testing and research equipment and serves as a testing ground for innovative solutions in our quest for excellence.

The R&D centre is recognised by the Department of Science and Industry Research, under the Government of India. Our R&D support laboratory serves as a catalyst for the rapid commercialisation of our novel products.

#### RESEARCH FACILITIES

4

#### TEAM OF R&D PERSONNEL

60



## ROSSARI CENTRE OF EXCELLENCE, IIT BOMBAY

### RECOGNITIONS

- Department of Scientific and Industrial Research, Government of India
- Global Organic Textile Standards
- American National Standards Institute

### FOCUS AREAS

- Synthesis research
- Formulation and development
- Technical service
- Distributed control system for high level of automation and repeatability

## ECO-FRIENDLY SOLUTIONS

Rossari focuses on eco-friendly and sustainable solutions. We assist clients in minimising their carbon footprint and overall environmental impact cost-effectively. Our wide range of eco-friendly products include:

- Greenacid
- Greensoda
- Bioclay (a clay-based product)
- Greenhydro 400 Pdr
- Greenboost

## New Product Development

We base new product development on fulfilling the dynamic needs of our clients. Shortlisted products are then conceptualised and developed at our research facilities, and post successful trials, our novel solutions are pushed for commercial development.

## DR. NANOXA – CREATING A SHIELD AGAINST MICROBES 24X30

Scientific research has documented the fact that bacteria and viruses can survive on surfaces for several hours to several days and can easily spread on clean surfaces. With the current pandemic, people have grown more concerned about hygiene and sanitation, resulting in increased usage of sanitizers and other utilities, leading to significant cost increase. Dr. Nanoxa is Rossari's answer to this problem.

Dr. Nanoxa is a cutting-edge, certified and affordable antimicrobial surface disinfection solution integrated with nanotechnology that provides bio-security against bacteria and viruses, including SARS-CoV-2. It is tested with international standards like ISO, JIS, AATCC and FDA. Dr. Nanoxa, which can last up to 30 days on a single application, is designed to prevent microbial diseases caused by human-surface-human microbial transmission, is effective in preventing the growth of 99.9% bacteria and viruses. Launched in September 2021, this product has been approved by the NABL and has received patent rights.

### FEATURES

- Transparent, non-toxic, skin and environmentally friendly coating
- Antibacterial and Antiviral (Virucidal) efficacy > 99.9%
- 24x7 active contact killing patented nanotechnology
- Easy once a month application
- Tested with international standards – ISO, JIS, AATCC, FDA

### PRODUCT TRIALS AND DEMONSTRATIONS

# 150+

### TEST REPORTS

# 75+

# Able Minds. Stable Expertise. Sustainable Goals.

Our human capital is essential for driving all other capitals. It enables us to acquire right knowledge, enhance skills and abilities and drive growth while boosting our productivity to achieve our goals and objectives.

---

## HUMAN CAPITAL

At Rossari, the development of our employees is integral to our overall strategy. They continue to be the foundation of our thought processes and drivers for our future growth. With Rossari's recent acquisitions, our leadership team and our employees will play a crucial role in effectively integrating and deriving value from synergies.



## STRENGTHENED LEADERSHIP TEAM

Leadership is the vanguard of an organisation. A strong leadership effectively motivates the workforce and paves the way for achieving corporate objectives while resolving challenges. Rossari strengthened its leadership with appointment of Group - CFO, CEO – New Businesses and CIO. Our redefined leadership team possesses the right expertise in the Specialty Chemical space, essential to take our Company on a new growth journey.

## ETHICAL WORK CULTURE

We are an equal opportunity employer and strive to promote an ethical work culture in our organisation. Rossari promotes gender diversity and offers equal opportunities to our Company's people. Our workforce has flexible working hours, and our attendance policy is consistent with our goal of establishing a pleasant working environment. Our human resource policy is friendly, flexible, and prioritises our employees' comfort in order to achieve our corporate goals.

## TRAINING AND DEVELOPMENT

We have a people-first strategy and we consider our people to be our most valuable asset. Ours is a fast-paced sector, making it critical for our team to be constantly upskilled. We organise various training sessions to nurture the skillset of our employees for their all-round development. We have also introduced an internal job movement policy to encourage talent retention & development.

- Conducted quarterly training workshops for several divisions to address the team's behavioural, functional, and general needs
- Conducted a session on 'Optimise Productivity and Eliminate Waste through 5S'
- Arranged a consultative selling techniques training/engagement session for sales teams across verticals
- Hosted a number of personal grooming and development training workshops to boost overall growth
- Held monthly brainstorming meetings led by the Rossari Innovation Cell's team leaders and key members to generate unique ideas
- Organised 1-hour learning cafes across various locations
- Provided LinkedIn learning subscription to our employees to nurture their natural curiosity
- Sponsored further education for our employees by supporting them in their PHD journey
- Sponsored our employees for Senior Management Programme at IIM Ahmedabad

## TRAINING PROGRAMMES CONDUCTED

# 18



## EMPLOYEE ENGAGEMENT

We strive to keep a motivated workforce and organises various employee engagement activities to foster team bonding and develop an emotional connection with the corporate entity.

- Hosted 'Rupantar' to gather the management of all subsidiaries together to kickstart integration and unlock synergies
- Organised session on dance motivation therapy with a fusion of meditation, dance and music
- Celebrated various festivities with the team on the occasions of Diwali, Christmas, Republic Day Celebrations and many more
- Organised workshops on stress and positive thinking, positive parenting as well as health and wellness, among others

## HEALTH AND SAFETY

Health and wellness are an integral component of our corporate culture. Over the last decade, we've broadened our 'Workplace Wellness' activities to include the development of a 'culture of health'. We provide our employees with a safe working environment. Safety is a matter of continuous evaluation and utmost priority at the organisation. In a step towards fighting the pandemic and ensuring our people's safety, we sponsored COVID-19 vaccination for our employees.

- Integrate safety in all corporate activities and allocate sufficient resources to guarantee safe working conditions
- Provide health and safety training to all our employees and actively promote awareness of health and safety issues across the organisation
- Proactively evaluate risk of occupational injury/illness and implement actions to mitigate the risk
- Design, adapt, operate and maintain technology, plants and other facilities within the designated safety criteria throughout their working life
- Develop, introduce and maintain safety and health management systems across our Company to meet company standards as well as statutory requirements for safety and health
- Set continual improvement objectives and targets and review these periodically to ensure that these are being met at the individual unit and corporate levels

## OUR RESPONSE TO COVID-19

With the gradual open up, the team at Rossari successfully transitioned from the work-from-home model back to working from office. We guided our employees during the transition and ensured that all the necessary COVID-19 safety measures were adhered. Rossari provided free vaccinations against the virus to its team, encouraging them to get vaccinated. In addition to this we also provided nutrition advice and mental support to our people during such trying times.



## OUR SUSTAINABLE STRATEGIC ROADMAP

With the recent acquisitions and the redefined leadership team, our company's employees have entered an integration phase. Rossari has been focused on identifying important prospects that may be obtained from these acquisitions and training our people to work towards the same. We have actively invested and hired experts/consultants to identify our workforce needs, training our people, and aligned their objectives with organisational goals.

Moving forward, we wish to invest our time, money, energy and create strategies in three major areas that we have identified for our human capital.

- We will invest in hiring enthusiastic and talented people for the team. We will have new talents across boards and departments in our Company. Through our HR trainings and personnel management, we will try to use our team's potential at its best and help them grow more in their careers and move up the ladder
- We are undergoing integration across the board due to the recent acquisitions. We will need to train people to suit our Company's ongoing and changing needs and the dynamic market. We will focus on re-training and re-evaluating our employees' strengths and their roles so that they are aligned with our Company's goals
- Our goals are our priority and we want to develop a strong succession team that takes ownership of taking decisions and ensuring proper execution of all the processes. For our Company's sustainability, we have to ensure that our teams are capable of standing together and in strength, in the face of a difficulty. Therefore, we will be actively doing succession planning in our Company.



# Able Efforts. Stable Commitment. Sustainable Relationships.

Our social and relationship focuses on the welfare of communities we closely work with and within, essential to the holistic growth of our organisation. It helps us function together as a whole to trust and values while fulfilling expectations.

---

## SOCIAL AND RELATIONSHIP CAPITAL

At Rossari, we have always believed in putting effort and being socially responsible beyond that which is required by law. As a responsible corporate citizen and member of the global society, we encourage the inclusive growth of those around us as a part of our social commitment.



## Sustainability as Social Commitment

### ENGAGING WITH OUR COMMUNITIES

We believe in taking along our communities in our growth journey. We work closely with communities in our service areas to foster long-term social and economic development. As a result, we care and actively engage in and contribute to society's improvement. We strive to build a better life for the weaker sections of society in a sustainable way through CSR activities. Rossari believes in fostering inclusive growth of our communities with a focus on education, healthcare and sustainable livelihood.

#### PROMOTING EDUCATION

- Purchased books for libraries for underprivileged students and the tribal communities
- Contributed school kits, organised vocational training, training on robotics, and livelihood enhancement training for the disabled

#### HEALTHCARE FOR ALL

- Contributed medicines and medical equipment to hospitals for the treatment of destitute patients
- Contributed to COVID-19 relief facilities and also conducted vaccination drive at the Tata Hospital

#### UPLIFTING LIVING STANDARDS

- Constructed homes and hostels for orphans
- Distributed ration kits to the underprivileged families
- Contributed to the renovation of old age home
- Provided basic necessities to the marginalised, underprivileged and tribal families

### INITIATIVES UNDER DR. NANOXA

Rossari has joined the fight against UTI with its nanotechnology backed innovative product, Dr. Nanoxa. Developed for preventive healthcare purposes, this product is expected to reduce the excess intake of antibiotics and related health hazards.


*For every litre of Dr. Nanoxa sold, a toilet in Asia's largest slum – Dharavi – gets coated with Dr. Nanoxa, thus preventing the occurrence of UTI and impacting 22,000 families by 2025.*





# Stakeholder Engagement

Stakeholder engagement is essential to our business and a primary step in our growth journey. We communicate with our internal and external stakeholders on a frequent basis to anticipate and satisfy their expectations and priorities through continuous dialogues and organised surveys. We align our strategies with our stakeholders' expectations and use their feedback to improve our objectives, ambitions, operations, and reporting standards.

Stakeholder Group	Stakeholder Priorities
 <b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>● Consistent quality at competitive prices</li> <li>● Timely deliveries</li> <li>● New and innovative products, as per latest market requirements</li> <li>● Easy access to products and services</li> </ul>
 <b>INVESTORS</b>	<ul style="list-style-type: none"> <li>● Ethical business practices and good corporate governance</li> <li>● Regular dividends</li> <li>● Sustainable performance and value creation</li> <li>● ESG integration into strategy and operations</li> <li>● Transparent reporting and disclosure</li> </ul>
 <b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>● Training and development</li> <li>● Diverse, open, non-discriminatory, and safe working environment</li> <li>● Career progression</li> <li>● Competitive rewards and remuneration</li> <li>● Health and safety</li> <li>● Performance evaluation and recognition</li> </ul>
 <b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>● Social upliftment</li> <li>● Community welfare initiatives</li> <li>● Education to the marginalised and tribal people</li> <li>● Healthcare to the underprivileged</li> </ul>
 <b>GOVERNMENT/ REGULATORS</b>	<ul style="list-style-type: none"> <li>● Compliance with rules and regulations</li> <li>● Timely reporting through various compliance-based forms</li> </ul>
 <b>VENDORS/SUPPLIERS</b>	<ul style="list-style-type: none"> <li>● Fair and ethical procurement &amp; engagement practices</li> <li>● Pricing and favourable terms of payment</li> <li>● Timely clearance</li> </ul>

## Engagement Mode and Frequency

- Collation and analysis of customer feedback
- Engagement through website, social media
- In-house and third-party market research surveys, meetings
- Brand campaigns

- Annual and quarterly investor meets/calls
- Investor presentations
- Annual General Meeting
- Investor grievance channels
- Annual Report

- One-on-one meetings
- Training and development workshops
- Engagement initiatives
- Performance appraisals

- Regular CSR initiatives

- Mandatory regulatory filings
- Periodical submission of business performance
- Written communications

- Regular meetings and seminars
- Capacity building and sustainability for suppliers

# Able Management. Stable Growth. Sustainable Tomorrow.

Our natural capital helps us lead through Environmental Stewardship while maintaining a balanced outlook towards business growth. It enables efficiency, sustainability while helping us value our environment's roles in the well-being of businesses and community.

---

## NATURAL CAPITAL

At Rossari, we believe sustainability is the key to a better and safer future and we strive to take a holistic approach towards it. This approach testifies Rossari's commitment to providing a balanced tomorrow, built on a sustainable environment through strategic business activities.



# Sustainability as Environmental Stewardship

## SOME OF OUR INITIATIVES UNDERTAKEN IN THIS DIRECTION INCLUDE:

- Introducing green chemistry through our relentless efforts of 'Greenovation'
- Enhancing human wellness with our innovative solutions
- Addressing environmental issues through our sustainable business activities

Rossari is committed to satisfying customer needs in an environmentally responsible way. Our aim is to continuously improve our performance on the parameter of environment in all our activities, emphasising energy saving, carbon footprint reduction, water management, waste management, and ecological balance.

## ENERGY CONSERVATION

We took a step towards energy conservation by using green energy at our plant premises. We have installed solar power capacity at both our Silvassa and Dahej plant as a shift from traditional sources of power to foster a greener tomorrow. Our Dahej plant is designed to get sufficient daylight in production areas while our other premises makes the best use of natural lighting. We have also engineered industrial methods to use gravity feed for material transfer from one stage to the next. This helps us conserve electrical power. Furthermore, we have also shifted from conventional lighting to energy-saving LED lighting across all our plants.

### SOLAR CAPACITY IN SILVASSA PLANT

**50 KWP**

### SOLAR PANEL INSTALLED AT DAHEJ PLANT TO ACCOMMODATE 1 MW SOLAR POWER INSTALLATION

**600 KVA**

### TOTAL ENERGY SAVINGS IN 2021-22

**50 KVA**

## ENVIRONMENT FRIENDLY

As a responsible corporate citizen, we have implemented environmental management systems across our organisation as a step towards environmental conservation. We examine the environmental impact of all our actions on a regular basis and create continuous improvement objectives and targets. These are closely monitored on a regular basis to ensure their achievement at the individual and corporate levels.

- Moving towards sustainability by ensuring carbon abatement and absolute carbon reduction
- No releasing of hazardous emissions or pollutants at both Silvassa and Dahej plants throughout the production process
- Both facilities conform to Zero Discharge of Hazardous Chemicals (Z DHC) foundation and Global Organic Textile Standards (GOTS)
- The stack monitoring data represent low carbon footprint of GHG generation at production sites

## MANUFACTURING FACILITIES

# ZDHC Level-3 Certified

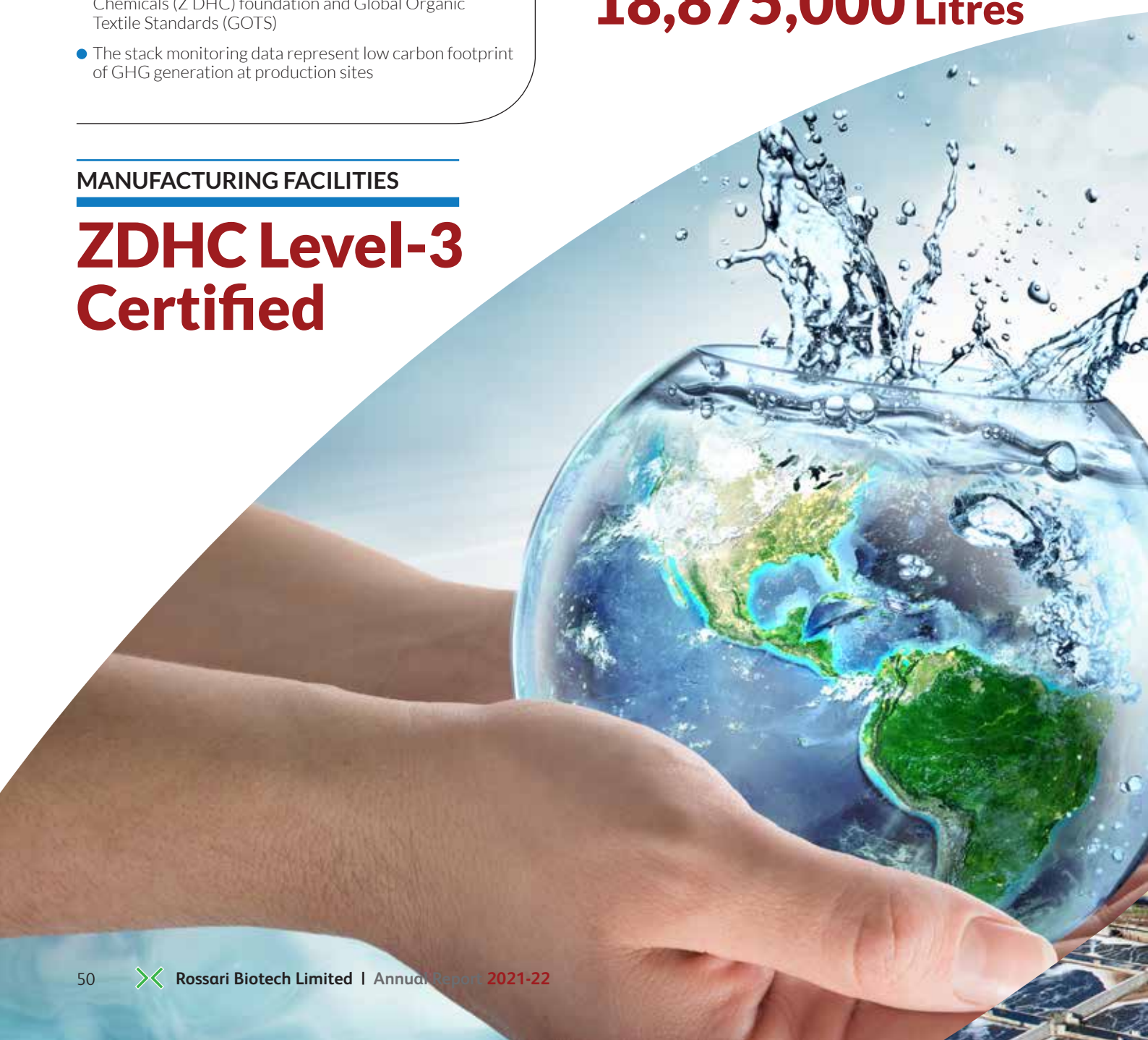
## WATER MANAGEMENT

We encourage sustainable water consumption at Rossari. Our Company adheres to the permissible groundwater extraction limit of 63% and we have also undertaken a water audit with the National Productivity Council (NPC).

Wastewater from manufacturing plants has low chemical oxygen demand (COD) and total dissolved solids (TDS) and are non-toxic in nature. It contains some biochemical oxygen demand (BOD) that is handled at an Effluent Treatment Plant. For evaporating effluent water following ETP treatment, we have introduced the Multi Effective Evaporator (MEE).

## ANNUAL WATER CONSUMPTION

# 18,875,000 Litres



## WASTE MANAGEMENT

We follow industry waste management standards at both our facilities. We believe in the concept of 3Rs – Reduce, Recycle, Reuse, to create sustainable value. Solid waste is collected, sealed, and stored in designated areas with access control until being securely disposed of. We also recycle our plastic waste, including HDPE barrels and other plastic garbage.

## COMMITMENT TO ECOLOGY

At Rossari, we are committed to ensuring an ecological balance in and around our facilities. We work with several organisations to extend our efforts toward ecological conservation. We relentlessly strive to reduce our impact on the ecosystem and biodiversity. We have planted trees near both our facilities and have also maintained a garden locally to contribute towards preserving mother nature.

### PLANTED NEAR DAHEJ FACILITY

# 2,000+ Trees

### PLANTED NEAR SILVASSA FACILITY IN GRAM PANCHAYAT KACHERI

# 250+ Trees



# Sustainability that Guides Governance

Effective corporate governance is critical for generating long-term sustainable value. Rossari is dedicated to upholding and adhering to the best governance principles at all times. We strive for the greatest standards of openness, accountability, and ethical behaviour in all aspects of our operations and communications, aligning it with the best interest of all our stakeholders.

## OUR BOARD

Our Board of Directors (or the 'Board') have all-encompassing experience in the Specialty Chemicals industry. The Board has adopted a set of corporate governance guidelines that serve as a flexible framework to carry out its duties. The policies are reviewed regularly and updated, as needed in response to the changing best practices, regulatory requirements, feedback from our annual Board evaluations, and shareholder recommendations.

---

**5 INDEPENDENT DIRECTORS**  
**2 EXECUTIVE DIRECTORS**

---

**5+2**

---

## BOARD COMMITTEES

The Board annually carries out performance evaluation of its Committees', individual Directors and Independent Directors. The Board at present has:

- AUDIT COMMITTEE      ● NOMINATION AND REMUNERATION COMMITTEE
  - RISK MANAGEMENT COMMITTEE      ● STAKEHOLDERS RELATIONSHIP COMMITTEE
  - CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
  - MANAGEMENT COMMITTEE
- Ⓒ Chairperson    Ⓜ Member

---

## BOARD MEETINGS DURING 2021-22

---

**7**



## Board of Directors



**MR. EDWARD MENEZES** M M  
Executive Chairman and Co-Founder

Mr. Edward Menezes is the Executive Chairman and founder of the Company. He has been a member of the Board since incorporation of the Company. He was also a partner of Rossari Biotech prior to the conversion into the Company. He holds a Bachelor's degree in Science (Chemistry major) from K. J. Somaiya College of Science, University of Bombay and a Bachelor's degree of Science (Technology) in textile chemistry from University Department of Chemical Technology (UDCT), University of Bombay. He also holds a Master's degree in Marketing Management from Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai. Mr. Menezes was also awarded 'UAA Distinguished Alumnus Technology Day Award, 2013' by UDCT and the Institute of Chemical Engineering. He was also awarded 'All India Industrialist of the Year 2021' award by Federation of Industries of India. He was previously associated with Clariant India Limited (erstwhile Sandoz India Limited). He has over 27 years of experience in the Specialty Chemicals industry and has more than 11 years of experience in different roles within the Company, actively involved in the day-to-day running of the business.



**MR. SUNIL SRINIVASAN CHARI** C C M  
Managing Director and Co-Founder

Mr. Sunil Chari is the Managing Director and founder of the Company. He has been a member of the Company's Board since incorporation of our Company. He was also a partner of Rossari Biotech prior to the conversion into the Company. He holds a Bachelor's degree in Arts from the Kakatiya University. He also holds a Diploma in Technical and Applied Chemistry from Victoria Jubilee Technical Institute (VJTI). He has over 22 years of experience in the Specialty Chemicals industry. He has more than 11 years of experience in different roles within our Company and has been actively involved in the day-to-day running of the Company.



**MR. ASEEM DHRU** C  
Independent Director

Mr. Aseem Dhru is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He holds a Bachelor's degree in Commerce from H. L. Commerce College, Gujarat University. He is an Associate member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was previously associated with HDFC Bank Limited as a Group Head and was a Director on the Board of HDB Financial Services Limited and HDFC Securities Limited. He is currently the Chief Executive Officer and Managing Director on the Board of SBFC Finance Private Limited.





**MR. GOUTAM BHATTACHARYA** C M M M M  
**Independent Director**

Mr. Goutam Bhattacharya is an Independent Director of the Company. He was appointed on the Board of the Company on 6<sup>th</sup> December, 2018. He holds a Bachelor's degree in Science (Chemistry) and has done post-graduation in Management Studies from the Indian Institute of Management (IIM), Ahmedabad. Mr. Bhattacharya started his career with BASF India Limited and has over 50 years of experience in the Specialty Chemicals industry in India and also at an international level. He was previously associated with Pulcra Chemicals India Private Limited as the Managing Director.



**MS. MEHER CASTELINO** C M M  
**Independent Director**

Ms. Meher Castelino is an Independent Director of the Company. She joined the Board of the Company on 4<sup>th</sup> July, 2018. She has completed her basic education from Lawrence School Lovedale, University of Cambridge. Ms. Meher Castelino is Internationally Renowned Fashion Journalist. She was the First Femina Miss India, 1964 from India. She is also an author of three books namely Manstyle, Fashion Kaleidoscope and Fashion Musings. At present, Ms. Meher Castelino is the Independent Director of VIP Clothing Limited and has been associated with them since 2015.



**MR. ROBIN BANERJEE** C M M  
**Independent Director**

Mr. Robin Banerjee is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He holds a Master's degree of Commerce. Mr. Banerjee is a fellow member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, and The Institute of Cost & Management Accountants of India. He is currently the Managing Director of Caprihans India Limited. Earlier, he held senior leadership positions at Hindustan Unilever, Arcelor Mittal Germany, Thomas Cook India, Essar Steel and Suzlon Energy. He is currently the Vice Chairman of CII Maharashtra State Council. He is also an author of three business non-fiction best-seller books 'Who Blunders and How?', 'Who Cheats and How?', and 'Corporate Frauds: Bigger, Broader, Bolder'.



**MAJ. GEN. SHARABH PACHORY VSM (RETD.)** M  
**Independent Director**

Maj. Gen. Sharabh Pachory, VSM (Retd.) is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He is a retired Major General from the Indian Army. He holds a Bachelor's degree in Science from University of Jabalpur and a Master's degree of Science in Defence and Strategic Studies from University of Madras. He has also completed a Senior Defence Management Course, Advanced capsule on Strategic Management and Decision Making from the College of Defence Management, Secunderabad. He also participated in an Independent Director's Training Programme for senior officers of Armed Forces conducted by Management Development Institute, Gurugram and holds a certificate from All India Management Association for completion of an advance course on Strategic Management. Maj. Gen. Pachory has also completed online proficiency assessment test for Independent Director's Databank conducted by Indian Institute of Corporate Affairs under the aegis of Ministry of Corporate Affairs, Govt of India. As a senior retired Defence Officer who served from 1982 to 2018, he has over 35 years of experience in the fields of Defence Administration, Planning and Strategy.

# Corporate Information

## BOARD OF DIRECTORS

### Edward Menezes

Executive Chairman

### Sunil Chari

Managing Director

### Aseem Dhru

Independent Director

### Goutam Bhattacharya

Independent Director

### Meher Castelino

Independent Director

### Robin Banerjee

Independent Director

### Maj. Gen. Sharabh Pachory VSM (Retd.)

Independent Director

## KEY MANAGERIAL PERSONNEL

### Ketan Sablok

Group - Chief Financial Officer

### Manasi Nisal

Chief Financial Officer

### Parul Gupta

Company Secretary & Compliance Officer

## STATUTORY AUDITORS

### Deloitte Haskins & Sells LLP

Chartered Accountants

## BANKERS

HDFC Bank Limited

Axis Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

State Bank of India

Standard Chartered Bank

Citi Bank, N.A.

## REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited

C 101, 247 Park, Lal Bahadur Shastri Marg,

Vikhroli (W), Mumbai - 400 083, India

## REGISTERED & CORPORATE OFFICE

201 A - B, 2<sup>nd</sup> Floor, Akruiti Corporate Park,

L.B.S Marg, Next to GE Gardens,

Kanjurmarg (W), Mumbai - 400 078, India

Tel: +91 22 6123 3800

Website: www.rossari.com

CIN: L24100MH2009PLC194818

## OUR FACILITIES

### Silvassa Plant

Plot No. 10 & 11, Survey No. 90/1/10 & 90/1/11/1,

Khumbarwadi, Village Naroli, Silvassa - 396235, Union

Territory of Dadra & Nagar Haveli, India.

### Dahej Plant

Plot No. D3/24/3, Opposite ATC Tyre Phase III,

G.I.D.C. Dahej, Village Galanda, Taluka Vagra,

Bharuch - 392130, Gujarat, India.

## BOARD'S REPORT

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022.

### HIGHLIGHTS OF FINANCIALS

Financial performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2022 is summarised below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	10,728.44	6,904.14	14,829.74	7,093.45
Other Income	127.00	97.23	119.96	87.04
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,354.93	1,310.64	1,954.39	1,322.48
Less : Depreciation & amortisation	262.68	220.74	480.55	228.29
Profit /loss before Finance Costs, Exceptional items and Tax Expense	1,092.25	1,089.90	1,473.84	1,094.19
Less : Finance Costs	25.45	29.92	126.56	29.92
Profit /loss before Exceptional items and Tax Expense	1,066.80	1,059.98	1,347.28	1,064.27
Add/(Less) : Exceptional items	-	-	-	-
Profit before Tax Expenses and share of profit / loss of joint venture/associate	1,066.80	1,059.98	1,347.28	1,064.27
Add: Share of profit /(loss) of joint venture/associate	-	-	15.47	4.11
Profit before Tax Expenses	1,066.80	1,059.98	1,362.75	1,068.38
Less: Tax Expense (Current & Deferred)	272.06	268.96	385.80	267.92
Profit/loss after tax	794.74	791.02	976.95	800.46
Other Comprehensive Income / (Cost)	0.14	1.25	0.85	1.06
Total Comprehensive Income	794.88	792.27	977.80	801.52

### BUSINESS OUTLOOK & FINANCIAL PERFORMANCE

2021-22 has been one of the most exciting year for your Company. Three key acquisitions came into our fold – Unitop Chemicals Private Limited, Tristar Intermediates Private Limited, and Romakk Chemicals Private Limited. In spite of volatile feedstock prices and a challenging inflationary macro-environment, we have reported encouraging performance. Revenue growth has been 55% on a standalone basis and 109% on a consolidated basis. We witnessed improved traction in engagements with several new and existing customers across various industries leading to a healthy uptick in all business verticals - Home, Personal Care and Performance Chemicals (“HPPC”); Textile Specialty Chemicals (“TSC”); Animal Health and Nutrition (“AHN”).

For the Financial Year ended 31<sup>st</sup> March, 2022, on a standalone basis, your Company achieved total revenue from operations of ₹ 10,728.44 million compared to ₹ 6,904.14 million during the previous Financial Year. Earnings before interest tax depreciation and amortisation (EBITDA) increased from ₹ 1,213.41 million in the previous Financial Year to ₹ 1,227.93 million during the Financial Year ended 31<sup>st</sup> March, 2022. Profit after Tax (PAT) was at ₹ 794.74 million in the current Financial Year as compared to ₹ 791.02 million in the previous Financial Year.

During the Financial Year under review, our strong growth momentum continued with top line witnessing a robust growth of over 55%. All the business verticals registered significant growth – HPPC grew by 46%, TSC by 61% and AHN by 93%. Also, this growth happened both in the India and the International markets.

Through the year, the raw material and logistics situation continued to remain challenging, both in terms of pricing and availability, which impacted our margins.

During the previous Financial Year, your Company had operationalised its state-of-the-art Research and Development facility, Rossari Centre of Excellence, located at the IIT campus in Mumbai. The facility is fully equipped with advanced testing and research equipments. This facility alongside the existing R&D arm at Silvassa helped your Company to identify and develop new niches in its product portfolio, improve operational efficiencies, develop new products and strengthen our core chemistries. Another key focus area for us is towards leveraging upon our R&D capabilities with impetus on sustainability and environment friendliness. As a Company, our aim has been to move towards more sustainable and green products and formulations and our R&D framework is built around this philosophy. Your Company is one of the frontrunners in the domestic market for producing environmentally benign substitutes, across segments. Our green products have been widely appreciated in the markets and we are constantly evaluating opportunities to introduce new business lines with distinguished and sustainable offerings.

On 31<sup>st</sup> March, 2021, your Company successfully achieved the full commissioning of its Greenfield manufacturing facility at Dahej, Gujarat. This facility is equipped with flexible and interchangeable capacities for our three business verticals. During the Financial Year under review, the site was further augmented by automation, administration, and other facilities and is now a state-of-the-art

## BOARD'S REPORT (Contd.)

automated unit, bringing higher cost-efficiencies and economies of scale. This plant also enjoys proximity to various ports such as the Hazira port, the upcoming deep-water and multi-cargo port of Dahej and another one coming up at Mundra. This will help provide significant cost and logistical advantage to the Company. With this augmented capacity, strong upcoming pipeline of new product launches and new business lines within the four core chemistries, your Company will be able to sustainably ramp-up utilisation levels at the Dahej unit over the next 3-4 years.

### ACQUISITIONS:

Financial Year 2021-22 has been yet another milestone year in Rossari's growth story. During the Financial Year, the Company announced strategic acquisitions of three high-quality and high-potential companies in the Speciality Chemical space viz. Unitop Chemicals Private Limited, Tristar Intermediates Private Limited, and Romakk Chemicals Private Limited. These acquisitions bring in multitude of synergies such as expanded product portfolio, stronger presence in new markets, cross-selling opportunities, and access to newer technologies, capacity and talent. The blend of capabilities from all our strategic acquisitions will enable us to build presence and gain scale in our key segments, thus accelerating growth for Rossari :

- Unitop Chemicals is engaged in the business of manufacturing of surfactants, emulsifiers and speciality chemicals.
- Tristar Intermediates is engaged in the business of manufacturing and supply of preservatives, aroma chemicals and home and personal care additives.
- Romakk Chemicals is engaged in the business of manufacturing and sale of silicone oils and its derivatives and a range of emulsions derived from silicone oils and its derivatives across all industries.

On a consolidated basis, your Company achieved total revenue from operations of ₹ 14,829.74 million as compared to ₹ 7,093.45 million during the previous Financial Year. Earnings before interest tax depreciation and amortisation (EBITDA) increased from ₹ 1,235.44 million in the previous Financial Year to ₹ 1,834.43 million during the Financial Year ended 31<sup>st</sup> March, 2022. Profit after Tax (PAT) was at ₹ 976.95 million in the current Financial Year as compared to ₹ 800.46 million in the previous Financial Year.

### CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and forms a part of this Annual Report. In accordance with Section 136 of the the Act, the Audited Financial

Statements, including the Consolidated Financial Statements and related information of the Company and Audited Accounts of each of its Subsidiaries are available on the website of the Company at [www.rossari.com/financial-information/](http://www.rossari.com/financial-information/).

The Board of Directors of the Company reviewed the affairs of Subsidiaries / Associate of the Company. Pursuant to the provisions of Section 129 (3) of the Act and the Companies (Accounts) Rules, 2014, the salient features of the Financial Statement of each of our Subsidiaries / Associate / Joint Venture are set out in the Form AOC-1, which forms a part of the Financial Statements section of this Annual Report.

### SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE

During the Financial Year under review, the Company had the following Subsidiaries / Associate / Joint Venture namely:

#### Buzil Rossari Private Limited

Buzil Rossari Private Limited ("BRPL") is a wholly owned subsidiary of the Company. BRPL achieved a revenue of ₹ 848.37 million as compared to ₹ 568.25 million in the previous Financial Year. Profit before tax is ₹ 65.26 million as against profit of ₹ 29.99 million in the previous Financial Year. The profit after tax stood at ₹ 49.12 million as compared to the profit of ₹ 28.91 million in the previous Financial Year.

#### Rossari Personal Care Products Private Limited

Rossari Personal Care Products Private Limited ("RPCPPL") (Formerly known as Neutron Impex Private Limited) became wholly owned Subsidiary of the Company w.e.f. 23<sup>rd</sup> July, 2021. RPCPPL achieved a revenue of ₹ 59.13 million as compared to ₹ 40.49 million in the previous Financial Year. Profit / (Loss) before tax is ₹ 1.48 million as against profit / (loss) of ₹ (6.25) million of the previous Financial Year. The profit / (loss) after tax stood at ₹ 1.51 million as compared to the profit / (loss) of ₹ (6.25) million in the previous Financial Year.

#### Unitop Chemicals Private Limited

Rossari acquired 65 % stake in Unitop Chemicals Private Limited ("UCPL") w.e.f. 26<sup>th</sup> August, 2021. UCPL achieved a revenue of ₹ 2,697.37 million from the date of acquisition upto 31<sup>st</sup> March, 2022. The profit before tax stood at ₹ 347.04 million and the profit after tax stood at ₹ 215.99 million for the aforesaid period.

#### Tristar Intermediates Private Limited

Rossari acquired 76 % stake in Tristar Intermediates Private Limited ("TIPL") w.e.f. 01<sup>st</sup> September, 2021. TIPL achieved a revenue of ₹ 1,045.19 million from the date of acquisition upto 31<sup>st</sup> March, 2022. The profit before tax stood at ₹ 100.21 million and the profit after tax stood at ₹ 82.26 million for the aforesaid period.

#### Romakk Chemicals Private Limited

Rossari acquired a 50.10 % stake in Romakk Chemicals Private Limited ("RCPL") w.e.f. 25<sup>th</sup> November, 2021. RCPL achieved a

## BOARD'S REPORT (Contd.)

revenue of ₹ 115.12 million from the date of acquisition upto 31<sup>st</sup> March, 2022. The profit before tax stood at ₹ 9.76 million and the profit after tax stood at ₹ 7.26 million for the aforesaid period.

### Hextar Unitop SDN BHD

Hextar Unitop SDN BHD ("Hextar") is a Joint Venture of UCPL, a subsidiary of the Company. Hextar achieved a revenue of ₹ 83.54 million from the date of acquisition upto 31<sup>st</sup> March, 2022. The profit before tax stood at ₹ 13.48 million and the profit after tax stood at ₹ 12.06 million for the aforesaid period.

### DIVIDEND

Your Directors have recommended a Final Dividend of 25 % (i.e. ₹ 0.50) on Equity Shares of the Face Value of ₹ 2/- each for the Financial Year ended 31<sup>st</sup> March, 2022. The Dividend is subject to the approval of Members at the Annual General Meeting ("AGM") scheduled to be held on 15<sup>th</sup> July, 2022. In view of the changes made under the Income tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members, your Company shall, accordingly, make the payment of the Dividend after deduction of tax at source.

Your Company has also formulated a Dividend Distribution Policy and the same is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/) and is set out in **Annexure-I** and forms a part of this Annual Report.

### UNPAID / UNCLAIMED DIVIDEND

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, there was no unpaid / unclaimed dividends to be transferred during the Financial Year under review to the Investor Education and Protection Fund.

### TRANSFER TO GENERAL RESERVE

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

### SHARE CAPITAL

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2022 was ₹ 110.11 million divided into 55,056,386 Equity Shares of ₹ 2 each.

### Preferential Issue

During the Financial Year under review, the Company has completed Preferential allotment of 3,012,046 equity shares at a price of ₹ 996/- per equity share aggregating to ₹ 3,000 million. The funds raised through preferential allotment were utilised by the Company for augmenting long term business requirements of the Company and other general corporate purposes, as per the offer letter, and there was no deviation in utilization of the proceeds of Preferential Issue.

### Employee Stock Options

During the Financial Year under review, the Company allotted 114,950 equity shares at a price of ₹ 425/- per equity share aggregating to ₹ 48.85 million to the eligible employees under the Rossari Employee Stock Option Plan 2019.

### REGISTERED OFFICE

There was no change in the Registered Office of the Company during the Financial Year under review. The present address of the Registered Office is as follows:

201 A-B, 2<sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE, Gardens, Kanjurmarg (W), Mumbai, 400078.

### CORPORATE GOVERNANCE REPORT AND CERTIFICATE

The Corporate Governance Report and the certificate on Corporate Governance received from the Statutory Auditors of the Company for the Financial Year 2021-22, forms a part of this Annual Report as required under Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of your Company for the Financial Year 2021-22 forms a part of this Annual Report as required under the Act, Regulation 34(2)(e) read with Schedule V of Listing Regulations.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of your Company for the Financial Year 2021-22 forms a part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations. The Board of Directors have also adopted a Business Responsibility Policy, which is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

### BOARD OF DIRECTORS

#### Appointment & Regularisation

During the Financial Year under review there was no change in the Directors of the Company.

#### Retirement by Rotation

Mr. Edward Menezes (DIN: 00149205) will retire by rotation and being eligible, offers himself for re-appointment at the ensuing 13<sup>th</sup> Annual General Meeting of the Company. Your Directors recommend his reappointment.

A detailed profile(s) of Mr. Edward Menezes seeking appointment at the forthcoming AGM as required under Secretarial Standard on General Meetings and regulation 36 of the Listing Regulations is provided separately by way of an Annexure to the Notice of the AGM.

## BOARD'S REPORT (Contd.)

### Number of Meetings of the Board

The Board had 7 (Seven) meetings during the Financial Year under review. The maximum time gap between any two Board Meetings were not more than 120 days as required under Regulation 17 of the Listing Regulations. Section 173 of the Act and Secretarial Standard on Meetings of the Board of Directors. Further, details on meetings of the Board of Directors and other details are provided in the Corporate Governance Report section which forms a part of this Annual Report.

### Board Evaluation

In compliance with the Act and Listing Regulations, the Board carried out an annual evaluation of its performance as well as of the working of its committees and individual Directors including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees and Individual Directors. Performance evaluation of Executive Chairman and Managing Director was carried out by Independent Directors at a separate meeting.

The Board's functioning was evaluated on various aspects, including inter alia, structure of Board, strategy, meetings of the Board, stakeholders value and responsibility, performance management, information management, governance and compliance, performance parameters. The Directors were evaluated on aspects such as strategy, function, ethics and values, team player, self-development and other general criteria.

The Committees of the Board were evaluated on aspects such as mandate, composition and terms of reference of the Committees, reviews and decision making, core governance and compliance as a whole.

The performance evaluations of the Independent Directors were carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

### DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted declaration of Independence, as required pursuant to Section 149(6) of the Act, and provisions of the Listing Regulations, stating that they have met the criteria of independence as provided therein and also none of the Directors of the Company is disqualified under Section 164(2) of the Act.

The Board is of the opinion that all the Independent Directors possess integrity, have relevant expertise, experience and fulfil the conditions specified under the Act, and the Listing Regulations.

### FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The familiarisation program seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company.

The policy and details of familiarisation programme is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- a. in the preparation of the Annual Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 and of the profit of the Company for the Financial 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 Act 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 COMMITTEES

In order to strengthen functioning of the Board, the Board of Directors have constituted the following Committees as per the requirement of the Act and the Listing Regulations:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

Details of the Committees along with their terms of references, composition and meetings held during the Financial Year under review are provided in the Corporate Governance Report section which forms a part of this Annual Report.

### KEY MANAGERIAL PERSONNEL

During the Financial Year under review, there was no change in the Key Managerial Personnel.

## BOARD'S REPORT (Contd.)

### AUDITORS

#### A. Statutory Auditors

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

The Report given by the Auditors on the Financial Statements of your Company is part of this Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. The Statutory Auditors Report to the Members for the Financial Year under review does not contain any modified opinion or qualifications and the observations, 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 Act.

No frauds have been reported by the Statutory Auditors during the Financial Year 2021-22 pursuant to the provisions of Section 143(12) of the Act.

#### B. Secretarial Auditors

Pursuant to Section 204 of the Act 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. Sanjay Dholakia & Associates, Company Secretaries as Secretarial Auditor of the Company. The Secretarial Audit Report is set out in "**Annexure-II**" and forms a part of this Annual Report. Pursuant to Regulation 24A of listing regulation every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex a Secretarial Audit Report given by a company secretary in practice, in such form as specified, with the Annual Report of the listed entity. The Secretarial Audit Report of material unlisted subsidiary of the Company i.e. Unitop Chemicals Private Limited is set out in "**Annexure-II(A)**" and forms a part of this Annual Report.

The Secretarial Compliance Report for the Financial Year ended 31<sup>st</sup> March, 2022, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations, is set out in "**Annexure-II(B)**" and form a part of this Annual Report. The Secretarial Compliance Report has been voluntarily disclosed as part of Annual Report as good disclosure practice.

The Secretarial Audit Report and/or Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

#### C. Cost Auditors

As per Section 148 of the Act read with Companies (Cost Records and Audit) Rules 2014, the Board of Directors of the Company based on recommendation of the Audit Committee has appointed M/s. R. Shetty & Associates, Cost Accountants (Firm Registration No.: 101455) to audit the cost accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2022. In terms of the provisions of Section 148(3) of the Act, read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members, accordingly, a resolution seeking ratification by the Members for the remuneration is listed in the AGM Notice as Special Business.

The Cost Auditors has certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

Maintenance of cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Act, is required by the Company and accordingly such accounts and records are made and maintained. The Company has filed the Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2021 submitted by M/s. R. Shetty & Associates. The Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2022 will be filed in due course.

### ROSSARI EMPLOYEE STOCK OPTION PLAN

The Company has an Employee Stock Option Scheme, namely 'Rossari Employee Stock Option Plan - 2019' ("ESOP 2019") which was approved and ratified by the Members on 2<sup>nd</sup> December, 2019 and 17<sup>th</sup> April, 2021 respectively. The plan is administered by the Nomination and Remuneration Committee. The objective of employee stock option plan is to reward employees to align individual performance with Company objectives and drive shareholders' value creation, create a culture of ownership among the executives, and employees to enhance their commitment to organisation, to collaborate and attract and retain key talent critical to organisation's success. There are no material changes made to the above Scheme and same is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations")

In compliance with the Regulation 13 of the SBEB Regulations, a certificate from Secretarial Auditor of the Company, confirming implementation of ESOP 2019 in accordance with the said regulations will be available electronically for inspection by the Members during the Annual General Meeting of the Company.

As per Regulation 14 of the SBEB Regulations (read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16<sup>th</sup> June, 2015) details of the plan as required under SBEB Regulations is set out

## BOARD'S REPORT (Contd.)

in “Annexure-III” and forms a part of this Annual Report and is also available on the website of the Company [www.rossari.com/ir-annual-report/](http://www.rossari.com/ir-annual-report/). Further, details of ESOP 2019 are also given in the Notes to the Financial Statements, and forms a part of this Annual Report.

### RELATED PARTY TRANSACTIONS

The Board of Directors have adopted Policy on Materiality of Related Party Transactions and Dealings with Related Party Transaction as per the applicable provisions of the Act and Listing Regulations and the same is available on website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).

All Related Party transactions that were entered into during the Financial Year under review were on the arm's length basis and were in ordinary course of business and in compliance with the applicable provisions of the Act, and the Listing Regulations. The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC-2 is set out in “Annexure-IV” and forms a part of this Annual Report. Details of related party transactions are given in the notes to the Financial Statements. There are no materially significant related party transactions between the Company and the Promoters, Directors, Key Managerial Personnel, Subsidiaries, Associate, etc., which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee and have been approved by the Board. Omnibus approval of Audit Committee is obtained for the transactions that are foreseen and repetitive in nature.

### NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration policy is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/). More details about the Nomination and Remuneration policy is provided in Corporate Governance Report.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

Rossari is committed to maintain the highest standard of honesty, openness and accountability and recognise that employees play an important role in growth and expansion of Rossari. They are the most valuable asset of the Company.

In accordance with the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has adopted vigil mechanism policy to enable the Directors and employees to have direct access to the Chairman as well as the Members of the Audit Committee. Details of the vigil mechanism are explained in the Corporate Governance Report and Whistleblower Policy is available on the website of the Company website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).

### CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (“CSR”) policy of the Company and the initiatives undertaken by the

Company on CSR activities during the Financial Year under review are set out in “Annexure V” and form a part of this Annual Report. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms a part of this Annual Report. CSR Policy is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).

### COMPLIANCE OF SECRETARIAL STANDARDS OF ICSI

In terms of Section 118(10) of the Act, the Company state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with.

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

The disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is set out as “Annexure-VI” and forms a part of this Annual Report.

### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. So, per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Prevention of Sexual Harassment Act”), the Company has formulated a Policy on Prohibition, Prevention & Redressal Of Sexual Harassment At Workplace which is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/) and Internal Complaints Committees (“ICC”) has been set up to redress any such complaints received.

During the Financial Year under review, no complaints with allegation of sexual harassment were filed with the ICC.

### ANNUAL RETURN

The Annual Return as provided under Section 92 of the Act is available on the website of the Company at [www.rossari.com/ir-annual-report/](http://www.rossari.com/ir-annual-report/).

### PARTICULARS OF EMPLOYEES

Disclosure required in respect of employees of the Company, in terms of provisions of Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out as “Annexure-VII” and forms a part of this Annual Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forms a part of this Annual Report.



## BOARD'S REPORT (Contd.)

Further, the Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

### RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS

The Company has a Risk Management Policy to identify, evaluate risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This framework is intended to assist in decision making process that will minimise potential losses, improve the management in the phase of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

A key factor in determining a Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. However, the Company is well aware of the above risks and as part of business strategy has put in a mechanism to ensure that they are mitigated with timely action.

Details of risks & concerns associated with the Company has been provided under Management Discussion and Analysis Report.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and it covers all offices, factories and key business areas. Your Company has adopted the procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors.

### GENERAL DISCLOSURE

During the Financial Year under review:

- the Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of the Act and Rules made thereunder.
- the Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of the Act and Rules made thereunder.
- the Company has not accepted any deposit from the public, pursuant to the Chapter V of the Act and Rules made thereunder.
- the Company has not bought back its shares, pursuant to the provisions of Section 68 of the Act and Rules made thereunder.
- there were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
- there were 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.

- Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its Subsidiaries, Associate.
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable.
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- During the year under review, there was no change in the nature of business of the Company.
- The Company's securities were not suspended during the year under review.

### CAUTIONARY STATEMENT

Certain Statements in this Annual Report may constitute "forward-looking statements". These forward-looking statements are subject to a number of risks, uncertainties and other factors which could cause actual results to differ materially from those suggested by forward looking statements. Important factors that could influence the Company's operation can be affected by global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments in India and in countries in which the Company conducts business, litigation, industrial relations and other incidental factors.

### ACKNOWLEDGEMENTS

Your Company express its appreciation for the sincere co-operation and assistance of the Central and the State Governments, authorities, bankers, customers, suppliers 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.

The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked their life and safety to fight this pandemic.

**For and on behalf of the Board of Directors**

Edward Menezes  
**Executive Chairman**  
(DIN: 00149205)

Date: 19<sup>th</sup> May, 2022

Place: Mumbai

## ANNEXURE – I

## DIVIDEND DISTRIBUTION POLICY

**1. INTRODUCTION**

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, has adopted this Policy.

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Policy shall not apply to:

- Issue of bonus shares by the Company.
- Buyback of securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

**2. DEFINITIONS**

- (i) **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- (ii) **“Applicable Laws”** shall mean the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- (iii) **“Board”** shall mean the Board of Directors of the Company.
- (iv) **“Company”** shall mean Rossari Biotech Limited.
- (v) **“Dividend”** includes any interim dividend.
- (vi) **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- (vii) **“Policy”** shall mean this dividend distribution policy.
- (viii) **“Stock Exchange”** shall mean a recognised Stock Exchange on which the securities of the Company are listed.

**3. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND**

The dividend pay-out decision of the Board depends upon certain financial parameters and internal and external factors including:

**Financial parameters and Internal Factors:**

- i. Financial performance of the Company for the year for which dividend is recommended;

- ii. Operating cash flow of the Company;
- iii. Working capital requirements;
- iv. Capital expenditure requirements;
- v. Past dividend payout ratio / trends;
- vi. Such other factors and/or material events which the Company’s Board may consider.

**External Factors:**

- i. Statutory provisions and guidelines;
- ii. Cost of financing;
- iii. Any other factor that has a significant influence / impact on the Company’s working / financial position of the Company.

**4. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation;
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, etc. which requires significant capital outflow;
- iii. Requirement of higher working capital for the purpose of business of the Company;
- iv. Proposal for buy-back of securities;
- v. In the event of loss or inadequacy of profit.
- vi. Such other matters as may be determined by the Board from time to time.

**5. UTILIZATION OF THE RETAINED EARNING**

The Company would utilise the retained earnings in a manner which is beneficial to the interest of the Company and its stakeholders including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company’s future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

## 6. MANNER OF DIVIDEND PAYOUT

### In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

### In case of interim dividend:

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

## 7. PARAMETERS ADOPTED IN RELATION TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of equity shares with equal voting rights. Accordingly, all Members are entitled to receive the same amount of dividend per equity share. The Policy shall be suitably modified upon the issue of equity shares of a different class.

