Advanced Enzyme Technologies Ltd.
CIN: L24200MH1989PLC051018
Sun Magnetica, 'A' wing, 5th Floor, LIC Service Road, Louiswadi, Thane (W)-400 604, India
Tel: +91-22-4170 3200, Fax: +91-22-2583 5159
Email: info@advancedenzymes.com, www.advancedenzymes.com

July 12, 2019

BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001

Scrip ID-540025

National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Scrip Code-ADVENZYMES

Dear Sir,

Sub: Annual Report 2018-2019 & Notice of 30th Annual General Meeting of the Company

As required under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find attached the Company's Annual Report for the financial year 2018-2019 alongwith notice of 30th Annual General Meeting of the Company ("AGM") scheduled to be held on August 08, 2019 (Thursday) at 3.30 p.m. at Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Thane (West) - 400604, Maharashtra, India

The aforesaid Annual Report and AGM Notice is being uploaded on the Company's website at www.advancedenzymes.com

Further, the Company has fixed Friday, August 02, 2019 as the cut-off date to ascertain the eligibility of the Members entitled to vote electronically ("remote e-voting") or avail the voting facility at the AGM. The Company has engaged Central Depository Services Limited (CDSL) to provide remote e-voting facility to its Members.

This is for your information and for public at large.

Thanking you,
Yours faithfully,
For Advanced Enzyme Technologies Limited

Sanjay Basantani
Company Secretary & Head – Legal

Encl: As above

WELCOME TO THE WORLD OF BETTER BUSINESS

advanced enzymes

Where ENZYME is Life



INNOVATION & GROWTH

SYNERGISED

INNOVATION & GROWTH SYNERGISED

Scan me

THE ANNUAL REPORT ONLINE

This 2019 Annual Report can also be downloaded as a PDF file from our website at

https://www.advancedenzymes.com/investors/annual-report/

Disclaimer:
This document may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

Innovations leading to improved enzymes & enzymatic processes have fuelled growth in conventional and new business segments. This sustained growth further reinforced the innovation pipeline. Enzymatic green technologies are continuously replacing polluting chemical processes and also opening up new business avenues like green fuels, biocatalysis etc. Innovations in enzymatic processes have improved process economics, product quality and overall efficiency of the process resulting in sustained growth in the conventional business as well. Discoveries in enzyme and probiotic applications for human and animals have offered immense benefits including significant improvements in overall health, immunity and efficient food and feed consumption.





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Corporate