## 8. POLICY REVIEW AND AMENDMENTS

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## ANNEXURE - II

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

To,

**The Members,**

**ROSSARI BIOTECH LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. 1. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under review.
    - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
    - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - vi. Other Regulatory provisions/laws applicable to the Company are:-
    - a. Factories Act, 1948
    - b. Petroleum (Production) Act, 1934
    - c. Hazardous Waste Management and Handling Rules, 1989
    - d. Water (Prevention and Control of Pollution) Act, 1974
    - e. Air (Prevention and Control of Pollution) Act, 1981
    - f. Environment Protection Act, 1986
    - g. Noise Pollution (Regulation & Control), Rule 2000

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India

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

I further report that

The Board is duly constituted with proper balance of Executive Directors and Independent Directors There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA

**Practising Company Secretary**

**Proprietor**

Date: 19<sup>th</sup> May, 2022

Membership No. 2655 /CP No. 1798

Place: Mumbai

UDIN: F002655D000345019

## ANNEXURE A

To,

**The Members,**

**ROSSARI BIOTECH LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA

**Practising Company Secretary**

**Proprietor**

Membership No. 2655 /CP No. 1798

Date: 19<sup>th</sup> May, 2022

UDIN: F002655D000345019

Place: Mumbai

## ANNEXURE – II (A)

SECRETARIAL AUDIT REPORT OF UNITOP CHEMICALS PRIVATE LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To,

**The Members,**

**Unitop Chemicals Private Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; Not Applicable during the Financial Year under review.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable during the Financial Year under review.
- v. 1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the Company:
  - a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; There were no further issue of securities during the financial year under review.

- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Not Applicable during the financial year under review.
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review.
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There were no Buy Back of Equity Shares under these Regulations. However there was Buy Back of Equity Shares during the year under review under the provisions of Companies Act and its Rules.
- vi. Other Regulatory provisions/laws applicable to the Company are:-
  - a. Factories Act, 1948
  - b. Petroleum (Production) Act, 1934
  - c. Hazardous Waste Management and Handling Rules, 1989
  - d. Water (Prevention and Control of Pollution) Act, 1974
  - e. Air (Prevention and Control of Pollution) Act, 1981
  - f. Environment Protection Act, 1986
  - g. Noise Pollution (Regulation & Control), Rule 2000

I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

I further report that

The Board is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA

**Practising Company Secretary**

**Proprietor**

Date: 11<sup>th</sup> May, 2022

Membership No. 2655 /CP No. 1798

Place: Mumbai

UDIN: F002655D000300128

#### ANNEXURE A

To,

**The Members,**

**ROSSARI BIOTECH LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA

**Practising Company Secretary**

**Proprietor**

Membership No. 2655 /CP No. 1798

Date: 11<sup>th</sup> May, 2022

UDIN: F002655D000300128

Place: Mumbai

## ANNEXURE - II (B)

## SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

## [Pursuant to requirements of Regulation 24A of the Listing Regulation]

I Sanjay Dholakia, Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by **ROSSARI BIOTECH LIMITED** ("the listed entity");
- (b) the filings / submission made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification

**For the year ended 31<sup>st</sup> March, 2022 ("Review Period") in respect of compliance with the provisions of:**

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contract (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

**The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:**

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the review period);
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable during the review period);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the review period);
- (i) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder.

**and based on the above examination, I hereby report that, during the Review Period:**

- (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) No actions has been taken against the listed entity/its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the standard operating procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports. (Not Applicable)

For **SANJAY DHOLAKIA & ASSOCIATE**

SANJAY R DHOLAKIA

**Practising Company Secretary**

**Proprietor**

Membership No. 2655 / CP No. 1798

Date: 19<sup>th</sup> May, 2022

UDIN: F002655D000345041

Place : Mumbai



### ANNEXURE-III

#### DETAILS OF STOCK OPTIONS AS ON 31<sup>ST</sup> MARCH, 2022

[Pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

- A. Relevant disclosures in terms of the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 as prescribed from time to time, Members may please refer to the audited financial statement for the Financial Year 2021-22.
- B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options: Diluted EPS for the Financial Year ended 31<sup>st</sup> March, 2022 is ₹ 14.37.
- C. Details related to Employees' Stock Option Scheme:

Sr. No.	Description	Details
i)	The description including terms and conditions of ESOS is summarised as under:	
a.	Date of shareholders' approval	2 <sup>nd</sup> December, 2019 (Ratified by the Members post listing at the Extraordinary General Meeting held on 17 <sup>th</sup> April, 2021).
b.	Total Number of options approved under ESOS	1,500,000 Options
c.	Vesting Requirements	The options granted shall vest : <ul style="list-style-type: none"> <li>If employee continues to be in the employment of the Company and Holding company/subsidiary company(ies), if any.</li> <li>Fulfils the performance targets.</li> <li>The options would vest not earlier than one year and up to 10 years from the date of grant of options as may be decided by the Board (which includes Nomination and Remuneration Committee), at the time of each grant.</li> </ul>
d.	Exercise Price or Pricing Formula	The Exercise Price shall be as decided by the Board subject to a minimum of the face value per share per option. The Exercise Price, as determined by the Board will be appropriately specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options.
e.	Maximum term of options granted	The options would vest not earlier than one year and up to 10 years from the date of grant of options as may be decided by the Board at the time of each grant.
f.	Source of shares (primary, secondary or combination)	Primary
g.	Variation in terms of Options	There were no Variation in terms of Options during the Financial Year 2021-22.
ii)	Method used to account for ESOS	The fair value of the employee stock options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.
iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed.	The Company is listed and has to comply with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), hence, the intrinsic value method is not applicable to the Company.
iv)	Option movement during the Financial Year:	
a.	Number of options outstanding at the beginning of the Financial Year	612,500
b.	Number of options granted during the Financial Year	57,000
c.	Number of options forfeited/ lapsed/ expired during the Financial Year	3,550
d.	Number of options vested during the Financial Year	118,950
e.	Number of options exercised during the Financial Year	114,950
f.	Number of shares arising as a result of exercise of options	114,950
g.	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	4,88,53,750
h.	Loan repaid by the trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the Financial Year	551,000

Sr. No.	Description	Details	
j.	Number of options exercisable at the end of the Financial Year	4,000	
v)	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per option (₹)	Weighted average fair value per option (₹)
		₹ 425	Please refer "Note 30.1 Employee Stock Option Plan" to the Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2022.
vi)	Employee-wise details of options granted During the Financial Year to		
a.	Senior Managerial Personnel	Name	Designation
			No. of Options Granted
		Mr. Debashish Vanikar	Chief Executive Officer-Surfactants & Silicone Businesses
		Mr. Ketan Sablok	Group Chief Financial Officer
		Ms. Shifa Suresh	Vice President-Human Resource
		Mr. Sandeep Tulshyan	Vice President - Procurement
		Ms. Parul Gupta	Company Secretary
			15,000
			11,000
			9,000
			4,000
			2,500
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Name	Designation
			No. of Options Granted
		Mr. Amrutraj Kulkarni	Vice President - BRPL Business Head
		Mr. Devendra Zanjarkiya	General Manager-Accounts and Audit
			9,000
			6,500
i.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	
vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
a.	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	<b>Weighted Average Information</b>	
		Plan	Rossari Employee Stock Option Plan, 2019
		Grant Date during the Financial Year	- 14 <sup>th</sup> May, 2021 - 17 <sup>th</sup> July, 2021 - 8 <sup>th</sup> November, 2021 - 19 <sup>th</sup> November, 2021
		Risk Free Rate (%)	
		Expected Option Life (years)	
		Expected Volatility (%)	
		Dividend yield (%)	
		Stock price	
		Exercise Price	
		Option Fair Value	
		Please refer "Note 30.1 Employee Stock Option Plan" to the Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2022.	
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	Not Applicable	

Sr. No.	Description	Details
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The volatility input, measured in percent per year, is how much you generally expect the underlying security to move during the life of the option. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rate of return on the stock over a period of time.
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Stock Price The stock price of the Company is the closing price of shares on date of grant on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
		Risk Free Rate of Return The Risk-free interest rate is the interest rate applicable for maturity equal to the expected life of the options based on zero coupon yields of government securities.
		Expected dividend yield Expected dividend yield is considered as 0% based on historical data of the Company.
	Disclosures in respect of grants made in three years prior to IPO under each ESOP	With respect to details, refer to Annexure A

#### ANNEXURE A

##### Employee wise details of options granted During the Financial Year 2020-21

a. Senior Managerial Personnel

Sr. No.	Name	Designation	Options Granted
1	Mr. Puneet Arora	Chief Executive Officer – Textile Chemicals Global	40,000
2	Mr. Prasad Gadkari	President - Manufacturing	40,000
3	Ms. Manjiri Paranjpe	Vice President - Research and Development	40,000
4	Mr. Anish Kumar	Vice President - Animal Health Nutrition	20,000
5	Mr. Rajeev Jha	Vice President - Home Personal Care and Performance Chemicals	20,000
6	Ms. Manasi Nisal	Chief Financial Officer	15,000
7	Ms. Parul Gupta	Company Secretary	2,500

- b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None
- c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: None

**For and on behalf of the Board of Directors**

Edward Menezes  
**Executive Chairman**  
(DIN: 00149205)

Date: 19<sup>th</sup> May, 2022

Place: Mumbai

**ANNEXURE-IV**  
**FORM NO. AOC -2**

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto for the Financial Year 2021-22.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	There are no contracts or arrangements or transactions entered during the Financial Year ended 31 <sup>st</sup> March, 2022, which were not at arm's length basis.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	Mr. Mikhail Menezes (Son of Mr. Edward Menezes, Executive Chairman of the Company)	Mr. Yash Chari (Son of Mr. Sunil Chari, Managing Director of the Company)
b)	Nature of contracts/ arrangements/ transaction	Appointment of Mr. Mikhail Menezes in the office or place of profit in the Company.	Appointment of Mr. Yash Chari in the office or place of profit in the Company.
c)	Duration of the contracts/ arrangements/ transaction	Duration or period for his employment is not fixed, however, termination and other terms shall be governed by his appointment letter and rules and Human Resource ("HR") policy of the Company.	Duration or period for his employment is not fixed, however, termination and other terms shall be governed by his appointment letter and rules and HR policy of the Company.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Mr. Mikhail Menezes, has designated as Director-Technical. The Company will be availing his professional knowledge, expertise, which is useful in running the day to day business activities of the Company.  Mr. Mikhail Menezes has drawn remuneration of Rs. 4.80 million during the Financial Year 2021-22 as recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board of Directors of the Company for his Services as per the HR policy of the Company.	Mr. Yash Chari, has designated as Director-Marketing and Business Development. The Company will be availing his professional knowledge, expertise, which is useful in running the day to day business activities of the Company.  Mr. Yash Chari has drawn remuneration of Rs. 4.80 million during the Financial Year 2021-22 as recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board of Directors of the Company for his Services as per the HR policy of the Company.

**For and on behalf of the Board of Directors**

Edward Menezes  
**Executive Chairman**  
(DIN: 00149205)

Date: 19<sup>th</sup> May, 2022

Place: Mumbai

## ANNEXURE - V

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to the Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The Company believes to work for the communities in which it operates. In doing so, build a better, sustainable way of life for the weaker sections of society. The CSR projects of the Company focus on Covid / Healthcare Relief, Education Support and Human Life Support & Upliftment. The Company undertakes its CSR activities directly as well through Implementing Agencies for various purposes as per the CSR Policy of the Company.

2. The Composition of the CSR Committee

Sr. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee during the Financial Year	
				Held	Attended
1.	Ms. Meher Castelino	Chairperson	Independent Director	2	2
2.	Mr. Goutam Bhattacharya	Member	Independent Director	2	2
3.	Mr. Edward Menezes	Member	Executive Chairman	2	2

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

The CSR Policy, CSR Committee and CSR Projects are available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).

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

The Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

(₹ in million)

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years	Amount required to be set-off for the Financial Year, if any
1	2021-22	-	-
2	2020-21	0.59	-

6. Average net profit of the Company as per section 135(5)

₹ 854.36 million

7. Prescribed CSR Expenditure

(₹ in million)

Sr. No.	Particulars	Amount
a)	Two percent of average net profit of the Company as per section 135(5)	17.09
b)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	Nil
c)	Amount required to be set off for the Financial Year, if any	Nil
d)	Total CSR obligation for the Financial Year (7a+7b-7c)	17.09

8. a) CSR amount spent or unspent for the Financial Year

(₹ in million)

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
		Amount	Date of transfer	Name of the Fund	Amount
17.09	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

- b) Details of CSR amount spent against ongoing projects for the Financial Year

Nil

## c) Details of CSR amount spent against other than ongoing projects for the Financial Year

(₹ in million)

(1) Name of the Project	(2) Item from the List of activities in Schedule VII of the Act	(3) Local area (Yes/ No)	(4) Location of the project		(5) Amount spent for the Project	(6) Mode of Implementation - Direct (Yes/ No).	(7) Mode of Implementation - Through Implementing Agency	
			State	District			Name	CSR Registration number
<b>Covid/ Healthcare Relief</b>								
Treatment to Patients suffering from Hematolymphoid Malignancies and Brest Cancer	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Mumbai	2.00	No	Tata Memorial Centre	CSR0000 1287
Contribution for Servo – I Ventilator in ICU for Covid Patients to hospital	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Thane, Navi Mumbai	1.00	Yes	-	-
Contribution for Medical Equipment to Hospital which caters to underprivilege and Below Poverty Line people.	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Mumbai	1.00	No	Rotary Club of Deonar Mumbai Charity Trust	CSR000 04790
Covid – 19 Vaccination drive at Tata Hospital	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Mumbai	0.13	No	St. Jude India Child Care Centres	CSR000 01026
Medicines and Healthcare	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Mumbai	1.50	No	Omkar Andh Apang Samajik Sanstha	CSR000 03196
Contribution for Covid Relief Facility for Hospital	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Mumbai	0.30	No	Ekam Foundation Mumbai	CSR000 04951
		No	West Bengal	Kolkata	0.50			
Setup of Covid-19 Ward for treatment of Tribble Patients	Promoting healthcare including Preventive Healthcare	No	Tamil Nadu	Dharmapuri	0.10	No	Tribal Health Initiative	CSR000 10237

(₹ in million)

(1) Name of the Project	(2) Item from the List of activities in Schedule VII of the Act	(3) Local area (Yes/ No)	(4) Location of the project		(5) Amount spent for the Project	(6) Mode of Implementation - Direct (Yes/ No).	(7) Mode of Implementation - Through Implementing Agency	
			State	District			Name	CSR Registration number
Contribution for Trauma Surgery Department	Promoting healthcare including Preventive Healthcare	No	Tamil Nadu	Vellore	0.47	No	The Christian Medical College Vellore Association	CSR000 01924
Contribution for Medicines for mentally challenged, Orphans and elderly people	Promoting healthcare including Preventive Healthcare	No	Tamil Nadu	Coimbatore	0.10	No	The United Educational & Social Welfare Trust	CSR000 00029
<b>Education Support</b>								
Robotics Training to engineering students.	Promoting Education	Yes	Maharashtra	Kolhapur	0.57	No	Dattajirao Kadam Technical Education Society Ichalkaranji	CSR000 12875
Contribution for Purchase of equipment/ stationery and software to train Persons with Intellectual and Developmental Disabilities (PwIDD)	Livelihood enhancement projects	Yes	Maharashtra	Mumbai	0.56	No	Yash Charitable Trust	CSR000 04493
Contribution for education on Biodiversity	Promoting Education	Yes	PAN India		0.50	No	PRATYeK	CSR000 06473
Contribution for School Kits for aid in education for underprivileged student	Promoting Education	No	Karnataka	Bangaluru	2.00	No	United Way of Bengaluru	CSR0000 0324
Vocational Training	Employment enhancing vocational skills	No	Haryana	Gurugram	1.99	No	Anjali Foundation	CSR000 20792
Contribution for purchase of books for Libraries being run in villages and slum areas	Setting up Public Libraries	No	Madhya Pradesh	Bhopal, Harda & Panna	0.2	No	Muskaan	CSR000 23665

(₹ in million)

(1) Name of the Project	(2) Item from the List of activities in Schedule VII of the Act	(3) Local area (Yes/ No)	(4) Location of the project		(5) Amount spent for the Project	(6) Mode of Implementation - Direct (Yes/ No).	(7) Mode of Implementation - Through Implementing Agency	
			State	District			Name	CSR Registration number
<b>Human Life Support &amp; Upliftment</b>								
Shelter and Housing Project for unprivileged, Orphans and Widows	Setting up homes and hostels for orphans	Yes	Maharashtra	Mumbai	0.86	No	Omkar Andh Apang Samajik Sanstha	CSR000 03196
Contribution for Scooter to Handicapped	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	0.03	No	Our Children	CSR000 00042
Distribution of Ration Kits to unprivileged families	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	0.10	No	Centre for Social Action	CSR000 00556
Food and necessary support for underprivileged patients and families in Quarantine Centres	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	0.37	No	St. Jude India Child Care Centres	CSR000 01026
Purchase of equipment to help support Persons with Intellectual and Developmental Disabilities (PwIDD) working at Café Arpan.	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	0.11	No	Yash Charitable Trust	CSR000 04493
Contribution for repair, maintenance and painting of Old age Home	Setting up old age homes, day care centers and such other facilities for senior citizens	Yes	Maharashtra	Mumbai	0.60	Yes	-	-



(₹ in million)

(1) Name of the Project	(2) Item from the List of activities in Schedule VII of the Act	(3) Local area (Yes/ No)	(4) Location of the project		(5) Amount spent for the Project	(6) Mode of Implementation - Direct (Yes/ No).	(7) Mode of Implementation - Through Implementing Agency	
			State	District			Name	CSR Registration number
Construction of sheds for accommodation of Destitute	Setting up homes and hostels for orphans	Yes	Maharashtra	Thane	0.10	No	St. Claret Mercy Foundation	CSR000 22087
<b>Meri Pathshala:</b> Construction of Grill around the premises of Zilla Parishad School for protection of tribal children. <b>Happy Gram:</b> Grocery Distribution Drive to Tribble Families	Measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Palghar	0.10	No	Indian Development Foundation	CSR000 01585
Construction of Homes and Hostel for orphans and marginalised students.	Setting up homes and hostels for orphans	Yes	Gujarat	Vadodara	0.50	No	Faiz Charitable Trust	CSR000 08940
Distribution of clothes to mentally challenged orphans and elderly people	Setting up old age homes, day care centres and such other facilities for senior citizens	No	Tamilnadu	Coimbatore	0.05	No	The United Educational & Social Welfare Trust	CSR000 00029
Purchase of Utility Vehicle for transport of Cotton and Wool for spinning done by women spinners in interior villages of East and West Kutch.	Empowerment of Women	Yes	Gujarat	Kutch	1.06	No	Khamir Society Ahemdabad	CSR000 06328
Mid-day meals to destitute and tribal children in Schools and Hostels	Measures for reducing inequalities faced by socially and economically backward groups	No	Madhya Pradesh	Bhopal	0.30	No	Muskaan	CSR000 23665
<b>Total</b>					<b>17.09</b>			

- d) Amount spent in Administrative Overheads  
Nil
- e) Amount spent on Impact Assessment, if applicable  
Nil
- f) Total amount spent for the Financial Year (8b+8c+8d+8e)  
₹ 17.09 million
- g) Excess amount for set off, if any

(₹ in million)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	17.09
(ii)	Total amount spent for the Financial Year	17.09
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three Financial Years  
Nil
- (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s)  
Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year  
There was no creation or acquisition of capital asset through CSR spent in the Financial Year.
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013:  
Not Applicable

For and on behalf of the CSR Committee

Date : 19<sup>th</sup> May, 2022  
Place : Mumbai

Sunil Chari  
**Managing Director**  
DIN: 00149083

Meher Castelino  
**Chairperson of CSR Committee**  
(DIN: 07121874)

## ANNEXURE - VI

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant Section 134(3)(M) Of the Companies Act, 2013 Read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy consumption (energy consumed per unit of product), energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

##### a) Steps taken for conservation of energy

1. Converted the existing fuel system of Light Diesel Oil ("LDO") to Bio Diesel in the Steam Boiler, Thermic Fluid Heater and Incinerator. As the Sulphur traces in Bio Diesel is low, hence it is Eco-Friendly in nature and also cheaper than the LDO.
2. Periodical cleaning of steam pipe lines, cooling water lines and reactor jackets/limpet is carried out for best cooling/heating efficiency. Due to this, the production time cycle reduced by 15% in most of the batches and the batch size increased by 10% which results in saving of steam and electrical energy.
3. Converted conventional lamps to LED lamps. Replaced all the old lights (PL Tubes) in the Factory Premises with latest energy efficient LED lights.
4. Variable Frequency drive panel ("VFD") installed in all large capacity electric drives. Allowing a VFD to reduce/adjust motor speed which results in reduction of energy consumption.
5. Modification of Power Cum Motor Control Centre ("PMCC"), Intelligent Motor Control Centre ("IMCC") panel and Automatic Power Factor Control ("APFC") panel for maintaining power factor at 0.999.
6. Carried out air leakage survey in air network system on periodical basis. If any leakage is found the same is rectified, which results in energy conservation. Also regular overhauling of Compressor System is done to ensure the system works efficiently.
7. All steam line and chilled water line having high quality insulation which reduces the heat loss.
8. Steam traps are installed to avoid steam loss while condensate discharges.
9. The Company has installed Intelligent Motor Control Center ("MCC") panel and is able to monitor the energy consumption of each and every motor, for better control.

##### b) The steps taken by the Company for utilising alternate sources of energy

1. The Company has installed 50 KW solar panel for availing alternate source of energy. The same is fully operational. The Company has generated 36,217 KWH power from the same during Financial Year 2021-22.
2. Installed collection tank for storage of condensate water. The condensate water collected in the tanks is used directly in boiler which results in reduction in fuel consumption in Boiler.
3. Use of electric vehicle / material handling equipment (MHE's) in place of Diesel/Petrol/Gas operated MHE's.
4. Increase water recycling which results in reduction in raw water consumption.

##### c) The capital investment on energy conservation equipment's:

1. Installed Reinforced Cement Concrete Tank for collection of Condensate water with approximate cost of about 0.20 million.
2. Addition of Electric Vehicle in place of petrol/diesel operated vehicles with approximate investment of 1.62 million.
3. The Company has invested about 0.20 million for equipment's for recycling the water.

#### B. TECHNOLOGY ABSORPTION

##### a) Research and Development

Rossari Biotech Limited ("RBL") has set up R&D laboratory in IIT Bombay. This arrangement has added feather in cap in the Companies profile and opened a new horizon for Research & Development Department. In collaboration with IIT Bombay and Monash Research Academy the Company has gained access to the advanced laboratory setup, in IIT Bombay. This helps to enhance detailed study, betterment of the Companies products and helps in development of safe, sustainable, reliable and innovative product line.

Details of a few key products/concepts launched last year are as below:-

- **Stain Remover Spray**

This product is used for removing stains, and more particularly, versatility in stains removing capability. Also helps to eliminate the damaging effect of bleach-containing solution on soft fabrics and hard composites.

- **Dishwash Tablets**

This product makes your dishwasher even more efficient by substituting your standard powdered detergent with dishwashing tablets. Dishwashing tablets deliver a precise amount of detergent and rinse aid (in some formulations) in a single serving, ultimately you will use less amount of dishwashing product per wash which results in saving the cost.

- **Plant-derived surfactants**

The Company has introduced a range of products using plant-derived surfactants that are eco-friendly, chemical-free and natural cleaning products for your commercial establishment as compared with the other ingredients used in making surfactants which can produce volatile organic compounds which are harmful for nature as well as human health.

- **Green Process for Denim Processing**

Sodium hypochlorite is the chemical involved with bleaching that can cause corrosion to machines, weaken the fabric, and high exposure can be harmful to workers as well as to the environment.

The Company has developed Laccase, newest enzyme class introduced into denim finishing. Laccases are multi-copper oxidises that catalyse the oxidation of a wide range of phenols, including indigo, under simultaneous reduction of oxygen to water. Since the laccase only degrades indigo, without affecting the weft yarns, the resulting finish exhibits a unique wash-down of denim.

- **Green abrasive for denims**

It is a novel product for denim fading. Since it is aggressive in fading action it can produce the desired effect quickly as compared to commercially available products.

- **Macro silicone Softener series**

Rossari's portfolio of macro silicone series is extremely diverse. They are intended to be used for high-quality finish of textiles, whether employed alone or in combination with other finishes.

- b) The efforts made towards technology absorption
1. Industrial Surfactant product manufacturing process in 10 KL reactor having Agitator has been successfully changed by introducing Inline mixer in a 25 KL tank. The technology of Inline mixer and using larger vessel without stirrer, has considerably reduced process time, energy consumption, and has increased productivity by 2.5 times.
  2. In domestic Surfactant product, water quality was improved by treatment and use of demineralised water ("DM") has been stopped. This effort has been successful and energy consumption for DM water generation is avoided.
  3. Installed Sewage Treatment Plant ("STP") for treatment of sewage waste water. The treated water from STP is used for floor washing, washroom flushing & gardening, which reduces the use of raw water.
  4. Technology for manufacturing of polyester resin for sizing of yarn has been acquired.
  5. Technology for making Amino-silicon manufacturing has been acquired.
- c) The benefits derived like product improvement, cost reduction, product development or import substitution
1. By introducing the Inline mixer in place of stirrer for production of Industrial Surfactant the Cost reduced due to less energy consumption
  2. By using the treated water in place of demineralised water the Cost was reduced due to less energy consumption
  3. By Installation of Sewage Treatment Plant, the consumption of raw water is reduced due to use of treated water which ultimately results in reduction of cost.
  4. New product addition:
    - Polyester resin
    - Amino Silicon
- d) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)
- No technology has been imported during this Financial Year.

e) Expenditure incurred on Research and Development

(₹ in million)

Particulars	2021-22	2020-21
Revenue Expenditure	50.27	75.01
Capital Expenditure	0.11	7.91

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in million)

Particulars	2021-22	2020-21
Foreign Exchange Outflows (outgo)	1,862.47	1335.91
Foreign Exchange Inflows (earnings)	1,084.26	645.19

For and on behalf of the Board of Directors

Edward Menezes  
**Executive Chairman**  
(DIN: 00149205)

Date: 19<sup>th</sup> May, 2022

Place: Mumbai

## ANNEXURE - VII

## STATEMENT OF DISCLOSURE OF REMUNERATION

[Pursuant to Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

Name of Director/ Key Managerial Personnel	Designation	% Increase in Remuneration in the year 2021-22	Ratio of Remuneration of each Director to Median remuneration of employee
Mr. Edward Menezes	Executive Chairman	7.5 % *	19.0
Mr. Sunil Chari	Managing Director	7.5 % *	19.0
Mr. Aseem Dhru	Independent Director	NA	1.80
Mr. Goutam Bhattacharya	Independent Director	NA	2.40
Ms. Meher Castelino	Independent Director	NA	2.00
Mr. Robin Banerjee	Independent Director	NA	1.80
Maj Gen Sharabh Pachory VSM (Retd.)	Independent Director	NA	1.60
Ms. Manasi Nisal	Chief Financial Officer	7.5 % *	8.60
Ms. Parul Gupta	Company Secretary	20 % *	2.40

\*effective 1st July, 2021

Note 1 : Independent Director's remuneration represents only sitting fees.

Note 2 :The median remuneration has been worked out on the basis of CTC of the employees who were on the payroll for the entire Financial Year.

Note 3 : In calculating the above remuneration ESOP value has not been considered.

2. The number of permanent employees on the rolls of Company.  
451 permanent employees were on the roll of the Company as on 31<sup>st</sup> March, 2022.
3. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.  
Average percentage increase of the salaries of the employee of the Company other than managerial personnel is 8.9%. The average percentage increase in the salary of KMP is primarily on account of promotion in grade and a salary correction. The increase in remuneration of employees (excluding the managerial personnel) is in line with the increase in remuneration of managerial personnel.
4. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

For and on behalf of the Board of Directors

Edward Menezes  
Executive Chairman  
(DIN: 00149205)

Date : 19<sup>th</sup> May, 2022

Place: Mumbai

# Corporate Governance Report

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'Listing Regulations'), given below are the corporate governance policies and practices of Rossari Biotech Limited (the 'Company' or 'Rossari' or 'RBL') for the Financial Year 2021-22.

## ROSSARI'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Rossari has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. Rossari strongly believes in the philosophy that Corporate Governance should be done more through Principles than through Rules. We believe that Corporate Governance is the cornerstone for fostering a state-of-the-art and future ready organisation guaranteeing extra-ordinary and sustainable growth. Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes.

Rossari not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide.

As a Company with a strong sense of values and commitment, Rossari believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. For us, good corporate governance is equivalent to sound management, transparency and adequate disclosure encompassing good corporate governance, procedure, practices and highest standards of integrity. No organisation function can operate in isolation without its stakeholders and at Rossari we value each of our stakeholders.

The Company is awarded with the "Golden Peacock Award for Business Excellence – 2021" recognising the best management practices for accelerating organisational improvement.

## BOARD

The Board is the focal point and custodian of corporate governance for the Company. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, performance and monitoring the effectiveness of the Company's corporate governance practices.

The Company believes in a well-balanced and diverse Board which enriches discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors, comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ("the Act") and Listing Regulations.

The Board of Directors of the Company are eminent personalities from various fields, who bring on the table a wide range of experience and expertise to the Board. Their skill sets and varied perspectives help in taking constructive decisions thereby facilitating an effective decision-making environment.

### A. Composition

The Company is in compliance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations with regard to the composition of the Board.

The Board of the Company comprises of 2 (Two) Executive Directors and 5 (Five) Independent Directors (including One Woman Director). The members of the Board are well qualified, experienced, competent and highly renowned persons from diverse fields including manufacturing, finance, economics, law, governance, etc.

All the Independent Directors have confirmed to the Board that they have met the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16 (1)(b) of the Listing Regulations and Section 149 of the Act. These confirmations have been placed before the Board. None of the Independent Directors holds office as an Independent Director in more than 7 (Seven) listed companies or 3 (Three) listed companies, if they are serving as whole time director or managing director in any other listed companies as stipulated under Regulation 17A of the Listing Regulations. Further, Executive Director(s) of the Company is not serving as an Independent Director in any listed company. None of the Directors held directorship in more than 20 (Twenty) Indian companies, with not more than 10 (Ten) public limited companies.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee, positions held by them in other companies as stipulated under Regulation 26 of Listing Regulations. None of the Directors are member of more than 10 (Ten) committees or acted as chairperson of more than 5 (Five) committees (being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the Listing Regulations across all the public limited companies in which he/she is a Director.

## Corporate Governance Report (Contd.)

The details of Directorships, relationship inter-se, shareholding in the Company, number of Directorships and Committee Chairperson/ Memberships held by the Directors of the Company in other public companies as on 31<sup>st</sup> March, 2022 are as under:

Directors and Category	Relationship with other Directors	Total Number of Directorships, Committee, Chairpersonships and Memberships of public limited companies, as on 31 <sup>st</sup> March, 2022			Directorships in other Listed entities along with the Category of Directorship	No. of shares held in the Company along with % to the paid-up share capital of the Company***
		Directorship*	Committee Chairperson**	Committee Member**		
<b>Executive</b>						
Edward Menezes Executive Chairman, Promoter (DIN : 00149205)	None	5	Nil	Nil	Nil	16,228,820# (29.48%)
Sunil Chari Managing Director, Promoter (DIN : 00149083)	None	5	Nil	4	Nil	16,199,230# (29.42%)
<b>Non-Executive</b>						
Aseem Dhru Independent Director (DIN: 01761455)	None	Nil	1	Nil	Nil	99 (0.0002%)
Goutam Bhattacharya Independent Director (DIN: 00917357)	None	Nil	1	1	Nil	Nil
Meher Castelino Independent Director (DIN: 07121874)	None	4	1	4	Independent Director of VIP Clothing Limited	Nil
Robin Banerjee Independent Director (DIN: 00008893)	None	3	Nil	5	Independent Director of VIP Clothing Limited & Caprihans India Limited	Nil
Maj. Gen. Sharabh Pachory VSM (Retd.) Independent Director (DIN: 08577249)	None	Nil	Nil	Nil	Nil	Nil

\* The Directorships excludes directorship in Rossari Biotech Limited, also excludes private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013.

\*\* For the purpose of considering the limit of Committee memberships and chairpersonships of a Director, only memberships of Audit Committee and Stakeholders Relationship Committee are considered including membership/chairpersonships of Rossari Biotech Limited.

\*\*\* As per the declarations made to the Company by the Directors.

# The shares held by Mr. Edward Menezes and Mr. Sunil Chari includes the shares held by them in name of Menezes Family Trust and Chari Family Trust respectively.



## Corporate Governance Report (Contd.)

### Profile of Directors

A Brief profile of our Directors as on 31<sup>st</sup> March, 2022 is as below:

#### 1. Mr. Edward Menezes

Mr. Edward Menezes is Executive Chairman of the Company. He is a founder of the Company and has been a member of the Board since incorporation of the Company. He was also a partner of Rossari Biotech prior to the conversion into the Company. He holds a bachelor's degree in science (chemistry major) from K. J. Somaiya College of Science, University of Bombay and a bachelor's degree of science (technology) in textile chemistry from University Department of Chemical Technology (UDCT), University of Bombay. He also holds a master's degree in marketing management from Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai.

Mr. Menezes was also awarded 'UAA Distinguished Alumnus technology day award, 2013' by UDCT and the Institute of Chemical Engineering. He was also awarded 'All India Industrialist of the Year 2021' award by Federation of Industries of India. He was previously associated with Clariant India Limited (erstwhile Sandoz India Limited). He has over 27 years of experience in the specialty chemicals industry and has more than eleven years of experience in different roles within the Company and has been actively involved in the day-to-day running of the Company.

Mr. Menezes, is Member of Corporate Social Responsibility Committee and Management Committee of the Company.

#### 2. Mr. Sunil Chari

Mr. Sunil Chari is the Managing Director of the Company. He is a founder of the Company and has been a member of the Board since incorporation of the Company. He was also a partner of Rossari Biotech prior to the conversion into the Company. He holds a bachelor's degree in arts from the Kakatiya University. He also holds a diploma in technical and applied chemistry from Victoria Jubilee Technical Institute (VJTI). He has over 22 years of experience in the specialty chemicals industry. He has more than eleven years of experience in different roles within the Company and has been actively involved in the day-to-day running of the Company.

Mr. Chari, is Chairperson of Risk Management Committee and Management Committee and also a Member of Stakeholders Relationship Committee and was Member of Audit Committee (up to 14<sup>th</sup> February, 2022) of the Company.

#### 3. Mr. Aseem Dhru

Mr. Aseem Dhru is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He is an associate member of the Institute

of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was previously associated with HDFC Bank Limited as a group head and was a director on the Board of HDB Financial Services Limited and HDFC Securities Limited. He is currently the Chief Executive Officer and Managing Director on the Board of SBFC Finance Private Limited.

Mr. Dhru, is Chairperson of Audit Committee of the Company.

#### 4. Mr. Goutam Bhattacharya

Mr. Goutam Bhattacharya is an Independent Director of our Company. He was appointed on the Board of our Company on 6<sup>th</sup> December, 2018. He holds a bachelor's degree in science (chemistry) and has done post-graduation in Management Studies from the Indian Institute of Management (IIM), Ahmedabad. Mr. Bhattacharya has over 50 years of experience in the Speciality Chemicals industry in India and at an international level. He was previously associated with Pulcra Chemicals India Private Limited as the Managing Director. He started his career with BASF India Limited.

Mr. Bhattacharya is Chairperson of Stakeholders Relationship Committee and Member of Audit Committee, Risk Management Committee, Corporate Social Responsibility Committee and Management Committee of the Company.

#### 5. Ms. Meher Castelino

Ms. Meher Castelino is an Independent Director of the Company. She joined the Board of the Company on 4<sup>th</sup> July, 2018. She has completed her basic education from Lawrence School Lovedale, University of Cambridge. Ms. Meher Castelino is Internationally Renowned Fashion Journalist. She was the First Femina Miss India, 1964 from India. She is also author of 3 Books namely (i) Manstyle, (ii) Fashion Kaleidoscope and (iii) Fashion Musings. At present, Ms. Meher Castelino is the Independent Director of VIP Clothing Limited and has been associated with them since 2015.

Ms. Castelino, is Chairperson of Corporate Social Responsibility Committee, Member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company.

#### 6. Mr. Robin Banerjee

Mr. Robin Banerjee is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He holds a master's degree of commerce. Mr. Banerjee is a fellow member of (i) The Institute of Chartered Accountants of India, (ii) The Institute of Company Secretaries of India, and (iii) The Institute of Cost & Management Accountants of India. He is currently the Managing Director of Caprihans India Limited. Earlier, he held senior leadership positions with Hindustan Unilever, Arcelor

## Corporate Governance Report (Contd.)

Mittal Germany, Thomas Cook India, Essar Steel and Suzlon Energy. He is currently the Vice Chairman of CII Maharashtra State Council. He is also an author of 3 business non-fiction best-seller books (i) Who Blunders and How? (ii) Who Cheats and How? and (iii) Corporate Frauds: Bigger, Broader, Bolder.

Mr. Banerjee, is the Chairperson of Nomination and Remuneration Committee and Member of Audit Committee (w.e.f 14<sup>th</sup> February, 2022) and Risk Management Committee of the Company.

### 7. Maj. Gen. Sharabh Pachory VSM (Retd.)

Maj. Gen. Sharabh Pachory, VSM (Retd.) is an Independent Director of the Company. He was appointed on the Board of the Company on 12<sup>th</sup> November, 2019. He is a retired Major General from the Indian Army. He holds a bachelor's degree in Science from University of Jabalpur and a Master's Degree of Science in Defence and Strategic Studies from University of Madras. He has also completed a Senior

Defence Management Course, Advanced capsule on Strategic Management and Decision Making from the College of Defence Management, Secunderabad. He also participated in an Independent Director's Training Programme for senior officers of Armed Forces conducted by Management Development Institute, Gurugram and also holds a certificate from All India Management Association for completion of an advance course on Strategic Management. Maj. Gen. Pachory has also completed online proficiency assessment test for Independent Director's Databank conducted by Indian Institute of Corporate Affairs under the aegis of Ministry of Corporate Affairs, Govt of India. As a senior retired Defence Officer who served from 1982 to 2018, he has over 35 years of experience in the fields of Defence Administration, Planning and Strategy.

Maj. Gen. Pachory is also a Member of Nomination and Remuneration Committee of the Company.

### B. Meetings of Board and Attendance of the Directors at Meetings of the Board and at the Annual General Meeting

The Board met 7 (Seven) times during the Financial Year 2021-22. The details of attendance of Directors at Board Meetings either in person or through video conference during the Financial Year 2021-22 and at the Annual General Meeting ("AGM") of the Company are as reproduced below:

Name of the Director(s)	14 <sup>th</sup> May, 2021	02 <sup>nd</sup> June, 2021	17 <sup>th</sup> July, 2021	30 <sup>th</sup> July, 2021	30 <sup>th</sup> October, 2021	14 <sup>th</sup> February, 2022	21 <sup>st</sup> March, 2022	% of meetings attended during the year	Attendance at the last AGM held on 17 <sup>th</sup> September, 2021
Edward Menezes	✓	✓	✓	✓	✓	✓	✓	100%	✓
Sunil Chari	✓	✓	✓	✓	✓	✓	✓	100%	✓
Aseem Dhru	✓	✓	✓	✓	✓	✓	✓	100%	✓
Goutam Bhattacharya	✓	✓	✓	✓	✓	✓	✓	100%	✓
Meher Castelino	✓	✓	✓	✓	✓	✓	✓	100%	✓
Robin Banerjee	✓	✓	✓	✓	✓	✓	✓	100%	✗
Maj. Gen. Sharabh Pachory VSM (Retd.)	✓	✓	✓	✓	✓	✓	✓	100%	✓

✓ : Present ✗: Absent

### C. Board Procedures & Flow of Information

The Board has complete access to all Company related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary in consensus determines the agenda for every meeting along with explanatory notes in consultation with the Executive Chairman and Managing Director. Detailed Notes and Presentations, if any, is sent to each Director well in advance to the date of the Board Meeting(s) and of the Committee Meeting(s). Senior Management Personnel are invited to the Board / Committee Meeting(s) to provide additional inputs for the items being discussed by the Board/ Committees thereof as and when necessary.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information ("UPSI"), is circulated to the Board and its Committees at a shorter notice before the respective meetings.

The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board meeting. In addition to above, the Company, in compliance with Regulation 17 (7) and Schedule II, Part A of the Listing Regulations, places before the Board all the required information from time to time.

## Corporate Governance Report (Contd.)

The Company Secretary attends all the meetings of the Board of Directors and its Committee(s) and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards on Meeting of the Board of Directors. Thereafter, the minutes are entered in the minutes book within 30 (Thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committee(s) and the General Meetings of the Members of the Company.

The maximum interval between any 2 (Two) consecutive Board Meetings was well within the maximum allowed gap of 120 (One Hundred and Twenty) days. The necessary quorum was present for all the meetings.

### D. Matrix setting out the core skills/ expertise/competence of the Board of Directors

The Company is engaged in manufacturing of specialty chemicals majorly in home and personal care division, textile chemicals and animal health and nutrition. Company product's also cater to global brands in the FMCG sector.

The Board of your Company has identified the following Skills / Expertise / Competencies that are required in the context of the business of the Company:

1. Knowledge of Company's business and the industry in which the Company operates.
2. Finance, management and administration skills.
3. Technical / Professional knowledge in functional areas like Sales, marketing, administration, research, governance, strategy, operations etc.

Whereas all the Board members possess the skills identified, their core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for efficient functioning of the Board are as follows:

Name of Director	Area of skills/expertise/competence							
	Business	Finance	Leadership	Technical	HR	Governance	Mergers & Acquisition	Government/Regulatory
Edward Menezes	✓	✓	✓	✓	✓	✓	✓	✓
Sunil Chari	✓	✓	✓	✓	✓	✓	✓	✓
Aseem Dhru	✓	✓	✓	-	✓	✓	✓	✓
Goutam Bhattacharya	✓	✓	✓	✓	-	✓	✓	✓
Meher Castelino	✓	✓	✓	-	-	✓	-	✓
Robin Banerjee	✓	✓	✓	✓	✓	✓	✓	✓
Maj. Gen. Sharabh Pachory VSM (Retd.)	✓	✓	✓	-	✓	✓	-	✓

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent from the management.

### E. Meetings of Independent Directors

Schedule IV of the Act, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors.

One Meeting of Independent Directors was held during the Financial Year 2021-22. The Meeting was attended by all the Independent Directors.

Independent Directors Meeting was conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of the Board of Directors as a whole, Committees of the Board and the performance of the Executive Chairman and Managing Director of the Company, assess the quality,

quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### F. Familiarisation Programme for Independent Directors

As stipulated by Section 149 read with Schedule IV, part III of the Act and Regulation 25 of the Listing Regulations, the Board familiarisation program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing sessions on business strategy, operational and functional matters. The exhaustive induction for Independent Directors enables them to be familiarised with the Company, its history, values and purpose. As part of continuous familiarisation Chairman, Managing Director and Key Managerial Personnel has interactions with the Independent Directors, during these

## Corporate Governance Report (Contd.)

interactions the discussion are held on different aspects of the business including but not limited to financial and operational performance review, strategies, objectives, business plans, budgets, new initiatives and offerings, M&A initiatives, working capital management, CSR Plan etc.

In Board meetings, discussions on business strategy, operational and functional matters provide good insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with Senior Management.

The details of such familiarisation programmes for Independent Director(s) are available on the website of the Company and can be accessed through the following link: [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

### G. Annual Performance Evaluation of Board

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually.

Feedback was sought by way of structured questionnaires covering various aspects in line with the Guidance Note on Board evaluation issued by the Securities and Exchange Board of India vide its circular dated 5<sup>th</sup> January, 2017 and performance evaluation was carried out based on the responses received from the Directors. The Directors were satisfied with the evaluation results, which reflected the overall functioning of the Board and its Committees. The details of the policy on evaluation of Board's performance are available on the Company's website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

The Nomination and Remuneration Committee and the Board of Directors have prepared criteria for evaluation of the performance of Directors including Independent Directors. The said criteria comply with the Act and Listing Regulations.

### H. Succession Planning

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management. The Company has a Policy in place for ensuring orderly succession for appointments to the Board and Senior Management.

During the Financial Year under review, the Nomination and Remuneration Committee has spent substantial time with the Executive Chairman and Managing Director in appointment of members of the Senior Management thereby strengthening the succession plan of the Company.

### I. Code of Ethics (Code of Conduct)

The Company has adopted a Code of Ethics for the Directors, Key Managerial Personnel and Senior Management of the Company and the same is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/). The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code.

The Board has also adopted a Separate Code of Conduct for Independent Directors pursuant to the provisions of the Act and Listing Regulations and same is available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

A declaration signed by the Managing Director that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the Financial Year 2021-22 forms a part of this Report.

### J. Insider Trading Code

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Prevention of Insider Trading amended from time to time. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## BOARD COMMITTEES

The Committees of the Board play an important role by managing the work of the Board, thereby strengthening the Board's governance role.

Majority of the members constituting the Committees are Independent Directors and each Committee is guided by its Terms of Reference, which provides for the composition, scope, powers & duties and responsibilities. The recommendations, observations and decisions of the Committees are placed before the Board for information and approval. During the Financial Year under review, all recommendations of the Committees were accepted by the Board. As of 31<sup>st</sup> March, 2022, the Board has the following mandatory and non-mandatory Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Management Committee

## Corporate Governance Report (Contd.)

### A. Audit Committee

The Audit Committee met 4 (Four) times during the Financial Year 2021-22. The maximum gap between any two meetings of the Audit Committee of the Company was not more than 120 days as specified under Regulation 18 of the Listing Regulations. Mr. Robin Banerjee was appointed as a

Member of Audit Committee in place of Mr. Sunil Chari w.e.f. 14<sup>th</sup> February, 2022. As on 31<sup>st</sup> March, 2022, the compositions of the Audit Committee conform to the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Company Secretary act as the Secretary to the Committee.

The composition of the Audit Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021- 22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22			
		14 <sup>th</sup> May, 2021	30 <sup>th</sup> July, 2021	30 <sup>th</sup> October, 2021	14 <sup>th</sup> February, 2022
Aseem Dhru	Chairperson	✓	✓	✓	✓
Goutam Bhattacharya	Member	✓	✓	✓	✓
Sunil Chari*	Member	✓	✓	✓	✓
Robin Banerjee#	Member	Not Applicable			

✓ : Present

\*Mr. Sunil Chari was a Member of the Audit Committee upto 14<sup>th</sup> February, 2022.

#Mr. Robin Banerjee became Member of the Audit Committee w.e.f. 14<sup>th</sup> February, 2022.

Executive Chairman and Group Chief Financial Officer and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. In addition, the representatives of Statutory Auditors & Internal Auditors and other Executives as are considered necessary, generally attend these Meetings.

The Chairperson of the Audit Committee was present at the 12<sup>th</sup> Annual General Meeting of the Company held on 17<sup>th</sup> September, 2021.

### Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the role specified for Audit Committee under Section 177 of the Act and Regulation 18 of the Listing Regulations. The same are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The terms of reference of the Committee are as follows:

- oversight of financial reporting process and the disclosure of financial information relating the Company to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

## Corporate Governance Report (Contd.)

- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (s) reviewing the functioning of the whistle blower mechanism;
- (t) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (u) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (v) reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- (w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (x) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.”

Additionally, the Audit Committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) internal audit reports relating to internal control weaknesses;
- (e) the appointment, removal and terms of remuneration of the chief internal auditor; and
- (f) statement of deviations in terms of the SEBI Listing Regulations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice.

### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee met 2 (Two) times during the Financial Year 2021-22. All the members of the Committee are Independent Directors. As on 31<sup>st</sup> March, 2022, the composition of the Nomination and Remuneration Committee is in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22	
		14 <sup>th</sup> May, 2021	30 <sup>th</sup> October, 2021
Robin Banerjee	Chairperson	✓	✓
Meher Castelino	Member	✓	✓
Maj. Gen. Sharabh Pachory VSM (Retd.)	Member	✓	✓

✓ : Present

## Corporate Governance Report (Contd.)

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are wide enough to cover the role specified under Section 178 of the Act and Regulation 19 of the Listing Regulations. The same are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The terms of reference of the Committee are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board.
- (c) Devising a policy on Board diversity.
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director).
- (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (g) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- (h) The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
  - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

In addition, the Nomination and Remuneration Committee has also been empowered to perform such functions as are required to be performed by the compensation committee/Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

- (a) administering the employee stock option plans of the Company as instituted from time to time, including the ESOP Scheme;
- (b) determining the eligibility of employees to participate under the employee stock option plans;
- (c) granting options to eligible employees and determining the date of grant under the employee stock option plans;
- (d) determining the number of options to be granted to an employee under the employee stock option plans;
- (e) determining the exercise price under the employee stock option plans;
- (f) construing and interpreting the employee stock option plans and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans.
- (g) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, or any other applicable law, including:
  - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (h) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

### C. Stakeholders Relationship Committee

The Stakeholders Relationship Committee met 2 (Two) times during the Financial Year 2021-22. Majority of the members of the Committee are Independent Directors. As on 31<sup>st</sup> March, 2022, the composition of the Stakeholders Relationship Committee is in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

The composition of the Stakeholders Relationship Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22	
		30 <sup>th</sup> July, 2021	14 <sup>th</sup> February, 2022
Goutam Bhattacharya	Chairperson	✓	✓
Meher Castelino	Member	✓	✓
Sunil Chari	Member	✓	✓

✓ : Present

## Corporate Governance Report (Contd.)

Ms. Parul Gupta, Company Secretary, is designated as the Compliance Officer. The Company has designated e-mail id [investors@rossari.com](mailto:investors@rossari.com) for the purpose of registering complaints by shareholders/ investors/ security-holders electronically. This e-mail id is displayed on the Company's website at [www.rossari.com](http://www.rossari.com)

### Terms of Reference

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee, inter alia, is primarily responsible for considering and resolving grievances of security holders of the Company. The additional terms of reference of the Committee are as follows:

- Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders.
- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer/ transmission of Equity Shares, non-receipt of share certificates, declared dividends, annual reports, balance sheets of the Company, general meetings, etc.
- Giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
- Reviewing measures taken for effective exercise of voting rights by shareholders.

- Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent.
- Reviewing the various measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

### Details of Shareholders' Complaints

During the Financial Year under review, the Company/its Registrar and Transfer Agent received the following complaints from SEBI/ Stock Exchanges and queries from the shareholders, which were resolved within the time frame laid down by SEBI:

Complaints pending as on 1 <sup>st</sup> April, 2021	0
Complaints received during the year	12
Complaints resolved during the year	12
Complaints pending as on 31 <sup>st</sup> March, 2022	0

### D. Corporate Social Responsibility Committee

The CSR Committee met 2 (Two) times during the Financial Year. As on 31<sup>st</sup> March, 2022 the composition of the Corporate Social Responsibility Committee is in conformity with the requirements of Section 135 of the Companies Act, 2013.

The composition of the Corporate Social Responsibility Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021-22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22	
		14 <sup>th</sup> May, 2021	30 <sup>th</sup> October, 2021
Meher Castelino	Chairperson	✓	✓
Goutam Bhattacharya	Member	✓	✓
Edward Menezes	Member	✓	✓

✓ : Present

### Terms of Reference

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy. The terms of reference of the Corporate Social Responsibility Committee which are as follows, are in conformity with the provisions of Section 135 of the Act and Rules made thereunder:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013.
- Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a).

- Monitor the corporate social responsibility policy of the Company and its implementation from time to time.
- Prepare Annual Action plan and recommend to Board for approval.
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

The Company has also adopted a CSR Policy in compliance with the aforesaid provisions and the same is placed on the Company's website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/).



## Corporate Governance Report (Contd.)

### E. Risk Management Committee

The Risk Management Committee met 2 (Two) times during the Financial Year 2021-22. The Risk Management Committee has maximum representation from the Board and also member from the senior management of the

Company. Mr. Mikhail Menezes was appointed as Member of Risk Management Committee in place of Mr. Mainkantan Viswanathan w.e.f. 14<sup>th</sup> May, 2021. As on 31<sup>st</sup> March, 2022 the composition of the Risk Management Committee is in conformity with the requirements of Regulation 21 of the Listing Regulations.

The composition of the Risk Management Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021- 22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22	
		23 <sup>rd</sup> February, 2022	17 <sup>th</sup> March, 2022
Sunil Chari	Chairperson	✓	✓
Robin Banerjee	Member	✓	✓
Goutam Bhattacharya	Member	✓	✓
Mikhail Menezes	Member	✓	✓

✓ : Present

#### Terms of Reference

The terms of reference of the Risk Management Committee as per Regulation 21 of the Listing Regulations are as follows:

- to frame, implementing and monitoring the risk management policy/plan for the Company;
- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- to monitor and oversee the implementation of Risk Management Systems and Framework;
- to review the Company's financial and risk management;
- to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- to appoint, remove and fix terms of remuneration of the Chief Risk Officer (if any); and
- carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Listing Regulations, including any amendment(s) thereto as may be made from time to time, or by any other regulatory authority.

### F. Management Committee

The Management Committee met 3 (Three) times during the Financial Year 2021-22. As on 31<sup>st</sup> March, 2022, the Management Committee comprises of 2 (Two) Executive and 1 (One) Independent Director.

The composition of the Risk Management Committee along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2021- 22 is detailed below:

Name of the Director	Nature of membership	Meetings held during the Financial Year 2021-22		
		22 <sup>nd</sup> July, 2021	06 <sup>th</sup> December, 2021	01 <sup>st</sup> March, 2022
Sunil Chari	Chairperson	✓	✓	✓
Edward Menezes	Member	✓	✓	✓
Goutam Bhattacharya	Member	✓	✓	✓

✓ : Present

#### Terms of Reference

The Management Committee was constituted to facilitate the operational decisions within the broad framework laid down by the Board such as day to day operational decisions of the Company in terms of investments, authorises opening/closing/change of mandate for the bank accounts, availing of credit facilities, inter corporate deposits, guarantees, authority to represent the Company before judicial and quasi-judicial authorities, government departments and miscellaneous administrative functions etc.

## REMUNERATION TO DIRECTORS

### A. Nomination and Remuneration Policy

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, remuneration of managerial personnel including Executive Director(s) after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc. The Non- Executive Directors are paid

## Corporate Governance Report (Contd.)

sitting fees for every meeting of the Board and its Committees attended by them.

The Nomination and Remuneration Policy adopted by the Company is available on the Company's Website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

### B. Pecuniary relationship and transactions of Non-Executive Directors with the Company

Except for sitting fees paid to Non-Executive Directors for attending the respective meetings of Board/Committees, the Company has not entered into any pecuniary relationship with any Non-Executive Director. The Register of Contracts maintained by the Company pursuant to the provisions of Section 189 of the Act, contains particulars of all contracts or arrangements to which Sections 184 or 188 of the Act apply.

### C. Criteria of making payment to Non-executive Directors

The Non-Executive Directors including Independent Directors will receive sitting fees / commission as per the provisions of

the Act and in compliance with the provisions of the Listing Regulations. The amount of the sitting fees will not exceed the ceiling / limit under the Act. An Independent Director will not be eligible to any stock option of the Company.

The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees.

In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

### D. Remuneration of Executive and Non-Executive Directors

Non-Executive Directors were paid sitting fee of ₹1,00,000 for attending each Board Meeting and ₹ 50,000 for attending each Committee Meeting. The Company has not paid any commission to Non-Executive Directors for the Financial Year under review. The details of remuneration and sitting fees paid to the Directors of the Company during 2021-22 are as follows:

(₹ in million)

Name of Directors	Salary & Perquisites	Sitting Fee	Total	Details of Service Contracts, Notice Period
Edward Menezes	9.51	0.00	9.51	Appointed as Executive Chairman and Director for a period of 5 years from 01 <sup>st</sup> October, 2019. All other terms as per employment agreement. Notice period of 180 days.
Sunil Chari	9.51	0.00	9.51	Appointed as Managing Director for a period of 5 years from 1 <sup>st</sup> October, 2019. All other terms as per employment agreement. Notice period of 180 days.
Aseem Dhru	0.00	0.90	0.90	-
Goutam Bhattacharya	0.00	1.20	1.20	-
Meher Castelino	0.00	1.00	1.00	-
Robin Banerjee	0.00	0.90	0.90	-
Maj. Gen. Sharabh Pachory VSM (Retd.)	0.00	0.80	0.80	-
<b>Total</b>	<b>19.02</b>	<b>4.80</b>	<b>23.82</b>	-

No stock options were granted to any of the Directors of the Company.

### DISCLOSURES

#### A. Policy on materiality of and dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions which specify the manner of entering into related party transactions. This Policy is also available on the website of the Company at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

#### B. Disclosure of Transactions with Related Parties

During the Financial Year under review, no transaction of material nature has been made by the Company with its Promoters, Directors and their Relatives, Management, etc. that may have potential conflict with the interest of Company at large.

Further, details of related party transactions are presented in the notes to the Financials Statements, which forms a part of this Annual Report. In addition, as per the Listing Regulations, your Company has also submitted disclosures of related party transactions and also published it on the website of the Company.

## Corporate Governance Report (Contd.)

### C. Details of capital market non-compliance, if any

The Company was listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 23<sup>rd</sup> July, 2020. For the Financial Year under review, there were no instances of non-compliance on any matter related to the capital markets. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets.

### D. Whistle Blower Policy (Vigil Mechanism)

The Board of Directors of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognise that each and every person in the Company has an important role to play in achieving the organisational goals. It is the policy of the Company to encourage employees, when they have reasons to suspect violations of laws, rules, regulations, unethical conduct, questionable accounting/audit practices, reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report those concerns to the Company's management.

The 'Whistle Blower' Policy adopted by the Company provides a ready mechanism for reporting violations of laws, rules, regulations or unethical conduct. The confidentiality of the 'whistle blower' is maintained and he/she is not subjected to any victimisation and/or harassment. The present Whistle Blower Policy is in conformity with the provisions of Section 177 of the Act and Regulation 22 of the Listing Regulations. Every employee of the Company has been provided access to the Audit Committee Chairman through email/correspondence address, should they desire to avail of the Vigil Mechanism. The details of the Policy are available on the Company's website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

### E. Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

### F. Subsidiary Companies

At present, Unitop Chemicals Private Limited is the only material subsidiary of the Company as on 31<sup>st</sup> March, 2022 pursuant to Regulation 16(1)(c) of Listing Regulations. Accordingly, to the requirement of appointing at least one independent director on the Board of Directors of the material unlisted subsidiary is complied with by appointment of Ms. Meher Castelino,

Independent Director of the Company is also appointed on the Board of Unitop Chemicals Private Limited w.e.f. 22<sup>nd</sup> November, 2021.

The Audit Committee reviews the financial statements particularly material investments made by its unlisted subsidiaries. Minutes of the Board Meetings of the unlisted subsidiaries are placed at the Board Meeting of the Company. The details of the policy on determining material subsidiary of the Company is available on the Company's website at [www.rossari.com/corporate-governance/](http://www.rossari.com/corporate-governance/)

### G. Disclosure of commodity price risks, foreign exchange risk and hedging activities

The Company is exposed to Foreign Exchange Risk arising from its business operations. Currently the Company does not engage in any direct commodity hedging activities.

As certain revenues and expenses are denominated in foreign currency, the Company is also exposed to foreign exchange risks. The Company imports certain raw materials, the price of which is denominated in foreign currency. The Company also exports its products which are paid for in foreign currency. The Company also enters into forward hedging contracts which is over and above its natural hedge against imports, to manage part of its foreign currency exposures.

The details of foreign currency exposure are disclosed in Notes to the Financial Statements, which forms a part of this Annual Report.

### H. Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During the financial year under review as recommended by the Board of Directors at their Meeting held on 23<sup>rd</sup> March, 2021, Members of the Company at the Extraordinary General Meeting held on 17<sup>th</sup> April, 2021 have considered and approved the issue of shares on preferential basis. The funds raised through preferential allotment were utilised by the Company for augmenting long term business requirements of the Company and other general corporate purposes.

### I. Certificate from a company secretary in practice for Non-Debarred or Non-Disqualification of Directors

Your Company has received a certificate from M/s. Sanjay Dholakia & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company as on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed

## Corporate Governance Report (Contd.)

or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority. This certificate is annexed to this Corporate Governance Report.

**J.** There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the Financial Year ended 31<sup>st</sup> March, 2022.

**K. Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries for the Financial Year 2021-22**

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration No. 117366W/W-100018), are the Statutory Auditors of the Company. Total fees paid by the Company to the Statutory Auditors, are as follows:

Particulars	Amount (₹ in million)
Audit Fees	5.70
Other Services & Reimbursement of Expenses	1.70
Total	7.40

During the Financial Year under review, statutory auditors were not paid any fees for any work related to Subsidiaries.

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

Complaints pending as on 1 <sup>st</sup> April, 2021	0
Number of complaints filed during the Financial Year	0
Number of complaints disposed of during the Financial Year	0
Complaints pending as on 31 <sup>st</sup> March, 2022	0

**M. Disclosure by the Company and its Subsidiaries of "Loans and Advances in the nature of loans to firms/ companies in which directors are interested by name and amount.**

(₹ in million)

Sr. No.	Name of Lendor	Name of Borrower	Interested Director*	Opening Balance as on 1 <sup>st</sup> April, 2021	Amount Given	Amount Repaid	Outstanding as 31 <sup>st</sup> March, 2022
1.	Rossari Biotech Limited	Buzil Rossari Private Limited	Edward Menezes and Sunil Chari	23.70	133	131	25.70
2.	Rossari Biotech Limited	Tristar Intermediates Private Limited	Edward Menezes and Sunil Chari	-	73.30	73.30	-

\*Transactions with the Company(ies) in which Directors of the Company are interested have been included.

**N. Details of compliance with mandatory requirements and adoption of non-mandatory (discretionary) requirements**

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

(a) The Board

The Clause is not applicable as the Chairman of the Board is Executive Chairman.

(b) Shareholders rights

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and uploaded on the website of the Company.

(c) Modified opinion(s) in audit report

There are no modified opinions in audit report.

(d) Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Act the Company has appointed Grant Thornton Bharat LLP (formerly known as Grant Thornton India LLP), as Internal Auditor(s), who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee, which reviews the audit reports and suggests necessary action.

**O. Disclosure of Accounting Treatment in preparation of Financial Statements**

The Company adopted Indian Accounting Standards ("Ind AS") from Financial Year 2019-20. Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act and other relevant provisions of the Act.

## Corporate Governance Report (Contd.)

**P. Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations**

Your Company has complied with all the requirements specified in Regulation 17 to 27 of the Listing Regulations and has made all necessary disclosures on its website as per Regulation 46(2) of Listing Regulations.

**Q. MD/CFO Certification**

A compliance certificate in accordance with Regulation 17(8) of the Listing Regulations was provided to the Board of Directors in the prescribed format for the Financial Year 2021-22, which was reviewed by the Audit Committee and taken on record by the Board.

A compliance certificate signed by the Managing Director and Chief Financial Officer forms a part of this Report.

**R. Internal control system and their adequacy**

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditor who audits the adequacy and effectiveness of the internal controls as laid down by the management and suggest improvements. The Audit Committee of the Board of Directors periodically review the audit plans, internal audit reports and adequacy of internal controls and risk management.

**INFORMATION TO SHAREHOLDERS**

General information of shareholders' interest is set out in a separate section titled "Shareholder Information".

**REPORT ON CORPORATE GOVERNANCE**

This section, read together with the information given in the sections (i) Shareholder Information and (ii) Management Discussion and Analysis, constitutes a detailed compliance report on Corporate Governance during the Financial Year 2021-22.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT & BUSINESS RESPONSIBILITY REPORT**

Management Discussion and Analysis Report and Business Responsibility Report are given in a separate section forming a part of this Annual Report.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a certificate from its Statutory Auditors testifying to its compliance with the provisions relating to Corporate Governance laid down in Listing Regulations. This certificate is annexed to the Corporate Governance Report for the Financial Year 2021-22 and will be sent to the Stock Exchanges, along with the Annual Report to be filed by the Company.

# Shareholder Information

## General Body Meetings

Date, Time and Venue of 13 <sup>th</sup> AGM :	Friday, 15 <sup>th</sup> July, 2022 at 11:00 A.M. through Video Conferencing ("VC")/ Other Audio - Visual Means ("OAVM") deemed to be held at 201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078
--	---

The previous three Annual General Meetings (AGM) of the Company were held on the following day, date, time and venue.

AGM	Day, Date & Time	Venue
10 <sup>th</sup> AGM	Monday, 30 <sup>th</sup> September, 2019 at 03:00 P.M.	201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078
11 <sup>th</sup> AGM	Thursday, 16 <sup>th</sup> July, 2020 at 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio - Visual Means ("OAVM") deemed to be held at 201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078
12 <sup>th</sup> AGM	Friday, 17 <sup>th</sup> September, 2021 at 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio - Visual Means ("OAVM") deemed to be held at 201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078

The Company has not passed any Special Resolutions at the previous three Annual General Meetings.

### Postal Ballot

No Special Resolution was passed through Postal Ballot during Financial Year 2021-22. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

### Extraordinary General Meeting (EGM)

During the Financial Year 2021-22, Extraordinary General Meeting was held on Saturday, 17<sup>th</sup> April, 2021.

### Financial Year

1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

### Book Closure

Saturday, 9<sup>th</sup> July, 2022 to Friday, 15<sup>th</sup> July, 2022

### Dividend Announcement

The Board of Directors of the Company at its meeting held on 19<sup>th</sup> May, 2022 recommenced final dividend of ₹ 0.50 per share (25%) on Equity Share of the Face Value of ₹ 2/- each.

### Payment of Dividend

The Company pays dividend as per the modes prescribed under Regulation 12 of the Listing Regulations. The declared dividend is paid by the Company within the statutory time period prescribed under the Act.

### Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividends not encashed/claimed by the Member of the Company, within a period of 7 (Seven) years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF). Members of the Company are requested to note that as on 31<sup>st</sup> March, 2022, there was no unpaid / unclaimed dividends to be transferred during the financial year under review to the Investor Education and Protection Fund.

The details of the outstanding unclaimed dividend and corresponding due date for transfer to IEPF as on 31<sup>st</sup> March, 2022 are as under:

Sr. No.	Particulars of Dividend	Amount (in ₹)	Due date of transfer to IEPF
1.	Final Dividend 2020-21	4,584.50	18 <sup>th</sup> November, 2028

### Declaration Relating to Unclaimed Shares

In terms of Regulation 39 of the Listing Regulations, Members of the Company are requested to note that as on 31<sup>st</sup> March, 2022, there are no unclaimed shares and hence, the detail pertaining to demat suspense account / unclaimed shares are not provided.

### Information on Directors Being re-appointed

The information regarding Edward Menezes (DIN: 00149205), Director, seeking re-appointment at the ensuing AGM along with his detailed profile and additional information required under Regulations 36(3) of Listing Regulations and Secretarial Standard on General Meetings is given in the Notice convening AGM.

### Credit Rating

During the financial year under review the Company has taken a credit rating and the same is available on the website of the Company at [www.rossari.com](http://www.rossari.com)

### Means of Communication

The Company has published its quarterly, half-yearly and annual financial results in the News Papers viz. Financial Express (English) and Loksatta (Vernacular). Quarterly results were sent to the Stock Exchanges within prescribed time limits after the Board approved them. The financial results and other relevant information are regularly and promptly updated on the website of the Company at [www.rossari.com](http://www.rossari.com). The official press releases and presentation made to institutional

## Corporate Governance Report (Contd.)

Investors/Analysts, if any, are sent to the Stock Exchange in terms of the requirement of Listing Regulations and are also available on the Company's website.

### Registrar and Share Transfer Agents and Share Transfer System

Link Intime India Private Limited  
C 101, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (W), Mumbai – 400083

Tel: +91-22-4918 6000

Fax: +91-22-4918 6060

Email : rnt.helpdesk@linkintime.co.in

The Registrar and Share Transfer Agents (RTA) of the Company handles all share transfers and related processes. They provide the entire range of services to the Members of the Company relating to shares. The electronic connectivity with both the depositories - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is also handled by Link Intime India Private Limited.

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form.

During the Financial Year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the Listing Regulations read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated 13<sup>th</sup> April, 2020. These certificates were duly filed with the Stock Exchanges.

### Market Price Data - Equity Shares

The details of high/low/closing market price of the Equity Shares of the Company at BSE and NSE during the Financial Year 2021-22 are provided in the table below:

Month	BSE			NSE		
	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April 2021	1295.85	1010.00	1242.90	1295.90	1005.35	1243.50
May 2021	1347.60	1158.00	1227.90	1348.55	1155.00	1226.75
June 2021	1338.95	1178.45	1191.45	1340.00	1175.50	1193.30
July 2021	1279.00	1144.75	1236.40	1280.00	1140.60	1236.45
August 2021	1450.85	1241.70	1403.80	1450.00	1241.40	1403.30
September 2021	1591.80	1360.00	1450.95	1593.00	1376.00	1451.25
October 2021	1620.60	1362.45	1413.70	1619.00	1364.00	1414.80
November 2021	1455.70	1201.20	1289.55	1459.80	1225.00	1294.05
December 2021	1381.00	1232.55	1284.40	1382.00	1232.10	1283.45
January 2022	1375.00	1156.05	1196.25	1375.00	1151.00	1197.80
February 2022	1250.00	911.65	982.70	1250.00	905.20	982.45
March 2022	990.00	889.10	913.55	1009.95	890.00	911.60

### Dematerialisation of Shares and Liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. As on 31<sup>st</sup> March, 2022, all the Equity Shares were held in dematerialised form.

### Outstanding GDRs/ADRs/Warrants/ Options or Any Convertible Instruments, Conversion Date and Likely Impact on Equity

Number of balance outstanding options granted as on 31<sup>st</sup> March, 2022 are 551,000. During the period under review 118,950 options were vested out of which 114,950 options were exercised.

### Listing on Stock Exchanges and Stock Codes

The Company's Equity Shares are listed and traded on the following Stock Exchanges:

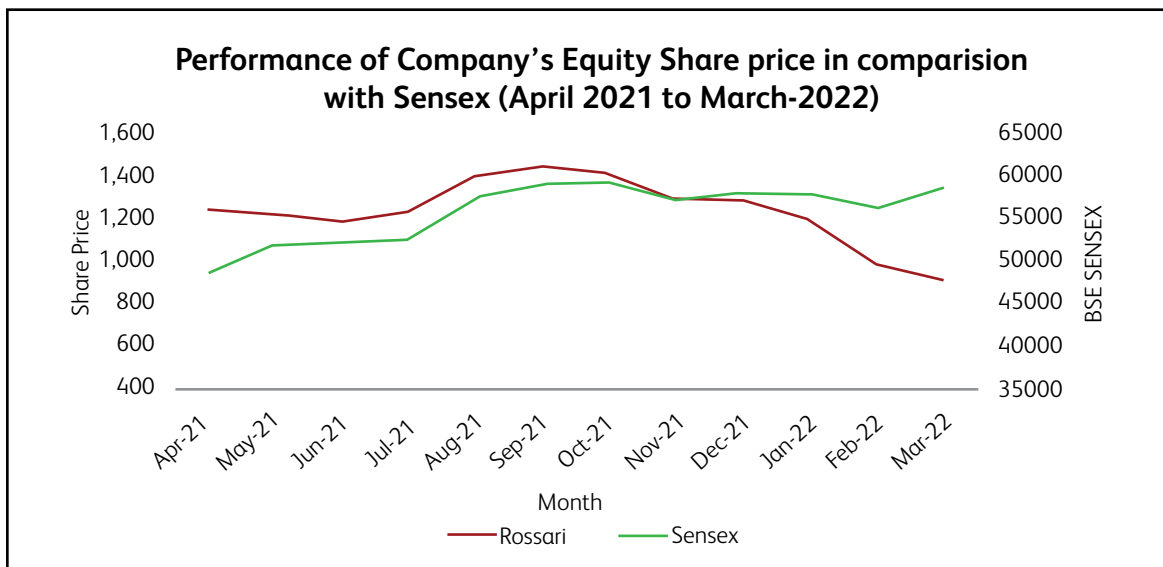
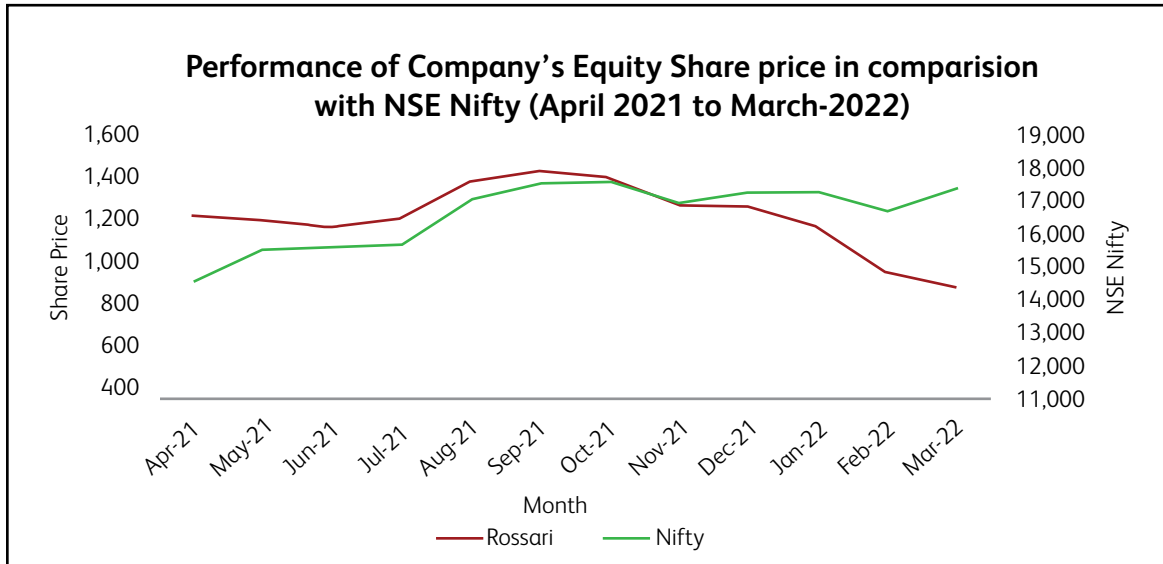
Name	Address	Stock Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	543213
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	ROSSARI

The ISIN Number of Company's Equity Shares (Face Value of ₹ 2/- each) for NSDL & CDSL is INE02A801020.

The Company has paid listing fees for the Financial Year 2021-22 to both the Stock Exchanges where its shares are listed.

## Corporate Governance Report (Contd.)

## Performance in comparison to broad-based indices such as NIFTY and SENSEX

**DISTRIBUTION OF SHAREHOLDING**

The shareholding distribution of Equity Shares (Face Value ₹ 2/- each) as at 31<sup>st</sup> March, 2022 is provided in the table below:

Sr. No	Category			No. of Shareholders	% of Total Shareholders	No. of shares	% of Capital
1	1	-	500	92996	99.44	2312894	4.20
2	501	-	1000	261	0.28	193348	0.35
3	1001	-	2000	110	0.12	162813	0.30
4	2001	-	3000	40	0.04	99473	0.18
5	3001	-	4000	23	0.02	81947	0.15
6	4001	-	5000	12	0.01	54110	0.10
7	5001	-	10000	22	0.02	164234	0.30
8	10001 & ABOVE			62	0.07	51987567	94.42
<b>Total</b>				<b>93526</b>	<b>100</b>	<b>55056386</b>	<b>100</b>



## SHAREHOLDING PATTERN

The shareholding pattern (Face Value ₹ 2/- each) of the Company as at 31<sup>st</sup> March, 2022 is provided in the table below:

Category	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	No. of Shares	% of Capital	No. of Shares	% of Capital
Promoters	37745500	68.56	37745500	72.69
Mutual Funds	5841817	10.61	5353878	10.31
Foreign Portfolio Investors (Corporate)	4987971	9.06	3657509	7.04
Public	3330896	6.05	1917591	3.69
Other Bodies Corporate	903797	1.64	1212372	2.33
Insurance Companies	839182	1.52	495300	0.95
Foreign Company	652356	1.18	652920	1.26
Non Resident Indians	556435	1.01	46007	0.09
Alternate Invst Funds - III	90361	0.16	723962	1.39
Hindu Undivided Family	65720	0.12	64546	0.12
Clearing Members	26626	0.05	59770	0.12
Body Corporate - Limited Liability Partnership	15590	0.03	0	0.00
Trusts	135	0.00	35	0.00
<b>Total</b>	<b>55056386</b>	<b>100.00</b>	<b>51929390</b>	<b>100.00</b>

## INVESTOR SERVICES

The Company under the overall supervision of Ms. Parul Gupta, Company Secretary, is committed to provide efficient and timely services to its security holders. The Company has appointed Link Intime India Private Limited as its Registrar and Transfer Agent ("RTA"). The Company Secretary in co-ordination with the RTA, attends and resolves various investor related complaints to the satisfaction of the investors.

## PLANT LOCATIONS

### Silvassa Plant :

Plot No. 10 & 11, Survey No. 90/1/10 & 90/1/11/1, Khumbarwadi, Village Naroli, Silvassa – 396235, Union Territory of Dadra & Nagar Haveli, India.

### Dahej Plant :

Plot No. D3/24/3, Opposite ATC Tyre Phase III, G.I.D.C. Dahej, Village Galanda, Taluka Vagra, Bharuch - 392130, Gujarat, India

## Address for Correspondence

Investors and Shareholders can correspond with:

To Company	To Registrar and Transfer Agent
<b>Rossari Biotech Limited</b> 201 A - B, 2 <sup>nd</sup> Floor, Akruti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078  Tel: +91 22 6123 3800 Fax: +91 22 2579 6982 E-mail: investors@rossari.com Website: <a href="http://www.rossari.com">www.rossari.com</a>	<b>Link Intime India Private Limited</b> C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai – 400083  Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

## GREEN INITIATIVE

Your Company is concerned about the environment and utilises natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011, respectively has allowed the companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognising the spirit of the circular issued by the MCA, we henceforth propose to send documents like Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report and other documents to the e-mail address provided by you with the relevant depositories. We request you to update your mail address with your depository participants to ensure that the Annual Report and other documents reach you on your preferred mail.

### AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

[Declaration Pursuant to Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of Rossari Biotech Limited

I hereby declare that all the Board members, Key Managerial Personnel and Senior Management Personnel as on 31<sup>st</sup> March, 2022, have affirmed compliance with the Company's Code of Ethics for Directors, KMP and Other Members of Senior Management.

For **Rossari Biotech Limited**

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

Date: 19<sup>th</sup> May, 2022

Place : Mumbai

### COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

[In terms of regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- A. We have reviewed Audited Financial Statements and Cash Flow Statements for Financial Year ended 31<sup>st</sup> March, 2022 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended 31<sup>st</sup> March, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee, wherever applicable:
- (1) significant changes (if any) in internal control over financial reporting during the Financial Year ended 31<sup>st</sup> March, 2022;
  - (2) significant changes (if any) in accounting policies during the Financial Year ended 31<sup>st</sup> March, 2022 and that the same have been disclosed in the notes to the Financial Statements; and
  - (3) instances of significant fraud (if any) of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Rossari Biotech Limited**

Manasi Nisal  
**Chief Financial Officer**

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

Date : 19<sup>th</sup> May, 2022

Place : Mumbai

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF

### ROSSARI BIOTECH LIMITED

#### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated July 13, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Rossari Biotech Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama  
**Partner**

Place: Mumbai  
Date: May 19, 2022

(Membership No. 107723)  
(UDIN: 22107723AJGPGS5044)

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**ROSSARI BIOTECH LIMITED,**

We have examined the relevant disclosures received from the Directors (as enlisted in Table A) to **ROSSARI BIOTECH LIMITED** having CIN **L24100MH2009PLC194818** and having registered office at 201 A - B, 2<sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W) Mumbai 400078 (hereinafter referred to as '**the Company**'), for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Board of Directors (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on 31<sup>st</sup> March, 2022.

**Table A**

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Robin Banerjee	00008893	12 <sup>th</sup> November, 2019
2.	Sunil Srinivasan Chari	00149083	10 <sup>th</sup> August, 2009
3.	Edward Walter Menezes	00149205	10 <sup>th</sup> August, 2009
4.	Goutam Bhattacharya	00917357	6 <sup>th</sup> December, 2018
5.	Aseem Dhru	01761455	12 <sup>th</sup> November, 2019
6.	Meher Bruno Castelino	07121874	4 <sup>th</sup> July, 2018
7.	Sharabh Pachory	08577249	12 <sup>th</sup> November, 2019

For **SANJAY DHOLAKIA & ASSOCIATES**

SANJAY R DHOLAKIA  
Practicing Company Secretary  
Proprietor

Date : 19<sup>th</sup> May, 2022  
Place : Mumbai

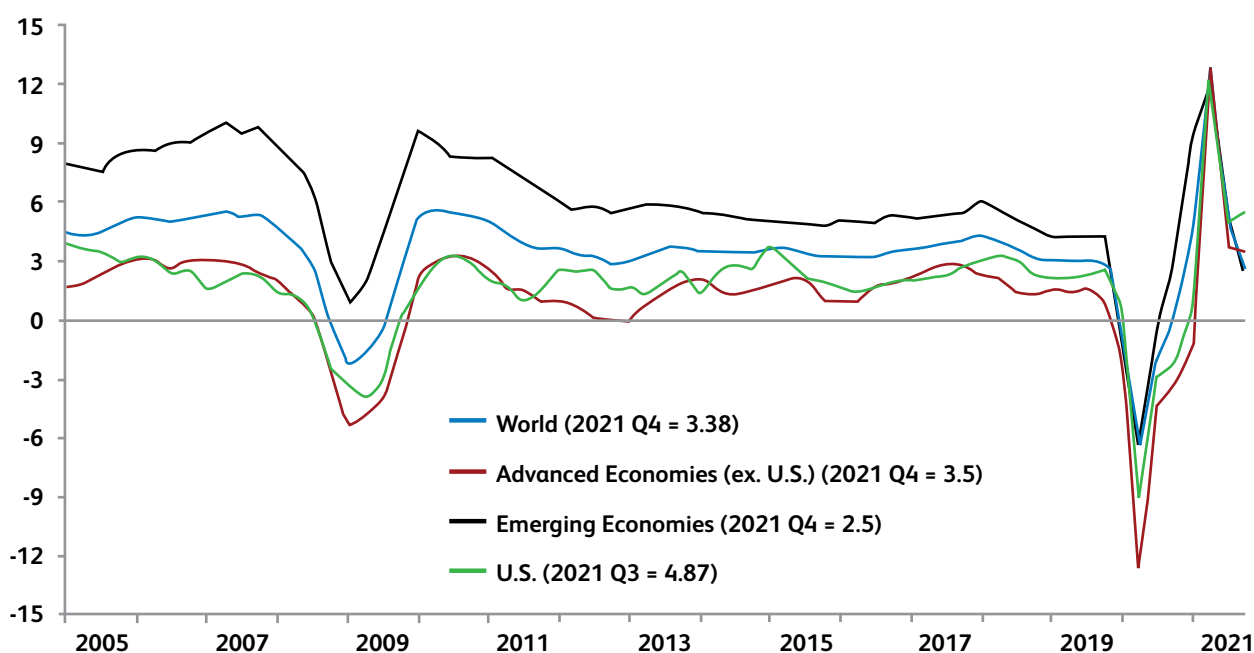
Membership No. 2655 / CP No. 1798  
UDIN: F002655D000344975

# Management Discussion & Analysis

## ECONOMIC OVERVIEW & OUTLOOK

### Global Economy

After a long war against the COVID-19 virus and its new strains, the world economy is gradually reviving. After a contraction of 3.50% in 2020, global Real Gross Domestic Product rebounded and reached its pre-pandemic peak in the second quarter of 2021. The global economy grew by 5.90% in 2021 – the most robust post-recession growth pace recorded in 80 years. However, the recovery was uneven amid unequal COVID-19 vaccine access and differences in policy support across the globe. Growth in developed economies was registered at 5.00% in 2021, driven by a strong recovery in the US while the GDP in the emerging markets grew by 6.50%, driven by China and India.



(Source: *World Economic Outlook (imf.org)*)

### Indian Economy

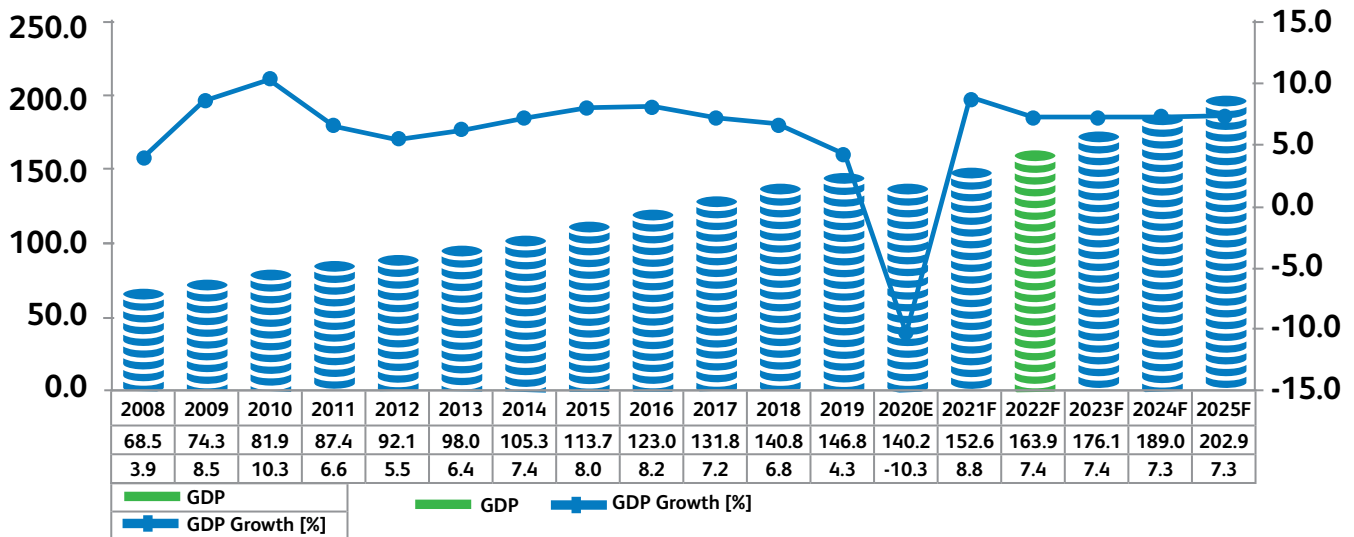
The impact of the pandemic has mainly been disruptive in terms of economic activities and the loss of human lives. With most sectors adversely affected, the economy witnessed a contraction of 7.30% during 2020-21. Both the Central and State Governments came out with a series of responses to protect lives and livelihoods, improve healthcare facilities, ramp up vaccinations, and undertook measures for social protection. Economic reform packages were also announced to quickly bring the economy back on its growth course. As a result, GDP growth of India has rebounded to 8.7% in 2021-22.

India's underlying economic fundamentals are strong, and despite the short-term turbulence, the impact on the long-term outlook is expected to remain marginal. Together, the growth-enhancing policies and schemes (such as Production-Linked Incentive and the Government's push towards self-reliance) and increased

infrastructure spending are gradually leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency. Thereby, leading to accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various Government incentives such as lower taxes, and rising services exports on the back of stronger digitisation and technology transformation drive across the world are anticipated to aid the economy's growth. Moreover, several spillover effects of geopolitical conflicts between Russia and Ukraine are likely to enhance India's status as a preferred alternate investment destination. A growing number of global in-house centres and multinationals are preferring India over Eastern European markets (especially those that are on the borders of Ukraine) to shift their current operations or open new facilities. On the health front, a large vaccinated population is anticipated to help contain the impact of subsequent infection waves, if any.

Management Discussion & Analysis (Contd.)

**Real GDP Value, Constant price (₹ 000 billion) and Growth %, India, 2008-2025 Forecast**



**Industry Overview**

**Specialty Chemical Industry**

Specialty Chemicals is one of the fastest-growing industries in India, known worldwide for its quality, compliance, raw material availability, and skilled labour. Specialty Chemicals account for 22% of India’s entire Chemicals and Petchem market. The Indian Specialty Chemicals market is expected to increase at a CAGR of 12.40%, from US\$ 32 billion in 2019 to US\$ 64 billion by 2025. Various factors that are expected to support growth in the Specialty Chemicals segment, including tailwinds from global supply shifts and a recovery in demand from the end-user industry. Chemical companies are betting big on Specialty Chemicals as they present tremendous export opportunities in the open market. The demand for sustainable and environment-friendly products is gradually increasing, allowing businesses like Rossari’s to capitalise on the opportunities created by this trend. Skilled labour, cost-effectiveness, quality, and knowledge help Indian manufacturers stand out in such conditions

*(Source: <https://www.crisil.com/en/home/newsroom/press-releases/2022/03/india-to-double-specialty-chemicals-market-share-in-5-years.html>)*

**Home Care and Personal Care Chemical Industry**

**Home Care**

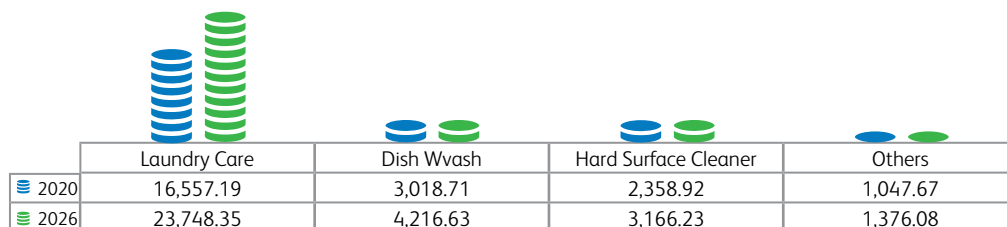
The Home Care and Cleaning Products market has grown rapidly due to various dynamic factors, including growing community, the rising awareness of health and hygiene concerns, and standard lifestyle, particularly in developing countries. With increase in number of people spending time at home due to lockdowns, and

work-from-home arrangements, there has been observed increase attention towards hygiene. This has also led to an increased need for hygiene products and personal care products. As the consumers have become more conscious about personal and home hygiene, the demand for laundry care, surface care and toilet care related products both personal and commercial, is expected to witness escalated growth. India’s Home Care Ingredients market was around US\$ 1,608.44 million in 2020. It is further expected to reach US\$ 2,316.85 million by 2026, at a CAGR of 6.27%.

The Home Care segment is branched across the Household and Industrial & Institutional (I&I) segments. The components are used to manufacture home care products such as floor cleaners, surface cleaners, detergents, and toiletries, with applications in homes and industries. The COVID-19 pandemic has added to consumers’ awareness of hygiene and hence, manufacturers are focusing on elevating the quality of cleaning products with the possible ways to protect the environment. Today’s consumers are not just concerned about maintaining hygiene or cleanliness at a personal level but also keen on reducing the chances of infections in their surroundings. So, to fulfil the hygiene needs at home and in commercial places, different ingredients are used in cleaning products. The various factors influencing the demand for cleaning products are rising awareness of health and hygiene concerns, and rapid urbanisation, particularly in developing countries. Moreover, the ‘Make in India’ initiative and the recently launched campaign ‘Vocal for Local’ are expected to further add momentum to the emergence of India as a leading market for Home Care Ingredients. As a result of all the factors just discussed, sales of ingredients used in these products have also witnessed a strong performance in the past couple of years.

## Management Discussion & Analysis (Contd.)

Global Home Care Ingredients Market by End-Use 2020 (\$ million)



(Source: Arizton, Global Outlook Forecast 2021-26)

### Personal Care

The Personal Care industry has taken a beating of the COVID - 19 pandemic much like every other industry. However, the resilient revival of the economies has led to a sharp uptick in the Personal Care Industry. The past few years have witnessed immense growth in the importance of Personal Care products. The market for Personal Care ingredients is broadly classified into commodity, fine chemical, and specialty chemical ingredients. Specialty Chemicals are further classified into active and inactive ingredients. Active ingredients fulfil anti-ageing, exfoliation, sun protection, moisturising, antimicrobial, and other functions such as skin lightening. Inactive ingredients include silicon, colorant, surfactant, and preservatives, which help maintain reasonable shelf-life for products and make them feel, smell and look nice.

The Personal Care segment is expected to register a CAGR of 4.14% between 2020-26. It is further projected to reach US\$ 16.09 billion by 2026. Additionally, increased consumer awareness of multi-purpose products is also fuelling the market's growth. The availability of affordable Personal Care products across the country is also driving the rising demand for Personal Care Ingredients.

### Growth Drivers for the Home, Personal Care and Performance Chemicals Industry:

- Growth in the demand for sustainable packaging which is environmentally friendly
- Rise in the awareness of health & hygiene among consumers along with the youth's growing interest in a healthy lifestyle
- Increased penetration of digitalisation in the Home Care Ingredients market, with the growth in internet usage
- Role of technological advances as a catalyst in the growing awareness of personal wellbeing's importance

### Textile Speciality Chemicals

The Textile Chemicals market is segmented by type (coating and sizing chemicals, colorants, and auxiliaries, finishing agents, desizing agents, and other types), application (apparel, home furnishing, automotive textile, industrial textile, and other applications), and geography (Asia-Pacific, North America, Europe, South America, and Middle-East and Africa).

Textiles require a range of treatment processes before reaching the end-user. Textile chemicals are specialty chemicals used during the dyeing and processing of textiles to impart desired properties to the end-product.

The country's domestic Textile and Apparel market stood at US\$ 77 billion in 2020-21. It is further expected to record a CAGR of 19.80% to reach US\$ 190 billion by 2025-26. The nation's apparel demand in 2020-21 was clocked at US\$ 55 billion and accounted for 71.40% of the total Textile and Apparel market in India. The country ranks 2<sup>nd</sup> in production and export of textiles and is likely to register the fastest Textile Specialty Chemical market growth in the next five years. Textile demand growth will be supported by favourable demographic conditions such as a growing youth group, rapid urbanisation, and rising living standards, amongst others. The rapid rise in the e-commerce and digitisation will further drive the demand for textiles and apparel. The growth in the Home Textiles segment would also be supported by growing household demand, increasing socio-economy and higher sales in end-use sectors like housing, hospitality and healthcare. Textile Chemicals segments is expected to maintain their lead while growing as the market demand broadens over the next five years.

### Growth Drivers for Textile Speciality Chemicals Industry:

- The Apparel industry is among the fastest-growing businesses globally. It's key exports comprise mainly textiles and clothing, with the low to middle-income countries being the major locations.
- The rise in this industry is expected to drive the demand for textile chemicals subsequently. With regards to the recent trends, the Asia-Pacific region, being the largest market for woven fabrics, is witnessing healthy growth owing to the higher demand in populous countries like India and China.
- The Chinese Textile and Apparel industry is amongst the major industries, and the country is ranked as the world's largest clothing exporter.
- In India, changes and growth in consumer preference has led to increased demand in the Apparel industry, including demand for the growing foreign textile brands. Digitalisation, social networking sites, and applications have further

## Management Discussion & Analysis (Contd.)

augmented this growth, increasing the scale of apparels. Besides, the healthy growth in number of working women has increased the demand for women's apparel

- It is expected that the textile chemicals overall demand will rebound and significantly grow during the forecast period. This growth is likely to be attributed to the demand coming from the apparel segment

### Animal Health and Nutrition

Animal nutrients refer to the dietary needs of animals, comprising macronutrients, vitamins, dietary mineral, enzymes, eubiotics, and amino acids. These are also integral to better meat and milk production, reproduction, and proper bone structures among animals. Over the years, there has been a growing demand for animal protein. Moreover, the rising consumer awareness has made it imperative for livestock owners to focus on elevating the quality of animal feed to improve growth performance in livestock sustainably. Consumers worldwide are becoming increasingly conscious of the quality of animal-based foods and the presence of health-promoting ingredients, such as fatty acids, vitamins, or minerals. Therefore, using feed additives is one of the most effective methods of enriching animal feed for enhanced growth performance. Animal feed additives are supplements that enhance the functionality of animal feed and boost the physiological functions of animals. Global Animal Nutrition Market size is likely to grow by US\$ 76.41 billion by 2026, from US\$ 60.73 billion in 2020, at a CAGR of 3.90% during 2022-26. The growing need for increased productivity due to the rising global demography is one of the primary factors driving the feed and feed additives market segment. Also, the need for animal wellbeing, sustainable farming, and demand for proper animal nutrition is driving the feed additives market segments.

### Pet Food

The increasing awareness regarding the benefits of and growth in the demand for highly-premium pet food products are the key drivers for additives in the Pet Food market. Pet Food is known to promote the overall health of animals by improving the microbial balance in the gut. Asia-Pacific was the largest region in the Animal and Pet Food market, worth US\$ 101.40 billion in 2020, accounting for 33.10% of the global Animal and Pet Food market. According to the India International Pet Trade Fair (IIPTF), around 600,000 pets are adopted in India every year. India was the second-largest country in the Asia-Pacific Animal and Pet Food market in 2020, accounting for US\$ 16.21 billion. As a result of rising pet adoption, attachment to pets, humanisation, and pets as a status symbol, demand for pet care goods is expected to rise even further in the years to come.

### Pet Grooming

The number of animal lovers has increased over the years, drastically lifting the demand for pet-product. As a result, the demand for pet bathing products such as shampoos, conditioners and other clipping and trimming products such as clippers, scissors, combs & brushes for hair cleaning has also swelled up over the years.

### Growth drivers for Animal Health and Nutrition:

- Increasing demand for animal proteins over the last 20 years and the increased global consumption of meat by 58%
- Increase in cashflow, in addition to the rise in popularity of pet grooming products in recent times, has resulted in an upsurge in demand for pet grooming products
- Growing demand for antibiotic alternatives, increasing preference for phytobiotics in animal feed and the rising prominence of probiotics in animal feed additives
- Rising trend of premium breeding and organic production demand for premium and organic chicken is high in France, Netherlands, and the UK, while it is gaining traction in countries such as Austria, Denmark, Norway, Belgium, and Germany

*(Source - India Pet Food Market Size, Share Industry Statistics 2021 to 2026 – Mordor Intelligence)*

### Emulsifiers Industry

The demand for Emulsifiers is increasing worldwide. The global Food Emulsifiers market is projected to record a CAGR of 4.54% for the period 2021-26. Consumers are more inclined to buying processed foods such as breads & cereals, frozen & packaged meals, and processed meat & fish. As a result of these factors, there is growing demand for various types of convenience foods, in turn driving the consumption volumes of processing ingredients, such as food emulsifiers in the Food & Beverage industry. Food processing ingredients such as emulsifiers are mostly utilised in products, such as bakery & confectionery, convenience foods, dairy & frozen desserts, and meat products. The primary function of these food emulsifiers is to enhance the volume and shelf-life of the products, while improving their appearance. These are gradually replacing many other additives in food products, with an aim to reduce their overall fat content and aid in reduction of bad cholesterol (low-density lipoprotein, or LDL) Thereby, increasing their usage in processed foods. During the pandemic, a lot of food stockpiling was done by common people, including bakery goods like bread and biscuits, among others. This, in turn, led to increasing demand for emulsifiers used by the baking organisations. Further, new and innovative emulsifiers with enhanced functionalities are also being developed to render added properties to beverages, one of the largest sectors globally.

*(Source: <https://www.mordorintelligence.com/industry-reports/global-food-emulsifiers-market-industry>)*

### Growth Drivers for Emulsifiers Industry:

- Shift in food consumption and changing lifestyle along with the declining trend of cooking is lifting demand of snacking product
- Increase in demand for processed foods like cereals, frozen and packaged meals, processed meat and fish, which use Emulsifiers



## Management Discussion & Analysis (Contd.)

### Agrochemical Industry

Agrochemicals are engineered chemical or biological formulations used for improvements in the quality and yield of crops. The Agrochemical industry is segmented into insecticides, herbicides, fungicides, biopesticides, and others. Despite persistent challenges, the Agrochemicals market is poised to grow, largely due to the increasing demand for products that protect against crop losses and increase yields. The industry can continue its two-year trend of improved performance by capturing value through innovation, resourcefulness, and digital alchemy. The export of Agrochemical industry is projected to grow by almost 55% by 2025. This means the export is likely to grow to US\$ 3.40 billion, contributing 55% of total domestic production valued at US\$ 6.10 billion. The large production of cereal crops, like rice and wheat, in India, is the major factor supporting market growth of the industry and the Government schemes act as an added advantage. Under crop protection, Chemical insecticides contribute the highest market share in the Indian Agrochemical industry. There are almost 10,000+ types of plant-eating insects, and Agrochemical is the final external protection provided to plants to protect them.

#### Growth Drivers for Agrochemical Industry:

- There is an increase in horticulture & floriculture production. The Indian Government is promoting the export of horticulture products, which will boost farmers' income. Along with this, fruits & vegetables, which also use Agrochemicals, contribute almost 90% of the total horticulture produce in India.
- The Government of India's incentive programmes for manufacturing activities and incentive schemes launched by the Ministry of Pharmaceuticals are also driving the industry's growth.
- The Government's initiative to double farmers' income and its decision to hike MSP (Minimum Support prices) on Rabi crops from 50% to 109% – to be marketed in RMS (Rabi Marketing Season) – are boosting the growth for the industry.

### Surfactant Industry

Surfactants are organic chemicals with both hydrophilic and hydrophobic ends, which allow oil molecules to dissolve in water. They are applicable across multiple industries, owing to their properties such as wettability, detergency, emulsion, dispersion stabilisation, and foam/froth formation. Surfactants' application goes into a variety of products in Personal Care segment - such as foaming agents, dispersants, emulsifiers, solubilizing agents, cleansers, and conditioners, among others. The Surfactants market is anticipated to witness considerable growth, owing to factors such as low prices & easy availability of surfactants and wide range of application. In addition, extensive use of surfactants in household detergents is further boosting the growth of this market. This industry earns healthy market share and is projected to reach a CAGR of over 4% for the period of 2022-27. COVID-19 pandemic has increased the consciousness toward personal hygiene and clean surroundings. This, in turn, has stimulated the demand for Personal and Household Cleaning products. Thereby, enhancing

the Surfactants' market growth.

#### Growth Drivers for Surfactant Industry:

- Rapid growth in segments like home care, personal care, industrial & institutional cleaning, oilfield chemicals
- Increase in household demand, agrochemicals, textiles, elastomers & plastics.

### Phenoxyethanol Industry

Phenoxyethanol is also known glycol or phenol. It is used as stabiliser, preservative or an antibacterial ingredient in perfumes, cleansers, soaps, and many others to prevent the products from losing their effectiveness or spoilage. Further, it is also used as a preservative in cleaning & furnishing home care products, toner, colorant products, pharmaceutical products, and ink.

Increasing demand for phenoxyethanol from Personal Care & Cosmetics industry is expected to boost growth of the Phenoxyethanol market over the forecast period. Phenoxyethanol is largely used as a fragrance component in Cosmetics, Home Care, and personal care products (color cosmetics, wipes, skin and hair care products, detergents, and cleaners). It has aromatic properties that can optimise the scent of any skin product.

Phenoxyethanol is also added as a preservative in personal care products, in order to prevent bacterial attack and is used in aqueous cleaning and stain removing homecare products. Benefits offered by phenoxyethanol in home care, personal care, and cosmetics products are expected to increase demand for phenoxyethanol, thereby driving growth of the market.

The global Phenoxyethanol market attained a value of US\$ 183 million in 2020. The market is further expected to grow at a CAGR of 4.50%.

Among regions, Asia-Pacific held dominant position in the global Phenoxyethanol market and is projected to maintain its dominance over the forecast period. This region is expected to witness significant growth in the global Phenoxyethanol market. This is owing to increasing disposable income in the region, which is expected to result in high expenditure on personal care and cosmetics products.

#### Growth Drivers for Phenoxyethanol Industry:

- A major factor expected to drive growth of the global Phenoxyethanol market is the constant increase in demand for cosmetics, as well as the need to protect cosmetics from bacterial growth and extend their shelf-life in products such as lips and eye make-up, water-based skin lotions, perfumes and deodorants, and nail polish removers. Furthermore, rising usage of phenoxyethanol by different industrial verticals such as pharmaceuticals, paints & coatings, soap, healthcare, and others is likely to fuel market expansion.
- The increasing awareness about personal care and hygiene is driving the demand for phenoxyethanol chemical.
- The growing demand in Cosmetic market and rising use of products such as lips, eye make-up, water-based skin lotions, perfumes and deodorants, and nail polish removers are pushing the demand for phenoxyethanol

## Management Discussion & Analysis (Contd.)

### Silicon Industry

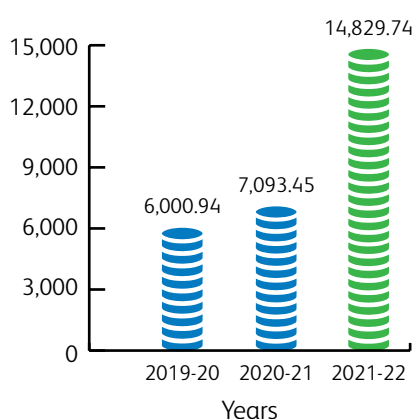
Silicons are polymers containing silicon and carbon, oxygen, and hydrogen. These are used in producing a wide range of formulations and have many aesthetic and technical uses. The silicone market is expected to witness significant growth in emerging nations. Rapid growth in the economy and expansion in construction and manufacturing sectors offer lucrative opportunities for the industry. The silicone market was valued at US\$ 15,000 million in 2021 and is projected to register a CAGR of higher than 6.50% during the period 2022-27. The major factor driving the demand for the silicone market is growing infrastructure, construction, and automotive industries.

#### Growth Drivers for Silicon Industry:

- Rising use of Silicon as an inseparable component in manufacturing by OEM. Silicon automotive applications are convenient, easy to process, versatile, heat-resistant and stand up to chemical and environmental pressure
- Growing infrastructure is pushing the demand for Silicon, which is used to seal, protect, resist dirt, water, salt water, chemicals, protect the cables and pipelines, and, most importantly, reduce the need for repairs
- Increasing awareness of health and hygiene is driving demand for healthcare, personal care, and consumer products. Food-grade Silicon with no BPA, latex, lead, or phthalates is used frequently in making molds to use for food that begin as liquids and solidify

### ROSSARI GROUP OVERVIEW

#### Revenue Trend (₹ in millions)



The Rossari Group is mainly engaged in manufacturing Specialty Chemicals for Textile, Home and Personal Care, Performance Chemicals and Animal Health and Nutrition industries. It offers one-stop intelligent and sustainable solutions for customers across industries. The Company's various strategic acquisitions/investments (Unitop Chemicals Private Limited, Tristar Intermediates Private Limited, Romakk Chemicals Private Limited, Buzil Rossari Private Limited, Rossari Personal Care Private Limited) that are further expected to add a dynamic chapter to Rossari's growth story.

#### Unitop Chemicals Private Limited

On 26<sup>th</sup> August 2021, Rossari acquired 65% of equity share of Unitop Chemicals Private Limited (Unitop Chemicals) with the balance being acquired in multiple tranches, subject to completion of the certain conditions. Unitop Chemicals is a leading supplier of Surfactants, Emulsifiers and Specialty chemicals to a diversified customer base, including large domestic and international companies. It has a strong product portfolio with a superior presence in the Agrochemicals and Oil & Gas segment. Unitop Chemicals has three manufacturing sites in India with a total capacity of ~86,000 MTPA. Unitop Chemicals is a natural fit for Rossari's operations as it brings immense synergies and complementary growth dimensions.

#### Tristar Intermediates Private Limited

On 1<sup>st</sup> September 2021, Rossari acquired 76% of equity share of Tristar Intermediates Private Limited (Tristar Intermediates) with the balance being acquired in multiple tranches, subject to completion of the certain conditions. Tristar Intermediates is one of the prominent companies in India in the field of Preservatives, Aroma Chemicals, and Home & Personal Care Additives with high-tech distillation facilities. With a superior presence in Personal Care and Home Care segments, the Company's expansive product range also has applications across diverse industries such as Pharmaceuticals, Textiles, Paints, Automotive, Agro-chemicals and more. Tristar Intermediates has manufacturing facilities at Sarigam (Vapi), Gujarat, India with a total capacity of ~15,000 MTPA.

## Management Discussion & Analysis (Contd.)

### Romakk Chemicals Private Limited

Rossari's latest strategic investments includes Romakk Chemicals Private Limited (Romakk Chemicals). On 25<sup>th</sup> November 2021, the Company completed the acquisition of 50.10% equity shares of Romakk Chemicals. This acquisition will further strengthening the Company's presence in the Textile and Home & Personal Care segment.

The blend of capabilities from all of Rossari's recent strategic acquisitions will enable the Company to build a presence and gain scale in its key segments, thus, accelerating growth of Rossari Group.

### Rossari Biotech Business Overview

Rossari Biotech Limited ('Rossari' or the 'Company'), is one of the leading Specialty Chemicals Manufacturing companies in India. Co-founded in 2003 by Mr. Edward Menezes, and Mr. Sunil Chari, the Company has a diversified product portfolio that caters to various customer needs across FMCG, Home & Personal Care, Industrial Cleaning, Textile Specialty Chemicals, Performance Chemicals, Animal Health and Nutrition, and Pet Care industries. The Company has built a distinct and tailored product range for its three core businesses: Home, Personal Care and Performance Chemicals (HPPC), Textile Specialty Chemicals (TSC), and Animal Health and Nutrition (AHN). The four major chemistries employed by the Company to differentiate its solutions are enzymes, silicones, acrylic, and surfactants. At Rossari, research, agility, sustainability, and operational efficiency, are integrated across all business operations. This is accompanied by a primary focus on customer centricity, extensive client interaction, and tailor-made solutions. The Company believes in relationship management by being a solution provider for 1,000+ customers, encompassing multinational corporations as well as domestic and small businesses.

### Business Divisions

#### Home, Personal Care and Performance Chemicals (HPPC)

Rossari is a leader in Specialty Chemical Manufacturing and is the fastest-growing company in the HPPC field. As of 31<sup>st</sup> March 2022, the Company has a solid supply network with distributors spread throughout nine states. Rossari's customers include MNCs and significant domestic enterprises that lay the ground for a strong customer base. The growth in India's Personal Care Chemical market is backed by demand from Tier I and Tier II cities – an outcome of the rising consciousness for health, sanitation, and personal care. With over 550 product categories in the Specialty Chemical segment, Rossari's chemicals are widely used across FMCG, paints, inks, cosmetics, soaps and detergent, coatings, ceramics and tiles, and water treatment chemicals and Pulp & Paper industries. In addition to institutional Cleaning Chemical Formulations, the Company is expanding its product line to include Water Treatment

Formulations and Speciality Brewers. The Company also employs an Own Design Manufacturing (ODM) strategy, that enables it to swiftly customise goods for a broad array of applications on short notice, allowing it to diversify its operations across multiple customer segments. Rossari encourages natural curiosity as a means of learning and growing as an organisation. The Company believes that success can be attained only when a prepared mind meets the proper chance.

#### Textile Speciality Chemicals (TSC)

Rossari is India's largest Textile Specialty Chemicals Manufacturer, with over 1,600 product lines. As of 31<sup>st</sup> March 2022, the Company has a robust supply chain with distributors in twenty-five states. Among the Company's clients, are large domestic textile and garment manufacturers. Rossari's Textile Chemicals are added during fabric processing to impart certain attributes such as sweat absorption, antimicrobial properties, wrinkle resistance, stain resistance, desired texture, and finish to the fabrics. The Company is concentrating on increasing its contribution of sustainable and value-added Speciality Chemicals, such as solutions that improve the hydrophilic, antibacterial, flame-retardant, aroma, water repellent, and UV-absorption qualities of textiles. Rossari provides one-stop solutions for the manufacturing of thread, yarn, and man-made fibres along with digital printing, fabric processing, dyeing auxiliaries, and garment finishing. The Company offers Speciality Chemical Solutions across the entire Textile value chain. Rossari's strength stems from its strong R&D team, technical teams, and years of expertise in the Speciality Chemical field, all backed up by its forward-looking strategy.

#### Animal Health and Nutrition (AHN)

Rossari believes that animals are a valuable component of biodiversity. Thus, the Company's AHN segment aims to produce crucial products that safeguard animals. The Company holds a solid supply network with distributors across eighteen states, as of 31<sup>st</sup> March 2022. The Company manufactures nearly 75 products, including weaning, newborns, adult pets, poultry feed supplements and additives, pet grooming, and pet snacks. These products aid in maintaining animal health and increasing their performance. Pet food additives are defined as nutritional ingredients that are supplemented to improve the quality and digestibility of the feed and the performance of animals. In 2020, the Company entered the Pet Grooming industry with the acquisition of the brand 'Lozalo'. This brand has contributed in boosting the profitability of Rossari. Besides, it also aided in the expansion of the Company's Pet Grooming business, which comprises shampoos and conditioners for dogs, cats, and horses. The Company supplies its pet treat products to retailers through distributors and its poultry feed products through a business-to-business model.

## Management Discussion & Analysis (Contd.)

### Business Salience – Strengths & Opportunities



Rossari is a customer-focused company that offers customised solutions based on research, agility, sustainability, and operational efficiency.

#### Diversified Product Portfolio:

Rossari's three core segments, Home, Personal Care and Performance Chemicals (HPPC), Textile Specialty Chemicals (TSC), and Animal Health and Nutrition (AHN), have built a differentiated product portfolio for the Company. As a custom-tailored and one-of-a-kind solution provider, the Company's products greatly improve its customers' product experience and utility. Furthermore, the majority of these products are environmentally beneficial and are manufactured in environmentally favourable ways. Rossari's unique solutions are based on four core chemistries: enzymes, silicones, acrylics, and surfactants.

#### Extensive & Fungible Manufacturing Infrastructure:

The Company has spent several years developing a fungible and flexible production infrastructure. Today, the Company has two strategically positioned manufacturing facilities at Silvassa and Dahej, Gujarat, with a combined capacity of 252,500 MTPA. With a capacity of 120,000 MTPA, the Silvassa Manufacturing Facility is a highly automated facility with flexible and interchangeable capacities across three business lines: HPPC, TSC, and AHN. Rossari can use this function to manufacture any of its product lines at any time. On the back of its fungible production establishment, the Company addressed existing market opportunities in the HPPC business right through the pandemic, demonstrating a high-degree of adaptability. A wide range of testing and packaging services are also available at this location. The Silvassa plant is a zero-liquid-discharge facility, which means its manufacturing processes have a low-carbon footprint.

Rossari completed all phases of its Greenfield manufacturing facility in Dahej, Gujarat, in the month of March 2021. This plant is a state-of-the-art automated unit with a total installed capacity of 1,32,500 MTPA, delivering improved cost efficiencies and economies of scale. The factory is really close to a number of ports, including the Hazira port, Dahej's proposed deep-water and multi-cargo port, and another one planned for Mundra. This will give the Company a significant cost and logistical advantage. R&D, automation, administration, and other corporate facilities will be added to the campus in the following years.

#### Robust R&D Capabilities:

Rossari's success has been and will continue to be fueled by a combination of sophisticated chemistry and R&D. The Company's R&D skills integrate all three parts of its products – synthesis research, formulation and development, and technical service – to provide customers with customised, intelligent, and cost-effective solutions in less time.

A devoted and skilled R&D staff leads the Company's two R&D centres in Silvassa and Mumbai. The Rossari Centre of Excellence, which is strategically positioned on the IIT campus in Mumbai, began operations in the fiscal year 2021. It's a brand-new, state-of-the-art-certified R&D lab that's completely equipped with cutting-edge testing and research technology.

#### Intelligent Chemistry to Seed High-Potential Businesses:

One of the Company's main goals is to use its R&D expertise and intelligent chemistry principles to launch new business lines based on its four basic chemistries: enzymes, silicones, acrylic, and surfactants. In keeping with this expansion strategy, the Company's dedicated R&D team, based in both Mumbai and Silvassa, is constantly exploring new product areas, focusing on sustainability and environmental friendliness.

The Company has a robust pipeline of innovative products across its paint, water treatment, and performance chemicals categories. Rossari is also expanding its spin finish, technical textile, and textile sizing technology to fresh markets. Furthermore, the Company is trying to increase its product offering in the pet food area.

#### Green & Sustainable Solutions:

Rossari has been proactively adopting sustainability in all of its company processes from the beginning to accelerate growth and maximise customer advantages. Across all segments, the Company is one of the forerunners and professionals in India in providing environmentally friendly replacements for legacy and dangerous products. The Company's goal is to offer green, sustainable, and cost-neutral products through its intelligent chemistry and R&D skills, reducing the carbon footprint of production processes. The Company is dedicated to meeting its responsibilities toward the environmental community by working diligently to reduce carbon emissions. In 2020-21, the Company introduced a wide range of eco-friendly sustainable products in the TSC division such as Green acid, Green salt, Greenhill (Green Silicate), Green soda, Bioclay (a clay-based product), Greenhydro 400 Pdr, and Greenboost. These products are green and eco-friendly and are also cost-neutral in nature and have been positively received in the markets.

#### Strong Customer Base:

Rossari's broad customer base of over 1,000 global, regional, and local enterprises enjoys direct involvement and touch-points. Several of these customers have been with the Company for over 15 years and have long-term and strong relationships with them. While Rossari's team focuses on demand generation and creation in domestic markets, demand servicing is mostly handled by the Company's vast and well-connected distributor network.

## Management Discussion & Analysis (Contd.)

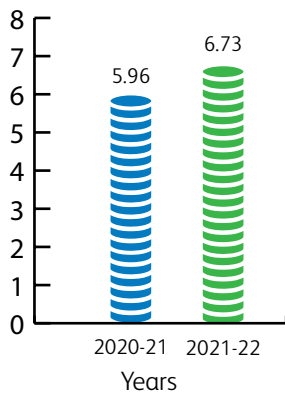
### Financial Highlights of 2021-22

The Company, on a consolidated basis, registered a revenue of ₹ 14,829.74 million in 2021-22, up by 109.06% against the consolidated revenue of ₹ 7,093.45 million in 2020-21. The Company reported EBITDA of ₹ 1,834.43 million in 2021-22 against ₹ 1,235.44 million recorded in 2020-21. The Profit After Tax stood at ₹ 976.95 million in 2021-22 against ₹ 800.46 million in the previous year. Similarly, EPS on diluted basis stood at ₹ 17.70 in 2021-22 as against ₹ 15.47 in 2020-21 on the face value of ₹ 2 per equity share.

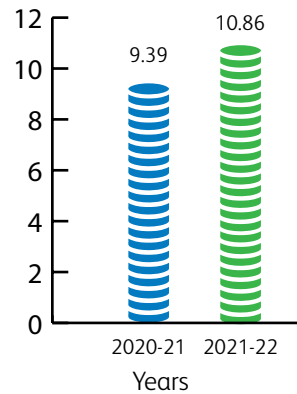
The Company, on a standalone basis, registered a revenue of ₹ 10,728.44 million in 2021-22, up by 55.39% against the standalone revenue of ₹ 6,904.14 million in 2020-21. The Company reported EBITDA of ₹ 1,227.93 million in 2021-22 against ₹ 1,213.41 million recorded in 2020-21. The Profit After Tax stood at ₹ 794.74 million in 2021-22 against ₹ 791.02 million in the previous year. Similarly, EPS on diluted basis stood at ₹ 14.40 in 2021-22 as against ₹ 15.25 in 2020-21 on the face value of ₹ 2 per equity share.

Ratios of the Company on Standalone basis

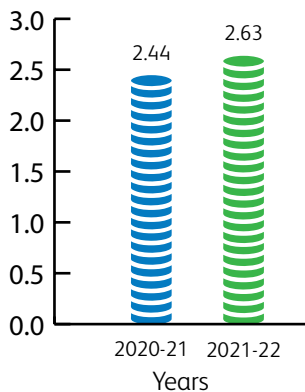
#### Debtors Turnover (In Times)



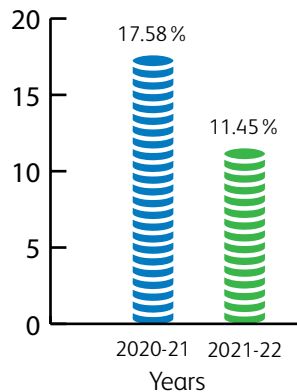
#### Inventory Turnover (In Times)



#### Current Ratio (In Times)



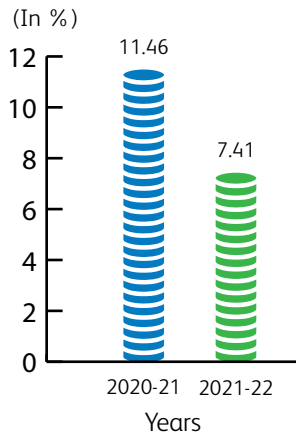
#### Operating Profit Margin (In %)



*Due to increase in raw material prices and direct overheads in the current year, Gross Margins are negatively impacted. This has affected Operating Profit Margin.*

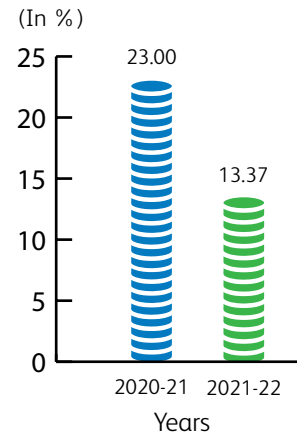
## Management Discussion & Analysis (Contd.)

### Net Profit Margin



Due to increase in raw material prices and direct overheads in the current year, Gross Margins are negatively impacted. This has affected Net Profit Margin.

### Return on Net-worth



The Company has issued equity shares on preferential basis and on exercise of employee stock options in the current year, and there is a reduction in the Net Profit After Tax which has reduced Return on Net Worth in the current year.

### Key Business Developments in 2021-22

#### Rossari had following addition in it's umbrella:

Unitop Chemicals, which is engaged in the business of manufacturing of surfactants, emulsifiers and speciality chemicals.

Tristar Intermediates, which is engaged in the business of manufacturing and supply of preservatives, aroma chemicals and home and personal care additives.

Romakk Chemicals, which is engaged in the business of manufacturing and sale of silicone oils and its derivatives and a range of emulsions derived from silicone oils and its derivatives across all industries.

Going forward, these acquisition an integration with Unitop Chemicals and Tristar Intermediates will further strengthen Rossari's presence in Textile and Home & Personal Care segment with fully operational plant.

Rossari announced full commissioning of its Greenfield manufacturing facility at Dahej, Gujarat, on 31<sup>st</sup> March 2021.

We started adding the hues of sustainability to textiles with our green formulations and innovative chemistry.

#### Dividend

The Board of Directors recommended a dividend of ₹ 0.50 /- per share for financial year 2021-22. Please see Rossari-Dividend Distribution Policy on the Company's website for more information on dividend distribution policy.

### Business Strategy & Way Forward

Rossari is confident in its potential to drive business growth and has implemented a number of strategic measures to do so in the future. The following are the Company's primary strategic growth levers.

#### Growth Outlook

Rossari has passed many challenges in the past years including the COVID-19 crisis in 2020 and the Russia-Ukraine war situation in 2022. The Company has still managed to stand tall as a Speciality Chemicals manufacturer, providing intelligent and sustainable solutions for customers across industries. The Company has delivered steady performance during the quarter despite a challenging inflationary macro-environment. Rossari's recent acquisitions of Unitop Chemicals and Tristar Intermediates has uplifted business performance. Both companies have delivered growth during the period, which assisted the Company's overall performance. The integration of Romakk Chemicals has strengthened the Company's presence in the Textile, & Home and Personal Care segment, and is still adding more to it. Altogether, the Company is blending its capabilities and all the acquisitions will enable the Company to build its presence and scale its business segments. Looking forward, Rossari sees multiple and strong growth opportunities as the Speciality Chemical industry is the fast-progressing industry in India. The Company's diversified and solid product portfolio has opened doors towards macro-growth enabling strong business openings.

## Management Discussion & Analysis (Contd.)

### Risk Management, Audit and Internal Control

Risk management is an important part of Rossari's business model as one of the leading Specialty Chemicals Manufacturing Company in India. The Company has developed and implemented a comprehensive risk management system to identify and manage the risks associated with its business activities. The framework is designed to aid in decision-making processes that will help the Company achieve its objectives by minimising possible losses, improving uncertainty management, and maximising commercial prospects. It is designed to anticipate, evaluate and mitigate risks that could materially impact the business objectives. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted having Mr. Sunil Chari as Chairman and Mr. Robin Banerjee, Mr. Goutam Bhattacharya and Mr. Mikhail Menezes as members.

The roles and responsibilities of the Committee covers the following:

To periodically monitor and review the Risk Management plans and procedures

To monitor and review the process and progress of:

- Risk identification
- Risk classification
- Risk assessment and prioritisation
- Risk mitigation

- risk tracking/reporting mechanism.

To carry out any other function as may be required by relevant laws or delegated by the Board.

The Company is committed to maintaining an effective internal control environment that ensures, among other things, orderly and efficient operations, asset security, fraud and error prevention and detection, accounting record accuracy and completeness, and timely preparation of reliable financial information. With regards to financial reporting and financial statements, the Company has an adequate internal financial controls system in place. It has laid down certain guidelines, policies, processes and structures which are commensurate with the nature, size, complexity of operations and the business processes followed by the Company.

A well-established internal audit framework is in place which extensively including all aspects of financial and operational controls, covering all units, function, departments and subsidiaries. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements. The internal audit team conducts extensive reviews and process improvements identified during the reviews, are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow-up actions thereon are reported periodically to the Audit Committee of the Board of Directors. The Audit Committee monitors the implementation of the audit recommendations.

### Risks and Mitigation

Risk	Impact	Mitigation
<b>Environmental Risk</b>	Change in climate plays an essential role in driving the Company's business. The demand for the Company's various products is highly based on climatic changes. Rossari manufactures Specialty Chemicals, which exposes it to significant environmental concerns. Effluent discharge, hazardous pollutants, inappropriate waste management, and resource depletion are only a few of the primary risks that the Company's business is exposed to.	Rossari Biotech has built a long-term business with decades of experience by adhering to all the applicable rules and regulations. The Company ensures that all of its operations and environmental responsibilities are taken good care of. The Company has invested in environment-friendly methods that include 'Zero Discharge Plant' and is further adding more to grow its sustainable footprints while being responsible.
<b>Changes in Government Policies</b>	The Company's business and decision making may get affected due to certain Government interventions and new policies. The Company follows established regulations but the risk of the Company's products failing to meet compliance standards can negatively impact its business operations and sales.	Rossari enjoys a strong global presence and a rich clientele across Home, Personal Care and Performance Chemicals, Textiles, Poultry, Animal Health and Nutrition markets. The Company proactively ensures that its business follows all the regulatory standards, financial frameworks and conducts audit.

## Management Discussion & Analysis (Contd.)

Risk	Impact	Mitigation
<b>Operational Risk</b>	The COVID-19 and Russia-Ukraine crises have interrupted the business alignment. The increase in the price and supply chain disruptions may impact the availability of raw material.	Rossari foresees and evaluates this risk through its strong portfolio with three new acquisitions that started showing robust 30% growth. Rossari's supply system is aligned with the new acquisitions along with the organic business which is also doing well.  For certain key RMs which were imported, the Company has now started local supplies to ensure availability and also trying to get into long-term contract with its suppliers.
<b>Quality</b>	Any failure in quality or standards may bring the Company one step behind and lead to loss of goodwill, order cancellation, and loss of customers.	Rossari keeps a performance check on every product manufactured.  The Company adheres to quality and compliances with stringent health and environmental regulations. Rossari is focused on building strong R&D process that will help the Company maintain quality consistency.
<b>Dependency on industry</b>	The Company's chemicals are used to improve the qualities of finished goods. Any slowdown in the application sectors could have a negative impact on the business and operating performance.	Rossari has strengthened its business with diversified portfolio. Rossari's clients are spread across the globe, helping the Company run its business elastically.

### Human Resources

Rossari believes that Human Resource is the most important resource at its organisation which pushes the Company towards sustainable growth. Rossari had a total workforce of 451 permanent employees as of 31<sup>st</sup> March 2022. As a people-centric company ready to upskill talent and help employee in personal and professional growth, Rossari has conducted training programmes with 986+ participants, nurturing learning and building better understanding about the Company and industry. The Company has established a Whistleblower Policy that encourages directors and employees to report instances of unethical behaviour, actual or suspected fraud, or violations of the code of conduct to the Company. This policy is aimed at maintaining Rossari's employees' well-being and ensure that no one is victimised or harassed. The Company also conducts monthly training sessions, led by Rossari Innovation Cell's team heads and key members, to brainstorm innovative ideas and make/guide strategic planning.

### Sustainability

Green chemicals are becoming more popular in India. As people become more conscious of the negative effects of some chemicals on people and the environment, the Chemicals industry is increasingly moving toward sustainable and green chemicals.

Rossari has developed a number of sustainability initiatives that

have helped to reduce the Company's environmental effect. Improving energy efficiency, lowering waste generation, reducing carbon footprint, and limiting climate change concerns are all key priority areas of the Company.

#### Sustainable Manufacturing Processes:

The manufacturing divisions in Silvassa and Dahej employ cutting-edge technology, resulting in cleaner and more efficient operations.

Rossari's sustainable manufacturing initiatives continue to include water awareness. Effluent Treatment Plants treat waste water generated by production plants in Silvassa and Dahej.

The Company undertakes monthly water audits with the help of the Government's National Productivity Council to ensure that all standards and regulations are followed.

Rossari's plants have been certified as Zero Discharge of Hazardous Chemicals Level-3, indicating a higher level of confidence that a chemical product complies with the Zero Discharge of Hazardous Chemicals MRSL conformance Levels and, as a result, a lower likelihood of any Zero Discharge of Hazardous Chemicals MRSL substances being present in the certified chemical product.

Rossari continues to execute green initiatives such as tree planting at corporate and manufacturing facilities, the development and maintenance of gardens surrounding factory facilities, and the maintenance of green bodies around its plants.



# Business Responsibility Report

Rossari endeavours to become a frontrunner in the specialty chemical business with the least environmental footprint. Rossari's Mission serves as guiding pillar on the road to provide sustainable solutions to its customers and become a socially responsible citizen. The fundamental aspect of Rossari's culture is imbuing its values and driving to remain committed to stakeholders. The mission of becoming a socially responsible corporate citizen is not just solely restricted to Rossari, but abided by Rossari as a 'Group'. We as a group are collectively making efforts to hit the reset button and make changes to build back a better, more resilient world.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that sustainable journey is its continuous endeavour to protect the environment through conservation of water and energy, minimisation of waste and environmentally sound disposal.

For Rossari sustainability is a way of life. It is a process of continual improvement that results in sustaining the business by being a competitive and reliable partner, while being environmentally and socially responsible. We believe that sustainability is not just a destination or a journey, it is a way of life. Rossari is committed to its vision and mission of becoming a global leader by creating a positive impact on the society at large in the years to come.

This is the 2<sup>nd</sup> Business Responsibility Report in line with Regulation 34(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. In line with SEBI's proposed structure for the Business Responsibility Report and the nine principles of the Government of India's "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business", this report delineates our efforts to conduct business with responsibility.

## SECTION A : GENERAL INFORMATION

1.	Corporate Identity Number (CIN) of Company	L24100MH2009PLC194818	
2.	Name of Company	Rossari Biotech Limited	
3.	Registered Office Address	201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai 400078.	
4.	Website	<a href="http://www.rossari.com">www.rossari.com</a>	
5.	Email	<a href="mailto:info@rossari.com">info@rossari.com</a>	
6.	Financial Year of Report	2021-22	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Specialty Chemicals	
		NIC Code	Product Description
		20119	Manufacture of organic and inorganic chemical compounds n.e.c.
8.	List three key products that Company manufactures/ provides (as in balance sheet)	1. DISPA 2. ROSADET 3. GREENACID Please refer to the Company website at <a href="http://www.rossari.com">www.rossari.com</a> for complete list of Products.	
9.	Total Number of Locations where business Activity is undertaken by Company		
	i. International Locations	Company through its representative office has operation in Bangladesh and Vietnam.	
	ii. National Locations	Registered Office	Kanjurmarg, Mumbai
		Manufacturing Facilities	Silvassa, Dadra and Nagar Haveli & Dahej, Gujarat
		Research & Development Centre	Silvassa & IIT Mumbai
		Sales Location	Delhi, Surat, Lucknow and Ahmedabad
10.	Markets served by the Company Local/ State/ National/ International	Company has presence in both local and international markets.	

## SECTION B : FINANCIAL DETAILS

Sr. No.	Disclosures	Information/Reference sections
1.	Paid up Capital (₹ in million)	110.11
2.	Total Turnover (₹ in million)	14,829.74 (Consolidated)
3.	Total profit after taxes (₹ in million)	976.95 (Consolidated)

## Business Responsibility Report (Contd.)

Sr. No.	Disclosures	Information/Reference sections
4.	Total spending on Corporate Social Responsibility (CSR) as % of profit for last 3 Financial Years	The Company's total spending on CSR for the Financial Year 2021-22 is ₹17.09 million which is 2% of the average profit after tax of the past 3 years.
5.	Activities under which expenditure in 4 above has been incurred	The CSR initiatives of the Company are classified in below mentioned areas: a. Covid/ Healthcare Relief b. Education Support c. Human Life Support & Upliftment This is enumerated in detail in the Annual Report of CSR Activities, Annexure V to the Board's Report.

## SECTION C : OTHER DETAILS

Sr. No.	Disclosures	Information
1.	Does the Company have any Subsidiary Company / Companies	Yes
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	As on 31 <sup>st</sup> March, 2022, the Company has 5 (Five) subsidiaries as per the provisions of Companies Act, 2013. RBL encourages its Subsidiary Companies to participate in BR initiatives
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company's BR Policy is applicable to the management and all employees of the Company. The Company encourages and expects its business partners to adopt the BR practices. However, no formal study has been undertaken as of date to ascertain the percentage of such entities who participate in BR activities.

## SECTION D : BR INFORMATION

## 1. Details of Director responsible for Business Responsibility

Sr. No.	Particulars	Details	
1.	Details of Director/Directors responsible for BR		
	(a) Details of the Director/Directors responsible for implementation of the BR policy/policies	DIN	00149083
		Name	Mr. Sunil Chari
		Designation	Managing Director
	(b) Details of the BR head	DIN (if applicable)	00149083
		Name	Mr. Sunil Chari
		Designation	Managing Director
		Telephone Number	+91 22 6123 3800
		Email ID	chari@rossari.com

## 2. The operating principles adopted by the Company supplement the requirements under the National Voluntary Guidelines

The Company has adopted nine principle of Business Responsibility based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs. These briefly are as follows:

Principle 1 : Ethics, Transparency and Accountability [P1]

Principle 2 : Product Lifecycle Sustainability [P2]

Principle 3 : Employee well-being [P3]

Principle 4 : Stakeholder Engagement [P4]

## Business Responsibility Report (Contd.)

Principle 5 : Human Rights [P5]

Principle 6 : Preservation of Environment and Safety [P6]

Principle 7 : Responsible Advocacy [P7]

Principle 8 : Inclusive Growth & Equitable Development [P8]

Principle 9 : Consumer Value [P9]

### 1. Principle-wise BR Policy/policies

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	Yes, the Policy is based on and it is in confirmation with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.rossari.com/corporate-governance/">www.rossari.com/corporate-governance/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in- house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\*Mr. Sunil Chari, Managing Director, periodically meets and review with the functional heads and unit heads to ensure that the policy is implemented throughout the Company.

Note: The relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders, while there may not be formal consultation with all stakeholders.

### 2. Governance Related to BR

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every half year to review implementation of the projects/programmes/ activities to be undertaken in the field of CSR. Members of Senior Management of respective departments meet periodically to review the performance of the respective principles as applicable.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	As mentioned above, this is the 2nd Business Responsibility Report of the Company, and the same forms a part of Annual Report and also available on Company's website <a href="http://www.rossari.com">www.rossari.com</a> .

## Business Responsibility Report (Contd.)

### SECTION E: PRINCIPAL WISE PERFORMANCE

#### PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has an exhaustive '**Code of Conduct**' which is based upon the principles of Fairness, Ethics and Corporate Governance and covers ethics, bribery and corruption. The Company expects all the employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct which includes handling of actual or apparent conflicts of interest between personal and professional relationships, free from fraud and deception. The Code is applicable to employees of the Company and its subsidiaries and all the Directors and Members of Senior Management affirm the same on an annual basis.

The Company also has a Whistle Blower Policy to promote responsible and secure whistle blowing within the Company. It provides guidance and a procedural framework to directors, employees, customers, vendors and/or third-party intermediaries wishing to raise a concern about irregularities and/or frauds and any other wrongful conduct within the Company without fear of reprisal, discrimination or adverse employment consequences.

The Company strives to ensure highest levels of adherence to principles of transparency and accountability through its policies like Code of Ethics for Directors, KMP and Other Members of Senior Management, Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc. The Company's practice of making timely, accurate, complete disclosure of relevant information has earned stakeholders' trust and respect. The Company encourages its vendors and suppliers to adhere to the highest standards of ethics, transparency, accountability and refrain from corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. The Company has an Internal Complaints Committee ("ICC") to redress complaints received with respect to sexual harassment. No complaint was received during the Financial Year 2021-22 by ICC. Under the Whistle Blower Policy, no complaint was received during the Financial Year 2021-22. During the Financial Year under review, 12 (Twelve) complaints were received from shareholders which were resolved within

statutory timelines. There were no non-disputed fines/ penalties imposed on business by regulatory and judicial institutions, and no complaints / cases of corruption and conflicts of interest registered during the Financial Year 2021-22.

#### PRINCIPLE 2: PRODUCT LIFECYCLE SUSTAINABILITY

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

The Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's state-of-the-art Research & Development Centre at IIT Mumbai and Silvassa where technology and innovation are the corner stone's giving utmost priority to sustainability.

In order to improve lives, now and for generation to come, we ensure that our products, packaging and operations are safe for employees, consumers and the environment. The Company is committed to develop safe, sustainable & eco-friendly products, processes, technologies and services and to adopt Life Cycle thinking contributing towards product stewardship. For us, safety and sustainability are integral parts of strong product development process.

The Company has a zero liquid discharge facility, ensuring zero discharge of harmful chemicals ("ZDHC") during manufacturing. Rossari is a key contributor to the ZDHC initiative, supporting implementation of sustainable chemistry and best practices to protect its consumers, workers, and the environment. We also have a deeply ingrained Environment Health & Safety ("EHS") policy which is practiced across all of our plants. We were recently certified by ZDHC level-3 for our Silvassa and Dahej plants.

Few of the sustainable products of the Company are as follows:

1. Green Acid
  2. Green Soda
  3. Green Hydro
  4. Green Boost
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional). a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain. & b. Reduction during usage by consumers (energy, water) has been achieved since the previous year.

Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its range of Specialty Chemicals. Waste generated during the

## Business Responsibility Report (Contd.)

production operations, is disposed/recycled in compliance with the applicable environmental laws.

With a view to reduce carbon footprint, the Company has implemented more efficient machinery at plants to reduce the power consumption and to reduce raw materials that are high contributors to produce carbon footprint. We have adopted several green initiatives to reduce carbon footprint and have implemented the best environmental practices for green manufacturing. We have also made substantial investments in Global Organic Textile Standards (GOTS)

The above mention products have contributed remarkably in reduction of resource use. The brief details are as follows:

### a. GREEN ACID

It is an eco-friendly substitute to Acetic Acid. It reduces the Chemical Oxygen Demand (COD) and Bio-Chemical Oxygen Demand to a great extent. The details are as follows:

Degradability Study	Acetic Acid	Green acid
Chemical Oxygen Demand (mg/l)	1138.0	365.5
Bio-Chemical Oxygen Demand [at 27°C, 5 days (mg/l)]	683.0	9.2

### b. GREEN SODA

Green soda is an eco-friendly Alkali Buffer. It can be used as a substitute to Soda Ash. It is efficient in reducing the Total Dissolved Solids. The details are as follows:

Product	Conventional Soda Ash	Green Soda
Total Dissolved Solids	20530	5132
PH	11.2	11.7

### c. GREEN HYDRO

Green hydro is an effective substitute for Sodium Hydrosulphite. It is a substitute to the conventional hydro-caustic process. It helps to reduce the inventory cost. It also saved 2 baths thereby reducing the usage of water.

### d. GREEN BOOST

Green boost has been an effective option for saving the water. It reduces the consumption of water in the manufacturing process. It also reduces Chemical Oxygen Demand and Biochemical Oxygen Demand. The brief details of the same are as follows:

(million litres)

Particulars	Conventional Water Consumption	Green boost Water Consumption	Total Water Saving / year	Percentage of Water Saving/ year
40 % Medium to Dark Shade without Biopolishing	60	20	40	66 %
40 % Medium to Dark Shade with Biopolishing	80	20	60	75 %

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably. Also, provide details thereof, in about 50 words or so.

Yes, the Company has an effective forecast system enabling purchase of raw materials based on sales forecast and trends in domestic and international market to ensure optimal raw material procurement and has been also pursuing wastage reductions across manufacturing units. We work on the idea of optimum utilisation of available resources in a sustainable

and ZDHC platforms, ensuring zero discharge of harmful chemicals.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The brief details are as follows:

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

We are continuously improving our waste monitoring mechanism. The Company is dedicated on working with its vendors and suppliers to reduce the environmental impacts of sourcing. More than 50% of raw materials are procured from certified and socially responsible sources.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

The Company has introduced Multi Effective Evaporator ("MEE") in the place of Incinerator for evaporating effluent water. Incinerator is a costly affair in the terms of fuel cost and so Light Diesel Oil ("LDO") is being used as the fuel for Incinerator, whereas in the MEE, the steam is being used as heating medium. So that we can reduce the conventional fuel consumption drastically. The Company has installed solar panel as an alternate source of energy.

## Business Responsibility Report (Contd.)

Yes, The Company has developed vendors that are local and promotes local producers. We encourage small and marginal producers to adopt sustainable business ideas. We have always supported local and small vendors by giving them orders on a continuous basis and making timely payments in order to provide them cash flow. We value and support all our small vendors as much as we value our large vendors. The Company recognises that local sourcing has various benefits like reduced costs, lead-time, provision of local employment and reduced environmental footprint in sourcing. In view of the said benefits the Company makes an effort of sourcing from local vendors for such raw materials wherever possible.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, Between the procurement of raw materials and the creation of a product, we strive to reduce wastage of raw materials, water and energy through systemic conservation efforts. We focus on waste elimination, recycling and optimum utilisation of resources. We are continuously improving our waste monitoring mechanism. The Company has implemented projects that have reduced waste over the years by recycling by-products/ waste for internal consumption and

improving the yield of production. We apply smart eco-design through innovative construction process improvements. And, we re-use where feasible, giving new life to what was once waste.

Measures for Waste Minimisation are undertaken by the Company in both its factories. Waste generated during the production operations, is disposed/recycled in compliance with the applicable environmental laws. The effluent generated is treated in compliance with the applicable environmental laws and is recycled back into the production processes or discharged in common landfill or Incineration.

The Company recycles about 2000 kg of Iso Propyl Alcohol (IPA) generated from a batch size of 6500 kg and the same is used in next batch. Ammonia liberated while manufacturing one of the product as a waste is absorbed in the scrubbers installed and the same is reused as a raw material for production for other products. Further, the Company utilises majority of packaging materials that are sustainable and can be reused /recycled on regular basis.

We have installed Sewage Treatment Plant ("STP") for treatment of sewage water. The treated water from STP is used for Floor Washing, Washroom flushing & gardening, which reduced the use of raw water.

### PRINCIPAL 3: EMPLOYEE WELL BEING

Sr. No.	Particulars	Details																
1.	Please indicate the Total number of employees.	665																
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	214																
3.	Please indicate the Number of permanent women employees.	64																
4.	Please indicate the Number of permanent employees with disabilities.	1																
5.	Do you have an employee association that is recognised by management?	Not Applicable																
6.	What percentage of your permanent employees is members of this recognised employee association?	Not applicable																
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.																	
	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Category</th> <th>No. of Complaints filed during the Financial Year</th> <th>No. of complaints pending as on end of Financial Year</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Child Labour/ Forced Labour / Involuntary Labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2.</td> <td>Sexual Harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3.</td> <td>Discriminatory Employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Sr. No.	Category	No. of Complaints filed during the Financial Year	No. of complaints pending as on end of Financial Year	1.	Child Labour/ Forced Labour / Involuntary Labour	Nil	Nil	2.	Sexual Harassment	Nil	Nil	3.	Discriminatory Employment	Nil	Nil	
Sr. No.	Category	No. of Complaints filed during the Financial Year	No. of complaints pending as on end of Financial Year															
1.	Child Labour/ Forced Labour / Involuntary Labour	Nil	Nil															
2.	Sexual Harassment	Nil	Nil															
3.	Discriminatory Employment	Nil	Nil															
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	%																
	a. Permanent Employees	75%																
	b. Permanent Women Employees	92%																
	c. Casual/Temporary/Contractual Employees	38%																
	d. Employees with Disabilities	100%																

## Business Responsibility Report (Contd.)

### PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

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

Yes, The Company has identified all the key internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

The Company has identified the disadvantaged, vulnerable & marginalised stakeholders. As a responsible corporate citizen, the Company always attempts to support such stakeholders by means of its CSR projects / programs. We believe that no company can operate in isolation and accordingly we feel responsible towards each of our stakeholders. During the Financial Year 2021-22, the Company had directed its CSR activities towards aiding the below marginalised groups:

- a. Underprivileged Patients: The Company has made an attempt to contribute for treatment, health care, Covid Relief and support for equipment purchase by Hospital for treatment of destitute patients.
  - b. Children / Students and Differently abled : The Company has contributed for School Kits, Training on Robotics, Vocational Training, livelihood enhancement training to disabled, purchase of books for libraries to marginalised students and belonging from tribal areas.
  - c. Orphans / Women / Elderly and Person from backward areas : The Company has contributed for Construction of homes and hostels for orphans, renovation activity for old age home and providing basic necessities to marginalised, underprivileged and tribal families.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, we believe that we have an important role to play in the inclusive growth of the Society and the Community in which we operate. Fulfilling Corporate Social Responsibility (CSR) is a way of life at Rossari. The Company has always worked towards initiating activities for the betterment of the disadvantaged, vulnerable and marginalised stakeholders in the society. This is reflective from the fact that the Company has identified the above mentioned stakeholders and undertaken projects to support and uplift them. The details of the CSR activities undertaken by the Company are a part of Annexure V to the Boards' Report which pertains to Report on CSR.

### PRINCIPLE 5: HUMAN RIGHTS

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

Our core values as a Company include treating everyone with respect. We have a strong non-discrimination policy and have zero tolerance for unlawful discrimination. As an organisation, we actively promote gender diversity and offer equal opportunities and responsibilities, irrespective of gender. The Company has adopted various policies, for instance '**Code of Conduct**' for Employees, '**Code of Ethics for Directors, KMP and Other Members of Senior Management**' which attempt to safeguard the human rights. We communicate the underlying principles to all the internal & external stakeholders (vendors, suppliers, distributors and other key business associates of the Company), which they are expected to adhere to while dealing with the Company. This process of communicating the underlying principles is followed for all our policies.

We aspire to create a gender-equal world with equal representation for all individuals. We are committed to driving equality within the Company. We are adopting equality-based policies, broadening our definition of leadership and empowering our people to join us in building a workplace that is equal for all individuals.

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

Please refer Question No. 2 of Principle 1.

### PRINCIPLE 6: PRESERVATION OF ENVIRONMENT AND SAFETY

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

The policy covers the Company and its Subsidiaries. We also encourage our suppliers/contractors to follow the highest standards of concern and care for the Environment and safety.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N. If yes, please give hyperlink for webpage etc.

Yes, we are committed to responsibly conduct the business. The Company has a framework in place to effectively manage environmental risks. There is constant endeavour to undertake innovative initiatives to protect the environment. We are committed to do our best to help reduce global environmental issues.

The Company has contributed towards making a greener planet by conserving the environment and natural resources. The Company has installed Variable Frequency drive panel ("VFD") in all large capacity electric drives. Allowing a VFD to reduce/adjust motor speed which results in reduction of energy consumption. The Company has also installed Modification of

## Business Responsibility Report (Contd.)

Power Cum Motor Control Centre ("PMCC"), Intelligent Motor Control Centre ("IMCC") panel and Automatic Power Factor Control ("APFC") panel for maintaining power factor at 0.999.

As part of its commitment to preserving and restoring biodiversity, we continue to execute green initiatives such as tree planting at manufacturing facilities, the development and maintenance of gardens surrounding factory facilities, and the maintenance of green bodies around its plants. The Company has planted approximately 2250 trees in the Financial Year 2021-22.

The Company has also implemented the steps to use electric battery operated Material Handling Equipment ("MHE") in the place of Diesel/Petrol/Gas operated MHE's thereby abating carbon emissions on account of fossil fuel usage.

3. Does the Company identify and assess potential environmental risks?

Yes, Company identifies potential environmental risks through a Risk Assessment process.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed.

The Company does not have any clean development project at present.

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

Yes, Rossari has always been devoted to adopting newer ways to enhance the existing practices across manufacturing facilities so that they are more and more environment friendly and Sustainable. Steps in this direction include usage of renewable energy, development and optimisation of waste generation by recycling, conversion of waste into by-products, wherever possible and adoption of novel technology for energy conservation.

Both the Plants of the Company has been certified by the ZERO DISCHARGE HAZARDOUS CHEMICALS ("ZDHC") level-3 certification. Rossari is a key contributor to the ZDHC initiatives, supporting implementation of sustainable chemistry and best practices to protect its consumers, workers, and the environment at large. In our core-values our major focus is on Health, Safety and Environment across both the plant premises.

Below is the plant wise bifurcation of few initiatives by the Company:

### Silvassa Plant

- The Company uses approximately 5% Solar renewable source of energy for this plant premises and total 154 nos. Solar plates are located within plant premises.

- The Company has installed 50 KW solar panel for availing alternate source of energy. The same is fully operational. The Company has generated 36,217 KWH power from the same during the Financial Year 2021-22.
- For environmental emissions controls, we have an IBR Boiler Incinerator and as an Air Pollution Control Measures device, we have an appropriate stack height. Stack monitoring data represents less carbon foot print and generation of greenhouse gases.
- The Company has implemented Zero Liquid Discharge ("ZLD") mechanism in our Silvassa facility by installing Effluent Treatment Plant, Multi Effect Evaporator and Incinerator for ZLD purposes.
- Converted the existing fuel system of Light Diesel Oil ("LDO") to Bio Diesel in the Steam Boiler, Thermic Fluid Heater and Incinerator. Due to low Sulphur traces Bio Diesel is consider Eco-Friendly.
- The Company has installed Sewage Treatment Plant ("STP") for treatment of sewage waste water.
- The Company has planted approximately 250 trees in and around the factory premises which improves the air quality by filtering harmful dust and pollutants.

### Dahej Plant

- The roof top of plant building is designed to accommodate up to 1MW solar power installation.
- The Company has planted approximately 2000 trees around the factory premises.
- For environmental emissions controls, we have an IBR Boiler Incinerator and as an Air Pollution Control Measures device, we have an appropriate stack height. Stack monitoring data represents less carbon foot print and generation of greenhouse gases.

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

Yes, All the plants of the Company comply with the prescribed emission norms of various Central/State pollution control boards. All the emission and waste generated by the Company is well within the permissible limits given by SPCB/CPCB for the Financial Year under review.

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

The Company has not received any show cause or legal notices from CPCB/SPCB for the Financial Year under review.



## Business Responsibility Report (Contd.)

### PRINCIPLE 7: RESPONSIBLE ADVOCACY

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

Yes, The Company is a member of the below mentioned associations:

- a. Dadra and Nagar Haveli Industries Association
  - b. Federation of Indian Export Organisation
  - c. Indian Federation of Animal Health Co.
  - d. Federation of Industries of India
  - e. Indian Speciality Chemical Manufacturers
  - f. Indo American Chamber of Commerce
  - g. Indo German Chamber of Commerce
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company does not engage in policy advocacy or in lobbying through any association. However, time to time the Company participates in various programmes of aforementioned associations and supports them with appropriate inputs in matters facilitating advancement of the industry and public good.

### PRINCIPLE 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

Yes, The Company has adopted a Corporate Social Responsibility (CSR) Policy. We recognise our role and responsibility to deliver superior and sustainable value to our customers, business partners, employees and communities. We have implemented various CSR initiatives with employee volunteers as well as in partnership with implementing agencies. Our initiatives are aimed towards promoting the health care, education and human life upliftment etc.

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

The Company directly and through NGOs and Foundations implements its CSR Initiative. The CSR Report has been dealt with more exhaustively in the Annexure V to the Board's Report for Financial Year 2021-22.

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

The CSR Committee and Board evaluate the CSR initiatives made by the Company. However impact assessment is not applicable to the Company.

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

During the Financial Year under review minimum contribution required was ₹ 17.09 million towards CSR and the Company has contributed ₹ 17.09 million towards CSR.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community, Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, reports and follow-up, telephonic and email communications are regularly carried out, wherever possible.

### PRINCIPLE 9: CONSUMER VALUE

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

During the Financial Year under review the Company has no complaints/consumer cases pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes, The Company has displayed product information on the product label as per local laws.

To educate the consumers about the safe usage of the product, we create a document namely Material Safety Data Sheet (MSDS) & Product Information Sheet (PIS) for the basic information we also create Product applications videos for some special products for quick reference and circulations.

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

There is no case against the Company during last five years filed relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

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

Rossari believes that customer service should not just be a department, it should be the entire Company. We strongly stand by the opinion that it is crucial to not only listen to customers, but also understand the motivation of their feedback.

We believe in providing best services to our customers. Sales team of the Company from time to time organise meeting(s) with customers to understand their expectation and essentially to provide the best services. Feedbacks received from customers are implemented to further enhance quality of services. Our ongoing efforts have made us significant players across all products we operate in.

## Financial Statements

**Standalone Financial Statements : 128-182**

**Consolidated Financial Statements : 183-244**

# Independent Auditor's Report

To The Members of ROSSARI BIOTECH LIMITED

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of Rossari Biotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition (Refer note 26 to Standalone financial statements of the Company)</b></p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Focusing on the Company's revenue recognition for compliance with Ind AS;</li> <li>Testing the design, implementation and operating effectiveness of the Company's controls on recording revenue;</li> <li>Performing Substantive testing for cut-off with verification of contractual terms of invoices, dispatch/deliveries receipts, inventory reconciliations and circularization of receivable balances and analytical review procedures.</li> <li>Our test of details focused on cut-off samples to verify that only revenue pertaining to current year is recognised based on terms and conditions set out in sales contracts and delivery documents.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

## Independent Auditors' Report (Contd.)

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

## Independent Auditors' Report (Contd.)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the

Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to financial statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Independent Auditors' Report (Contd.)

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 19 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend

proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**

(Partner)

(Membership No. 107723)

(UDIN: 22107723AJGNVK4764)

Place: Mumbai

Date: May 19, 2022

## Annexure “A” to the Independent Auditor’s Report

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Rossari Biotech Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Manoj H. Dama**  
(Partner)

(Membership No. 107723)  
(UDIN: 22107723AJGNVK4764)

Place: Mumbai

Date: May 19, 2022

## Annexure B to the Independent Auditor's Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) To the best of our knowledge and according to information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared

with the books of account.

- (ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has made investments and granted unsecured loans to companies during the year, in respect of which:
- (a) The Company has provided loans during the year and details of which are given below:
- |   | Loans<br>(₹ In million) |
|---|-------------------------|
| A. Aggregate amount granted/<br>provided during the year: |                         |
| - Subsidiaries  | 206.30                  |
| - Others  | 2.15                    |
| B. Balance outstanding as at<br>balance sheet date:       |                         |
| - Subsidiaries  | 25.70                   |
| - Others  | 1.29                    |
- The Company has not provided any advances in the nature of loans or guarantee or security to Subsidiaries, Joint Venture, Associate and any other parties during the year.
- (b) The investments made, and terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has granted loans which are payable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the loans given are repayable on demand, in our opinion, the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below).
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount outstanding as at the balance sheet date.
- (e) No loans granted by the Company have fallen due



during the year as stated in clause (c) above loans are repayable on demand and the repayment of principal or payment of interest has not been demanded by the Company.

- (f) The Company has granted Loans which are repayable on demand, details of which are given below:

	All Parties	Promoters	Related Parties
Aggregate of loans/ advances in nature of loans	206.30	-	206.30
- Repayable on demand (A)			
<b>Total (A)</b>	<b>206.30</b>	<b>-</b>	<b>206.30</b>
Percentage of loans in nature of loans to total loans	100.00%		

- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable. The Company has not provided any guarantee or securities that are covered under the provisions of sections 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provision of the Act. Hence, reporting under clause (v) of the paragraph 3 of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund and Professional Tax.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees'

State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.
- (f) The company has not raised any loans by way of pledge of securities held in its subsidiaries, joint venture or associate companies during the year and hence reporting on clause (ix)(f) of the paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the paragraph 3 of the Order is not applicable.
- (b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the paragraph 3 of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, associate company or persons connected with such directors and hence provisions of section 192 of Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the paragraph 3 of the Order is not applicable.
- (d) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the paragraph 3 of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of paragraph 3 of the Order is not applicable for the year.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**

(Partner)

(Membership No. 107723)

UDIN:21107723AAAAHU1728

Place: Mumbai

Date: May 19, 2022

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2022

(₹ in million)			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3a	1,650.98	1,600.88
(b) Right of Use - Assets	3b	68.61	69.38
(c) Capital Work-in-Progress	3c	8.42	3.19
(d) Goodwill	4	10.60	-
(e) Other Intangible Assets	5	43.56	37.27
(f) Financial Assets			
(i) Investments	6	3,718.50	92.53
(ii) Other Financial Assets	7	16.14	205.48
(g) Income Tax Assets (Net)	8	21.44	21.19
(h) Deferred Tax Assets (Net)	9	10.27	0.52
(i) Other Non-current Assets	10	30.12	18.01
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,578.64</b>	<b>2,048.45</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	11	1,074.41	885.21
(b) Financial Assets			
(i) Investments	12	90.07	-
(ii) Trade Receivables	13	1,809.58	1,373.22
(iii) Cash and Cash Equivalents	14a	267.42	148.31
(iv) Bank Balances other than (iii) above	14b	80.68	711.51
(v) Loans	15	26.99	24.44
(vi) Other Financial Assets	16	8.51	31.84
(c) Other Current Assets	17	323.02	220.61
<b>TOTAL CURRENT ASSETS</b>		<b>3,680.68</b>	<b>3,395.14</b>
<b>TOTAL ASSETS</b>		<b>9,259.32</b>	<b>5,443.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	18	110.11	103.86
(b) Other Equity	19	7,735.13	3,940.58
<b>TOTAL EQUITY</b>		<b>7,845.24</b>	<b>4,044.44</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Provisions	20	12.28	9.87
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12.28</b>	<b>9.87</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Trade Payables	21		
a) total outstanding dues of Micro Enterprises and Small Enterprises		144.21	150.54
b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,013.89	1,085.88
(ii) Other Financial Liabilities	22	112.62	104.96
(b) Other Current Liabilities	23	68.45	32.61
(c) Provisions	24	9.14	6.95
(d) Current Tax Liabilities (Net)	25	53.49	8.34
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,401.80</b>	<b>1,389.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,259.32</b>	<b>5,443.59</b>

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

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

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**MANOJ H. DAMA**  
Partner

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**MANASI NISAL**  
Chief Financial Officer

**PARUL GUPTA**  
Company Secretary

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

## Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>I</b> Revenue from operations	26	10,728.44	6,904.14
<b>II</b> Other Income	27	127.00	97.23
<b>III Total Income (I + II)</b>		<b>10,855.44</b>	<b>7,001.37</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	28	7,079.83	4,338.78
(b) Purchases of stock-in-trade		1,222.89	249.86
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	29	(103.38)	(72.21)
(d) Employee benefits expense	30	435.27	366.60
(e) Finance costs	31	25.45	29.92
(f) Depreciation and amortisation expenses	32	262.68	220.74
(g) Other expenses	33	865.90	807.70
<b>Total Expenses</b>		<b>9,788.64</b>	<b>5,941.39</b>
<b>V Profit before tax (III - IV)</b>		<b>1,066.80</b>	<b>1,059.98</b>
<b>VI Tax Expense</b>			
Current tax	34(a)	287.15	275.30
Deferred tax	34(b)	(15.09)	(6.34)
<b>Total Tax Expense</b>		<b>272.06</b>	<b>268.96</b>
<b>VII Profit for the year (V - VI)</b>		<b>794.74</b>	<b>791.02</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		0.18	1.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.04)	(0.42)
<b>Total Other Comprehensive Income</b>		<b>0.14</b>	<b>1.25</b>
<b>IX Total Comprehensive Income (VII + VIII)</b>		<b>794.88</b>	<b>792.27</b>
<b>X Earnings per equity share (in ₹)</b>	35		
Basic		14.49	15.34
Diluted		14.40	15.25

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

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

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**MANOJ H. DAMA**  
 Partner

**EDWARD MENEZES**  
 Executive Chairman  
 DIN: 00149205

**SUNIL CHARI**  
 Managing Director  
 DIN: 00149083

**MANASI NISAL**  
 Chief Financial Officer

**PARUL GUPTA**  
 Company Secretary

Place: Mumbai  
 Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
 Date : 19<sup>th</sup> May, 2022

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

### (a) Equity Share Capital

(₹ in million)

Particulars	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Issued, Subscribed and Paid-up:</b>		
Balance as at the beginning of the year	103.86	101.51
Fresh Issue during the year (refer note 18.1, 18.2 and 18.3)	6.25	2.35
<b>Balance as at the end of the year</b>	<b>110.11</b>	<b>103.86</b>

### (b) Other Equity

(₹ in million)

Particulars	Reserves and Surplus			
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1,151.29</b>	<b>4.87</b>	<b>1,577.07</b>	<b>2,733.23</b>
Profit for the year	-	-	791.02	791.02
Other Comprehensive income / (loss) for the year (net of tax)	-	-	1.25	1.25
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>792.27</b>	<b>792.27</b>
Share based payment expenses (refer note 30.1)	-	16.28	-	16.28
Dividend paid on equity shares	-	-	(25.38)	(25.38)
Premium on fresh issue of Equity Shares (refer note 18.1)	497.66	-	-	497.66
Share issue expenses (refer foot note to note 19)	(73.48)	-	-	(73.48)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,575.47</b>	<b>21.15</b>	<b>2,343.96</b>	<b>3,940.58</b>
Profit for the year	-	-	794.74	794.74
Other Comprehensive income / (loss) for the year (net of tax)	-	-	0.14	0.14
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>794.88</b>	<b>794.88</b>
Share based payment expenses (refer note 30.1)	-	18.40	-	18.40
Transfer on account of exercise of employee stock option	6.69	(6.69)	-	-
Dividend paid on equity shares	-	-	(27.53)	(27.53)
Premium on fresh issue of Equity Shares (refer note 18.2 and 18.3)	3,042.60	-	-	3,042.60
Share issue expenses (refer foot note to note 19)	(33.80)	-	-	(33.80)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>4,590.96</b>	<b>32.86</b>	<b>3,111.31</b>	<b>7,735.13</b>

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

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

**MANOJ H. DAMA**  
Partner

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**MANASI NISAL**  
Chief Financial Officer

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**PARUL GUPTA**  
Company Secretary

## Standalone Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>1,066.80</b>	<b>1,059.98</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	262.68	220.74
Gain on disposal of property, plant and equipment	(6.87)	(4.32)
Provision for expected credit loss	1.05	0.15
Share-based payments expenses	15.50	15.30
Write down of value of Inventory to net realisable value	4.46	4.71
Finance Cost	25.45	29.92
Dividend Income	-	(32.71)
Interest Income	(49.77)	(49.59)
Net (gain)/loss on sale/fair value of investments	(12.52)	0.01
Net (gain)/loss arising on derivative instruments measured at fair value through profit or loss	(4.36)	-
Deemed income on investment	-	(0.12)
Net foreign exchange gain	-	(0.01)
<b>Operating profit before working capital changes</b>	<b>1,302.42</b>	<b>1,244.06</b>
<b>Changes in :</b>		
Trade Receivables and other assets	(481.04)	(361.41)
Inventories	(182.89)	(308.21)
Trade Payables and other liabilities	(65.08)	255.77
<b>Cash generated from Operations</b>	<b>573.41</b>	<b>830.21</b>
Income taxes paid (net of refunds)	(242.25)	(309.28)
<b>Net cash flows generated from operating activities</b>	<b>331.16</b>	<b>520.93</b>
<b>B Cash flows from investing activities</b>		
Net (Investment) / redemption of Mutual Funds	(77.55)	105.60
Payments to acquire subsidiaries	(3,530.87)	(45.91)
Payment to acquire balance stake in subsidiary	(20.00)	-
Payments to acquire associate	(75.10)	-
Loans given to subsidiary companies	(206.30)	(32.50)
Loans repaid by subsidiary companies	204.30	8.80
Dividend Received	-	32.71
Interest Received	56.43	42.34
Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(324.58)	(579.88)
Proceeds from sale of property, plant and equipment	19.11	21.86
Payment for transfer of assets under Business combination	(52.50)	-
Decrease in bank balances not considered as cash and cash equivalents (net)	825.90	76.99
<b>Net cash flows used in investing activities</b>	<b>(3,181.16)</b>	<b>(369.99)</b>
<b>C Cash flows from financing activities</b>		
Repayment of short term borrowing (net)	-	(270.52)
Repayment of long-term borrowings	-	(398.77)
Interest paid	(18.41)	(26.40)

## Standalone Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Proceeds from Issue of equity shares (net of share issue expenses)	3,015.05	426.53
Dividend paid on equity shares	(27.53)	(25.38)
<b>Net cash flow generated from / (used in ) financing activities</b>	<b>2,969.11</b>	<b>(294.54)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>119.11</b>	<b>(143.60)</b>
<b>Opening Cash and cash equivalents</b>	<b>148.31</b>	<b>291.90</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	0.01
<b>Closing Cash and cash equivalents</b>	<b>267.42</b>	<b>148.31</b>

### Notes:

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS 7) – Statement of Cash flow.

The accompanying notes 1 to 53 are an integral part of the Standalone Financial Statements.

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

**For and on behalf of the Board of Directors of Rossari Biotech Limited**

**MANOJ H. DAMA**  
Partner

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**MANASI NISAL**  
Chief Financial Officer

**PARUL GUPTA**  
Company Secretary

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

# Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

## 1. Corporate information

Rossari Biotech Limited ('the Company') is a public company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is at 201-A & B, Akruiti Corporate Park, L.B.S Marg, Next to GE Garden, Kanjurmarg (West), Mumbai – 400078. The Company is mainly engaged in manufacturing, selling and distribution of specialty chemicals. The products cater to global brands in the FMCG sector and find applications in a host of consumer-centric products and home and personal care products, textile chemicals, animal health and nutrition and cosmetic products.

## 2. Significant Accounting Policies

### i. Statement of Compliances and Basis of Preparation and Presentation

- (a) The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting as a going concern except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented.
- (b) The aforesaid Financial Statements were approved by the Company's Board of Directors and authorised for issue on 19<sup>th</sup> May, 2022.
- (c) A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

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

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

### (d) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the



## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Notes.

Accounting Estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(e) **Critical estimates and judgements**

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

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Their reassessments may result in change in the depreciation/amortisation expense in future periods.

**Fair value measurements and valuation processes**

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

**Actuarial Valuation**

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

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

The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31<sup>st</sup> March, 2022. The Company has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, inventories and has made necessary adjustments to the carrying amounts by recognising provisions/impairment of assets where necessary. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

The principal accounting policies are set out below.

ii. **Revenue Recognition**

(a) Sale of Goods:

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

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

(b) Commission Income:

Commission income is recognised based on the contractual agreement entered with the respective parties.

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

(c) Export Incentive:

Income from export incentives such as duty drawback and Remission of Duties and Taxes on Export Products ('RoDTEP') scheme are recognised on an accrual basis.

(d) Dividend and Interest Income:

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

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

### iii. Property, Plant & Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on Written Down Value basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

### iv. Intangible Assets

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Trademark, Copyright & Patent:

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

(b) Software expenditures:

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

### v. Research & Development

Revenue expenditure incurred on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred. Capital expenditure is included in the Cost of acquisition of the appropriate property plant and equipment and depreciation thereon is charged as per the rates prescribed.

### vi. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### vii. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and packing materials are value at the lower of cost or net realisable value. Cost is determined on the basis of First in First Out (FIFO) method

Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and consumables other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower.

### viii. Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

### ix. Employee Benefits

#### a) Defined Contribution Plan:

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

#### b) Defined Benefit Plan:

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

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the

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

#### c) Long term Compensated Absences

Company's liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method

### x. Foreign Exchange Transactions and Translations

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

#### Forward Exchange Contracts

The use of foreign currency forward contract is governed by the Company's strategy. The Company uses foreign currency forward contract to hedge its risk associated with foreign currency fluctuation relating to certain firm commitment and forecasted transaction for amount in excess of natural hedge available on export realisation against import payment. The Company doesn't use forward contract for speculative purpose.

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

### xi. Taxation

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

#### (a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### (b) Deferred Tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilised the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

enacted or substantively enacted by the end of the reporting period.

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

### (c) Current and Deferred Tax for the year

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

## xii. Borrowing Costs

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

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

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## xiii. Leases

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

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

The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

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

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

#### xiv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount

cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

#### xv. Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

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

##### Classification and subsequent measurement

##### (a) Financial Assets

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

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

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

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

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

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

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

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

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

### (i) Financial assets at Fair value through Profit & loss

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

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

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

### (ii) Impairment of Financial Assets

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

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

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

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

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

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

### (iii) De-recognition of financial assets

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

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

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

### (iv) Foreign Exchange Gains & Losses

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

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

### (v) Financial liabilities and equity instruments

#### (a) Classification as debt or equity

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

#### (b) Equity Instruments

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

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

#### (c) Compound Financial Instruments

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

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

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

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

### (d) Financial Liabilities

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

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

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

### (vi) Offsetting

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

### (vii) Financial guarantee contracts and loan commitments

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

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

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

### xvi. Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company.

The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.



## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### xvii. Dividend Distribution

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

### xviii. Use of Estimates and judgement

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

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

### xix. Earnings per share

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

### xx. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

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

### xxi. Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards)

Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 3a - PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture & Fittings	Vehicles	Office Equipment	Computer Equipment	Total
<b>(I) Gross Carrying Amount</b>								
Balance as at 1 <sup>st</sup> April, 2020	101.23	418.08	487.19	25.26	30.36	13.09	6.67	1,081.88
Additions during the year (refer note (i) below)	-	313.38	677.93	9.52	1.67	2.32	3.69	1,008.51
Less: Disposals during the year	-	-	(31.74)	-	-	-	-	(31.74)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>101.23</b>	<b>731.46</b>	<b>1,133.38</b>	<b>34.78</b>	<b>32.03</b>	<b>15.41</b>	<b>10.36</b>	<b>2,058.65</b>
Acquisitions through business combinations [Refer note 50]	-	-	3.55	0.05	-	0.97	0.13	4.70
Additions during the year	0.19	138.03	140.14	5.22	8.00	5.22	7.24	304.04
Less: Disposals during the year	-	-	(30.92)	-	-	-	-	(30.92)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>101.42</b>	<b>869.49</b>	<b>1,246.15</b>	<b>40.05</b>	<b>40.03</b>	<b>21.60</b>	<b>17.73</b>	<b>2,336.47</b>
<b>(II) Accumulated depreciation</b>								
Balance as at 1 <sup>st</sup> April, 2020	-	32.49	198.42	10.29	12.46	6.29	4.38	264.33
Depreciation expense for the year	-	49.80	143.25	4.45	5.76	1.98	2.41	207.65
Less: Disposals during the year	-	-	(14.21)	-	-	-	-	(14.21)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>82.29</b>	<b>327.46</b>	<b>14.74</b>	<b>18.22</b>	<b>8.27</b>	<b>6.79</b>	<b>457.77</b>
Depreciation expense for the year	-	66.40	162.78	5.96	4.56	2.87	3.83	246.40
Less: Disposals during the year	-	-	(18.68)	-	-	-	-	(18.68)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>148.69</b>	<b>471.56</b>	<b>20.70</b>	<b>22.78</b>	<b>11.14</b>	<b>10.62</b>	<b>685.49</b>
<b>(III) Net carrying amount (I-II)</b>								
Balance as at 31 <sup>st</sup> March, 2020	101.23	385.59	288.77	14.97	17.90	6.80	2.29	817.55
Balance as at 31 <sup>st</sup> March, 2021	101.23	649.17	805.92	20.04	13.81	7.14	3.57	1,600.88
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>101.42</b>	<b>720.80</b>	<b>774.59</b>	<b>19.35</b>	<b>17.25</b>	<b>10.46</b>	<b>7.11</b>	<b>1,650.98</b>

#### Notes:

- Additions during the year includes borrowing costs capitalised - Nil (31<sup>st</sup> March, 2021 - ₹ 13.02 million).
- The title deeds of all the immovable properties are held in the name of the Company.
- The Company has created the charge on property, plant and equipment for the working capital facilities obtained from the Banks.
- The depreciation expenses of property, plant and equipment has been included under note 32 'Depreciation and amortisation expenses'.

### NOTE 3b - RIGHT OF USE ASSETS

(₹ in million)

Particulars	Leasehold Land	Total
<b>(I) Gross Carrying Amount</b>		
Balance as at 1 <sup>st</sup> April, 2020	70.92	70.92
Additions during the year	-	-
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>70.92</b>	<b>70.92</b>
Additions during the year	-	-
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>70.92</b>	<b>70.92</b>
<b>(II) Accumulated depreciation</b>		
Balance as at 1 <sup>st</sup> April, 2020	0.77	0.77
Depreciation expense for the year	0.77	0.77
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.54</b>	<b>1.54</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 3b - RIGHT OF USE ASSETS (CONTD.)

(₹ in million)		
Particulars	Leasehold Land	Total
Depreciation expense for the year	0.77	0.77
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.31</b>	<b>2.31</b>
<b>(III) Net carrying amount (I-II)</b>		
Balance as at 31 <sup>st</sup> March, 2020	70.15	70.15
Balance as at 31 <sup>st</sup> March, 2021	69.38	69.38
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>68.61</b>	<b>68.61</b>

#### Note:

The lease agreements are duly executed in favour of the Company.

### NOTE 3c - CAPITAL WORK IN PROGRESS (CWIP)

(₹ in million)		
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Work in Progress	8.42	3.19
<b>Total</b>	<b>8.42</b>	<b>3.19</b>

#### Notes:

(i) Capital work in progress is mainly comprises of Plant and Machinery pending installation and commissioning.

#### (ii) CWIP ageing schedule as on 31<sup>st</sup> March, 2022

CWIP	(₹ in million)				
	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	8.42	-	-	-	8.42
<b>Total</b>	<b>8.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.42</b>

#### (iii) CWIP ageing schedule as on 31<sup>st</sup> March, 2021

CWIP	(₹ in million)				
	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3.19	-	-	-	3.19
<b>Total</b>	<b>3.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.19</b>

### NOTE 4 - GOODWILL

(₹ in million)	
Particulars	Amount
Balance as at 1 <sup>st</sup> April, 2020	-
Additions during the year	-
Deductions/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>
Acquisitions through business combination (Refer note 50)	10.60
Deductions/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>10.60</b>

#### Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Company internally reviews the goodwill for impairment for the acquired business.

Value in use is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans approved by the Board. Any major variations to strategic plan, based on experience are incorporated in the calculations. Cash flows beyond the 5 year period are extrapolated using a long term growth rate.

Management reviews the carrying value of goodwill annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount.

Key assumptions in the budgets and plans include future revenue volume/price growth rates, associated future levels of marketing support, cost-base of manufacture and supply and directly associated overheads. These assumptions are based on historical trends and future market expectations (also considering the possible effect of COVID-19, if any) and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are

- (a) long term growth rate – Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate applicable for the geographies, with reference to historical economic growth rates. The growth rate assumed for the current financial year was 4%.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 4 - GOODWILL (CONTD.)

(b) discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies. The pre-tax discount rate assumed for the current financial year was 22.4%.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable possible changes in key assumptions would cause the recoverable amount to be less than the carrying value.

### NOTE 5 - OTHER INTANGIBLE ASSETS

		(₹ in million)		
Particulars	Computer Software	Trademark, Copyright & Patent	Total	
(I) <b>Gross Carrying Amount</b>				
Balance as at 1 <sup>st</sup> April, 2020	0.40	71.50		71.90
Additions during the year	1.92	-		1.92
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>2.32</b>	<b>71.50</b>		<b>73.82</b>
Acquisitions through business combination (Refer note 50)	-	21.00		21.00
Additions during the year	-	0.80		0.80
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.32</b>	<b>93.30</b>		<b>95.62</b>
(II) Accumulated amortisation				
Balance as at 1 <sup>st</sup> April, 2020	0.40	23.84		24.24
Amortisation expense for the year	0.39	11.92		12.31
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>0.79</b>	<b>35.76</b>		<b>36.55</b>
Amortisation expense for the year	0.34	15.17		15.51
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.13</b>	<b>50.93</b>		<b>52.06</b>
(III) <b>Net carrying amount (I-II)</b>				
Balance as at 31 <sup>st</sup> March, 2020	-	47.66		47.66
Balance as at 31 <sup>st</sup> March, 2021	1.53	35.74		37.27
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.19</b>	<b>42.37</b>		<b>43.56</b>

#### Notes:

The amortisation expense of intangible assets has been included under Note 32 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

### NOTE 6: INVESTMENTS (NON-CURRENT)

		(₹ in million)			
Particulars	Face value per unit	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
		No. of shares	Amount	No. of shares	Amount
<b>Investment in Equity Instruments (fully paid-up)</b>					
<b>Unquoted</b>					
<b>At Cost:</b>					
(i) In Subsidiary Companies					
Rossari Personal Care Products Private Limited (refer note 6.1)	10	500,000	22.69	300,000	2.69
Buzil Rossari Private Limited (Refer note 6.2)	10	7,321,533	89.84	7,321,533	89.84
Unitop Chemicals Private Limited (Refer note 6.3)	100	27,908	2,709.46	-	-
Tristar Intermediates Private Limited (Refer note 6.4)	10	706,800	821.41	-	-
(ii) In Associate					
Romakk Chemicals Private Limited (Refer note 6.5)	100	626,250	75.10	-	-
<b>Total</b>			<b>3,718.50</b>		<b>92.53</b>

#### Notes:

6.1 During the previous year, Rossari Personal Care Private Limited ("the subsidiary company") had split its equity shares of the face value of ₹ 100 each to face value of ₹ 10 each resulting in the increase of equity shares to 10,000 from 1,000 equity shares. Further the subsidiary company had issued bonus shares in the ratio 1:29 thereby increasing the number of equity shares to 300,000.

During the year ended 31<sup>st</sup> March, 2022, the Company has acquired the remaining 40% stake i.e. 200,000 equity shares for a consideration of ₹ 20.00 million making it a wholly owned subsidiary of the Company w.e.f. 23<sup>rd</sup> July, 2021.

Includes deemed investment amounting to ₹ 0.71 million (31<sup>st</sup> March, 2021 - ₹ 0.71 million).

6.2 During the previous year, the Company had acquired the balance 40% stake in Buzil Rossari Private Limited aggregating to 2,928,615 number of shares from BUZIL-WERK Wagner GmbH & Co for a total consideration of ₹ 45.91 million making it a wholly owned subsidiary of the Company.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 6: INVESTMENTS (NON-CURRENT) (CONTD.)

- 6.3 On 26<sup>th</sup> August, 2021, the Company has completed the acquisition of 65% equity shares of Unitop Chemicals Private Limited (Unitop) for a consideration of ₹ 2,709.46 million from the existing shareholders (including ₹ 12.00 million paid to employees of Unitop for employee retention bonus). Further the remaining 35% equity shares will be acquired in multiple tranches for ₹ 1,452.50 million, subject to the customary terms and conditions as defined in the Share Purchase Agreement.
- 6.4 On 1<sup>st</sup> September, 2021, the Company has completed the acquisition of 76% equity shares of Tristar Intermediates Private Limited for a consideration of ₹ 821.41 million from the existing shareholders. Further the remaining 24% equity shares will be acquired in multiple tranches for ₹ 259.20 million, subject to the customary terms and conditions as defined in the Share Purchase Agreement.
- 6.5 On 25<sup>th</sup> November, 2021, the Company has completed the acquisition of 50.10% equity shares of Romakk Chemicals Private Limited for a consideration of ₹ 75.10 million.

### NOTE 7: OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets at Amortised Cost:</b>		
(unsecured, considered good unless otherwise stated)		
Security Deposits	15.97	10.11
Fixed Deposit with original maturity of more than 12 months (Refer note below)	0.16	195.23
Interest Accrued	0.01	0.14
<b>Total</b>	<b>16.14</b>	<b>205.48</b>

#### Note:

Deposits includes deposits earmarked with Electricity authority ₹ 0.11 million and with VAT authority ₹ 0.05 million (31<sup>st</sup> March 2021 ₹ 3.61 million).

### NOTE 8: INCOME TAX ASSETS (NET) (NON CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Advance Income Tax	21.44	21.19
(net off Provision for Tax of ₹ 567.45 million (31 <sup>st</sup> March 2021 – ₹ 567.45 million))		
<b>Total</b>	<b>21.44</b>	<b>21.19</b>

### NOTE 9: DEFERRED TAX ASSET (NET) (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred Tax Asset (Refer note 9.1)	10.27	0.52
<b>Total</b>	<b>10.27</b>	<b>0.52</b>

#### NOTE 9.1 MOVEMENT IN DEFERRED TAX ASSETS:

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2020	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Recognised in Business Combination	As at 31 <sup>st</sup> March, 2021
<b>Tax effect of items constituting deferred tax assets:</b>					
Allowances for expected credit losses	1.15	0.04	-	-	1.19
Provision for Gratuity	3.76	0.43	(0.42)	-	3.77
Other employee benefits	4.55	(0.69)	-	-	3.86
<b>Tax effect of items constituting deferred tax liabilities:</b>					
Allowances on property, plant & equipment and other intangible assets	(14.86)	6.56	-	-	(8.30)
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(5.40)</b>	<b>6.34</b>	<b>(0.42)</b>	<b>-</b>	<b>0.52</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 9: DEFERRED TAX ASSET (NET) (NON-CURRENT) (CONTD.):

#### NOTE 9.1 MOVEMENT IN DEFERRED TAX ASSETS (CONTD.):

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Recognised in Business Combination	As at 31 <sup>st</sup> March, 2022
<b>Tax effect of items constituting deferred tax assets:</b>					
Allowances for expected credit losses	1.19	(0.57)	-	-	1.76
Provision for Gratuity	3.77	(0.41)	0.04	-	4.14
Other employee benefits	3.86	(1.13)	-	-	4.99
<b>Tax effect of items constituting deferred tax liabilities:</b>					
Allowances on property, plant & equipment and other intangible assets	(8.30)	(12.98)	-	(5.31)	(0.63)
<b>Net Deferred Tax Asset/(Liability)</b>	<b>0.52</b>	<b>(15.09)</b>	<b>0.04</b>	<b>(5.31)</b>	<b>10.27</b>

### NOTE 10: OTHER ASSETS (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital advances	29.24	16.92
Prepaid Expenses	0.85	1.09
Others	0.03	-
<b>Total</b>	<b>30.12</b>	<b>18.01</b>

### NOTE 11: INVENTORIES

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials [Including in transit of ₹ 46.06 million (31 <sup>st</sup> March, 2021 - ₹ 60.71 million)]	633.62	494.58
Packing Materials	54.19	114.90
Work-in-progress	69.71	29.03
Finished goods	292.05	243.63
Consumables, stores and spares	10.56	3.07
Stock in trade	14.28	-
<b>Total</b>	<b>1,074.41</b>	<b>885.21</b>

#### Notes:

- The cost of Inventories recognised as an expense during the year was ₹ 9,053.80 million (31<sup>st</sup> March, 2021 - ₹ 5,106.13 million), including in respect of write down of inventories to net realisable value ₹ 4.46 million (31<sup>st</sup> March, 2021 - ₹ 4.71 million).
- The Company has sanctioned credit facilities from banks which are secured inter alia by hypothecation of inventories.
- The method of valuation of inventories is stated in sub note (vii) of Note 2.

### NOTE 12: INVESTMENTS (CURRENT)

(₹ in million)

Particulars	No of units	As at 31 <sup>st</sup> March, 2022	No of units	As at 31 <sup>st</sup> March, 2021
<b>Quoted (Fair value through profit or loss)</b>				
UTI Liquid Cash Plan - Direct Plan Growth	8,615.30	30.05	-	-
SBI Magnum Low Duration Fund Regular Growth	21,081.59	60.02	-	-
<b>Total</b>		<b>90.07</b>		
<b>Notes:</b>				
Aggregate carrying value of quoted investments		90.07		-
Aggregate market value of quoted investments		90.07		-

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 13: TRADE RECEIVABLES

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Unsecured:</b>		
Considered good	1,815.36	1,377.95
Less: Allowance for Expected Credit Losses	(5.78)	(4.73)
<b>Total</b>	<b>1,809.58</b>	<b>1,373.22</b>

#### Notes:

#### 13.1 Trade Receivables ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,792.65	16.49	6.22	-	-	1,815.36
Less: Loss Allowance						(5.78)
<b>Total</b>						<b>1,809.58</b>

#### 13.2 Trade Receivables ageing schedule as on 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,368.98	4.63	3.57	0.77	-	1,377.95
Less: Loss Allowance						(4.73)
<b>Total</b>						<b>1,373.22</b>

13.3 Refer Note 40 for receivables outstanding from Related Parties.

13.4 Refer Note 45 for disclosures related to credit risk and Note 46 for impairment of trade receivables under expected credit loss model and related disclosures.

13.5 Trade receivables are hypothecated to banks against working capital facility sanctioned from the bank.

### NOTE 14a: CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with banks		
- in Current Accounts	181.44	94.61
- Fixed deposits with original maturity of less than 3 months	81.40	49.38
Cash on hand	1.12	1.14
Others*	3.46	3.18
<b>Total</b>	<b>267.42</b>	<b>148.31</b>

\*Others include imprest given to employees

### NOTE 14b: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fixed Deposits with original maturity of more than 3 months but balance maturity less than 12 months	80.68	711.51
<b>Total</b>	<b>80.68</b>	<b>711.51</b>

#### Notes:

Deposits includes deposits earmarked with Electricity authority ₹ 2.10 million (31<sup>st</sup> March, 2021 - Nil). The balance deposits are marked as lien against letter of credit and bank guarantees.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 15: LOANS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets at Amortised Cost:</b>		
(Unsecured, considered good unless otherwise stated)		
Loans to related party (refer note 15.2, 15.3 and note 40)	25.70	23.70
Other Loans (refer note 15.1)	1.29	0.74
<b>Total</b>	<b>26.99</b>	<b>24.44</b>

### Loan granted to promoters, Directors, KMP and the related parties as on 31<sup>st</sup> March, 2022

(₹ in million)

Type of Borrower	Amount of Loan or Advance in the nature of Loan Outstanding		Percentage to the total Loan and Advances in the nature of Loans	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Party - Buzil Rossari Private Limited - Repayable on demand	25.70	23.70	95%	97%

#### Notes:

15.1 Other Loans mainly includes loans to employees

15.2 Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

15.3 Loans to related party represents loan given to Buzil Rossari Private Limited (wholly owned subsidiary) for general business purpose. The said loan is repayable on demand and carries an interest rate of 8% to 9% p.a. (31<sup>st</sup> March 2021 - 9% p.a.).

### NOTE 16: OTHER FINANCIAL ASSETS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>At Amortised Cost:</b>		
Security Deposits	0.32	3.37
Interest Accrued on Fixed deposits	0.75	10.10
Interest on loans to related parties	2.95	0.13
Others	0.13	18.24
<b>At fair value through Profit &amp; Loss:</b>		
Derivative financial assets	4.36	-
<b>Total</b>	<b>8.51</b>	<b>31.84</b>

#### Notes:

Refer Note 45 for disclosures related to credit risk and Note 46 for impairment under expected credit loss model and related financial instrument disclosures.

### NOTE 17: OTHER ASSETS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with Government Authorities	49.67	150.45
Prepaid expenses	39.76	4.67
Advance paid to suppliers	233.59	65.49
<b>Total</b>	<b>323.02</b>	<b>220.61</b>



## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 18: EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Authorised:</b>		
60,000,000 (31 <sup>st</sup> March, 2021 - 60,000,000) Equity shares of ₹ 2 each	120.00	120.00
<b>Total</b>	<b>120.00</b>	<b>120.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
55,056,386 (31 <sup>st</sup> March, 2021 - 51,929,390) Equity shares of ₹ 2 each, fully paid up	110.11	103.86
<b>Total</b>	<b>110.11</b>	<b>103.86</b>

#### Notes:

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in million)

Particulars	No of Shares	As at 31 <sup>st</sup> March, 2022	No of Shares	As at 31 <sup>st</sup> March, 2021
Issued, Subscribed and Paid-up:				
Balance as at the beginning of the year	51,929,390	103.86	50,752,920	101.51
Fresh issue of equity shares (refer note 18.1 and 18.2)	3,012,046	6.02	1,176,470	2.35
Shares issued on exercise of employee stock options during the year (refer note 18.3)	114,950	0.23	-	-
<b>Total</b>	<b>55,056,386</b>	<b>110.11</b>	<b>51,929,390</b>	<b>103.86</b>

18.1 During the previous year, the Company has completed the Initial Public Offer (IPO) of 11,676,470 Equity Shares of the face value of ₹ 2/- each at an issue price of ₹ 425/- per Equity Share, comprising offer for sale of 10,500,000 shares by Selling Shareholders and fresh issue of 1,176,470 shares. The Equity Shares of the Company were listed on July 23, 2020 on BSE Limited and National Stock Exchange of India Limited.

18.2 During the year ended on 31<sup>st</sup> March, 2021, the Board of Directors at its meeting held on 23<sup>rd</sup> March, 2021, inter alia approved the issue of 3,012,046 equity shares on preferential basis for cash consideration. Consequently, the shareholder of the Company at its Extra Ordinary General meeting held on 17<sup>th</sup> April, 2021 has approved issue of 3,012,046 shares of face value of ₹ 2 each on preferential basis at ₹ 996 per share aggregating to ₹ 3,000.00 million to certain parties. During the current year, pursuant to Section 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under and as per the approval of the Members of the Company, the Board of Directors of the Company at their meeting held on 21<sup>st</sup> April, 2021 allotted 3,012,046 Equity Shares of the Face Value of ₹ 2/- each, at the issue price of ₹ 996/- each including a premium of ₹ 994/- each on preferential basis by way of a private placement.

18.3 During the year, company has issued 114,950 equity shares of the Face Value of ₹ 2/- each, at the exercise price of ₹ 425/- each including a premium of ₹ 423/- each under Employee Stock Option Plan. Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 30.1.

#### b) Terms of Rights, preferences and restrictions attached to equity shares

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

#### c) Details of equity shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of shares	% shareholding	No. of shares	% shareholding
<b>Equity shares:</b>				
Mr. Edward Menezes	16,118,820	29.28%	16,118,820	31.04%
Mr. Sunil Chari	16,089,320	29.22%	16,089,320	30.98%
Rossari Biotech (India) Private Limited	3,016,200	5.48%	3,016,200	5.81%
SBI Small Cap Fund	3,829,376	6.96%	2,862,360	5.51%

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 18: EQUITY SHARE CAPITAL (CONTD.)

d) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

Aggregate of 26,400,000 (31<sup>st</sup> March, 2021 - 26,400,000) Equity Shares allotted as fully paid up by way of bonus shares

### e) Shareholding of Promoters / Promoter Group

(₹ in million)

Promoter / Promoters Group Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Edward Menezes	16,118,820	29.28%	16,118,820	31.04%	-
Mr. Sunil Chari	16,089,320	29.22%	16,089,320	30.98%	-
Ms. Anita Menezes	1,002,630	1.82%	1,002,630	1.93%	-
Ms. Jyotishna Chari	1,000,330	1.82%	1,000,330	1.93%	-
Mr. Mikhail Menezes	133,200	0.24%	133,200	0.26%	-
Mr. Yash Chari	165,000	0.30%	165,000	0.32%	-
<b>Promoter Trust</b>					
- Menezes Family Trust - in the name of Edward Walter Menezes	110,000	0.20%	110,000	0.21%	-
- Chari Family Trust - in the name of Sunil Srinivasan Chari	110,000	0.20%	110,000	0.21%	-
<b>Bodies Corporate</b>					
- Rossari Biotech India Private Limited	3,016,200	5.48%	3,016,200	5.81%	-
<b>Total</b>	<b>37,745,500</b>	<b>68.56%</b>	<b>37,745,500</b>	<b>72.69%</b>	<b>-</b>

### NOTE 19: OTHER EQUITY

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Securities premium	4,590.96	1,575.47
Employee Stock Options Outstanding	32.86	21.15
Retained earnings	3,111.31	2,343.96
<b>Total</b>	<b>7,735.13</b>	<b>3,940.58</b>

### Movement in Reserves

#### (i) Securities Premium

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	1,575.47	1,151.29
Add: Additions during the year (refer note no. 18.1, 18.2 and 18.3)	3,042.60	497.66
Add: Transfer account of exercise of Employee stock option	6.69	-
Less: Adjustment during the year (Refer note below)	(33.80)	(73.48)
<b>Balance as at the end of the year</b>	<b>4,590.96</b>	<b>1,575.47</b>

Note: The Company has adjusted the expenses related to preferential issue of shares against securities premium. During the previous year, the Company had adjusted its share of IPO expenses against the securities premium.

#### (ii) Employee Stock Options Outstanding

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	21.15	4.87
Add: Recognition of Equity-settled share-based payments	18.40	16.28
Less: Transfer on account of exercise of employee stock option	(6.69)	-
<b>Balance as at the end of the year</b>	<b>32.86</b>	<b>21.15</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 19: OTHER EQUITY (CONTD.)

#### (iii) Retained Earnings

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	2,343.96	1,577.07
Add: Profit during the year	794.74	791.02
Less: Dividend paid	(27.53)	(25.38)
Add: Remeasurement gain on defined benefit plan	0.14	1.25
<b>Balance as at the end of the year</b>	<b>3,111.31</b>	<b>2,343.96</b>
<b>Total</b>	<b>7,735.13</b>	<b>3,940.58</b>

#### Description of Nature and purpose of other equity:

##### Retained Earnings:

Retained earnings represent the amount of accumulated earnings.

##### Securities Premium:

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

##### Employee Stock Options Outstanding:

Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

##### Notes:

##### Details of Dividends proposed:

The Board of Directors has recommended dividend of ₹ 0.50 per share on the face value of ₹ 2.00 each (25%), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Dividend per share (₹)	0.50	0.50
Dividend on Equity Shares (₹ in million)	27.53	27.47

### NOTE 20: PROVISIONS (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for employee benefits</b>		
Gratuity	9.03	7.26
Compensated absences	3.25	2.61
<b>Total</b>	<b>12.28</b>	<b>9.87</b>

##### Notes:

For disclosures related to employee benefits, refer note 41.

### NOTE 21: TRADE PAYABLES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Total outstanding dues of micro enterprises and small enterprises	144.21	150.54
Total outstanding dues other than micro enterprises and small enterprises	1,013.89	1,085.88
<b>Total</b>	<b>1,158.10</b>	<b>1,236.42</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 21: TRADE PAYABLES (CURRENT) (CONTD.)

#### Notes:

- (i) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below:

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Dues remaining unpaid:</b>		
Principal (excludes ₹ 36.45 million (31 <sup>st</sup> March, 2021 - ₹ 8.71 million) payable towards creditors for capital goods and services under other financial liabilities)	144.21	150.54
Interest (including interest on creditors for capital goods and services ₹ 0.45 million (31 <sup>st</sup> March, 2021 - ₹ 0.16 million))	2.16	1.96
Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the Act”) along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date (Including capital creditors ₹ 18.99 million (31 <sup>st</sup> March, 2021 - ₹ 209.44 million))	485.19	1,167.19
- Interest paid in terms of Section 16 of the Act	-	-
Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year (Including on capital creditors ₹ 0.46 million (31 <sup>st</sup> March, 2021 - ₹ 0.81 million))	13.41	11.06
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises (Including interest on capital creditors ₹ 0.46 million (31 <sup>st</sup> March, 2021 - ₹ 0.97 million))	15.56	13.02
Amount of interest accrued and remaining unpaid (Including interest on capital creditors ₹ 0.46 million (31 <sup>st</sup> March, 2021 - ₹ 0.97 million))	31.03	24.76

#### (ii) Trade Payables ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Outstanding for following periods from the transaction date				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	144.21	-	-	-	144.21
(ii) Others	1,000.92	8.38	4.32	0.27	1,013.89

#### (iii) Trade Payables ageing schedule as on 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	Outstanding for following periods from the transaction date				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	150.54	-	-	-	150.54
(ii) Others	1,075.62	8.63	0.86	0.77	1,085.88

### NOTE 22: OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Measured at Amortised Cost:</b>		
Security Deposits	37.68	35.11
Creditors for capital goods & services	40.73	42.96
Interest Accrued	33.45	26.41
Others	0.76	0.48
<b>Total</b>	<b>112.62</b>	<b>104.96</b>

#### Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 23: OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
i. Advances received from customers	30.49	19.56
ii. Statutory dues		
- Taxes Payable	10.68	9.11
- GST Payable	24.89	1.99
- Employee Liabilities	2.39	1.95
<b>Total</b>	<b>68.45</b>	<b>32.61</b>

### NOTE 24: PROVISIONS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for employee benefits</b>		
Gratuity	7.45	5.60
Compensated absences	1.69	1.35
<b>Total</b>	<b>9.14</b>	<b>6.95</b>

#### Notes:

For disclosures related to employee benefits, refer note 41.

### NOTE 25: CURRENT TAX LIABILITIES (NET)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for tax</b>	53.49	8.34
(net of Advance Income Tax of ₹ 508.97 million (31 <sup>st</sup> March, 2021 – ₹ 266.96 million))		
<b>Total</b>	<b>53.49</b>	<b>8.34</b>

### NOTE 26: REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Revenue from contracts with customers:</b>		
- Sale of products	10,640.36	6,884.79
<b>Other operating revenues:</b>		
i. Royalty	-	2.21
ii. Commission Income	69.99	-
iii. Others*	18.09	17.14
<b>Total</b>	<b>10,728.44</b>	<b>6,904.14</b>

\*Includes Export Incentives

Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Contract Price	10,735.61	6,996.49
Less : Discount	95.25	111.70
<b>Total</b>	<b>10,640.36</b>	<b>6,884.79</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 27: OTHER INCOME

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Interest Income (on financial assets measured at Amortised cost):		
- On bank deposits	33.55	40.24
- On others	16.22	9.35
Dividend Income	-	32.71
Gain on disposal of property, plant and equipment	6.87	4.32
Net gain on sale/fair value of investments	12.52	-
Claims received from customer	48.75	-
Others *	9.09	10.61
<b>Total</b>	<b>127.00</b>	<b>97.23</b>

\* Others mainly includes income on account of writeback of liabilities(net) ₹ 9.09 million (31<sup>st</sup> March, 2021: ₹ 7.32 million)

### NOTE 28: COST OF MATERIALS CONSUMED

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Opening Stock of raw materials and packing materials	612.54	381.25
Add: Purchases (Net)	7,165.66	4,570.07
Less: Closing Stock of raw materials and packing materials	698.37	612.54
<b>Total</b>	<b>7,079.83</b>	<b>4,338.78</b>

### NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Opening inventories</b>		
Finished Goods	243.63	195.64
Work-in-progress	29.03	4.81
Stock in trade	-	-
<b>Total</b>	<b>272.66</b>	<b>200.45</b>
<b>Less: Closing inventories</b>		
Finished Goods	292.05	243.63
Work-in-progress	69.71	29.03
Stock in trade	14.28	-
<b>Total</b>	<b>376.04</b>	<b>272.66</b>
<b>Total (increase) / decrease in inventories</b>	<b>(103.38)</b>	<b>(72.21)</b>

### NOTE 30: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Salaries and wages, including bonus	387.47	330.45
Contribution to provident and other funds	8.53	7.28
Share-based payments to employees	15.50	15.30
Workmen & Staff welfare expenses	23.77	13.57
<b>Total</b>	<b>435.27</b>	<b>366.60</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 30: EMPLOYEE BENEFITS EXPENSE (CONTD.)

#### Notes:

#### 30.1 Employee Stock Option plan

The Company has implemented - Rossari Employee Stock Option Plan, 2019 ("ESOP 2019") as approved by the shareholders of the Company and the Nomination & Remuneration Committee (NRC) of the Board of Directors (the 'Board').

As per the ESOP 2019, the Board of Directors at Board Meeting dated 12<sup>th</sup> December, 2019 granted ESOP's to the eligible employees to acquire equity shares of the Company, that vests in a graded manner. The vested options can be exercised within two years from respective vesting date or the period as specified by Nomination & Remuneration Committee as specified in the ESOP 2019. The number of options granted is calculated in accordance with the experience and performance- based formula recommended by the Board and approved by the NRC.

The Company has granted 705,000 Employee Stock Options under ESOP 2019 to its identified employees. This grant is effective from 12<sup>th</sup> December, 2019. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the meeting held on 12<sup>th</sup> December, 2019.

This was further Modified/ revised in accordance with the resolution passed by the Nomination and Remuneration Committee of the Board of Directors of the Company at their meeting held on 22<sup>nd</sup> July, 2020. The exercise price of the shares granted under the scheme was reduced from ₹ 475 to ₹ 425.

The scheme was ratified by the shareholders at its extraordinary general meeting held on 17<sup>th</sup> April, 2021.

During the year, the Company has granted 57,000 Employee Stock Options under ESOP 2019 to its identified employees. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the Board meeting.

#### Information in respect of Options outstanding as on 31<sup>st</sup> March, 2022

#### Movement in Share Options

Particulars	For the year ended 31 <sup>st</sup> March, 2022		For the year ended 31 <sup>st</sup> March, 2021	
	Number of Shares	Weighted Average exercise price	Number of Shares	Weighted Average exercise price
The number and weighted average exercise prices of share options outstanding at the beginning of the year	612,500	425	705,000	475
Granted during the year	57,000	1,334	-	-
Forfeited / lapsed during the year	3,550	425	92,500	-
Exercised during the year	114,950	425	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	551,000	520	612,500	425
Exercisable at the end of the year	4,000	425	-	425
Remaining contractual life (in years)		1.78		2.90

The inputs used in the measurement of the fair values at grant date /modification date of the employee stock option plans (ESOPs) using Black Scholes option pricing model were as follows:

Grant Date	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019
Modification Date	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020
Exercise price per share (₹)	425	425	425	425
Share price on the date of grant	425	425	425	425
Expected life of options (Years)	1.99	2.99	3.99	4.99
Expected Volatility (% p.a.)	25%	25%	25%	25%
Risk Free Rate of Return (%)	3.80%	4.20%	4.60%	4.90%
Dividend Yield (p.a.)	1%	1%	1%	1%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options Fair Value (modified)	56.36	77.52	96.35	114.68
Incremental fair value granted	11.76	13.88	15.69	18.60

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 30: EMPLOYEE BENEFITS EXPENSE (CONTD.)

During the previous year, the Company re-priced its outstanding options. The strike price was reduced from ₹ 475 to the then current market price of ₹ 425. The incremental fair value of ₹ 11.07 million will be expensed over the remaining vesting period (two years). The Company used the inputs noted above to measure the fair value of the old and new options.

Grant Date	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021
Exercise price per share (₹)	1,287	1,287	1,287	1,287
Share price on the date of grant	1,282	1,282	1,282	1,282
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	3.90%	4.60%	4.90%	5.30%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	211.93	316.45	399.73	475.03

Grant Date	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021
Exercise price per share (₹)	1,168	1,168	1,168	1,168
Share price on the date of grant	1,164	1,164	1,164	1,164
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	3.90%	4.47%	5.03%	5.60%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	192.73	286.35	365.03	436.8

Grant Date	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021
Exercise price per share (₹)	1,363	1,363	1,363	1,363
Share price on the date of grant	1,391	1,391	1,391	1,391
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	4.12%	4.54%	5.07%	5.68%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	246.38	357.02	449.67	535.43

Grant Date	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021
Exercise price per share (₹)	1,442	1,442	1,442	1,442
Share price on the date of grant	1,442	1,442	1,442	1,442
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	4.05%	4.64%	5.22%	5.67%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	241.91	358.85	457.39	544.43

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

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102. Consequently, employee benefit expenses include ₹ 15.50 million (31<sup>st</sup> March, 2021: ₹ 15.30 million) being expenses on account of share based payments, after adjusting for reversals on account of options lapsed. The amount excludes ₹ 2.90 million (31<sup>st</sup> March, 2021: ₹ 0.97 million) charged to subsidiary / joint venture / associate for options issued to their employees.



## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 31: FINANCE COSTS

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Interest Expense:		
(i) On working capital facilities	0.19	3.76
(ii) On term loan (Refer note 31.1 and 31.2)	-	9.27
(iii) On MSME	17.48	12.50
(iv) Other Borrowing Cost (Refer note 31.3)	7.78	4.39
<b>Total</b>	<b>25.45</b>	<b>29.92</b>

#### Notes:

31.1 Interest on term loans excludes amount of interest transferred to capital work in progress amounting to Nil (31<sup>st</sup> March, 2021: ₹ 9.03 million)

31.2 The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is Nil (31<sup>st</sup> March, 2021: 8.95 % p.a.)

31.3 Other Borrowing cost includes interest on security deposits and service charges to bank.

Analysis of Interest Expense by category:

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Interest Expenses:		
On financial liability at amortised cost	0.19	13.03

### NOTE 32: DEPRECIATION AND AMORTISATION EXPENSES

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Depreciation on property, plant and equipment (refer note 3a)	246.40	207.66
Amortisation on right of use asset (refer note 3b)	0.77	0.77
Amortisation of intangible assets (refer note 5)	15.51	12.31
<b>Total</b>	<b>262.68</b>	<b>220.74</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 33: OTHER EXPENSES

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Consumption of stores, spares and consumables	49.01	26.05
Labour Contract Charges	138.62	116.18
Freight & Forwarding Charges	185.03	111.06
Selling & Distribution Expense	20.06	7.98
Commission on Sales	110.09	240.73
Legal and Professional Fees	116.83	60.10
Repairs & Maintenance	29.82	24.20
Travelling & Conveyance	33.65	19.34
Rent	35.37	32.78
Net (gain)/loss on sale/fair value of investments	-	0.01
Corporate Social Responsibility Expenditure (refer note 38)	17.09	13.24
Power and Fuel	28.03	23.96
Insurance Charges	11.50	12.85
Donations	1.47	1.94
Provision for Expected credit loss (refer note 13) (net)	1.05	0.15
Payments to the Auditors as		
Statutory Audit Fees *	5.70	4.50
For other services	1.40	1.05
For reimbursement of expenses	0.30	0.24
Net Gain on foreign currency transactions & translation	(30.73)	(4.86)
Miscellaneous expenses	111.61	116.20
<b>Total</b>	<b>865.90</b>	<b>807.70</b>

\* This fee does not include IPO related fee which is debited to securities premium account in the previous year.

### NOTE 34: INCOME TAX RECOGNISED IN PROFIT AND LOSS

#### (a) Income Tax recognised in Profit & Loss

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>A. Current Tax Charges:</b>		
In respect of Current year	287.15	275.30
<b>Total</b>	<b>287.15</b>	<b>275.30</b>

#### (b) Deferred Tax recognised in Profit and Loss

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>B. Deferred Tax Credit:</b>		
In respect of current year origination and reversal of temporary differences	(15.09)	(6.34)
<b>Total</b>	<b>(15.09)</b>	<b>(6.34)</b>
<b>Total (A+B)</b>	<b>272.06</b>	<b>268.96</b>

#### (c) Income tax recognised/(credit) in other comprehensive income

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Income taxes related to items that will not be reclassified to profit or loss	(0.04)	(0.42)
<b>Total</b>	<b>(0.04)</b>	<b>(0.42)</b>

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 34: INCOME TAX RECOGNISED IN PROFIT AND LOSS (CONTD.)

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

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Profit before tax	1,066.80	1,059.98
Applicable Income tax rate	25.17%	25.17%
Expected income tax expense	268.51	266.80
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible	10.63	10.64
Effect of concessions / allowances under section 80 JJAA of the Income Tax Act, 1961	-	(0.25)
Exempt income – Dividend	-	(8.23)
Others	(7.08)	-
<b>Reported income tax expense</b>	<b>272.06</b>	<b>268.96</b>

### NOTE 35: EARNING PER SHARE (EPS)

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Profit for the year	794.74	791.02
Weighted average no. of ordinary equity shares used in computing basic EPS	54,848,162	51,565,168
<b>Basic EPS (face value of ₹ 2 per share) (₹)</b>	<b>14.49</b>	<b>15.34</b>
Weighted average no. of ordinary equity shares used in computing diluted EPS	55,174,959	51,870,850
<b>Diluted EPS (face value of ₹ 2 per share) (₹)</b>	<b>14.40</b>	<b>15.25</b>

#### Reconciliation of weighted average number of equity shares

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	54,848,162	51,565,168
Add: Effect of Employee Stock Options	326,797	305,682
<b>Weighted average no. of ordinary equity shares used in computing diluted EPS</b>	<b>55,174,959</b>	<b>51,870,850</b>

### NOTE 36: SEGMENT INFORMATION

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

#### Geographical Revenue:

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Segment Revenue (Gross sales)		
India	9,539.56	6,254.77
Outside India	1,188.88	649.37
<b>Total</b>	<b>10,728.44</b>	<b>6,904.14</b>

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

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

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 37: DETAILS OF RESEARCH & DEVELOPMENT EXPENDITURES :

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Revenue expenditure	50.27	75.01
Capital expenditure	0.11	7.91
<b>Total</b>	<b>50.38</b>	<b>82.92</b>

### NOTE 38: DETAILS OF CSR EXPENDITURES:

Expenditure incurred on Corporate Social Responsibility(CSR) under section 135 of the Companies Act, 2013 is as under:

Gross amount required to be spent by the Company during the period is ₹ 17.09 million (31<sup>st</sup> March, 2021 - ₹ 12.65 million)

#### Amount spent during the year:

Particulars	(₹ in million)		
	In cash	Yet to be paid in cash	Total 31 <sup>st</sup> March, 2022
(i) Construction / Acquisition of any assets	-	-	-
(ii) On purpose other than above	17.09	-	17.09
<b>Total</b>	<b>17.09</b>	<b>-</b>	<b>17.09</b>

Particulars	(₹ in million)		
	In cash	Yet to be paid in cash	Total 31 <sup>st</sup> March, 2021
(i) Construction / Acquisition of any assets	-	-	-
(ii) On purpose other than above	13.24	-	13.24
<b>Total</b>	<b>13.24</b>	<b>-</b>	<b>13.24</b>

### NOTE 39: CONTINGENT LIABILITY AND COMMITMENTS:

#### Commitments

- Estimated amount of contracts remaining to be executed of Property, Plant & Equipment's (net of advances) and not provided for ₹ 22.87 million (31<sup>st</sup> March, 2021 - ₹ 51.33 million).
- Other Commitments related to acquisition of balance equity share capital of Unitop Chemicals Private Limited(Unitop) and Tristar Intermediates Private Limited as per the contractual arrangement amounting to ₹ 1,711.70 million (31<sup>st</sup> March, 2021 - Nil) (refer note 6.3 and 6.4).
- Additionally, the acquisition of Unitop have retention payouts payable to the eligible key employees of the Unitop, subject to their continuous employment amounting to ₹ 48.00 million (31<sup>st</sup> March, 2021 - Nil).

### NOTE 40: RELATED PARTY DISCLOSURE:

#### i. List of Related Parties:

##### a) Subsidiary Companies

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

Buzil Rossari Private Limited (from 31<sup>st</sup> August, 2020)

Unitop Chemicals Private Limited (w.e.f. 26<sup>th</sup> August, 2021)

Tristar Intermediaries Private Limited (w.e.f. 1<sup>st</sup> September, 2021)

##### b) Joint venture

Buzil Rossari Private Limited (upto 30<sup>th</sup> August, 2020)

##### c) Associate

Romakk Chemicals Private Limited (w.e.f. 25<sup>th</sup> November,2021)

##### d) Key Managerial Persons (KMP)

Mr. Edward Menezes

Mr. Sunil Chari

##### e) Relatives of KMP

Ms. Anita Menezes

Ms. Jyotishna Chari

Mr. Mikhail Menezes

Mr. Yash Chari

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

Rossari Biotech (India) Private Limited

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

**NOTE 40: RELATED PARTY DISCLOSURES (CONTD.):**  
ii. Transaction with related parties in ordinary course of business is given below:

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2022				For the year ended 31 <sup>st</sup> March, 2021					
	KMP	Relatives of KMP	Subsidiary company	Joint Venture company/ Associate	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
<b>A. Transactions during the year:</b>										
<b>Sales (excluding taxes):</b>										
Buzil Rossari Private Limited	-	-	254.55	-	-	-	147.28	132.06	-	-
Rossari Personal Care Products Private Limited*	-	-	24.98	-	-	-	38.10	-	-	-
Unitop Chemicals Private Limited	-	-	70.88	-	-	-	-	-	-	-
Tristar Intermediates Private Limited	-	-	3.68	-	-	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	2.77	-	-	-	-	-	-
	-	-	<b>354.09</b>	<b>2.77</b>	-	-	<b>185.38</b>	<b>132.06</b>	-	-
*net of claims of ₹ 19.65 millions (31 <sup>st</sup> March, 2021 - Nil)										
<b>Commission Income:</b>										
Unitop Chemicals Private Limited	-	-	29.66	-	-	-	-	-	-	-
Tristar Intermediaries Private Limited	-	-	25.83	-	-	-	-	-	-	-
	-	-	<b>55.49</b>	-	-	-	-	-	-	-
<b>Interest Income:</b>										
Buzil Rossari Private Limited	-	-	15.56	-	-	-	7.46	4.11	-	-
Tristar Intermediaries Private Limited	-	-	0.98	-	-	-	-	-	-	-
	-	-	<b>16.54</b>	-	-	-	<b>7.46</b>	<b>4.11</b>	-	-
<b>Royalty Income:</b>										
Buzil Rossari Private Limited	-	-	-	-	-	-	-	2.22	-	-
	-	-	-	-	-	-	-	<b>2.22</b>	-	-
<b>Dividend received:</b>										
Rossari Personal Care Products Private Limited	-	-	-	-	-	-	32.65	-	-	-
	-	-	-	-	-	-	<b>32.65</b>	-	-	-

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 40: RELATED PARTY DISCLOSURES (CONTD.):

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2022				For the year ended 31 <sup>st</sup> March, 2021					
	KMP	Relatives of KMP	Subsidiary company	Joint Venture company/ Associate	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
<b>Purchases:</b>										
Buzil Rossari Private Limited#	-	-	(3.58)	-	-	-	-	-	-	-
Unitop Chemicals Private Limited	-	-	68.80	-	-	-	-	-	-	-
Tristar Intermediates Private Limited	-	-	21.01	-	-	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	88.27	-	-	-	-	-	-
	-	-	<b>86.23</b>	<b>88.27</b>	-	-	-	-	-	-
# net of debit note of ₹ 3.81 million on account of purchase rate difference										
<b>Dividend paid:</b>										
Mr. Edward Menezes	8.06	-	-	-	-	10.68	-	-	-	-
Mr. Sunil Chari	8.04	-	-	-	-	10.67	-	-	-	-
Ms. Anita Menezes	-	0.50	-	-	-	-	0.50	-	-	-
Ms. Jyotishna Chari	-	0.50	-	-	-	-	0.50	-	-	-
Mr. Mikhail Menezes	-	0.07	-	-	-	-	0.07	-	-	-
Mr. Yash Chari	-	0.08	-	-	-	-	0.08	-	-	-
Rossari Biotech (India) Private Limited	-	-	-	-	1.51	-	-	-	-	1.51
	<b>16.10</b>	<b>1.15</b>	-	-	<b>1.51</b>	<b>21.35</b>	<b>1.15</b>	-	-	<b>1.51</b>
<b>Assignment of Receivables:</b>										
Rossari Personal Care Products Private Limited	-	-	-	-	-	-	-	17.95	-	-
	-	-	-	-	-	-	-	<b>17.95</b>	-	-
<b>Deemed Contribution:</b>										
Rossari Personal Care Products Private Limited	-	-	-	-	-	-	-	0.12	-	-

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 40: RELATED PARTY DISCLOSURES (CONTD.):

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2022					For the year ended 31 <sup>st</sup> March, 2021				
	KMP	Relatives of KMP	Subsidiary company	Joint Venture company/ Associate	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
<b>Rent paid:</b>										
Mr. Edward Menezes	-	-	-	-	-	-	-	0.12	-	-
Mr. Sunil Chari	-	-	-	-	-	0.62	-	-	-	-
	-	-	-	-	-	0.62	-	-	-	-
	-	-	-	-	-	1.24	-	-	-	-
<b>Reimbursement of Expenses(net):</b>										
Buzil Rossari Private Limited	-	-	5.00	-	-	-	-	-	-	-
Tristar Intermediates Private Limited	-	-	6.91	-	-	-	-	-	-	-
Unitop Chemicals Private Limited	-	-	12.57	-	-	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	3.03	-	-	-	-	-	-
	-	-	24.48	3.03	-	-	-	-	-	-
<b>Remuneration:</b>										
Mr. Edward Menezes	9.51	-	-	-	-	9.00	-	-	-	-
Mr. Sunil Chari	9.51	-	-	-	-	9.00	-	-	-	-
Mr. Mikhail Menezes	-	4.80	-	-	-	-	4.86	-	-	-
Mr. Yash Chari	-	4.80	-	-	-	-	4.88	-	-	-
	19.02	9.60	-	-	-	18.00	9.74	-	-	-
<b>Commission paid:</b>										
Buzil Rossari Private Limited	-	-	23.41	-	-	-	-	18.40	5.09	-
Rossari Personal Care Products Private Limited	-	-	0.12	-	-	-	-	11.61	-	-

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 40: RELATED PARTY DISCLOSURES (CONTD.):

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2022					For the year ended 31 <sup>st</sup> March, 2021				
	KMP	Relatives of KMP	Subsidiary company	Joint Venture company/ Associate	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
	-	-	23.53	-	-	-	-	30.01	5.09	-
<b>Loans given to :</b>										
Buzil Rossari Private Limited	-	-	133.00	-	-	-	-	32.50	-	-
Tristar Intermediates Private Limited	-	-	73.30	-	-	-	-	-	-	-
	-	-	206.30	-	-	-	-	32.50	-	-
<b>Loan repaid by :</b>										
Buzil Rossari Private Limited	-	-	131.00	-	-	-	-	8.80	-	-
Tristar Intermediates Private Limited	-	-	73.30	-	-	-	-	-	-	-
	-	-	204.30	-	-	-	-	8.80	-	-
<b>Maximum amount of Loan outstanding during the year:</b>										
Buzil Rossari Private Limited	-	-	93.32	-	-	-	-	32.50	-	-
Tristar Intermediates Private Limited	-	-	73.30	-	-	-	-	-	-	-
	-	-	166.62	-	-	-	-	32.50	-	-
<b>Advances given:</b>										
Tristar Intermediates Private Limited	-	-	80.00	-	-	-	-	-	-	-
	-	-	80.00	-	-	-	-	-	-	-
<b>Outstanding Receivables:</b>										
Buzil Rossari Private Limited	-	-	85.18	-	-	-	-	48.77	-	-



## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in million)

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2022				For the year ended 31 <sup>st</sup> March, 2021					
	KMP	Relatives of KMP	Subsidiary company	Joint Venture company/ Associate	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of directors	Subsidiary company	Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence
Rossari Personal Care Products Private Limited	-	-	3.07	-	-	-	-	36.57	-	-
Tristar Intermediates Private Limited	-	-	38.02	-	-	-	-	-	-	-
Unitop Chemicals Private Limited	-	-	67.07	-	-	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	6.81	-	-	-	-	-	-
	-	-	<b>193.34</b>	<b>6.81</b>	-	-	-	<b>85.34</b>	-	-
<b>Advances receivables:</b>										
Tristar Intermediates Private Limited	-	-	51.67	-	-	-	-	-	-	-
	-	-	<b>51.67</b>	-	-	-	-	-	-	-
<b>Payables:</b>										
Unitop Chemicals Private Limited	-	-	26.70	-	-	-	-	-	-	-
Romakk Chemicals Private Limited	-	-	-	52.41	-	-	-	-	-	-
	-	-	<b>26.70</b>	<b>52.41</b>	-	-	-	-	-	-
<b>Loans:</b>										
Buzil Rossari Private Limited	-	-	25.70	-	-	-	-	23.70	-	-
	-	-	<b>25.70</b>	-	-	-	-	<b>23.70</b>	-	-
<b>Interest on Loan receivable:</b>										
Buzil Rossari Private Limited	-	-	2.95	-	-	-	-	0.13	-	-
	-	-	<b>2.95</b>	-	-	-	-	<b>0.13</b>	-	-

# Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

## NOTE 41: EMPLOYEE BENEFITS

### Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 8.53 million (31<sup>st</sup> March, 2021 - ₹ 7.28 million), being Company's contribution to Provident Fund and ESIC, as an expense and included in note 30 - Employee Benefit Expenses in the Statement of Profit and Loss.

### Defined benefit plan

#### i. Gratuity plan

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

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

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

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

##### a) Actuarial Risk

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

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

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

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

##### b) Investment Risk

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

##### c) Liquidity Risk

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

##### d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

##### e) Legislative Risk

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

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 41: EMPLOYEE BENEFITS (CONTD.)

(₹ in million)

I. Expense recognised in the Statement of Profit and Loss for the year ended	Gratuity as per actuarial valuation	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Current Service Cost	6.07	4.97
2. Interest cost on benefit obligation(Net)	0.63	0.80
<b>Total expenses included in employee benefits expenses</b>	<b>6.70</b>	<b>5.77</b>

(₹ in million)

II. Recognised in other comprehensive income for the year	Funded Plan Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Actuarial (gains)/ losses arising from changes in financial assumptions	(1.30)	0.48
2. Actuarial (gains)/ losses arising from changes in experience adjustment	1.07	(2.21)
3. Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
4. Return on plan asset	0.05	0.06
<b>Recognised in other comprehensive income</b>	<b>(0.18)</b>	<b>(1.67)</b>

(₹ in million)

III. Change in the present value of defined benefit obligation	Funded Plan Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Present value of defined benefit obligation at the beginning of the year	39.21	34.86
2. Current service cost	6.16	4.97
3. Interest cost	2.26	2.04
4. Remeasurements (gains)/ losses	-	-
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(1.30)	0.48
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	1.07	(2.21)
5. Past service cost	-	-
6. Benefits paid	(0.93)	(0.93)
7. Liabilities assumed/(settled)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>46.47</b>	<b>39.21</b>

(₹ in million)

IV. Change in fair value of plan assets during the year	Funded Plan Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Fair value of plan assets at the beginning of the year	26.36	19.96
2. Interest income	1.63	1.24
3. Contribution by employer	2.98	6.14
4. Benefits paid	(0.93)	(0.92)
5. Remeasurements (gains)/ losses	-	-
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6. Return on plan assets excluding interest income	(0.05)	(0.06)
<b>Fair value of plan assets at the end of the year</b>	<b>29.99</b>	<b>26.36</b>

(₹ in million)

V. Net (Liability) recognised in the Balance Sheet as at	Funded Plan Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Present value of defined benefit obligation	46.47	39.22
2. Fair value of plan assets	29.99	26.36
3. Surplus/(Deficit)	(16.48)	(12.86)
4. Current portion of the above	(7.45)	(5.60)
5. Non-current portion of the above	(9.03)	(7.26)
	<b>(16.48)</b>	<b>(12.86)</b>

VI. Actuarial assumptions	Funded Plan Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Discount rate	6.70 %	6.25 %
2. Attrition rate	30.00 % p.a. at younger ages reducing to 5.00 % p.a. at older ages	30.00 % p.a. at younger ages reducing to 5.00 % p.a. at older ages
3. Average salary escalation rate	10.00 %	10.00 %
4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table	

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 41: EMPLOYEE BENEFITS (CONTD.)

VII. Major Category of Plan Assets as a % of the Total Plan Assets	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Insurer managed funds*	100.00%	100.00%

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

(₹ in million)

VIII. The expected contributions to the plan for the next annual reporting period	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
The expected contributions to the plan for the next annual reporting period	(7.45)	(5.60)

IX. The sensitivity analysis below, have been determined based on reasonable possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

(₹ in million)

Impact on employee benefits obligations (increase) / decrease	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Discount rate varied by +0.5%	45.05	38.03
2. Discount rate varied by -0.5%	(47.87)	(40.48)
3. Salary growth rate varied by +0.5%	(47.39)	(40.09)
4. Salary growth rate varied by -0.5%	45.52	38.42
5. Withdrawal rate (W.R.) varied + 10%	46.12	38.89
6. Withdrawal rate (W.R.) varied - 10%	(46.72)	(39.55)

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

(₹ in million)

X. Maturity profile of defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Year 1	6.99	6.16
Year 2	4.78	3.73
Year 3	4.52	3.72
Year 4	6.75	3.55
Year 5	3.89	5.69
More than 5 years	20.05	15.32

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

### NOTE 42: LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2022:

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Opening Balance	69.38	70.15
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation / Amortisation	0.77	0.77
<b>Closing Balance</b>	<b>68.61</b>	<b>69.38</b>

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

Rent expense recorded for short-term leases was ₹ 35.37 million (31<sup>st</sup> March, 2021 - ₹ 32.78 million)

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

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 43: CAPITAL MANAGEMENT

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

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

The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure. The Company does not have any borrowings as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

### NOTE 44: FINANCIAL RISK MANAGEMENT FRAMEWORK

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

#### Market Risk

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

#### Currency Risk

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

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Assets	Liabilities	Assets	Liabilities
USD	367.49	83.02	213.09	183.15
EURO	13.22	0.23	-	-

#### Liquidity risk

##### Liquidity risk management

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

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 44: FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTD.)

i. Maturity profile of financial liabilities:

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

(₹ in million)					
Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 <sup>nd</sup> and 3 <sup>rd</sup> Year	4 <sup>th</sup> and 5 <sup>th</sup> Year	Above 5 years
<b>As at 31<sup>st</sup> March, 2022</b>					
Trade payables	1,158.10	1,158.10	-	-	-
Other Financial Liabilities (current and non current)	112.62	112.62	-	-	-
<b>Total</b>	<b>1,270.72</b>	<b>1,270.72</b>	-	-	-
<b>As at 31<sup>st</sup> March, 2021</b>					
Trade payables	1,236.42	1,236.42	-	-	-
Other Financial Liabilities (current and non current)	104.96	104.96	-	-	-
<b>Total</b>	<b>1,341.38</b>	<b>1,341.38</b>	-	-	-

### NOTE 45: CREDIT RISK MANAGEMENT

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

### NOTE 46: TRADE RECEIVABLE AND ADVANCES

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

(₹ in million)		
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at beginning of the year	4.73	4.58
Additions during the year	1.05	0.15
<b>Balance as at end of the year</b>	<b>5.78</b>	<b>4.73</b>

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

### NOTE 47: SENSITIVITY ANALYSIS

#### Foreign Currency Sensitivity

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

Particulars	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31 <sup>st</sup> March, 2022	USD	10%	1.42
	EURO	10%	1.30
Year ended 31 <sup>st</sup> March, 2021	USD	10%	0.42
	EURO	10%	-

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

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

### NOTE 48: OFFSETTING OF BALANCES:

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

## Notes accompanying the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 49: FAIR VALUE DISCLOSURES

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

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

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

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

All financial liabilities and financial assets have no material impact.

Financial instruments measured using fair value.

(₹ in million)

Particulars	Carrying Value	Fair value (Level 2)	Valuation Technique	Key Inputs
As at 31 <sup>st</sup> March, 2022	4.36	4.36	Discounted Cash Flow and Interest rate	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.
Derivative investments				
Mutual Funds	90.07	90.07	Net Assets Value	
<b>Total</b>	<b>94.43</b>	<b>94.43</b>		
As at 31 <sup>st</sup> March, 2021				
Derivative investments	-	-		
<b>Total</b>	<b>-</b>	<b>-</b>		

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

### NOTE 50: ACQUISITION OF BUSINESS

On 1<sup>st</sup> May, 2021, the Company has completed the acquisition of the Defoamer Business of Trio Chemicals and Allied Products ('Trio') at a total consideration of ₹ 52.50 million. Trio is into the business of manufacturer of Defoamers and qualifies as a business as defined in Ind AS 103. Trio was acquired to gain the synergies from the combined business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

(₹ in million)

Particulars	Amount
Property, plant and equipment	4.70
Identifiable intangible assets - Trademark	21.00
Trade Receivables	40.90
Inventory	11.00
Deferred tax liabilities	(5.40)
Provisions and Other Liabilities	(30.30)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>41.90</b>
Goodwill	10.60
<b>Total consideration</b>	<b>52.50</b>
<b>Satisfied by:</b>	
Cash	52.50
Total consideration transferred	
Net cash outflow arising on acquisition:	
Cash consideration	52.50

The goodwill of ₹ 10.60 million arising from the acquisition consist of synergies on acquisition of the business. The goodwill arising on the acquisition are not tax deductible.

## Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 51: ANALYTICAL RATIOS

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.63	2.44	7.79%	Not Applicable
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Refer note (a) below
Debt Service Coverage Ratio	PAT + Depreciation & Amortisation + Interest	Principal repayment on long term debt + interest payments	-	2.50	-100.00%	Decrease due to repayment of borrowings in previous year.
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	13.37%	23.00%	-41.87%	The Company has issued equity shares on preferential basis and on exercise of employee stock options in the current year, and there is a reduction in the Net Profit after Tax which has reduced Return on Equity in the current year.
Inventory turnover Ratio	Sale of Products	Average Inventory	10.86	9.39	15.65%	Not Applicable
Trade Receivables turnover Ratio	Sale of Products and commission income	Average Trade Receivables	6.73	5.96	12.92%	Not Applicable
Trade Payable turnover Ratio	Net Credit Purchases of RM, PM and Stock in trade	Average Trade Payables	7.01	4.37	60.41%	Increase due to higher purchases of raw materials on advance basis.
Net Capital turnover Ratio	Net Sales	Average Working Capital	5.01	3.69	35.77%	Increase due to increase in the revenue in current year as compared to previous year.
Net Profit Ratio	Net Profit	Net Sales	7.41	11.46	-35.34%	Due to increase in Raw material prices and direct overheads in the current year, Gross Margins are negatively impacted. This has affected Net Profit Margin
Return on Capital Employed	EBIT	Tangible Net Worth + Total Debt + Deferred Tax Liability	14.02%	27.20%	-48.46%	The Company has made acquisition/investments in subsidiary in current year which has reduced Return on Capital Employed in the current year.
Return on Investment Quoted Investments	Income Earned from Investments made	Investments made	3.00%	-	-	-
Return on Investment Unquoted Investments	Income Earned from Investments made	Investments made	-	-	-	Refer note (b) below

#### Notes:

- (a) There is no outstanding obligation on account of debt as on 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.
- (b) During the current and previous year, the Company has not earned any income on the investments held in Subsidiaries and Associate.



# Notes accompanying the Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

## NOTE 52: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### (ii) Borrowing secured against current assets

The Company have sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

### (iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or any lender.

### (iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### (v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

### (vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### (vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### (viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### (xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**NOTE 53:** Figures for previous periods have been regrouped wherever considered necessary.

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

#### EDWARD MENEZES

Executive Chairman  
DIN: 00149205

#### MANASI NISAL

Chief Financial Officer

Place: Mumbai

Date : 19<sup>th</sup> May, 2022

#### SUNIL CHARI

Managing Director  
DIN: 00149083

#### PARUL GUPTA

Company Secretary

# Independent Auditor's Report

## To The Members of ROSSARI BIOTECH LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of Rossari Biotech Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate and joint venture which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries and associate referred to in the Other Matters Section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their

consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition (Refer note 30 to Consolidated financial statements of the Company)</b></p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Focusing on the Company's revenue recognition for compliance with Ind AS;</li> <li>Testing the design, implementation and operating effectiveness of the Company's controls on recording revenue;</li> <li>Performing Substantive testing for cut-off with verification of contractual terms of invoices, dispatch/deliveries receipts, inventory reconciliations and circularization of receivable balances and analytical review procedures.</li> <li>Our test of details focused on cut-off samples to verify that only revenue pertaining to current year is recognised based on terms and conditions set out in sales contracts and delivery documents.</li> </ul>
2	<p><b>Acquisition accounting for the acquisitions of controlling stake in Unitop Chemicals Private Limited and Tristar Intermediates Private Limited (Refer note 45 to Consolidated financial statements of the Company)</b></p> <p>During the year, the Parent had acquired the controlling stake in Unitop Chemicals Private Limited and Tristar Intermediates Private Limited as set out in note 45 of the financial statements.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>We examined the terms and conditions of the share purchase agreements (SPA) in order to challenge the Company's assessment of whether the acquisition comprises a business.</li> <li>Evaluating the design and implementation and testing the operating effectiveness of key internal controls (including management review control) related to the Company's valuation process, including assumptions around near and long-term revenue growth rates and discount rate.</li> </ul>

## Independent Auditors' Report (Contd.)

Sr. No	Key Audit Matter	Auditor's Response
	<p>Accounting for the acquisition has involved judgment in order to:</p> <ul style="list-style-type: none"> <li>➤ determine whether the acquisition constitutes a business;</li> <li>➤ determine the fair value of consideration transferred;</li> <li>➤ identify and measure the fair value of the identifiable assets acquired and liabilities assumed;</li> <li>➤ allocate the purchase consideration between identifiable assets and liabilities and goodwill;</li> </ul> <p>This is a material acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter.</p> <p>The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands, technical knowhow and non-compete fees.</p> <p>This includes complex valuation considerations and requires the use of specialists.</p>	<ul style="list-style-type: none"> <li>• We tested the completeness of the identified assets and liabilities acquired by comparison to the agreements, through discussions with the Company.</li> <li>• We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: <ul style="list-style-type: none"> <li>➤ Reading the valuation report prepared by the appointed external valuation specialists.</li> <li>➤ Evaluating the competence, objectivity and integrity of the appointed external valuation specialists.</li> <li>➤ Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands, technical know-how and non-compete fees and including assumptions such as the discount rates applied.</li> </ul> </li> <li>• Assessed whether the accounting treatment is in accordance with Ind AS 103.</li> <li>• Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, compare with the financial statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and

fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

## Independent Auditors' Report (Contd.)

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures,

and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 3,956.51 million as at March 31, 2022, total revenues of ₹ 4,650.03 million

## Independent Auditors' Report (Contd.)

and net cash inflows amounting to ₹ 887.63 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 9.44 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate is based solely on the reports of the other auditors.

- (b) The consolidated financial statements also include the Group's share of net profit of ₹ 6.03 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements/ financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and associate refer to in the sub paragraph (a) and the sub-paragraph (b) of the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies and its associate company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) there were no pending litigations which would impact the consolidated financial position of the Group.
  - ii) the Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies and associate company.
  - iv) (a) The respective Managements of the Parent and its subsidiaries, whose financial statements have been audited under the Act, have represented to

## Independent Auditors' Report (Contd.)

- us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries

whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 20 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**

(Partner)

(Membership No. 107723)

(UDIN: 22107723AJGOEA4708)

Place: Mumbai

Date: May 19, 2022

# Annexure “A” to the Independent Auditor’s Report

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

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Rossari Biotech Limited** (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of its subsidiaries, its associate company, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, and one associate, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)  
**Manoj H. Dama**  
(Partner)  
(Membership No. 107723)  
(UDIN: 22107723AJGOEA4708)

Place: Mumbai

Date: May 19, 2022



# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3a	3,024.50	1,609.32
(b) Right of Use Assets	3b	441.95	69.38
(c) Capital Work-in-Progress	3c	13.42	3.19
(d) Goodwill	4	898.58	26.24
(e) Other Intangible Assets	5	1,706.38	107.60
(f) Investments accounted for using the equity method	6	241.66	-
(g) Financial Assets			
(i) Investments	7	2.06	-
(ii) Other Financial Assets	8	41.01	205.48
(h) Income Tax Assets (Net)	9	58.17	23.99
(i) Deferred Tax Assets (Net)	10	13.53	3.07
(j) Other Non-current Assets	11	33.03	18.01
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,474.29</b>	<b>2,066.28</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	12	1,899.32	953.54
(b) Financial Assets			
(i) Investments	13	115.49	-
(ii) Trade Receivables	14	3,048.53	1,440.68
(iii) Cash and Cash Equivalents	15a	374.77	152.08
(iv) Bank Balances other than (iii) above	15b	148.75	730.53
(v) Loans	16	13.91	10.89
(vi) Other Financial Assets	17	8.83	17.24
(c) Other Current Assets	18	483.33	242.23
<b>TOTAL CURRENT ASSETS</b>		<b>6,092.93</b>	<b>3,547.19</b>
<b>TOTAL ASSETS</b>		<b>12,567.22</b>	<b>5,613.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	19	110.11	103.86
(b) Other Equity	20	7,941.53	3,983.86
<b>Equity Attributable to Owners of the Company</b>		<b>8,051.64</b>	<b>4,087.72</b>
<b>TOTAL EQUITY</b>		<b>8,051.64</b>	<b>4,087.72</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	21	850.27	-
(b) Provisions	22	29.18	11.01
(c) Deferred Tax Liabilities (Net)	23	689.49	12.88
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,568.94</b>	<b>23.89</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	24	84.27	-
(ii) Trade Payables	25		
a) total outstanding dues of Micro Enterprises and Small Enterprises		211.54	150.54
b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,649.97	1,160.59
(iii) Other Financial Liabilities	26	815.67	105.33
(b) Other Current Liabilities	27	97.37	68.82
(c) Provisions	28	15.99	8.24
(d) Current Tax Liabilities (Net)	29	71.83	8.34
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,946.64</b>	<b>1,501.86</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,567.22</b>	<b>5,613.47</b>

The accompanying notes 1 to 57 are an integral part of the Consolidated Financial Statements.

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

**MANOJ H. DAMA**  
Partner

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**MANASI NISAL**  
Chief Financial Officer

**PARUL GUPTA**  
Company Secretary

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>I</b> Revenue from operations	30	14,829.74	7,093.45
<b>II</b> Other Income	31	119.96	87.04
<b>III Total Income (I + II)</b>		<b>14,949.70</b>	<b>7,180.49</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	32	9,701.17	4,348.06
(b) Purchases of stock-in-trade		1,552.14	358.11
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(202.88)	(84.24)
(d) Employee benefits expense	34	679.29	419.75
(e) Finance costs	35	126.56	29.92
(f) Depreciation and amortisation expenses	36	480.55	228.29
(g) Other expenses	37	1,265.59	816.33
<b>Total Expenses</b>		<b>13,602.42</b>	<b>6,116.22</b>
<b>Profit before tax (III - IV)</b>		<b>1,347.28</b>	<b>1,064.27</b>
Share of profit of joint venture/associate		15.47	4.11
<b>V Profit before tax (III - IV)</b>		<b>1,362.75</b>	<b>1,068.38</b>
<b>VI Tax Expense</b>			
Current tax	38(a)	470.14	276.98
Deferred tax	38(b)	(84.34)	(9.06)
<b>Total Tax Expense</b>		<b>385.80</b>	<b>267.92</b>
<b>VII Profit for the year (V - VI)</b>		<b>976.95</b>	<b>800.46</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		1.31	1.52
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.46)	(0.46)
<b>Total Other Comprehensive income</b>		<b>0.85</b>	<b>1.06</b>
<b>IX Total comprehensive income (VII + VIII)</b>		<b>977.80</b>	<b>801.52</b>
<b>Profit / Loss for the year Attributable to</b>			
Owners of the Company		976.74	802.20
Non Controlling Interest		0.21	(1.74)
		<b>976.95</b>	<b>800.46</b>
<b>Other Comprehensive Income for the year Attributable to</b>			
Owners of the Company		0.85	1.06
Non Controlling Interest		-	-
		<b>0.85</b>	<b>1.06</b>
<b>Total Comprehensive Income for the year Attributable to</b>			
Owners of the Company		977.59	803.26
Non Controlling Interest		0.21	(1.74)
		<b>977.80</b>	<b>801.52</b>
<b>X Earnings per equity share (in ₹)</b>			
Basic	39	17.81	15.56
Diluted	39	17.70	15.47

The accompanying notes 1 to 57 are an integral part of the Consolidated Financial Statements.

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

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**MANOJ H. DAMA**  
Partner

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**MANASI NISAL**  
Chief Financial Officer

**PARUL GUPTA**  
Company Secretary

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

### (a) Equity Share Capital

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Issued, Subscribed and Paid-up:</b>		
Balance at the beginning of the year	103.86	101.51
Fresh Issue during the year (refer note 19.1, 19.2 and 19.3)	6.25	2.35
<b>Balance at the end of the year</b>	<b>110.11</b>	<b>103.86</b>

### (b) Other Equity

(₹ in million)

Particulars	Reserves and Surplus			
	Securities Premium	Employee Stock Options Outstanding	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1,151.29</b>	<b>4.87</b>	<b>1,609.12</b>	<b>2,765.28</b>
Profit for the year	-	-	802.20	802.20
Other Comprehensive income / (loss) for the year (net of tax)	-	-	1.06	1.06
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>803.26</b>	<b>803.26</b>
Share based payment expenses (refer note 34.1)	-	16.28	-	16.28
Dividend paid on equity shares	-	-	(25.38)	(25.38)
Change in group's interest	-	-	0.24	0.24
Premium on fresh issue of Equity Shares (refer note 19.1)	497.66	-	-	497.66
Share issue expenses (refer foot note to note 20)	(73.48)	-	-	(73.48)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,575.47</b>	<b>21.15</b>	<b>2,387.24</b>	<b>3,983.86</b>
Profit for the year	-	-	976.94	976.94
Other Comprehensive income / (loss) for the year (net of tax)	-	-	0.85	0.85
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>977.79</b>	<b>977.79</b>
Share based payment expenses (refer note 34.1)	-	18.40	-	18.40
Transfer on account of exercise of employee stock option	6.69	(6.69)	-	-
Dividend paid on equity shares	-	-	(27.53)	(27.53)
Change in group's interest [Refer note 45(f)]	-	-	(19.79)	(19.79)
Fresh issue of Equity Shares (refer note 19.2 and 19.3)	3,042.60	-	-	3,042.60
Share issue expenses (refer foot note to note 20)	(33.80)	-	-	(33.80)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>4,590.96</b>	<b>32.86</b>	<b>3,317.71</b>	<b>7,941.53</b>

The accompanying notes 1 to 57 are an integral part of the Consolidated Financial Statements.

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

**MANOJ H. DAMA**  
Partner

For and on behalf of the Board of Directors of **Rossari Biotech Limited**

**EDWARD MENEZES**  
Executive Chairman  
DIN: 00149205

**SUNIL CHARI**  
Managing Director  
DIN: 00149083

**MANASI NISAL**  
Chief Financial Officer

**PARUL GUPTA**  
Company Secretary

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

Place: Mumbai  
Date : 19<sup>th</sup> May, 2022

## Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>A Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>1,362.75</b>	<b>1,068.38</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	480.55	228.29
Gain on disposal of property, plant and equipment (net)	(6.38)	(4.32)
Provision for expected credit loss	8.87	0.71
Share-based payments expenses	18.31	16.27
Write down of value of Inventory to net realisable value	4.46	4.71
Finance Costs	126.56	29.92
Dividend Income	(0.07)	(0.05)
Interest Income	(40.67)	(42.65)
Share of profit in Joint Venture/Associate	(15.47)	(4.11)
Fair value gain on acquisition date from fair value of the Company's previously held equity interest in the acquiree	-	(23.02)
Net (gain) on sale/fair value of investments	(9.82)	0.08
Net (gain) / loss arising on derivative instruments measured at fair value through profit or loss	(4.36)	-
Net foreign exchange gain	-	(0.01)
<b>Operating profit before working capital changes</b>	<b>1,924.73</b>	<b>1,274.20</b>
<b>Changes in:</b>		
Trade Receivables and other assets	(425.28)	(404.50)
Inventories	(481.85)	(320.25)
Trade Payables and other liabilities	(222.78)	241.70
<b>Cash generated from Operations</b>	<b>794.82</b>	<b>791.15</b>
Income taxes paid (net of refunds)	(501.24)	(313.48)
<b>Net cash flows generated from operating activities</b>	<b>293.58</b>	<b>477.67</b>
<b>B Cash flows from investing activities</b>		
Net proceeds from redemption of investments in Mutual Funds	15.54	137.22
Payments to acquire subsidiaries (net of cash acquired)	(3,402.41)	(43.39)
Payments to acquire associate	(75.10)	-
Payments to acquire balance stake in subsidiary	(20.00)	-
Payment for acquisition of assets under Business combination	(52.50)	-
Dividend Received	0.07	0.05
Interest Received	49.62	35.22
Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(382.25)	(580.84)
Proceeds from sale of property, plant and equipment	19.11	21.86
Decrease in bank balances not considered as cash and cash equivalents (net)	859.13	58.09
<b>Net cash flow used in investing activities</b>	<b>(2,988.79)</b>	<b>(371.79)</b>
<b>C Cash flows from financing activities</b>		
Repayment of short term borrowings (net)	(48.12)	(270.52)
Repayment of long-term borrowings	-	(339.60)
Interest paid	(21.50)	(38.95)

## Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Proceeds from Issue of equity shares (net of share issue expenses)	3,015.05	426.53
Dividend paid on equity shares	(27.53)	(25.38)
Issue of Equity shares to minority shareholders	-	2.00
<b>Net cash flow generated from / (used in ) financing activities</b>	<b>2,917.90</b>	<b>(245.92)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>222.69</b>	<b>(140.04)</b>
<b>Opening Cash and cash equivalents</b>	<b>152.08</b>	<b>292.11</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	0.01
<b>Closing Cash and cash equivalents</b>	<b>374.77</b>	<b>152.08</b>

**Note:**

The above Cash Flow Statement has been prepared under the “Indirect Method” set out in Accounting Standard (Ind AS 7) – Statement of Cash flow.

The accompanying notes 1 to 57 are an integral part of the Consolidated Financial Statements.

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

**MANOJ H. DAMA**  
 Partner

Place: Mumbai  
 Date : 19<sup>th</sup> May, 2022

**For and on behalf of the Board of Directors of Rossari Biotech Limited**

**EDWARD MENEZES**  
 Executive Chairman  
 DIN: 00149205

**MANASI NISAL**  
 Chief Financial Officer

Place: Mumbai  
 Date : 19<sup>th</sup> May, 2022

**SUNIL CHARI**  
 Managing Director  
 DIN: 00149083

**PARUL GUPTA**  
 Company Secretary

# Notes accompanying the Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March, 2022

### 1. Corporate information

The consolidated financial statements comprise financial statements of Rossari Biotech Limited ('the Parent Company') and its subsidiaries (collectively 'the Group').

The Parent Company is a public Company domiciled and incorporated in India under the Companies Act, 1956. The Parent Company has its registered office at 201-A & B, Akruti Corporate Park, L.B.S Marg, Next to GE Garden, Kanjurmarg (West), Mumbai - 400078. The group is engaged in manufacturing, selling and distribution of specialty chemicals. The group's products cater to global brands in the FMCG sector and find applications in a host of consumer-centric products and home and personal care products, textile chemicals, animal health and nutrition and cosmetic products.

### 2. Significant Accounting Policies and key accounting estimates and judgements

#### i. Statement of Compliances and Basis of Preparation

- (a) The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented.
- (b) The aforesaid Financial Statements were approved by the Parent Company's Board of Directors and authorised for issue on 19<sup>th</sup> May, 2022.

#### ii. Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Parent Company and entities (including structured entities) controlled by the Parent Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

A joint venture is a joint arrangement whereby the parties have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Group's activities are conducted through joint operations (i.e. the parties have rights to the assets and obligation for the liabilities relating to the arrangements), the Group recognises its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output and any liability and expenses incurred in relation to joint operations.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions between the group and joint venture are eliminated in consolidated financial statement by adjusting group's share of unrealised profit/loss from the carrying value of investment in joint venture.

- a) A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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

- b) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Notes.

Accounting Estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

- c) Critical estimates and judgements

**1) Useful lives of property, plant and equipment and intangible assets:**

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

residual value at the end of its life. Useful lives of intangible assets are determined on the basis of estimated benefits to be derived from use of such intangible assets. The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Their reassessments may result in change in the depreciation /amortisation expense in future periods.

### 2) Fair value measurements and valuation processes

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

### 3) Impairment of goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

### 4) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined

after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

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

The Group has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31<sup>st</sup> March, 2020. The Group has assessed the recoverability of the assets including receivables, investments, property plant and equipment, intangible assets, inventories and has made necessary adjustments to the carrying amounts by recognising provisions/ impairment of assets where necessary. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

The principal accounting policies are set out below.

### iii. Revenue Recognition

#### a) Sale of Goods:

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

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

#### b) Commission Income :

Commission Income is recognized based on the contractual agreement entered with the respective parties.



## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### c) **Export Incentive:**

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

### d) **Dividend and Interest Income:**

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

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

### iv. **Property, Plant & Equipment**

Property, Plant & Equipment are carried at cost less depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying property, plant & equipment upto the date the assets are ready for use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit & Loss. Depreciation is calculated on Written Down Value method over the estimated useful life of all assets, these lives are in accordance with Schedule II to the Companies Act, 2013.

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

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

### v. **Goodwill and Intangible Assets**

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net

fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination

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

Intangible assets are initially recognised at cost except those acquired in business combination.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

#### a) **Copyright & Patent:**

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

#### b) **Technology and Trademark:**

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

#### c) **Customer Relationship:**

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

#### d) **Computer Software:**

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

### vi. **Research & Development**

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

### vii. **Impairment**

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### viii. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and packing materials are value at the lower of cost or net realisable value. Cost is determined on the basis of First in First Out (FIFO) method

Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores and consumables other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower.

### ix. Employee Benefits

#### a) Defined Contribution Plan:

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

#### b) Defined Benefit Plan:

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

### x. Foreign Exchange Transactions and Translations

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

#### Forward Exchange Contracts

The use of foreign currency forward contract is governed by the Group's strategy. Approved by board of Directors, which provides principle on uses of such forward contract consistent with the Group's risk management policy. The Group uses foreign currency forward contract

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

to hedge its risk associated with foreign currency fluctuation relating to certain firm commitment and forecasted transaction for amount in excess of natural hedge available on export realisation against import payment. The Group doesn't use forward contract for speculative purpose.

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

### xi. Taxation

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

#### a) Current Tax

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

#### b) Deferred Tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, except where the Group is able to control the reversal of the temporary difference

and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

#### c) Current and Deferred Tax for the year

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

### xii. Borrowing Costs

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

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

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

are amortised using effective interest rate method over period of borrowings. Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### xiii. Leases

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

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

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

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

The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### xiv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation

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

### xv. Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

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

#### Classification and subsequent measurement

##### (a) Financial Assets

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

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

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

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

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

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

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

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

### (i) Financial assets at Fair value through Profit & loss

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

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

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

### (ii) Impairment of Financial Assets

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

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

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

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

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

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

### (iii) De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

would have otherwise been recognised in profit or loss on disposal of that financial asset.

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

### (iv) Foreign Exchange Gains & Losses

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

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

### b) Financial liabilities and equity instruments

#### i. Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

contractual arrangements and the definitions of a financial liability and an equity instrument.

### ii. Equity Instruments

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

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

### iii. Compound Financial Instruments

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

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

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

### iv. Financial Liabilities

All financial liabilities are subsequently measure at

amortised cost or at FVTPL.

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

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

### c) Offsetting

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

### d) Financial guarantee contracts and loan commitments

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

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

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

### xvi. Dividend Distribution

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

### xvii. Use of Estimates and judgement

The preparation of financial statements in conformity with IndAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent Liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### xviii. Business combinations

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill.

Before recognising capital reserve in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it directly in equity as capital reserve.

Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of

non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date. In consolidated financial statements, acquisition of non-controlling interest is accounted as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.



## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Acquisition of interest in Joint Venture/Associate

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

### xix. Earnings per share

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

### xx. Share-based payment arrangements

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

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

### xxi. Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 3a: PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture & Fittings	Vehicles	Office Equipment	Computer Equipment	Total
<b>(I) Gross Carrying Amount</b>								
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>101.23</b>	<b>418.08</b>	<b>487.19</b>	<b>25.26</b>	<b>30.36</b>	<b>13.09</b>	<b>6.67</b>	<b>1,081.88</b>
Acquisitions through business combinations [Refer note 45(e)]	-	-	30.19	2.13	-	0.29	-	32.61
Additions during the year (Refer note (i) below)	-	313.38	677.99	9.52	1.67	2.32	4.62	1,009.50
Disposals during the year	-	-	(31.74)	-	-	-	-	(31.74)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>101.23</b>	<b>731.46</b>	<b>1,163.63</b>	<b>36.91</b>	<b>32.03</b>	<b>15.70</b>	<b>11.29</b>	<b>2,092.25</b>
Acquisitions through business combinations [Refer note 45(a) and (c)]	-	710.90	475.81	22.11	27.14	8.20	2.05	1,246.21
Additions during the year	0.19	238.93	260.54	8.32	13.00	7.13	8.14	536.25
Disposals during the year	-	(11.09)	(33.19)	-	(3.04)	-	(0.12)	(47.44)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>101.42</b>	<b>1,670.20</b>	<b>1,866.79</b>	<b>67.34</b>	<b>69.13</b>	<b>31.04</b>	<b>21.36</b>	<b>3,827.27</b>
<b>(II) Accumulated depreciation</b>								
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>-</b>	<b>32.49</b>	<b>198.42</b>	<b>10.29</b>	<b>12.46</b>	<b>6.29</b>	<b>4.38</b>	<b>264.33</b>
Depreciation expense for the year	-	49.80	145.78	4.45	5.81	2.00	2.70	210.54
Acquisitions through business combinations [Refer note 45(e)]	-	-	20.21	1.83	-	0.23	-	22.27
Disposals during the year	-	-	(14.21)	-	-	-	-	(14.21)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>82.29</b>	<b>350.20</b>	<b>16.57</b>	<b>18.27</b>	<b>8.52</b>	<b>7.08</b>	<b>482.93</b>
Depreciation expense for the year	-	109.23	216.89	9.54	9.71	4.18	4.69	354.24
Disposals during the year	-	(11.09)	(20.22)	-	(3.04)	-	(0.05)	(34.40)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>180.43</b>	<b>546.87</b>	<b>26.11</b>	<b>24.94</b>	<b>12.70</b>	<b>11.72</b>	<b>802.77</b>
<b>(III) Net carrying amount (I-II)</b>								
Balance as at 31 <sup>st</sup> March, 2020	101.23	385.59	288.77	14.97	17.90	6.80	2.29	817.55
Balance as at 31 <sup>st</sup> March, 2021	101.23	649.17	813.43	20.34	13.76	7.18	4.21	1,609.32
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>101.42</b>	<b>1,489.77</b>	<b>1,319.92</b>	<b>41.23</b>	<b>44.19</b>	<b>18.33</b>	<b>9.64</b>	<b>3,024.50</b>

#### Notes:

- Additions during the year includes borrowing costs capitalised - Nil (31<sup>st</sup> March, 2021 - ₹ 13.02 million)
- The Parent Company has created the charge on property, plant and equipment for the working capital facilities obtained from the Banks.
- The depreciation expenses of property, plant and equipment has been included under note 36 'Depreciation and amortisation expenses'.

### NOTE 3b - RIGHT OF USE ASSETS

(₹ in million)

Particulars	Leasehold Land	Total
<b>(I) Gross Carrying Amount</b>		
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>70.92</b>	<b>70.92</b>
Additions during the year	-	-
Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>70.92</b>	<b>70.92</b>
Acquisitions through business combinations [Refer note 45(a)]	375.63	375.63
Additions during the year	0.95	0.95
Disposals during the year	-	-

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 3b: RIGHT OF USE ASSETS (CONTD.)

(₹ in million)

Particulars	Leasehold Land	Total
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>447.50</b>	<b>447.50</b>
<b>(II) Accumulated Amortisation</b>		
Balance as at 1 <sup>st</sup> April, 2020	0.77	0.77
Amortisation expense for the year	0.77	0.77
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1.54</b>	<b>1.54</b>
Amortisation expense for the year	4.01	4.01
Less: Disposals during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>5.55</b>	<b>5.55</b>
<b>(III) Net carrying amount (I-II)</b>		
Balance as at 31 <sup>st</sup> March, 2020	70.15	70.15
Balance as at 31 <sup>st</sup> March, 2021	69.38	69.38
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>441.95</b>	<b>441.95</b>

### NOTE 3c: CAPITAL WORK IN PROGRESS (CWIP)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Work in Progress	13.42	3.19
<b>Total</b>	<b>13.42</b>	<b>3.19</b>

#### Notes:

(i) Capital work in progress is mainly comprises of plant and machinery pending installation and commissioning.

#### (ii) CWIP ageing schedules as on 31<sup>st</sup> March, 2022

(₹ in million)

CWIP	Amount in CWIP for a period of				
	Less than 1 years	1 -2 years	2 - 3 years	More than 3 years	Total
Projects in progress	13.42	-	-	-	13.42
<b>Total</b>	<b>13.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.42</b>

#### (iii) CWIP ageing schedules as on 31<sup>st</sup> March, 2021

(₹ in million)

CWIP	Amount in CWIP for a period of				
	Less than 1 years	1 -2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3.19	-	-	-	3.19
<b>Total</b>	<b>3.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.19</b>

### NOTE 4: GOODWILL

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	26.24	-
Acquisitions through business combinations [Refer note 45(a), (c), (e) and (g)]	872.34	26.24
<b>Balance at the end of the year</b>	<b>898.58</b>	<b>26.24</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 5: OTHER INTANGIBLE ASSETS

(₹ in million)

Particulars	Computer Software	Copyright & Patent	Technology and Trademark	Customer Relationship	Total
<b>(I) Gross Carrying Amount</b>					
Balance as at 1 <sup>st</sup> April, 2020	0.40	71.50	-	-	71.90
Acquisitions through business combinations [Refer note 45(e)]	1.92	-	75.00	-	76.92
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>2.32</b>	<b>71.50</b>	<b>75.00</b>	<b>-</b>	<b>148.82</b>
Acquisitions through business combinations [Refer note 45(a) and (c)]	0.17	-	1,388.10	310.40	1,698.67
Additions during the year	0.21	-	22.20	-	22.41
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2.70</b>	<b>71.50</b>	<b>1,485.30</b>	<b>310.40</b>	<b>1,869.90</b>
<b>(II) Accumulated amortisation</b>					
Balance as at 1 <sup>st</sup> April, 2020	0.40	23.84	-	-	24.24
Amortisation expense for the year	0.39	11.92	4.67	-	16.98
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>0.79</b>	<b>35.76</b>	<b>4.67</b>	<b>-</b>	<b>41.22</b>
Amortisation expense for the year	0.54	-	103.65	18.11	122.30
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.33</b>	<b>35.76</b>	<b>108.32</b>	<b>18.11</b>	<b>163.52</b>
<b>(III) Net carrying amount (I-II)</b>					
Balance as at 31 <sup>st</sup> March, 2020	-	47.66	-	-	47.66
Balance as at 31 <sup>st</sup> March, 2021	1.53	35.74	70.33	-	107.60
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>1.37</b>	<b>35.74</b>	<b>1,376.98</b>	<b>292.29</b>	<b>1,706.38</b>

#### Notes:

The amortisation expense of intangible assets has been included under Note 36 'Depreciation and amortisation expense' in the Statement of Profit and Loss.

### NOTE 6: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Investment in Equity Instruments</b>				
<b>Measured as per equity accounting method:</b>				
<b>In Joint Venture Company, Unquoted, fully paid-up</b>				
Equity Shares - Buzil Rossari Private Limited of ₹ 10 each			4,392,918	41.75
Share of profit			-	(2.12)
Stock reserve adjustment			-	1.43
Less: Reduction on account of acquisition of controlling interest [Refer note 45(e)]			(4,392,918)	(41.06)
Equity Shares - Hextar Unitop SDN. BHD. of ₹ 100 each [Refer note 45(d)]	750,000	157.12	-	-
<b>In Associate Company, Unquoted, fully paid-up</b>				
Equity Shares - Romakk Chemicals Private Limited of ₹ 100 each [Refer note 45(b)]	626,210	84.54	-	-
<b>Total</b>		<b>241.66</b>		<b>-</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 7: INVESTMENTS (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Investment in Equity Instruments</b>				
<b>Measured at fair value through profit and loss:</b>				
<b>Quoted</b>				
Equity shares of Bank of Baroda	602	0.06	-	-
<b>Unquoted</b>				
Equity Shares of Masti Leasing & Financing Company Private Limited	200,000	2.00	-	-
<b>Total</b>		<b>2.06</b>	-	-
Aggregate carrying value of quoted investments	-	0.06	-	-
Aggregate market value of quoted investments	-	0.06	-	-
Aggregate carrying value of unquoted investments	-	2.00	-	-
Aggregate impairment in value of investments	-	-	-	-

### NOTE 8: OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets at Amortised Cost:</b>		
(unsecured, considered good unless otherwise stated)		
Security Deposits	38.93	10.11
Fixed Deposit with original maturity of more than 12 months (Refer note below)	1.91	195.23
Interest Accrued	0.17	0.14
<b>Total</b>	<b>41.01</b>	<b>205.48</b>

#### Note:

Deposits are earmarked with Electricity authority ₹ 0.11 million and with VAT authority ₹ 0.05 million (31<sup>st</sup> March, 2021 - ₹ 3.61 million). The remaining deposits is marked as lien against the bank guarantees.

### NOTE 9: INCOME TAX ASSETS (NET) (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Advance Income Tax	58.17	23.99
(net off Provision for Tax of ₹ 958.33 million (31 <sup>st</sup> March, 2021 – ₹ 570.14 million))		
<b>Total</b>	<b>58.17</b>	<b>23.99</b>

### NOTE 10: DEFERRED TAX ASSETS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred tax asset (Refer Note 23.3 and 23.4)	13.53	3.07
<b>Total</b>	<b>13.53</b>	<b>3.07</b>

### NOTE 11: OTHER NON-CURRENT ASSETS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital advances	31.47	16.92
Prepaid Expenses	0.85	-
Others	0.71	1.09
<b>Total</b>	<b>33.03</b>	<b>18.01</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 12: INVENTORIES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials (Including in transit of ₹ 46.06 million (31 <sup>st</sup> March, 2021 - ₹ 60.71 million))	1,085.06	494.58
Packing Materials	76.05	114.90
Work-in-progress	115.38	29.03
Finished goods	597.51	311.96
Consumables, stores and spares	11.04	3.07
Stock in trade	14.28	-
<b>Total</b>	<b>1,899.32</b>	<b>953.54</b>

#### Notes:

12.1. The cost of Inventories recognised as an expense during the year was ₹ 12,535.99 million (31<sup>st</sup> March, 2021 – 5,609.74 million), including in respect of write down of inventories to net realisable value ₹ 5.04 million (31<sup>st</sup> March, 2021 - 4.71 million).

12.2. The Group has availed credit facilities from banks which are secured inter alia by hypothecation of inventories.

12.3. The method of valuation of inventories is stated in sub note (viii) of Note 2.

### NOTE 13: INVESTMENTS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Units	Amount	No. of Units	Amount
<b>Quoted</b>				
<b>Measured at fair value through profit and loss</b>				
UTI Liquid Cash Plan - Direct Plan Growth	8,615.30	30.05	-	-
SBI Magnum Low Duration Fund Regular Growth	21,081.59	60.02	-	-
Baroda BNP Paribas Equity Savings Fund - Regular Growth	499,990.00	6.19	-	-
Baroda BNP Paribas Large and Midcap Fund - Regular Growth	249,977.50	4.13	-	-
Franklin India Short Term Income Plan	19,719.20	8.67	-	-
Kotak FMP Series 246-(1153D) - Regular Plan - Growth	500,000.00	6.43	-	-
<b>Total</b>		<b>115.49</b>		<b>-</b>
Aggregate carrying value of quoted investments		115.49		-
Aggregate market value of quoted investments		115.49		-
Aggregate impairment in value of investments		-		-

### NOTE 14: TRADE RECEIVABLES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Unsecured:</b>		
(a) Considered good	3068.63	1,445.97
Less: Allowance for Expected Credit Losses	(20.10)	(5.29)
(b) Credit Impaired	1.07	-
Less: Allowance for Credit Impaired	(1.07)	-
<b>Total</b>	<b>3,048.53</b>	<b>1,440.68</b>

#### Notes:

#### 14.1 Trade Receivables ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,003.65	51.47	11.39	1.76	0.36	3068.63
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	1.07	1.07
Total Debtors	3,003.65	51.47	11.39	1.76	1.43	3,069.70
Less: Allowance for Expected Credit Loss						(21.17)
<b>Total</b>						<b>3,048.53</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 14: TRADE RECEIVABLES (CURRENT) (CONTD.)

#### 14.2 Trade Receivables ageing schedule as on 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,435.43	5.38	4.36	0.80	-	1,445.97
Less: Allowance for Expected Credit Loss						(5.29)
<b>Total</b>						<b>1,440.68</b>

14.3 Refer Note 44 for receivables outstanding from Related Parties.

14.4 Refer Note 50 for disclosures related to credit risk and Note 51 for impairment of trade receivables under expected credit loss model and related disclosures.

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

14.6 Trade receivables are hypothecated to banks against working capital facility obtained by Parent Company and Subsidiaries.

### NOTE 15a: CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with banks		
- in Current Accounts	285.22	96.98
- Fixed Deposits with original maturity of less than 3 months	82.92	49.38
Cash on hand	2.12	1.60
Others*	4.51	4.12
<b>Total</b>	<b>374.77</b>	<b>152.08</b>

\*Others include imprest given to employees

### NOTE 15b: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fixed Deposits with original maturity of more than 3 months but balance maturity less than 12 months	148.75	730.53
<b>Total</b>	<b>148.75</b>	<b>730.53</b>

#### Note:

Deposits includes deposits earmarked with Electricity authority ₹ 2.10 million, Gujarat Pollution Control Board ₹ 0.13 million and Superintendent of Excise and Prohibition-Bharuch ₹ 0.06 million (31<sup>st</sup> March 2021 - Nil). The balance deposits are marked as lien against letter of credit and bank guarantees.

### NOTE 16: LOANS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets at Amortised Cost:</b>		
Other Loans	13.91	10.89
<b>Total</b>	<b>13.91</b>	<b>10.89</b>

#### Notes:

- Other Loans mainly includes loans given by subsidiary companies to its vendors for the purpose of business development.
- There are no loans granted to promoters, KMP, Directors and the related parties.

### NOTE 17: OTHER FINANCIAL ASSETS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>At Amortised Cost:</b>		
Security Deposits	2.42	6.13
Interest accrued	1.16	10.15
Others	0.89	0.96
<b>At fair value through Profit &amp; Loss:</b>		
Derivative instruments	4.36	-
<b>Total</b>	<b>8.83</b>	<b>17.24</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 18: OTHER CURRENT ASSETS

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balances with Government Authorities	199.65	150.45
Prepaid expenses	49.49	4.93
Advance paid to supplier	234.19	86.85
<b>Total</b>	<b>483.33</b>	<b>242.23</b>

### NOTE 19: EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Authorised:		
60,000,000 (31 <sup>st</sup> March, 2021 - 60,000,000) Equity shares of ₹ 2 each	120.00	120.00
<b>Total</b>	<b>120.00</b>	<b>120.00</b>
Issued, Subscribed and Paid-up:		
55,056,386 (31 <sup>st</sup> March, 2021 - 51,929,390) Equity shares of ₹ 2 each, fully paid up	110.11	103.86
<b>Total</b>	<b>110.11</b>	<b>103.86</b>

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in million)

Particulars	No. of Shares	As at 31 <sup>st</sup> March, 2022	No. of Shares	As at 31 <sup>st</sup> March, 2021
Issued, Subscribed and Paid-up:				
Balance as at the beginning of the year.	51,929,390	103.86	50,752,920	101.51
Fresh issue of equity shares (refer note 19.1 and 19.2)	3,012,046	6.02	1,176,470	2.35
Shares issued on exercise of employee stock options during the year (refer note 19.3)	114,950	0.23	-	-
<b>Total</b>	<b>55,056,386</b>	<b>110.11</b>	<b>51,929,390</b>	<b>103.86</b>

19.1 During the previous year, the Parent Company has completed the Initial Public Offer (IPO) of 11,676,470 Equity Shares of the face value of ₹ 2/- each at an issue price of ₹ 425/- per Equity Share, comprising offer for sale of 10,500,000 shares by Selling Shareholders and fresh issue of 1,176,470 shares. The Equity Shares of the Parent Company were listed on 23<sup>rd</sup> July, 2020 on BSE Limited and National Stock Exchange of India Limited.

19.2 The Board of Directors at its meeting held on 23<sup>rd</sup> March, 2021, inter alia approved the issue of 3,012,046 equity shares on preferential basis for cash consideration. Consequently, the shareholder of the Company at its Extra Ordinary General meeting held on 17<sup>th</sup> April, 2021 has approved issue of 3,012,046 shares of face value of ₹ 2 each on preferential basis at ₹ 996 per share aggregating to ₹ 3,000.00 million to certain parties. Subsequently, pursuant to Section 42 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and as per the approval of the Members of the Parent Company, the Board of Directors of the Parent Company at their meeting held on 21<sup>st</sup> April, 2021 allotted 3,012,046 Equity Shares of the Face Value of ₹ 2/- each, at the issue price of ₹ 996/- each including a premium of ₹ 994/- each on preferential basis by way of a private placement.

19.3 During the year, Parent Company has issued 114,950 equity shares of the Face Value of ₹ 2/- each, at the exercise price of ₹ 425/- each including a premium of ₹ 423/- each under Employee Stock Option Plan 2019. Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 34.1.

#### b) Terms of Rights, preferences and restrictions attached to equity shares

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



## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 19: EQUITY SHARE CAPITAL (CONTD.)

#### c) Details of equity shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of shares	% shareholding	No. of shares	% shareholding
<b>Equity shares:</b>				
Mr. Edward Menezes	16,118,820	29.28%	16,118,820	31.04%
Mr. Sunil Chari	16,089,320	29.22%	16,089,320	30.98%
Rossari Biotech (India) Private Limited	3,016,200	5.48%	3,016,200	5.81%
SBI Small Cap Fund	3,829,376	6.96%	2,862,360	5.51%

#### d) For the period of preceding five years as on the Balance Sheet date, Issued, Subscribed and Paid-up Share Capital includes:

Aggregate of 26,400,000 (31<sup>st</sup> March, 2021 - 26,400,000) Equity Shares allotted as fully paid up by way of bonus shares.

#### e) Shareholding of Promoters / Promoters Group

Promoter / Promoter Group Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Edward Menezes	16,118,820	29.28%	16,118,820	31.04%	-
Mr. Sunil Chari	16,089,320	29.22%	16,089,320	30.98%	-
Ms. Anita Menezes	1,002,630	1.82%	1,002,630	1.93%	-
Ms. Jyotishna Chari	1,000,330	1.82%	1,000,330	1.93%	-
Mr. Mikhail Menezes	133,200	0.24%	133,200	0.26%	-
Mr. Yash Chari	165,000	0.30%	165,000	0.32%	-
<b>Promoter Trust</b>					
- Menezes Family Trust - in the name of Edward Walter Menezes	110,000	0.20%	110,000	0.21%	-
- Chari Family Trust - in the name of Sunil Srinivasan Chari	110,000	0.20%	110,000	0.21%	-
<b>Bodies Corporate</b>					
- Rossari Biotech India Private Limited	3,016,200	5.48%	3,016,200	5.81%	-
<b>Total</b>	<b>37,745,500</b>	<b>68.56%</b>	<b>37,745,500</b>	<b>72.69%</b>	<b>-</b>

### NOTE 20: OTHER EQUITY

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Securities Premium	4,590.96	1,575.47
Employee Stock Options Outstanding	32.86	21.15
Retained Earnings	3,317.71	2,387.24
<b>Total</b>	<b>7,941.53</b>	<b>3,983.86</b>

#### Movement in Reserves

##### (i) Securities Premium

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	1,575.47	1,151.29
Add: Additions during the year (refer note no. 19.1, 19.2 and 19.3)	3,042.60	497.66
Add: Transfer on account of exercise of employee stock option (refer note 34.1)	6.69	-
Less: Adjustment during the year (Refer note below)	(33.80)	(73.48)
<b>Balance as at the end of the year</b>	<b>4,590.96</b>	<b>1,575.47</b>

Note: The Company has adjusted the expenses related to preferential issue of shares against securities premium. During the previous year, the Company had adjusted its share of IPO expenses against the securities premium.

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 20: OTHER EQUITY (CONTD.)

#### (ii) Employee Stock Options Outstanding

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	21.15	4.87
Add: Addition during the year	18.40	16.28
Less: Transfer on account of exercise of employee stock option (refer note 34.1)	(6.69)	-
<b>Balance as at the end of the year</b>	<b>32.86</b>	<b>21.15</b>

#### (iii) Retained Earnings

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at the beginning of the year	2,387.24	1,609.12
Add: Profit during the year	976.94	802.20
Less: Dividend paid	(27.53)	(25.38)
Less: Change in group's interest [Refer note 45(f)]	(19.79)	0.24
Add: Remeasurment gain on defined benefit plan	0.85	1.06
<b>Balance as at the end of the year</b>	<b>3,317.71</b>	<b>2,387.24</b>

#### Description of Nature and purpose of other equity:

##### Retained Earnings:

Retained earnings represent the amount of accumulated earnings.

##### Securities Premium:

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

##### Employee Stock Options Outstanding:

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

##### Notes:

##### Details of Dividends proposed:

The Board of Directors of the Parent Company has recommended dividend of Re. 0.50 per share on the face value of ₹ 2.00 each (25%), subject to approval by the Members at the forthcoming Annual General Meeting of the Parent Company.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Dividend per share (₹)	0.50	0.50
Dividend on Equity Shares (₹ in million)	27.53	27.47

### NOTE 21: OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred Consideration on Business Combination [refer note 45(a)]	850.27	-
<b>Total</b>	<b>850.27</b>	<b>-</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 22: PROVISIONS (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for employee benefits</b>		
Gratuity	17.82	7.75
Compensated absences	11.36	3.26
<b>Total</b>	<b>29.18</b>	<b>11.01</b>

#### Note:

For disclosures related to employee benefits, refer note 47.

### NOTE 23: DEFERRED TAX LIABILITY (NET) (NON-CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deferred Tax Liability (Refer note 23.1 and 23.2)	689.49	12.88
<b>Total</b>	<b>689.49</b>	<b>12.88</b>

#### 23.1 DEFERRED TAX LIABILITY AS AT 31<sup>st</sup> MARCH, 2022

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2021	Acquisitions through business combinations (Refer note 45(a))	Recognised in Business combination (Refer note 45(a))	Charge / (credit) to profit or loss	Charge / (credit) to OCI	As at 31 <sup>st</sup> March, 2022
<b>Tax effect of items constituting deferred tax liabilities:</b>						
Allowances on property, plant & equipment and other intangible assets	(13.59)	(35.74)	(648.89)	(44.26)	-	(653.96)
Others	-	-	(70.87)	(24.67)	-	(46.20)
<b>Tax effect of items constituting deferred tax assets:</b>						
Stock reserve	0.71	-	-	(0.60)	-	1.31
Allowances for expected credit losses	-	4.22	-	0.85	-	3.37
Provision for Employee benefits	-	3.71	-	0.41	(0.35)	2.95
Other employee benefits	-	1.90	-	(0.22)	-	2.12
Others	-	0.77	-	(0.15)	-	0.92
<b>Total</b>	<b>(12.88)</b>	<b>(25.14)</b>	<b>(719.76)</b>	<b>(68.64)</b>	<b>(0.35)</b>	<b>(689.49)</b>

#### 23.2 Deferred Tax Liability as at 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2020	Recognised in Business combination [Refer Note 45(c)]	Charge / (credit) to profit or loss	Charge / (credit) to OCI	As at 31 <sup>st</sup> March, 2021
<b>Tax effect of items constituting deferred tax liabilities:</b>					
Allowances on property, plant & equipment and other intangible assets	-	(14.43)	0.84	-	(13.59)
<b>Tax effect of items constituting deferred tax assets:</b>					
Stock reserve	-	-	0.71	-	0.71
<b>Total</b>	-	<b>(14.43)</b>	<b>1.55</b>	-	<b>(12.88)</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 23: DEFERRED TAX LIABILITY (NET) (NON-CURRENT) (CONTD.)

#### 23.3 Deferred Tax Assets as at 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2021	Recognised in Business combination (Refer note 45(c))	Charge / (credit) to profit or loss	Charge / (credit) to OCI	As at 31 <sup>st</sup> March, 2022
<b>Tax effect of items constituting deferred tax liability:</b>					
Allowances on property, plant & equipment and other intangible assets	(6.24)	(5.13)	(12.88)	-	1.51
<b>Tax effect of items constituting deferred tax assets:</b>					
Allowances for expected credit losses	1.19	-	(0.57)	-	1.76
Provision for employee benefits	3.73	-	(1.12)	(0.11)	4.74
Other employee benefits	3.89	-	(1.13)	-	5.02
<b>Deferred Tax Assets / (Liabilities) (A) (Refer note 23.4)</b>	<b>2.57</b>	<b>(5.13)</b>	<b>(15.70)</b>	<b>(0.11)</b>	<b>13.03</b>
<b>Tax effect of items constituting deferred tax assets:</b>					
MAT Credit	0.50	-	-	-	0.50
<b>Deferred Tax Assets / (Liabilities) (B) (Refer note 23.4)</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>
<b>Net Deferred Tax Assets / (Liability) (A+B)</b>	<b>3.07</b>	<b>(5.13)</b>	<b>(15.70)</b>	<b>(0.11)</b>	<b>13.53</b>

#### 23.4 Deferred Tax Assets as at 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	As at 1 <sup>st</sup> April, 2020	Recognised in Business combination (Refer note 45(e))	Charge / (credit) to profit or loss	Charge / (credit) to OCI	As at 31 <sup>st</sup> March, 2021
<b>Tax effect of items constituting deferred tax liability:</b>					
Allowances on property, plant & equipment and other intangible assets	(14.86)	0.89	7.73	-	(6.24)
<b>Tax effect of items constituting deferred tax assets:</b>					
Allowances for expected credit losses	1.15	-	0.04	-	1.19
Provision for employee benefits	3.76	-	0.43	(0.46)	3.73
Other employee benefits	4.55	0.03	(0.69)	-	3.89
<b>Deferred Tax Asset / (Liabilities) (A) (Refer note 22.3)</b>	<b>(5.40)</b>	<b>0.92</b>	<b>7.51</b>	<b>(0.46)</b>	<b>2.57</b>
<b>Tax effect of items constituting deferred tax asset:</b>					
MAT Credit	0.50	-	-	-	0.50
<b>Deferred Tax Assets (B)</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>
<b>Net Deferred Tax Assets / (Liabilities) (A+B)</b>	<b>(4.90)</b>	<b>0.92</b>	<b>7.51</b>	<b>(0.46)</b>	<b>3.07</b>

### NOTE 24: BORROWINGS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Carried at Amortised Cost:</b>		
<b>Secured - Working Capital Loan</b>		
From banks	84.27	-
<b>Total</b>	<b>84.27</b>	<b>-</b>

#### Notes:

24.1 Repayable on demand and carries the rate of interest of 7.50% p.a.

24.2 Working capital facilities are secured by first Pari Passu charge on all the present and future Current Assets of the Tristar Intermediates Private Limited - Subsidiary.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 25: TRADE PAYABLES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Total outstanding dues of micro enterprises and small enterprises	211.54	150.54
Total outstanding dues other than micro enterprises and small enterprises	1,649.97	1,160.59
<b>Total</b>	<b>1,861.51</b>	<b>1,311.13</b>

#### Notes:

#### (i) Trade Payables ageing schedule as on 31<sup>st</sup> March, 2022

(₹ in million)

Particulars	Outstanding for following periods from the transaction date				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	211.54	-	-	-	211.54
(ii) Others	1,632.56	10.89	4.61	1.91	1,649.97

#### (ii) Trade Payables ageing schedule as on 31<sup>st</sup> March, 2021

(₹ in million)

Particulars	Outstanding for following periods from the transaction date				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	150.54	-	-	-	150.54
(ii) Others	1,150.34	8.63	0.86	0.76	1,160.59

### NOTE 26: OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Measured at Amortised Cost:</b>		
Security Deposits	38.01	35.38
Creditors for capital goods & services	53.53	42.96
Deferred Government Grants	4.48	-
Interest Accrued	33.45	26.41
Others	8.36	0.58
Deferred Consideration on Business Combination [refer note 45(a)]	677.84	-
<b>Total</b>	<b>815.67</b>	<b>105.33</b>

### NOTE 27: OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
i. Advances received from customers	49.48	53.92
ii. Statutory dues		
- Taxes Payable	17.11	10.75
- GST Payable	27.53	1.98
- Employee Liabilities	3.25	2.17
<b>Total</b>	<b>97.37</b>	<b>68.82</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 28: PROVISIONS (CURRENT)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for employee benefits</b>		
Gratuity	11.58	6.73
Compensated absences	4.41	1.51
<b>Total</b>	<b>15.99</b>	<b>8.24</b>

#### Notes:

For disclosures related to employee benefits, refer note 47.

### NOTE 29: CURRENT TAX LIABILITIES (NET)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Provision for tax	71.83	8.34
(net of Advance Income Tax of ₹ 655.80 million (31 <sup>st</sup> March, 2021 – ₹ 266.96 million))		
<b>Total</b>	<b>71.83</b>	<b>8.34</b>

### NOTE 30: REVENUE FROM OPERATIONS

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Revenue from contracts with customers:</b>		
Sale of products	14,728.25	7,074.08
Sale of Services	23.51	-
<b>Other operating revenues:</b>		
i. Royalty	-	2.22
ii. Commission Income	14.50	-
iii. Others*	63.48	17.15
<b>Total</b>	<b>14,829.74</b>	<b>7,093.45</b>

\*Includes Export Incentives

#### Notes:

Refer note 40 for geography wise revenue from contracts with customers

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Contract Price	14,794.05	7,133.06
Less : Discount	65.80	58.98
<b>Total</b>	<b>14,728.25</b>	<b>7,074.08</b>

### NOTE 31: OTHER INCOME

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
i. Interest Income:		
- On bank deposits	31.40	40.45
- On others	9.27	2.20
ii. Dividend Income	0.07	0.05
iii. Other non-operating income:		
- Gain on disposal of property, plant and equipment (net)	6.87	4.32
- Net gain on sale/fair value of investments	14.18	-
- Fair value gain on acquisition date from fair value of the Company's previously held equity interest in the acquiree [Refer note 45(e)]	-	23.02
- Claims received from customer	48.75	-
- Others *	9.42	17.00
<b>Total</b>	<b>119.96</b>	<b>87.04</b>

\* Others mainly includes income on account of writeback of liabilities(net) ₹ 9.42 million (31<sup>st</sup> March, 2021 - ₹ 7.32 million)

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 32: COST OF MATERIALS CONSUMED

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Cost of materials consumed:</b>		
Opening Stock of Raw Materials and Packing materials	612.54	381.25
Add: Purchases (Net)	10,260.77	4,579.35
Less: Closing Stock of Raw Materials and Packing materials	1,172.14	612.54
<b>Total</b>	<b>9,701.17</b>	<b>4,348.06</b>

### NOTE 33: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Opening Stock</b>		
Finished Goods	311.96	195.64
Work-in-progress	29.03	4.81
Stock in trade	-	-
<b>Total</b>	<b>340.99</b>	<b>200.45</b>
On account of conversion from JV to Subsidiary	-	56.30
On Acquisition of Subsidiaries [refer note 45(a)]	183.30	-
<b>Less: Closing Stock</b>		
Finished Goods	597.51	311.96
Work-in-progress	115.38	29.03
Stock in trade	14.28	-
<b>Total</b>	<b>727.17</b>	<b>340.99</b>
<b>Total (increase) / decrease in inventories</b>	<b>(202.88)</b>	<b>(84.24)</b>

### NOTE 34: EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Salaries and wages, including bonus	606.59	382.46
Contribution to provident and other funds	21.17	7.98
Equity-settled share-based payments	18.31	15.73
Workmen & Staff welfare expenses	33.22	13.58
<b>Total</b>	<b>679.29</b>	<b>419.75</b>

#### 34.1 Employee Stock Option plan

The Group has implemented - Rossari Employee Stock Option Plan, 2019 ("ESOP 2019") as approved by the shareholders of the Parent Company and the Nomination and Remuneration Committee (NRC) of the Board of Directors (the 'Board') of the Parent Company.

As per the ESOP 2019, the Board of Directors at Board Meeting dated 12<sup>th</sup> December, 2019 granted ESOP's to the eligible employees to acquire equity shares of the Parent Company, that vests in a graded manner. The vested options can be exercised within two years from respective vesting date or the period as specified by Nomination & Remuneration Committee as specified in the ESOP 2019. The number of options granted is calculated in accordance with the experience and performance-based formula recommended by the Board and approved by the NRC.

The Parent Company has granted 705,000 Employee Stock Options under ESOP 2019 to its identified employees. This grant is effective from 12<sup>th</sup> December, 2019. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the meeting held on 12<sup>th</sup> December, 2019.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 34: EMPLOYEE BENEFITS EXPENSE (CONTD.)

This was further Modified/ revised in accordance with the resolution passed by the Nomination and Remuneration Committee of the Board of Directors of the Group at their meeting held on 22<sup>nd</sup> July, 2020. The exercise price of the shares granted under the scheme was reduced from ₹ 475 to ₹ 425.

The scheme was ratified by the shareholders at its extraordinary general meeting held on 17<sup>th</sup> April, 2021.

During the year, the Parent Company has granted 57,000 Employee Stock Options under ESOP 2019 to its identified employees. These shall vest as per the vesting schedule approved by the Board and NRC and can be exercised over the exercise period as approved in the Board meeting.

### Information in respect of Options outstanding as on 31<sup>st</sup> March, 2022

#### Movement in Share Options

Particulars	For the year ended 31 <sup>st</sup> March, 2022		For the year ended 31 <sup>st</sup> March, 2021	
	Number of Shares	Weighted Average exercise price	Number of Shares	Weighted Average exercise price
The number and weighted average exercise prices of share options outstanding at the beginning of year	612,500	425	705,000	475
Granted during the year	57,000	1,334	-	-
Forfeited / lapsed during the year	3,550	425	92,500	-
Exercised during the year	114,950	425	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	551,000	520	612,500	425
Exercisable at the end of the year	4,000	425	-	425
Remaining contractual life (no of years)	-	1.78	-	2.90

The inputs used in the measurement of the fair values at grant date / modification date of the employee stock option plans (ESOPs) using Black Scholes option pricing model were as follows:

Grant Date	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019	12 <sup>th</sup> December, 2019
Modification Date	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020	22 <sup>nd</sup> July, 2020
Exercise price per share (₹)	425	425	425	425
Share price on the date of grant	425	425	425	425
Expected life of options (Years)	1.99	2.99	3.99	4.99
Expected Volatility (% p.a.)	25%	25%	25%	25%
Risk Free Rate of Return (%)	3.80%	4.20%	4.60%	4.90%
Dividend Yield (p.a.)	1%	1%	1%	1%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value (original)	44.6	63.64	80.66	96.08
Options Fair Value (modified)	56.36	77.52	96.35	114.68
Incremental fair value granted	11.76	13.88	15.69	18.60

During the previous year, the Group re-priced its outstanding options. The strike price was reduced from ₹ 475 to the then current market price of ₹ 425. The incremental fair value of ₹ 11.07 million will be expensed over the remaining vesting period (two years). The Group used the inputs noted above to measure the fair value of the old and new options.



## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 34: EMPLOYEE BENEFITS EXPENSE (CONTD.)

Grant Date	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021	14 <sup>th</sup> May, 2021
Exercise price per share (₹)	1,287	1,287	1,287	1,287
Share price on the date of grant	1,282	1,282	1,282	1,282
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	3.90%	4.60%	4.90%	5.30%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	211.93	316.45	399.73	475.03

Grant Date	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021	17 <sup>th</sup> July, 2021
Exercise price per share (₹)	1,168	1,168	1,168	1,168
Share price on the date of grant	1,164	1,164	1,164	1,164
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	3.90%	4.47%	5.03%	5.60%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	192.73	286.35	365.03	436.8

Grant Date	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021	8 <sup>th</sup> November, 2021
Exercise price per share (₹)	1,363	1,363	1,363	1,363
Share price on the date of grant	1,391	1,391	1,391	1,391
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	4.12%	4.54%	5.07%	5.68%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	246.38	357.02	449.67	535.43

Grant Date	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021	19 <sup>th</sup> November, 2021
Exercise price per share (₹)	1,442	1,442	1,442	1,442
Share price on the date of grant	1,442	1,442	1,442	1,442
Expected life of options (Years)	1	2	3	4
Expected Volatility (% p.a.)	38%	38%	38%	38%
Risk Free Rate of Return (%)	4.05%	4.64%	5.22%	5.67%
Dividend Yield (p.a.)	0%	0%	0%	0%
Lapse Rates (p.a.)	2%	2%	2%	2%
Mortality	Not Considered	Not Considered	Not Considered	Not Considered
Options fair value	241.91	358.85	457.39	544.43

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 34: EMPLOYEE BENEFITS EXPENSE (CONTD.)

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

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102. Consequently, salaries, wages, bonus etc. includes ₹ 18.31 million (31<sup>st</sup> March, 2021: ₹ 15.73 million) being expenses on account of share based payments, after adjusting for reversals on account of options lapsed. The amount excludes ₹ 0.09 million (31<sup>st</sup> March, 2021: ₹ 0.55 million) charged to associate/joint venture for options issued to their employees.

### NOTE 35: FINANCE COSTS

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Interest Expense:</b>		
(i) On working capital facilities	2.17	3.76
(ii) On term loan (Refer note 35.1 and 35.2)	-	9.27
(iii) On MSME	17.48	12.50
(iv) Other Borrowing Cost (Refer note 35.3)	8.89	4.39
(v) On deferred consideration payable [Refer note 45(a)]	98.02	-
<b>Total</b>	<b>126.56</b>	<b>29.92</b>

#### Notes:

35.1 Interest on term loans excludes amount of interest transferred to capital work in progress amounting to Nil in 2021-22 (31<sup>st</sup> March, 2021 - ₹ 9.03 million)

35.2 The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is Nil (31<sup>st</sup> March, 2021 - 8.95% p.a.)

35.3 Other Borrowing cost includes interest on security deposits and service charges to bank.

#### Analysis of Interest Expense by category:

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Interest Expenses:		
On financial liability at amortised cost	100.19	13.03

### NOTE 36: DEPRECIATION AND AMORTISATION EXPENSES

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Depreciation on property, plant and equipment (Refer note 3a)	354.24	210.54
Amortisation on right of use asset (Refer note 3b)	4.01	0.77
Amortisation of intangible assets (Refer note 5)	122.30	16.98
<b>Total</b>	<b>480.55</b>	<b>228.29</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 37: OTHER EXPENSES

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Consumption of stores, spares and consumables	57.42	28.70
Labour Contract Charges	155.93	135.91
Freight & Forwarding Charges	383.33	127.84
Selling & Distribution Expense	27.06	9.52
Commission on Sales	100.82	210.01
Legal and Professional Fees	126.77	65.27
Repairs & Maintenance	43.39	24.20
Travelling & Conveyance	53.49	26.58
Rent	46.73	36.60
Net (gain)/loss on sale/fair value of investments	-	0.08
Loss on sale of property, plant and equipment (net)	0.49	-
Corporate Social Responsibility Expenditure	26.62	13.24
Power and Fuel	119.15	23.97
Insurance Charges	16.99	13.18
Donations	1.48	1.94
Bad Debts written off	9.40	-
Less: Utilisation of Allowance for Expected Credit Loss	(9.40)	-
	-	-
Allowance for Expected credit loss (net)	8.86	0.71
<u>Payments to the Auditors as</u>		
Statutory Audit Fees *	5.70	4.50
Certification Matters	1.40	1.05
Reimbursement of expenses	0.30	0.24
Net Gain on foreign currency transactions & translation	(62.05)	(4.86)
Miscellaneous expenses	151.71	97.65
<b>Total</b>	<b>1,265.59</b>	<b>816.33</b>

\* This fee does not include IPO related fee which is debited to securities premium in the previous year.

### NOTE 38: INCOME TAX RECOGNISED IN PROFIT AND LOSS

#### (a) Income Tax recognised in Profit & Loss

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>A. Current Tax Charges:</b>		
- in respect of Current year	470.14	276.98
<b>Total</b>	<b>470.14</b>	<b>276.98</b>

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 38: INCOME TAX RECOGNISED IN PROFIT AND LOSS (CONT.)

#### (b) Deferred Tax recognised in Profit & Loss

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>B. Deferred Tax Credit:</b>		
- In respect of current year origination and reversal of temporary differences	(84.34)	(9.06)
<b>Total</b>	<b>(84.34)</b>	<b>(9.06)</b>
<b>Total (A+B)</b>	<b>385.80</b>	<b>267.92</b>

#### (c) Income tax recognised in Other Comprehensive Income

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Income taxes related to items that will be reclassified to profit and loss	(0.46)	(0.46)
<b>Total</b>	<b>(0.46)</b>	<b>(0.46)</b>

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

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Profit before tax	1,362.75	1,068.38
Applicable Income tax rate	25.17%	25.17%
Expected income tax expense	342.98	268.91
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible	14.11	10.64
Effect of concessions / allowances as per the Income Tax Act, 1961	5.62	0.25
Exempt income – Dividend	-	(8.23)
Others	23.09	(3.65)
<b>Reported income tax expense</b>	<b>385.80</b>	<b>267.92</b>

### NOTE 39: EARNING PER SHARE (EPS)

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Profit for the year attributable to the Owners of the Parent Company	97,674	802.20
Weighted average no. of ordinary equity shares used in computing basic EPS	54,848,162	51,565,168
<b>Basic EPS (face value of ₹ 2 per share) (₹)</b>	<b>17.81</b>	<b>15.56</b>
Weighted average no. of ordinary equity shares used in computing diluted EPS	55,174,959	51,870,850
<b>Diluted EPS (face value of ₹ 2 per share) (₹)</b>	<b>17.70</b>	<b>15.47</b>

#### Reconciliation of weighted average number of equity shares

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	54,848,162	51,565,168
Add: Effect of Employee Stock Options	326,797	305,682
<b>Weighted average no. of ordinary equity shares used in computing diluted EPS</b>	<b>55,174,959</b>	<b>51,870,850</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 40: SEGMENT INFORMATION

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

#### Geographical Revenue:

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Segment Revenue (Gross sales)		
India	12,184.07	6,444.08
Outside India	2,645.67	649.37
<b>Total</b>	<b>14,829.74</b>	<b>7,093.45</b>

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

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

### NOTE 41: DETAILS OF RESEARCH & DEVELOPMENT

Particulars	(₹ in million)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Revenue expenditure	59.53	75.01
Capital expenditure	0.19	7.91
<b>Total</b>	<b>59.72</b>	<b>82.92</b>

### NOTE 42: CONTINGENT LIABILITY AND COMMITMENTS

#### Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for ₹ 26.07 million (31<sup>st</sup> March, 2021 - ₹ 51.33 million).

### NOTE 43: LEASES

Following are the changes in the carrying value of right of use assets for the year ended 31<sup>st</sup> March, 2022:

Particulars	(₹ in million)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Opening Balance	69.38	70.15
Acquisitions through business combinations [Refer note 45(a)]	375.63	-
Additions	0.95	-
Amortisation	4.01	0.77
<b>Closing Balance</b>	<b>441.95</b>	<b>69.38</b>

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

Rent expense recorded for short-term leases was ₹ 46.73 million (31<sup>st</sup> March, 2021 - ₹ 36.60 million).

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 44: RELATED PARTY DISCLOSURE:

i. List of Related Parties:

**a) Joint venture**

Buzil Rossari Private Limited (till 30<sup>th</sup> August, 2020)

Hextar Unitop Sdn. Bhd., Malaysia (w.e.f. 26<sup>th</sup> August, 2021)

**b) Associate**

Romakk Chemicals Private Limited (w.e.f. 25<sup>th</sup> November, 2021)

**c) Key Managerial Persons (KMP)**

Mr. Edward Menezes (Chairman)

Mr. Sunil Chari (Managing Director)

**d) Relatives of KMP**

Ms. Anita Menezes

Ms. Jyotishna Chari

Mr. Mikhail Menezes

Mr. Yash Chari

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

Rossari Biotech (India) Private Limited

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 44: RELATED PARTY DISCLOSURES: (CONTD.)

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

Nature of Transaction	For the year ended 31 <sup>st</sup> March, 2022			For the year ended 31 <sup>st</sup> March, 2021			
	KMP	Relatives of KMP	Associate/ Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of Joint Venture directors	Enterprises on which KMP or their relatives are able to exercise significant influence
<b>Sales:</b>							
Buzil Rossari Private Limited	-	-	-	-	-	-	132.06
Hextar Unitop Sdn. Bhd.	-	-	31.17	-	-	-	-
Romakk Chemicals Private Limited	-	-	2.77	-	-	-	-
	-	-	<b>33.94</b>	-	-	-	<b>132.06</b>
<b>Royalty Income:</b>							
Buzil Rossari Private Limited	-	-	-	-	-	-	2.22
	-	-	-	-	-	-	<b>2.22</b>
<b>Purchases:</b>							
Romakk Chemicals Private Limited	-	-	88.27	-	-	-	-
	-	-	<b>88.27</b>	-	-	-	-
<b>Dividend paid:</b>							
Mr. Edward Menezes	8.06	-	-	-	10.68	-	-
Mr. Sunil Chari	8.04	-	-	-	10.67	-	-
Ms. Anita Menezes	-	0.50	-	-	-	0.50	-
Ms. Jyotishna Chari	-	0.50	-	-	-	0.50	-
Mr. Mikhail Menezes	-	0.07	-	-	-	0.07	-
Mr. Yash Chari	-	0.08	-	-	-	0.08	-
Rossari Biotech (India) Private Limited	-	-	-	1.51	-	-	1.51
	<b>16.10</b>	<b>1.15</b>	-	<b>1.51</b>	<b>21.35</b>	<b>1.15</b>	<b>1.51</b>
<b>Interest Income:</b>							
Buzil Rossari Private Limited	-	-	-	-	-	-	4.11
	-	-	-	-	-	-	<b>4.11</b>
<b>Rent paid:</b>							
Mr. Sunil Chari	-	-	-	-	0.62	-	-
Mr. Edward Menezes	-	-	-	-	0.62	-	-
	-	-	-	-	<b>1.24</b>	-	-
<b>Reimbursement of Expenses(net):</b>							
Buzil Rossari Private Limited	-	-	3.03	-	-	-	-
	-	-	<b>3.03</b>	-	-	-	-

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 44: RELATED PARTY DISCLOSURES: (CONTD.)

(₹ in million)

Nature of Transaction	For the year ended 31 <sup>st</sup> March, 2022			For the year ended 31 <sup>st</sup> March, 2021			
	KMP	Relatives of KMP	Associate/ Joint Venture company	Enterprises on which KMP or their relatives are able to exercise significant influence	KMP	Relatives of Joint Venture company directors	Enterprises on which KMP or their relatives are able to exercise significant influence
<b>Remuneration:</b>							
Mr. Edward Menezes	9.51	-	-	-	9.00	-	-
Mr. Sunil Chari	9.51	-	-	-	9.00	-	-
Mr. Mikhail Menezes	-	4.80	-	-	-	4.86	-
Mr. Yash Chari	-	4.80	-	-	-	4.88	-
	<b>19.02</b>	<b>9.60</b>	-	-	<b>18.00</b>	<b>9.74</b>	-
<b>Commission paid:</b>							
Buzil Rossari Private Limited	-	-	-	-	-	-	5.09
	-	-	-	-	-	-	<b>5.09</b>
<b>Outstanding Receivables:</b>							
Hextar Unitop Sdn. Bhd.	-	-	4.80	-	-	-	-
Romakk Chemicals Private Limited	-	-	6.81	-	-	-	-
	-	-	<b>11.61</b>	-	-	-	-
<b>Payables:</b>							
Romakk Chemicals Private Limited	-	-	52.41	-	-	-	-
	-	-	<b>52.41</b>	-	-	-	-



## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 45 : ACQUISITION OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE

#### a) Acquisition of Unitop Chemicals Private Limited and Tristar Intermediates Private Limited

Pursuant to approval of the Board of Directors of the Parent Company at its meeting held on 2<sup>nd</sup> June, 2021 and vide Share Purchase agreement (SPA) as of the same date, the Parent Company agreed to acquire Unitop Chemicals Private Limited (UCPL) at a total consideration value of ₹ 3,919.14 million. As at the year ended 31<sup>st</sup> March 2022, the Parent Company completed the acquisition of 65% of the issued share capital of UCPL. The acquisition of balance 35% equity share capital and payment of balance consideration for the same will be in two tranches subject to completion of customary conditions. Accordingly, the group recorded a financial liability for the estimated present value of its gross obligation to purchase the non-controlling interest as of the acquisition date in accordance with the share purchase agreement. Thus, the Parent Company has acquired full control of UCPL and accordingly has consolidated on 100% basis from the date of acquisition i.e. 26<sup>th</sup> August, 2021. UCPL is in the business of selling Surfactants and Speciality Chemicals for Agro-Chemicals, Oil Exploration, Oilfield & Refinery Chemicals, Textiles, Fibre, Pharmaceuticals, Specialities for Rubber and Plastic Industries. UCPL was acquired to gain the synergies from the combined business of the group.

Further on approval of the Board of Directors at its meeting held on 17<sup>th</sup> July, 2021 and vide Share Purchase and Shareholders' agreement as of the same date, the Parent Company agreed to acquire Tristar Intermediates Private Limited (TIPL) at a total consideration value of ₹ 1,029.82 million. As at the year ended 31<sup>st</sup> March, 2022, the Parent Company completed the acquisition of 76% of the issued share capital of TIPL. The acquisition of balance 24% equity share capital and payment of balance consideration for the same will be in two tranches subject to completion of customary conditions. Accordingly, the group recorded a financial liability for the estimated present value of its gross obligation to purchase the non-controlling interest as of the acquisition date in accordance with the share purchase agreement. Thus, the Parent Company has acquired full control of TIPL and accordingly has consolidated on 100% basis from the date of acquisition i.e. 1<sup>st</sup> September, 2021. TIPL is in the business of selling Perfumery Chemicals, Speciality Chemicals, Dye Intermediates and high-tech distillation facilities. TIPL was acquired to gain the synergies from the combined business of the group.

The parent company has accounted for the aforesaid acquisition as a Business acquisition in terms of IND AS - 103 Business Combination. In accordance with the same, the Parent Company has appointed independent agency for determination of fair value of assets and liabilities which is as under:

Particulars	(₹ in million)	
	UCPL	TIPL
Property, plant and equipment	926.22	315.29
Right of Use - Assets	271.82	103.81
Capital Work-in-Progress	155.72	-
Identifiable intangible assets		
- Technology and Trademark	965.40	422.70
- Customer Relationships	250.90	59.50
- Computer Software	0.17	-
Investments	270.00	-
Financial assets	27.72	23.01
Inventory	366.11	91.51
Trade Receivables	1,025.25	259.46
Cash and Cash Equivalents	103.38	13.08
Other Bank Balances	84.03	-
Other Non-current/Current Assets	57.82	47.82
Income Tax Assets	29.76	-
Deferred tax liabilities	(547.11)	(190.43)
Financial liabilities	(10.37)	(3.82)
Borrowings	-	(132.39)
Trade Payables	(517.92)	(170.90)
Provisions and Other liabilities	(91.55)	(28.60)
Current Tax Liabilities	(81.31)	(8.86)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>3,286.04</b>	<b>801.18</b>
Goodwill	633.10	228.64
<b>Total consideration</b>	<b>3,919.14</b>	<b>1,029.82</b>
<b>Total consideration transferred</b>		
Net cash outflow arising on acquisition:		
Total consideration	3,919.14	1,029.82
Less: Deferred consideration (refer below)	1,221.68	208.41
Cash consideration	2,697.46	821.41
<b>Net cash outflow on acquisition of subsidiaries</b>		
Consideration paid in cash	2,697.46	821.41
Less: cash and cash equivalents balances acquired	103.38	13.08
<b>Net cash outflow</b>	<b>2,594.08</b>	<b>808.33</b>

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 45 : ACQUISITION OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE (CONTD.)

The goodwill aggregating to ₹ 861.74 million arising from the acquisition consists of synergies on acquisition of the subsidiaries. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of revenue growth and trade connections. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill arising on the acquisition are not to be tax deductible.

Additionally, the acquisition of UCPL have retention payouts payable to the eligible key employees of the UCPL, subject to their continuous employment with the Group and as specified in the employment agreement of the respective eligible key employees. Retention bonus is recognized in employee benefit expenses in the Consolidated Statement of Profit and Loss over the period of service.

The fair value of acquired trade receivables is ₹ 1,025.25 million and ₹ 259.46 million as at the acquisition date with respect to UCPL and TIPL respectively. The gross contractual amount for trade receivables due is ₹ 1,041.59 million and ₹ 259.90 million with respect to UCPL and TIPL respectively, with a loss allowance of ₹ 16.34 million and ₹ 0.44 million with respect to UCPL and TIPL respectively.

UCPL contributed ₹ 2,697.37 million revenue and ₹ 215.99 million to the Group's profit before eliminations and TIPL contributed ₹ 1,045.16 million revenue and ₹ 82.26 million to the Group's profit before eliminations for the period between the date of acquisition and the reporting date.

If the acquisition of UCPL and TIPL had been completed on the first day of the financial year, the Group's pro-forma revenues before eliminations for the year would have been ₹ 17,825.91 million and the Group's profit would have been ₹ 1,569.36 million.

Deferred consideration is related to acquisition of remaining 35% equity shares amounting to ₹ 1,452.50 million of UCPL and 24% equity shares amounting to ₹ 259.20 million of TIPL which will be acquired in multiple tranches, subject to the customary terms and conditions as defined in the Share Purchase Agreement. Accordingly, the same is fair valued at ₹ 1,528.12 million (including interest expenses of ₹ 98.03 million) which has been recognised as deferred consideration on business combination (Non current - ₹ 850.27 million and Current - ₹ 677.84 million) disclosed under 'Other Financial Liabilities'.

#### b) Investment in Associate - Romakk Chemicals Private Limited

On 24<sup>th</sup> November, 2021, the Parent Company acquired 50.10% of the issued share capital of Romakk Chemicals Private Limited (RCPL). RCPL is in the business of selling of fine chemicals and other chemical products n.e.c. (including antiknock preparations, anti-freeze preparations, liquids for hydraulic transmission, composite diagnostic or laboratory reagents, writing or drawing ink, chemical substance used in manufacturing of pesticides and other chemical products and qualifies as a business as defined in Ind AS 103. RCPL was acquired to gain the synergies from the combined business of the group.

As per IND AS 103, allocation of purchase consideration towards the fair value of assets and liabilities and determination of goodwill are, done on a provisional basis, pending the final determination.

#### c) Acquisition of Trio Business

On 1<sup>st</sup> May, 2021, the Parent Company has completed the acquisition of the Defoamer Business of Trio Chemicals and Allied Products ('Trio') at a total consideration of ₹ 52.50 million. Trio is into the business of manufacturer of Defoamers and qualifies as a business as defined in Ind AS 103. Trio was acquired to gain the synergies from the combined business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Particulars	Amount in ₹ million
Property, plant and equipment	4.70
Identifiable intangible assets - Trademark	21.00
Trade Receivables	40.90
Inventory	11.00
Deferred tax liabilities	(5.40)
Provisions and Other Liabilities	(30.30)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>41.90</b>
Goodwill	10.60
<b>Total consideration</b>	<b>52.50</b>
<b>Total consideration transferred</b>	
Net cash outflow arising on acquisition:	
Cash consideration	52.50
Less: cash and cash equivalent balances acquired	-
<b>Total</b>	<b>52.50</b>

The goodwill of ₹ 10.60 million arising from the acquisition consist of synergies on acquisition of the business. The goodwill arising on the acquisition are not to be tax deductible.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 45 : ACQUISITION OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE (CONTD.)

#### d) Investment in Joint Venture - Hextar Unitop SDN. BHD.

Consequent to the acquisition of Unitop Chemicals Private Limited (UCPL) group has acquired the 50% stake in the joint venture - Hextar Unitop SDN. BHD. ('Hextar'). Hextar is in the business of manufacturing, exporting, importing and marketing of surfactants, specialty chemicals, intermediates, agrochemical additives, oil field chemicals, emulsifiers and agrichemicals and qualifies as a business as defined in Ind AS 103.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Particulars	Amount in ₹ million
Property, plant and equipment	13.30
Inventory	30.90
Trade Receivables	23.40
Cash and Cash Equivalents	24.60
Other Non-current/Current Assets	0.20
Deferred tax liabilities	(3.00)
Trade Payables	(6.40)
Provisions and Other liabilities	(46.90)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>36.10</b>
Goodwill	266.00
<b>Total consideration</b>	<b>302.10</b>
Total consideration transferred	
Net cash outflow arising on acquisition:	
Total consideration	302.10
Cash consideration	302.10

The goodwill of ₹ 266.00 million arising from the acquisition consists of synergies on acquisition of the joint venture. The goodwill arising on the acquisition are not to be tax deductible.

#### e) Acquisition of balance stake in Buzil Rossari Private Limited

During the previous year, on 31<sup>st</sup> August, 2020, the Group acquired 100% of the issued share capital of Buzil Rossari Private Limited ('Buzil'), obtaining control of Buzil. Buzil is in the business of selling and distribution of Institutional and home cleaning products and qualifies as a business as defined in Ind AS 103. Buzil was acquired to gain the synergies from the combined business of the group.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Particulars	Amount in ₹ million
Property, plant and equipment	10.34
Identifiable intangible assets	75.00
Financial assets	23.23
Inventory	56.30
Other Non Financial Assets	16.74
Income Tax Assets	0.89
Deferred tax liabilities	(13.51)
Financial liabilities	(73.82)
Provisions and Other Liabilities	(6.68)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>88.49</b>
Goodwill	26.24
<b>Total consideration</b>	<b>114.73</b>
<b>Total consideration transferred</b>	
Net cash outflow arising on acquisition:	
Cash consideration	45.91
Less: cash and cash equivalent balances acquired	2.59
<b>Total</b>	<b>43.32</b>

The goodwill of ₹ 26.24 million arising from the acquisition consist of synergies on acquisition of the subsidiary. The goodwill arising on the acquisition are not to be tax deductible.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 45 : ACQUISITION OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE (CONTD.)

#### f) Changes in group's share of Rossari Biotech Limited in Rossari Personal Care Products Private Limited (RPCPPL)

During the year ended 31<sup>st</sup> March, 2021, Rossari Personal Care Products Private Limited issued and allotted 2,00,000 equity shares, comprising 40% equity stake on a preferential allotment basis to outside the group resulting in change of parent's holding from 100% to 60% resulting into minority interest. As a result, gain of ₹ 0.24 million is accounted in the other equity on account of change in the group's interest.

During the year ended 31<sup>st</sup> March, 2022, the Parent Company has acquired the aforesaid 40% stake for a consideration of ₹ 20.00 million making it a wholly owned subsidiary of the Parent Company w.e.f. 23<sup>rd</sup> July, 2021. As a result of this acquisition, loss of ₹ 19.79 million is accounted in the other equity on account of change in the group's interest.

#### g) Impairment of Goodwill

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets and liabilities of the acquired entity. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

A summary of changes in the carrying amount of goodwill is as follows :

(₹ in million)		
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Carrying Value at the beginning [refer note 45(e)]	26.24	-
Goodwill on acquisitions [refer note 45(a) and 45(c)]	872.34	26.24
<b>Carrying Value at the end</b>	<b>898.58</b>	<b>26.24</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the acquired entity level.

The allocation of goodwill at entity level as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows :"

(₹ in million)		
Entity	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Buzil Rossari Private Limited	26.24	26.24
Unitop Chemicals Private Limited	633.10	-
Tristar Intermediates Private Limited	228.64	-
<b>Total</b>	<b>887.98</b>	<b>26.24</b>

Goodwill pertaining to Trio amounting to ₹ 10.60 million is tested for impairment at CGU level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the valuation done by an independent valuer. Value-in-use is determined based on discounted future cash flows. Value in use is calculated using cash flow projections over a period of 5 years, with amounts based on medium term strategic plans approved by the Board. Any major variations to strategic plan, based on experience are incorporated in the calculations. Cash flows beyond the 5 year period are extrapolated using a long term growth rate.

Key assumptions in the budgets and plans include future revenue volume/price growth rates, associated future levels of marketing support, cost-base of manufacture and supply and directly associated overheads. These assumptions are based on historical trends and future market expectations (also considering the possible effect of COVID-19, if any) and the markets and geographies in which they operate.

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 45 : ACQUISITION OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE (CONTD.)

The key assumptions used for the calculations are as follows :

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Weighted average cost of capital (WACC)	14.50% - 22.40%	14.50%
Terminal Growth Rate	4%	-

As at 31<sup>st</sup> March, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

### NOTE 46 : DISCLOSURE OF INTEREST IN SUBSIDIARIES AND INTEREST OF NON CONTROLLING INTEREST

(a) Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of ownership interest and Voting Power	
		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Buzil Rossari Private Limited	India	100%	100%
Rossari Personal Care Products Private Limited	India	100%	60%
Unitop Chemicals Private Limited	India	100%	-
Tristar Intermediates Private Limited	India	100%	-

(b) Investment in Joint Arrangements/Associate:

(i) The Group has interests in the following immaterial jointly controlled entity/Associate:

Name of the Entity	Type	Place of Incorporation and Operation	Proportion of ownership interest	
			As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Hextar Unitop SDN BHD	Joint Venture of Subsidiary	Malasiya	50.00%	-
Romakk Chemicals Private Limited	Associate	India	50.10%	-

(ii) Financial Information in respect of individually not material associate and joint venture

(₹ in million)

Aggregate information of associate and joint venture that are not individually material	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
The Group's share of profit from continuing operation	15.47	-
The Group's share of total comprehensive income	15.47	-

(c) Additional information required by Schedule III in respect of subsidiaries, associate and joint venture:

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022/For the year ended 31 <sup>st</sup> March, 2022							
	Net Assets	As a % of consolidated net assets	Net Profit/ (Loss)	As a % of consolidated net profit/ (loss)	Other Comprehensive Income	As a % of consolidated Other Comprehensive Income	Total Comprehensive Income	As a % of consolidated Total Comprehensive Income
<b>Parent</b>								
Rossari Biotech Limited	7,845.24	97.44%	794.74	81.35%	0.14	16.00%	794.88	81.29%
<b>Subsidiaries</b>								
Unitop Chemicals Private Limited# (w.e.f. 26 <sup>th</sup> August, 2021)	2,213.01	27.49%	215.99	22.11%	1.56	182.00%	217.55	22.25%
Tristar Intermediates Private Limited (w.e.f. 1 <sup>st</sup> September, 2021)	414.02	5.14%	82.26	8.42%	(0.50)	-58.00%	81.76	8.36%
Buzil Rossari Private Limited (w.e.f. 31 <sup>st</sup> August, 2021)	120.07	1.49%	49.13	5.03%	(0.35)	-40.00%	48.78	4.99%
Rossari Personal Care Products Private Limited (w.e.f. 23 <sup>rd</sup> July, 2021)	1.52	0.02%	1.51	0.15%	-	-	1.51	0.15%
<b>Associate</b>								
Romakk Chemicals Private Limited	84.54	1.05%	9.44	0.97%	-	-	9.44	0.97%
Eliminations	(2,626.76)	-32.62%	(176.12)	-18.03%	-	-	(176.12)	-18.01%
<b>Total</b>	<b>8,051.64</b>	<b>100.00%</b>	<b>976.95</b>	<b>100.00%</b>	<b>0.85</b>	<b>100.00%</b>	<b>977.80</b>	<b>100.00%</b>

#includes share of joint venture - Hextar Unitop SDN BHD

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 46 : DISCLOSURE OF INTEREST IN SUBSIDIARIES AND INTEREST OF NON CONTROLLING INTEREST (CONTD.)

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2021/For the year ended 31 <sup>st</sup> March, 2021							
	Net Assets	As a % of consolidated net assets	Net Profit/ (Loss)	As a % of consolidated net profit/ (loss)	Other Comprehensive Income	As a % of consolidated Other Comprehensive Income	Total Comprehensive Income	As a % of consolidated Total Comprehensive Income
<b>Parent</b>								
Rossari Biotech Limited	4,044.44	98.94%	791.02	98.82%	1.25	117.92%	792.27	98.85%
<b>Subsidiaries</b>								
Buzil Rossari Private Limited (w.e.f. 31 <sup>st</sup> August, 2021)	71.29	1.74%	25.92	3.24%	(0.19)	-17.92%	25.73	3.21%
Rossari Personal Care Products Private Limited (w.e.f. 23 <sup>rd</sup> July, 2021)	0.01	0.00%	(6.25)	-0.78%	-	-	(6.25)	-0.78%
Eliminations	(28.02)	-0.69%	(10.23)	-1.28%	-	-	(10.23)	-1.28%
<b>Total</b>	<b>4,087.72</b>	<b>100.00%</b>	<b>800.46</b>	<b>100.00%</b>	<b>1.06</b>	<b>100.00%</b>	<b>801.52</b>	<b>100.00%</b>

### NOTE 47: EMPLOYEE BENEFITS

#### Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 21.17 million (31st March, 2021 - ₹ 7.98 million), being group's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

#### Defined benefit plan

##### i. Gratuity plan

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

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

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

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

##### a) Actuarial Risk

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

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

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

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

##### b) Investment Risk

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 47: EMPLOYEE BENEFITS (CONTD.)

c) Liquidity Risk

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

d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk

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

(₹ in million)

I Expense recognised in the Statement of Profit and Loss for the year ended	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Current Service Cost	8.32	0.49	6.15
2. Interest cost on benefit obligation(Net)	0.82	0.20	0.83
<b>Total expenses included in employee benefits expense</b>	<b>9.14</b>	<b>0.69</b>	<b>6.98</b>

(₹ in million)

II Recognised in other comprehensive income for the year	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Actuarial (gains)/ losses arising from changes in financial assumption	(2.34)	(0.19)	0.51
2. Actuarial (gains)/ losses arising from changes in experience adjustment	0.51	0.86	(2.11)
3. Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-
4. Return on plan asset	(0.15)	-	0.08
<b>Recognised in other comprehensive income</b>	<b>(1.98)</b>	<b>0.67</b>	<b>(1.52)</b>

(₹ in million)

III Change in the present value of defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Present value of defined benefit obligation at the beginning of the year	42.74	-	34.86
2. Current service cost	8.43	0.49	6.15
3. Interest cost/(Income)	3.17	0.20	2.19
4. On acquisition of subsidiaries	30.60	5.99	2.38
5. Remeasurements (gains)/ losses	-	-	-
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(2.34)	(0.24)	0.51
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	0.52	(0.03)	(2.10)
6. Past service cost	-	-	-
7. Benefits paid	(1.02)	-	(1.25)
8. Liabilities assumed/(settled)	(1.32)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>80.78</b>	<b>6.41</b>	<b>42.74</b>

\* related to Tristar Intermediates Private Limited - Subsidiary acquired during the year [refer note 45(a)]

## Notes accompanying the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 47: EMPLOYEE BENEFITS (CONTD.)

(₹ in million)

IV Change in fair value of plan assets during the year	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Fair value of plan assets at the beginning of the year	28.27	-	19.96
2. Interest income	2.37	-	1.37
3. Contribution by employer	7.30	-	6.69
4. Benefits paid	(2.35)	-	(1.25)
5. On acquisition of subsidiaries	22.05	-	1.58
6. Remeasurements (gains)/ losses			
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-	-
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-	-
7. Return on plan assets excluding interest income	0.15	-	(0.08)
<b>Fair value of plan assets at the end of the year</b>	<b>57.79</b>	<b>-</b>	<b>28.27</b>

(₹ in million)

V Net (Liability) recognised in the Balance Sheet as at	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Present value of defined benefit obligation	80.78	6.41	42.74
2. Fair value of plan assets	57.79	-	28.27
3. Surplus/(Deficit)	(22.99)	(6.41)	(14.47)
4. Current portion of the above	(10.88)	(0.70)	(6.73)
5. Noncurrent portion of the above	(12.11)	(5.71)	(7.74)

(₹ in million)

VI Actuarial assumptions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Discount rate	6.10% - 6.85%	6.70%	6.50%
2. Attrition rate	30.00% p.a. -25% p.a. at younger ages reducing to 5.00% p.a. at older ages	25% p.a. at younger ages reducing to 5.00% p.a. at older ages	30.00% p.a. -25% p.a. at younger ages reducing to 5.00% p.a. at older ages
3. Average salary escalation rate	10.00%	10.00%	10.00%
4. Mortality table used	Indian Assured Lives Mortality (2012-14) Table		

(₹ in million)

VII Major Category of Plan Assets as a % of the Total Plan Assets	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
Insurer managed funds#	100.00%	-	100.00%

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

(₹ in million)

VIII The expected contributions to the plan for the next annual reporting period	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
The expected contributions to the plan for the next annual reporting period	(8.96)	-	(6.72)

\* related to Tristar Intermediates Private Limited - Subsidiary acquired during the year [refer note 45(a)]



## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 47: EMPLOYEE BENEFITS (CONTD.)

**IX** The sensitivity analysis below, have been determined based on reasonable possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity Analysis is given below:

(₹ in million)

Impact on employee benefits obligations (increase) / decrease	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
1. Discount rate varied by +0.5 %	78.51	6.22	41.41
2. Discount rate varied by -0.5 %	(83.08)	(6.61)	(44.15)
3. Salary growth rate varied by +0.5 %	(82.39)	(6.57)	(43.72)
4. Salary growth rate varied by -0.5 %	79.13	6.25	41.83
5. Withdrawal rate (W.R.) varied + 10 %	80.13	6.33	42.30
6. Withdrawal rate (W.R.) varied - 10 %	(81.35)	(6.49)	(43.19)

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

(₹ in million)

Maturity profile of defined benefit obligation	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
	Funded	Unfunded*	Funded
Year 1	14.72	0.70	6.29
Year 2	9.11	0.65	3.92
Year 3	9.33	0.62	4.12
Year 4	9.62	0.58	3.93
Year 5	7.17	1.74	6.10
More than 5 years	32.43	2.61	16.92

\* related to Tristar Intermediates Private Limited - Subsidiary acquired during the year [refer note 45(a)]

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

### NOTE 48: CAPITAL MANAGEMENT

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

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

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

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Short term debt	84.27	-
Long term debt	-	-
<b>Total</b>	<b>84.27</b>	<b>-</b>
Equity	8,051.64	4,087.72
Long term debt to equity	-	-
Total debt to equity	0.01	-

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 49: FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company has formulated and implemented a policy on risk management, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks. For COVID related disclosures, refer note 2 (ii) (c) (5) in our critical estimates and judgements.

#### Market Risk

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

#### Interest Rate Risk

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

#### Currency Risk

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

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Assets	Liabilities	Assets	Liabilities
USD	521.11	400.86	213.09	183.15
EURO	16.52	0.23	-	-

#### Liquidity risk

##### Liquidity risk management

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

##### i. Maturity profile of financial liabilities:

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

(₹ in million)

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 <sup>nd</sup> and 3 <sup>rd</sup> Year	4 <sup>th</sup> and 5 <sup>th</sup> Year	Above 5 years
<b>As at 31<sup>st</sup> March, 2022</b>					
Short term borrowings	84.27	84.27	-	-	-
Trade payables	1,861.51	1,861.51	-	-	-
Other Financial Liabilities	1,665.94	1,665.94	-	-	-
<b>Total</b>	<b>3,611.72</b>	<b>3,611.72</b>	-	-	-
<b>As at 31<sup>st</sup> March, 2021</b>					
Short term borrowings	-	-	-	-	-
Trade payables	1,311.13	1,311.13	-	-	-
Other Financial Liabilities	105.33	105.33	-	-	-
<b>Total</b>	<b>1,416.46</b>	<b>1,416.46</b>	-	-	-

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 49: FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTD.)

#### ii. Financing Arrangements:

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Secured Working Capital facilities:		
- Expiring within one year	84.27	-
- Expiring beyond one year	-	-

### NOTE 50: CREDIT RISK MANAGEMENT

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

### NOTE 51: TRADE RECEIVABLE AND ADVANCES

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

#### Reconciliation of loss allowance for trade receivables:

(₹ in million)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at beginning of the year	5.29	4.82
Additions during the year	15.88	0.47
<b>Balance as at end of the year</b>	<b>21.17</b>	<b>5.29</b>

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

### NOTE 52: SENSITIVITY ANALYSIS

#### Foreign Currency Sensitivity

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

(₹ in million)

Particulars	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31 <sup>st</sup> March, 2022	USD	10%	22.32
	EURO	10%	1.63
Year ended 31 <sup>st</sup> March, 2021	USD	10%	0.42
	EURO	10%	-

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

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

#### Interest Rate sensitivity

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### NOTE 52: SENSITIVITY ANALYSIS (CONTD.)

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

(₹ in million)

Particulars	Currency	Increase/Decrease in basis points	Effect on Profit Before Tax
Year ended 31 <sup>st</sup> March, 2022	INR	+50	0.42
Year ended 31 <sup>st</sup> March, 2021	INR	+50	0.17

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

### NOTE 53: OFFSETTING OF BALANCES:

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

### NOTE 54: COLLATERALS

The Group has working capital loans which are secured by first Pari Passu charge on all the present and future Current Assets of the Group.

### NOTE 55: FAIR VALUE DISCLOSURES

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

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

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

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

All financial liabilities and financial assets have no material impact.

Financial instruments measured using Fair Value.

(₹ in million)

Particulars	Carrying Value	Fair value (Level 2)	Valuation Technique	Key Inputs
<b>As at 31<sup>st</sup> March, 2022</b>				
Derivative investments	4.36	4.36	Discounted Cash Flow and Interest rate	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.
Mutual Fund	115.49	115.49	Net Assets Value	
<b>Total</b>	<b>119.85</b>	<b>119.85</b>		
<b>As at 31<sup>st</sup> March, 2021</b>				
Derivative investments	-	-		
Mutual Fund	-	-		
<b>Total</b>	<b>-</b>	<b>-</b>		

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

## Notes accompanying the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 (Contd.)

### **NOTE 56: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III**

#### **(i) Details of benami property held**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### **(ii) Borrowing secured against current assets**

The Group has sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

#### **(iii) Wilful defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or any lender.

#### **(iv) Relationship with struck off companies**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### **(v) Compliance with number of layers of companies**

The group has complied with the number of layers prescribed under the Companies Act, 2013.

#### **(vi) Utilisation of borrowed funds and share premium**

The group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries”

#### **(vii) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

#### **(viii) Valuation of PP&E, intangible asset and investment property**

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**NOTE 57:** Figures for previous periods have been regrouped wherever considered necessary.

**For and on behalf of the Board of Directors of Rossari Biotech Limited**

#### **EDWARD MENEZES**

Executive Chairman  
DIN: 00149205

#### **SUNIL CHARI**

Managing Director  
DIN: 00149083

#### **MANASI NISAL**

Chief Financial Officer

#### **PARUL GUPTA**

Company Secretary

Place: Mumbai

Date : 19<sup>th</sup> May, 2022

**FORM AOC-1**

(Pursuant to First Proviso to Sub-Section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF  
SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES****Part A Subsidiaries**

Sr. No.	Particulars	Unitop Chemicals Private Limited	Tristar Intermediates Private Limited	Buzil Rossari Private Limited	Rossari Personal Care Products Private Limited
1.	Reporting period for the Subsidiary(ies) concerned, if different from the Holding Company's Reporting Period	2021-22	2021-22	2021-22	2021-22
2.	The date since when subsidiary was acquired	26 <sup>th</sup> August, 2021	1 <sup>st</sup> September, 2021	31 <sup>st</sup> August, 2020	6 <sup>th</sup> April, 2010
3.	Reporting Currency and Exchange Rate as on the last date of the Relevant Financial Year in the case of Foreign Subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
4.	Share Capital	4.29	9.30	73.22	5.00
5.	Reserves and Surplus	2,208.72	404.72	46.84	(3.48)
6.	Total Assets	2,798.48	846.06	305.42	5.75
7.	Total Liabilities	585.47	432.04	185.36	4.23
8.	Investments	53.26	-	-	-
9.	Turnover	2,697.37	1,045.19	848.37	59.13
10.	Profit before taxation	353.07	100.21	65.26	1.49
11.	Provision for taxation	137.08	17.95	16.14	(0.03)
12.	Profit after taxation	215.99	82.26	49.12	1.52
13.	Proposed Dividend	Nil	Nil	Nil	Nil
14.	% of Shareholding	65%	76%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**For and on behalf of the Board of Directors of Rossari Biotech Limited****EDWARD MENEZES**Executive Chairman  
DIN: 00149205**SUNIL CHARI**Managing Director  
DIN: 00149083**MANASI NISAL**

Chief Financial Officer

**PARUL GUPTA**

Company Secretary

Place: Mumbai

Date : 19<sup>th</sup> May, 2022

## Part B Associates and Joint Ventures

### Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Joint Venture/Associate	Romakk Chemicals Private Limited - Associate	Hextar Unitop SDN. BHD.# - Joint Venture
1.	Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2022
2.	Date on which the Associate or Joint Venture was associated or Acquired	25 <sup>th</sup> November, 2021	26 <sup>th</sup> August, 2021
3.	Shares of Associate or Joint Venture held by the Company on the year end		
	(i) No.	No. 626,250	No. 750,000
	(ii) Amount of Investment in Associate/Joint Venture	Amount of Investment – ₹ 75.10 million	Amount of Investment – ₹ 10.35 million
	(iii) Extent of Holding (in percentage)	Holding - 50.10%	Holding – 50.00%
4.	Description of how there is Significant Influence	Based on shareholding and decision making power	Based on shareholding and decision making power
5.	Reason why the Associate/Joint Venture is not consolidated	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted
6.	Net Worth attributable to Shareholding as per latest audited Balance Sheet	₹ 71.49 million	₹ 24.58 million
7.	<b>Profit or Loss for the Period:</b>		
	(i) Considered in Consolidation	₹ 9.44 million	₹ 6.03 million
	(ii) Not Considered in Consolidation	Not Applicable	Not Applicable

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil  
# Joint Venture of a Subsidiary – Unitop Chemicals Private Limited

### For and on behalf of the Board of Directors of Rossari Biotech Limited

#### EDWARD MENEZES

Executive Chairman  
DIN: 00149205

#### SUNIL CHARI

Managing Director  
DIN: 00149083

#### MANASI NISAL

Chief Financial Officer

#### PARUL GUPTA

Company Secretary

Place: Mumbai

Date : 19<sup>th</sup> May, 2022

# ROSSARI BIOTECH LIMITED

CIN: L24100MH2009PLC194818

Registered Office: 201 A - B, 2<sup>nd</sup> Floor, Akruti Corporate Park, L.B.S Marg,  
Next to GE Gardens, Kanjurmarg (W), Mumbai - 400078.

Website: [www.rossari.com](http://www.rossari.com); Email: [info@rossari.com](mailto:info@rossari.com); Tel.: +91 22 6123 3800

## Notice

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Rossari Biotech Limited will be held on Friday, 15<sup>th</sup> July, 2022 at 11:00 A.M. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), to transact the following Business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare a Dividend of ₹ 0.50/- (25 %) per Equity Share of the Face Value of ₹ 2/- each for the Financial Year ended 31<sup>st</sup> March, 2022.

#### 3. Appointment of Mr. Edward Menezes (DIN:00149205) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Edward Menezes (DIN: 00149205), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Continuation of directorship of Mr. Goutam Bhattacharya (DIN : 00917357), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To consider and if thought fit, to pass, the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 (“**the Act**”) and Rules made thereunder (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), and as per the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for the continuation of Directorship of Mr. Goutam Bhattacharya (DIN : 00917357), on the Board of the Company notwithstanding his attaining the age of Seventy-Five (75) years on 12<sup>th</sup> November, 2022, as a ‘Non-Executive, Independent Director’ of the Company, to hold office for his remaining term.

**RESOLVED FURTHER THAT** any of the Directors and/or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

#### 5. Alteration/Deletion of Main and Other Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass, the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 (“**The Act**”) and the other applicable provisions of the Act and Rules made thereunder (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), the Main Object clause of the Memorandum of Association of the Company be and is hereby altered and amended as follows:

A. Clause III(A) of the Objects clause of the Memorandum of Association of the Company be titled as ‘THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE’.

B. The existing Main Objects of Clause III (A) (1) be deleted and in its place the following clause No. 1 be inserted:

1. To carry on business, in India and abroad, of manufacturers, processors, suppliers, distributors, trader, developer, importers, exporters, consultant, indenter, and agents and/or otherwise dealers, in fine and specialty chemicals, industrial and pure chemicals, organic and inorganic chemicals, and allied products, Industrial and institutional cleaning chemicals and equipment, polymer based chemicals, perfumes, flavours, pure drug solvents, dyes and drug intermediates, cosmetics,



insecticides, pesticides, heavy chemicals, alkalis, acids, gases, enzymes, textile auxiliaries, applications and products of biotechnology, surface active agents, silicone, nano-tech products, industrial preparations, chemicals for plastic, metals & metal based salts, polyester and other resins, pigment, varnishes, inks, paints, alcohols, sanitizer, quaternary ammonium compounds, dyes and colours, agrochemicals, pharmaceuticals, petrochemicals and all types and kinds of chemicals and, naphthenic and paraffinic products including base oils, institutional products, consumer products, biotechnology products and animal health & nutrition products, pet care products and all kinds of pharmaceutical & agro chemical products.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Act, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Table A of the Schedule I of the Act, approval of the Members of the Company be and is hereby accorded for alteration in the Memorandum of Association of the Company, by merging appropriate and relevant objects of the Memorandum of Association, mentioned under Clause III (C) – ‘Other Objects’ with Clause III (B) – ‘Objects Incidental or Ancillary to the attainment of the Main Objects’ and consequently changing the object numbering as may be appropriate.

**RESOLVED FURTHER THAT** in accordance with the Table A of the Schedule I of the Act, the Clause III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (B) - MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are :

**RESOLVED FURTHER THAT** the existing Clause III (C)– Other objects of the Memorandum of Association of the Company be and is hereby deleted in its entirety.

**RESOLVED FURTHER THAT** any of the Directors and/or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## 6. Material Related Party Transaction(s) with Unitop Chemicals Private Limited

To consider and if thought fit, to pass, the following resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), if any, each as amended from time to time and the Company’s Policy on Related Party Transaction(s), as recommended by the Audit Committee of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include, unless the context otherwise required, any committee which the Board may have constituted or hereinafter constitute or any officer(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution), to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Unitop Chemicals Private Limited (“UCPL”), a Subsidiary Company of Rossari Biotech Limited (“Company”) and accordingly a related party under Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be agreed between the Company and UCPL, for an aggregate value of up to ₹ 2,080 million (Rupees Two Thousand and Eighty Million Only) to be entered during Financial Year 2022-23, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Key Managerial Personnel or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

#### **7. Ratification of remuneration payable to M/s. R. Shetty & Associates, Cost Auditors of the Company**

To consider and if thought fit, to pass, the following resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), and as per the recommendation of the Audit Committee, the Board of Directors of the Company appointed M/s. R. Shetty & Associates, Cost Accountants (Firm Registration No.:101455), to conduct cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) for the Financial Year ending 31<sup>st</sup> March, 2023 on a remuneration of ₹ 1,00,000/- (Rupees One Lakhs only) per annum plus Tax as applicable, and reimbursement of out of pocket expenses incurred by M/s. R. Shetty & Associates in connection with aforesaid Audit be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** any of the Directors and/or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By order of the Board of Directors,  
For **Rossari Biotech Limited**

Parul Gupta

**Company Secretary & Compliance Officer**  
Membership No.: A38895

Date: 21<sup>st</sup> June, 2022

Place : Mumbai

#### **Registered Office:**

201 A-B, 2<sup>nd</sup> Floor, Akruiti Corporate Park,  
L.B.S Marg, Next to GE Gardens,  
Kanjurmarg (W), Mumbai - 400 078, India.  
CIN: L24100MH2009PLC194818

## Notes

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020; 17/2020 dated 13<sup>th</sup> April, 2020; 20/2020 dated 5<sup>th</sup> May, 2020; 02/2021 dated 13<sup>th</sup> January, 2021; 03/2022 dated 05<sup>th</sup> May, 2022, and any amendment/ modification thereof issued by MCA and read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 (hereinafter referred as "Circulars"), and in compliance with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations") permitted the holding of the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue.
2. Accordingly, in compliance with the provisions of the Act read with the Circulars, the AGM of the Company is being held through VC / OAVM only. Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/Clarification dated 15<sup>th</sup> April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
3. Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of Special Business stating material facts and reasons for the proposed resolutions is annexed hereto and forms part of this notice.
4. Since this AGM is being held pursuant to the Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. In line with the Circulars, the Annual Report for the Financial Year 2021-22 including Notice of the 13<sup>th</sup> AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent by Email, to all the Members whose Email IDs are registered with the Company / Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled and the same will also be available on the website of the Company at [www.rossari.com](http://www.rossari.com) and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Link Intime India Private Limited ("LI IPL") at <https://instavote.linkintime.co.in>.
6. Institutional / Corporate Members (i.e. other than individuals/ HUF, NRI etc.) are required to send a duly certified scanned copy (PDF/JPG Format) of its Board or governing body Resolution /Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting, pursuant to Section 113 of the Act. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to [sanjayrd65@gmail.com](mailto:sanjayrd65@gmail.com) with a copy marked to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) and [investors@rossari.com](mailto:investors@rossari.com) Such Corporate Members are requested to refer 'General Guidelines for Members provided in this notice, for more information.
7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote
8. The SEBI has mandated the submission of the Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant (s). Members holding shares in physical form are requested to submit their PAN details to the Company's share transfer agent, LI IPL.
9. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP to enable servicing of notices/ documents/ Reports and other communications electronically to their e-mail address in future.
10. Members who wish to obtain any information on the Company or view the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022 can send their queries at [investors@rossari.com](mailto:investors@rossari.com) at least 7 (Seven) days before the date of 13<sup>th</sup> AGM. The same will be replied by/on behalf of the Company suitably.
11. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is offering only e-voting facility to all the Members of the Company and the business will be transacted only through the electronic voting system. The Company has engaged the services of LI IPL for facilitating e-voting to enable the Members to cast their votes electronically as well as for e-voting during the AGM. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if/ they have been passed at the AGM.
13. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 1<sup>st</sup> April, 2019 except in case of transmission or transposition of securities. In view of the above, members holding shares in physical form are advised to dematerialise the shares with their Depository Participant.

14. The Register maintained under Section 170 and under Section 189 of the Act and the Certificate under the SEBI (Share Based Employee Benefits) Regulations, 2014, will be available electronically for inspection by the members during the AGM.
- Further, all the documents referred to in the Notice will also be available for electronic inspection by the members from the date of circulation of this Notice up to the date of AGM, i.e. 15<sup>th</sup> July, 2022. Members seeking to inspect such documents can send an email to [investors@rossari.com](mailto:investors@rossari.com)
15. Members are provided with the facility for voting through Voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already casted their vote by remote e-voting, are eligible to exercise their right to vote at the AGM.
16. Members who have already casted their vote by remote e-voting prior to the AGM will be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already casted the vote through remote e-voting.
17. The Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date on Friday, 8<sup>th</sup> July, 2022, may cast their vote by remote e-voting. The remote e-voting period commences on Tuesday, 12<sup>th</sup> July, 2022 at 09:00 A.M. (IST) and ends on Thursday, 14<sup>th</sup> July, 2022 05:00 P.M. (IST). Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.

### INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

#### A. VOTING THROUGH ELECTRONIC MEANS

##### Remote e-voting Instructions for Members are as under:

Pursuant to SEBI circular dated 9<sup>th</sup> December, 2020 on e-voting facility, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9<sup>th</sup> June, 2021.

**Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-voting facility.**

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> </ul>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> </ul>
Individual Shareholders (holding securities in demat mode) & login <b>through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.</li> <li>Upon Logging in you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name i.e. LINKINTIME and you will be redirected to “Instavote” website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

Type of Shareholders	Login Method
Individual Shareholders holding securities in <b>Physical mode</b> & evoting service Provider is <b>LINKINTIME</b> .	<p>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>.</p> <p>➤ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -</p> <p>A. <b>User ID:</b> Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</p> <p>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).</p> <p>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format).</p> <p>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>1. Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</li> <li>2. Shareholders holding shares in <b>NSDL form</b>, shall provide ‘D’ above</li> </ol> <p>➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>➤ Click “<b>confirm</b>” (Your password is now generated).</p> <ol style="list-style-type: none"> <li>2. Click on ‘<b>Login</b>’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on ‘<b>Submit</b>’.</li> <li>8. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote</li> </ol>

Type of Shareholders	Login Method
Individual Shareholders holding securities in <b>Physical mode &amp; evoting service Provider is LINKINTIME, have forgotten the password:</b>	<p>2. Click on '<b>Login</b>' under '<b>SHARE HOLDER</b>' tab and further Click '<b>forgot password?</b>'</p> <ul style="list-style-type: none"> <li>• Enter User <b>ID</b>, select <b>Mode</b> and Enter Image Verification (CAPTCHA) Code and Click on '<b>Submit</b>'.</li> <li>• In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.</li> <li>• Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.</li> <li>• The password should contain minimum 8 characters, at least one special character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter.</li> </ul>
Individual Shareholders holding securities in demat mode with <b>NSDL/ CDSL</b> have forgotten the password:	<ul style="list-style-type: none"> <li>• Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>➤ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>➤ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>➤ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> <li>➤ User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company</li> </ul>
<b>Institutional Shareholders:</b>	<p>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LI IPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutiniser to verify the same.</p>

## Helpdesk

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

#### 1. Helpdesk for Individual Shareholders holding securities in **Demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

#### 2. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

## B. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

#### 1. Instructions for Members for Joining the Meeting are as under:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in/>

Select the “**Company**” and ‘**Event Date**’ and register with your following details:

##### a) **Demat Account No. or Folio No:**

Manner of holding shares	Your User ID
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
For Members who holds shares in physical form	Folio Number registered with the Company

b) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

c) **Mobile No.:** Enter your mobile number.

d) **Email ID:** Enter your email id, as recorded with your DP/ Company.

Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

#### 2. Instructions for Shareholders/ Members to Speak during the AGM through InstaMeet:

a) The Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors@rossari.com](mailto:investors@rossari.com) from Friday, 8<sup>th</sup> July, 2022 (9:00 A.M. IST) to Monday, 11<sup>th</sup> July, 2022 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

b) Members will get confirmation on first cum first basis.

c) Members will receive “speaking serial number” once they mark attendance for the meeting.

d) Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

e) Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for the speaker.



### 3. Instructions for Shareholders/ Members to Vote during the AGM through InstaMeet:

- a) Once the electronic voting is activated by the scrutiniser/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e- voting can cast the vote as under:
  - On the Members VC page, click on the link for e-voting “Cast your vote”
  - Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
  - After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
  - Cast your vote by selecting appropriate option i.e. “Favour/ Against” as desired. Enter the number of shares (which represents no. of votes) as on the cutoff date under ‘Favour/ Against’.
  - After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
  - Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

Note: Shareholders/ Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting. Shareholders/ Members who have voted through Remote e-voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

- b) Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- c) Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- d) Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e) In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call on the Toll Free No.: 022- 49186175.

### 4. Guidelines to attend the AGM proceedings of LI IPL, InstaMeet:

For a smooth experience of viewing the AGM proceedings of LI IPL InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link [https://www.webex.com/ downloads. html/](https://www.webex.com/downloads.html)  
or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:
 

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

  - If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
  - If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.
  - Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now
- c) The Members can join the AGM in the VC/ OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice in points given below. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on ‘first come first serve’ basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of ‘first come first serve’ basis.

### C. DIVIDEND RELATED INFORMATION

The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 9<sup>th</sup> July, 2022 to Friday, 15<sup>th</sup> July, 2022 (both days inclusive) for the purpose of the AGM of the Company.

1. The Board of Directors has recommended a Final Dividend of Re. 0.50/- (25%) per equity share of face value of Rs. 2 each for the Financial Year ended 31<sup>st</sup> March, 2022 subject to approval of the Members at the ensuing AGM. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after Thursday, 21<sup>st</sup> July, 2022 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of the close of business hours on Friday, 8<sup>th</sup> July, 2022.
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, 8<sup>th</sup> July, 2022.
2. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend Warrants / Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.
3. To avoid loss of Dividend Warrants/Demand Drafts in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH).
4. Procedure for registration of e-mail address and bank details by shareholders:
  - a) For Temporary Registration for Demat shareholders:
 

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the Email Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e- mail to Link Intime India Private Limited, Registrar and Transfer Agent (“RTA”) at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.
  - b) For Permanent Registration for Demat shareholders:
 

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
  - c) Registration of Bank Details for Demat shareholders:
 

Members holding shares in electronic forms are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are advised only to the respective Depository Participant of the Members.
  - d) Registration of Bank Details for physical shareholders:
 

The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their bank details can get the same registered with Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their website [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the Email/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the copy of the cheque leaf with the first named shareholder’s name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e- mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.
  - e) Registration of email id for shareholders holding shares in physical form:
 

The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their

e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) in their website [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the Email / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

5. Communication in respect of deduction of tax at source on Final Dividend payout.

For all Shareholders:

- i. Dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company's website at <https://www.rossari.com/wp-content/uploads/2022/06/Detailed-note-on-Deduction-of-Tax-at-source-on-Dividend.pdf>
- ii. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline.
- iii. Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Limited, should be done on or before Record date for the dividend in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communication received upto Thursday, 30<sup>th</sup> June, 2022 at 06:00 P.M. on the tax determination/ deduction shall be considered for the dividend.
- iv. Shareholders may note that in case the tax on said Final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against Company for any taxes deducted by the Company.
- v. All communications/ queries in this respect should be addressed to our RTA, LIPL to its email address [Rossaribiodivtax@linkintime.co.in](mailto:Rossaribiodivtax@linkintime.co.in)
- vi. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any tax proceedings.
- vii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

#### D. GENERAL GUIDELINES FOR MEMBERS

1. The Company has appointed Mr. Sanjay Dholakia, Company Secretary (Membership No. F2655) of Sanjay Dholakia & Associates, Company Secretaries as the Scrutiniser to scrutinise the remote e-voting process and voting during the AGM in a fair and transparent manner.
2. As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
3. The Scrutiniser shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM. The results declared along with the Scrutiniser's Report shall be communicated to the BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, where the shares of the Company are listed and shall be placed on the Company's website [www.rossari.com](http://www.rossari.com) and on the website of share transfer agent, LIPL <https://instavote.linkintime.co.in> immediately after the result is declared by the Chairman or any other person authorised by the Chairman.
4. Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically.

5. Members must quote their Folio No. / Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company's Registrar and Share Transfer Agent, LIIPL.
6. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
7. The voting rights of shareholder shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 8<sup>th</sup> July, 2022
8. In case a person has become a Member of the Company after sending of AGM Notice but on or before the cut-off date for e-voting i.e., on Friday, 8<sup>th</sup> July, 2022, he/ she may obtain the User ID through writing an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.
9. In case the email address is not registered with the Company / Depository Participant / RTA, please follow the process of registering the same as mentioned below:

Physical Holding	Send a request to Registrar and Transfer Agents of the Company, Link Intime India Private Limited at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> giving details of Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN (Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address. Please send your bank detail with original cancelled cheque to our RTA (i.e. Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (W) Mumbai 400083 along with letter mentioning folio no. if not registered already.)
Demat Holding	Please contact your Depository Participant (DP) to register/ update your email address and bank account details.

10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the AGM.
11. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The remote e-voting module shall be disabled by LIIPL for voting 15 minutes after the conclusion of the Meeting.

## STATEMENT ANNEXED TO THE NOTICE SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETINGS

### In respect of Item No. 4

Mr. Goutam Bhattacharya (DIN: 00917357), 74 years, is Non-Executive, Independent Director of the Company. The Members of the Company, at their Annual General Meeting held on 30<sup>th</sup> September, 2019, had granted approval for his appointment as Non-Executive, Independent Directors of the Company for a term of 5 (Five) years, w.e.f. 6<sup>th</sup> December, 2018 upto 5<sup>th</sup> December, 2023, not liable to retire by rotation.

Mr. Bhattacharya will be attaining the age of 75 years on 12<sup>th</sup> November, 2022 and in view of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

### Brief Profile:

Mr. Goutam Bhattacharya holds a bachelor's degree in Science (Chemistry) and has done post-graduation in Management Studies from the Indian Institute of Management (IIM), Ahmedabad.

Mr. Bhattacharya has over 50 years of experience in the Specialty Chemicals Industry in India and at an International level. He was previously associated with Pulcra Chemicals India Private Limited as the Managing Director. He started his career with BASF India Limited.

### Justification for his continuation as Non-Executive, Independent Directors on the Board of the Company is as under:

Mr. Bhattacharya brings over 5 decades of experience in Specialty Chemicals Industry in India and Internationally. He is an active member of the Board and the Board Committees of which he is a member. He brings independent judgement on the Board of the Company and his continued association will be valuable and positive. With his expertise, skills and knowledge for a chemical industry, he articulates and provides his valuable guidance and inputs in all matters pertaining to the business of the Company. Mr. Bhattacharya is physically fit and current with finance and business matters.

Based on his exceptional experience and active participation in the Company, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of Mr. Goutam Bhattacharya as "Independent Directors" of the Company. The aforementioned Non-Executive Independent Director fulfill all conditions specified by applicable laws for the position of an Independent Director of the Company. The Company has also received necessary declarations from him that he has met the criteria of independence as prescribed under the Act and Listing Regulations, presently applicable. Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013.

A brief resume of Mr. Goutam Bhattacharya the nature of his expertise in specific functional areas, names of the companies in which he is holding Directorships, Committee Memberships / Chairmanships, his shareholding etc. are separately annexed in terms of Regulation 36(3) of the Listing Regulations.

The Board, recommends passing of this Special Resolution as set out at Item No. 4 of this Notice, for your approval.

Except Mr. Goutam Bhattacharya, None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 4 of the Notice.

### In respect of Item No. 5

Your Board has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities. The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the Company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the Company.

The "Main Object" clause of the Memorandum of Association ("MOA") of the Company is being amended by deletion of Clause III (A) and with insertion of New Clause III (A).

Further, the Companies Act, 2013, has prescribed a new format of MOA for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging appropriate and relevant Objects under Clause III (C) – 'Other Objects' with Clause III (B) – 'Objects Incidental or Ancillary to the attainment of the Main Objects' and also to rename Clause III (B) of the Object Cause as MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are: and numbering appropriately. This will result in the existing clause III (C) – Other objects of the MOA of the Company to be deleted in its entirety. Further in keeping with

the amendments as introduced by the Companies Act 2013 the Main Objects clause of the MOA of the Company, Clause III(A) is accordingly to be titled as 'THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION'

The Board at its meeting held on 19<sup>th</sup> May, 2022 has approved amendment and alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The amendment shall be effective upon the registration of the resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of Members through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The Board, recommends passing of this Special Resolutions as set out at Item No. 5 of this Notice, for your approval.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 5 of the Notice.

#### **In respect of Item No. 6**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective from 1<sup>st</sup> April, 2022, states that all Related Party Transaction ('RPT') with an aggregate value exceeding ₹ 1,000 Crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, being a material related party transaction, shall require approval of Members by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the respective companies and on arm's length basis.

The transactions by Rossari Biotech Limited ("Rossari / the Company") with Unitop Chemicals Private Limited ("UCPL"), for Financial Year 2022-23 are estimated to be ₹ 2,080 million (Rupees Two Thousand and Eighty million only) and this amount exceeds the threshold of 10% of annual consolidated turnover of the Company, one of the criteria prescribed above in the amended definition of Material Related Party Transactions and therefore, it is a Material Related Party Transactions. Accordingly, it requires approval of the Company by way of passing of an Ordinary Resolution.

#### **Background, details and benefits of the transaction :**

UCPL is a subsidiary of the Company is mainly engaged in the business of manufacturing of surfactants, emulsifiers and specialty chemicals, with a production capacity of 86,000 MTPA UCPL is one of the prominent market leader in Non-ionic and Specialty Blended Surfactants. Along with the other surfactants, ethoxylates and propoxylates are a major category of surfactants and make up the key components of many textiles, homecare and personal care formulations of the Company. They are also used in the manufacture of performance enhancing polymers. UCPL has a product range that falls within the Company's four pillars of chemistry (surfactants, acrylics, silicones and enzymes), which gives Company synergies for manufacturing and marketing that can be high value accretive in the long run.

With the vision of integration of UCPL in Rossari Group, along with the other subsidiaries, your Company anticipates higher operating levels, which will necessitate an increase in the value of transactions of purchase and sale of goods and services with its subsidiaries. Rossari purchases various materials and products from UCPL, including ethoxylates and propoxylates and other surfactants, various export benefit license etc. Rossari also sells goods to UCPL. Further, Rossari avails various services from UCPL for business purpose in area where UCPL has requisite expertise and infrastructure. Also, UCPL avails various services from Rossari in the area of consultancy, IT assets, infrastructure and other services for business purpose. With this view and to achieve the vision of the group in the long run, the Company has entered into/ is proposing to enter into related party transactions with UCPL including following operational transactions during the Financial Years 2022-23:

- Purchase and Sale of Goods, Services including consultancy, business auxiliary, marketing and job working;
- Infrastructure and Resources Sharing including human resources, offices and Reimbursement of expenses paid/ received, etc.;
- Purchase and sale of fixed assets, forming part of business strategy.\*

\*not construing an undertaking as per the provisions of the Act and/or Listing Regulations.

The aggregate value of the above transactions for Financial Year 2022-23 is up to ₹ 2,080 million. These transactions will not only help the Company to manage manufacturing operations smoothly but also ensure consistent flow of desired quality and quantity of various raw materials for uninterrupted operations and increasing the productivity. The Company will also get benefit from the lower transportation cost because of its proximity to the UCPL's factory at Dahej. The Company can also co-develop special ethoxylates and propoxylates with UCPL for our formulations to enhance their performance and differentiate the products in the market. This all in turn will contribute towards Rossari's Group synergy and help achieve significant growth in the long run.

The transactions will also help both the companies in generation of revenue and business enhancement while catering to their business requirements.

The Management has provided the Audit Committee with the relevant details, as required under the law, for the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into

the above-mentioned RPTs with UCPL. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, on the basis of the approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 6 of the accompanying Notice to the Members for approval.

Details of the proposed transactions Unitop Chemicals Private Limited, being a related party of the Company, are as follows:

**Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021**

Sr. No.	Description	Details
1.	Details of Summary of information provided by the management to the Audit Committee	
a)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Unitop Chemicals Private Limited (UCPL) is a subsidiary and a related party of the Company. The Company is Holding Company of UCPL and holds 65 % of its equity shares as on date of this Notice.
b)	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Edward Menezes and Mr. Sunil Chari are common Directors in both the Companies.
c)	Tenure of the proposed transaction	Recurring Nature and approval is sought for the Financial Year 2022-23.
d)	Nature, material terms, monetary value and particulars of contracts or arrangement	The transaction involves Sale and Purchase of goods (including ethoxylates and propoxylates and other surfactants etc.), Services (including consultancy, business auxiliary, marketing and job working) sharing of infrastructure and resources and other transactions for business purpose from/to UCPL during Financial Year 2022-23, aggregating up to ₹ 2,080 million.
e)	Any advance paid or received for the contract or arrangement, if any	Not Applicable
f)	Value of Transaction	₹ 2,080 million
g)	Percentage of annual consolidated turnover considering Financial Year 2021-22 as the immediately preceding financial year	14.10%
2.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i)	details of the source of funds in connection with the proposed transaction	Not Applicable
(ii)	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments : (a) nature of indebtedness; (b) cost of funds; and (c) tenure	
(iii)	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	
(iv)	the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	
3	Justification for the transaction	Please refer to " <b>Background, details and benefits of the transaction</b> " which forms part of the explanatory statement to the resolution no. 6.
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	Not Applicable
5.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 and forms a part of this Notice.

The proposed related party transactions are in the ordinary course of business and are undertaken by the Company at arm's length and as per the applicable transfer pricing. The price paid for a product/service would be based on actual costs along with arm's length margin applied thereon in compliance with transfer pricing principles.

The Members may note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolution under Item No. 6.

The Board, recommends passing of this Ordinary Resolution as set out at Item No. 6 of this notice, for your approval.

Except Mr. Edward Menezes and Mr. Sunil Chari and their relatives, none of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 6 of the Notice.

**In respect of Item No. 7**

The Board of Directors at its meeting held on 19<sup>th</sup> May, 2022, on the recommendations of the Audit Committee, had approved the appointment and remuneration of M/s. R. Shetty & Associates, Cost Accountants (Firm Registration No.:101455), as the Cost Auditors for audit of the cost accounting records of the Company for the Financial Year ending 31<sup>st</sup> March, 2023, at a remuneration of ₹ 1,00,000 (Rupees One Lakhs only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. R. Shetty & Associates, Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to Cost Auditors for conducting the audit of the cost records of the Company, if required, for the Financial Year ending 31<sup>st</sup> March, 2023.

The Board, recommends passing of this Ordinary Resolution as set out at Item No. 7 of this notice, for your approval.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 7 of the Notice.

By Order of the Board of Directors  
For **Rossari Biotech Limited**

Date: 21<sup>st</sup> June, 2022  
Place : Mumbai

Parul Gupta  
**Company Secretary & Compliance Officer**  
Membership No.: A38895



**Particulars of the Directors seeking appointment / re-appointment at the 13<sup>th</sup> AGM pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards on the General Meeting :**

Particulars	Details	
Name of the Director	Mr. Edward Menezes	Mr. Goutam Bhattacharya
DIN	00149205	00917357
Designation	Executive Chairman	Independent Director
Date of Birth	31/10/1960	12/11/1947
Age	61 years	74 years
Nationality	Indian	Indian
Date of first appointment on the Board	10/08/2009	06/12/2018
Date of re- appointment by the Members	30/09/2019	30/09/2019
	He holds a bachelor's degree in Science (Chemistry Major) from K. J. Somaiya College of Science, University of Bombay and a Bachelor's degree of Science (Technology) in textile chemistry from University Department of Chemical Technology (UDCT), University of Bombay. He also holds a master's degree in marketing management from Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai. Edward Menezes was also awarded 'UAA Distinguished Alumnus technology day award, 2013' by UDCT and the Institute of Chemical Engineering.	Mr. Goutam Bhattacharya holds a Bachelor's degree in Science (Chemistry) and has done post-graduation in Management Studies from the Indian Institute of Management (IIM), Ahmedabad.
Expertise in functional area	He has over 27 years of experience in the Specialty Chemicals Industry.	Mr. Bhattacharya has over 50 years of experience in the Specialty Chemicals Industry in India and at an International level.
Number of Equity Shares held in the Company as on 31 <sup>st</sup> March, 2022	16228820#	Nil
Directorships on other Board as on 31 <sup>st</sup> March, 2022	Directorship: 1. Buzil Rossari Private Limited 2. Rossari Biotech (India) Private Limited 3. Romakk Chemicals Private Limited 4. Rossari Hydra Chemicals Private Limited 5. Rossari Manuchar (India) Private Limited 6. Rossari Personal Care Products Private Limited 7. Rossari Speciality Chemicals Private Limited 8. Suisse Silicon Specialties Private Limited 9. Unitop Chemicals Private Limited 10. Tristar Intermediates Private Limited	Nil
Committee Membership of other Board as on 31 <sup>st</sup> March, 2022	Nomination and Remuneration Committee: 1. Romakk Chemicals Private Limited 2. Unitop Chemicals Private Limited 3. Tristar Intermediates Private Limited Corporate Social Responsibility Committee: 1. Unitop Chemicals Private Limited (Chairperson) 2. Tristar Intermediates Private Limited (Chairperson)	
Number of Board Meetings attended during the Financial Year 2021-22	7	7
Relationship with other Directors, Manager and KMP	Not Applicable	Not Applicable
Remuneration Last drawn	₹ 9.51 million per annum	₹ 1.2 million (Sitting Fees)
Terms and conditions of appointment	Appointed as an Executive Chairman of the Company for 5 years, liable to retire by rotation.	Appointed as a Non-Executive, Independent Director, of the Company for 5 years, not liable to retire by rotation.

# The shares held by Mr. Edward Menezes includes the shares held by him in name of Menezes Family Trust.

Note: For other details of the above Directors, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

## SUMMARISED INFORMATION AT GLANCE

Particulars	Details
Time and Date of AGM	11:00 A.M. on Friday, 15 <sup>th</sup> July, 2022
Venue / Mode	Through Video Conferencing at the following link : <a href="https://instameet.linkintime.co.in/">https://instameet.linkintime.co.in/</a>
Record Date for payment of final dividend	Friday, 8 <sup>th</sup> July, 2022
Book Closure Dates	From : Saturday, 9 <sup>th</sup> July, 2022 To : Friday, 15 <sup>th</sup> July, 2022
Final Dividend Recommended for the Financial Year 2021-22	₹ 0.50 Per Share
Final dividend payout date, if approved by members	On or after Thursday, 21 <sup>st</sup> July, 2022
Detailed information on TDS	<a href="https://www.rossari.com/wp-content/uploads/2022/06/Detailed-note-on-Deduction-of-Tax-at-source-on-Dividend.pdf">https://www.rossari.com/wp-content/uploads/2022/06/Detailed-note-on-Deduction-of-Tax-at-source-on-Dividend.pdf</a>
Cut-off date for e-Voting	Friday, 8 <sup>th</sup> July, 2022
E-voting start time and date	Tuesday, 12 <sup>th</sup> July, 2022 at 09:00 A.M IST
E-voting end time and date	Thursday, 14 <sup>th</sup> July, 2022 at 05:00 P.M IST
E-voting website links (please use as applicable)	<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>
E-voting Event Number (EVEN)	220167
Weblink for temporary registration to receive AGM Notice and credentials for E-voting / AGM	<a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a>
Contact Details of the RTA	Rajiv Ranjan Assistant Vice President Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikroli (W), Mumbai 400 083. Email ID: <a href="mailto:enotices@linkintime.co.in">enotices@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Tel. Number: 022 4918 6000
Contact Details of the Company	Parul Gupta Company Secretary & Compliance Officer Rossari Biotech Limited 201 A-B, 2 <sup>nd</sup> Floor, Akruiti Corporate Park, L.B.S Marg, Next to GE Gardens, Kanjurmarg (W), Mumbai – 400 078, India. Email ID: <a href="mailto:investors@rossari.com">investors@rossari.com</a> Website: <a href="http://www.rossari.com">www.rossari.com</a> Tel. Number: 022 6123 3800







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

**Rossari Biotech Limited**

201 A & B, Akruiti Corporate Park,  
Next to G. E. Gardens, L.B.S Marg,  
Kanjurmarg West, Mumbai - 400 078, India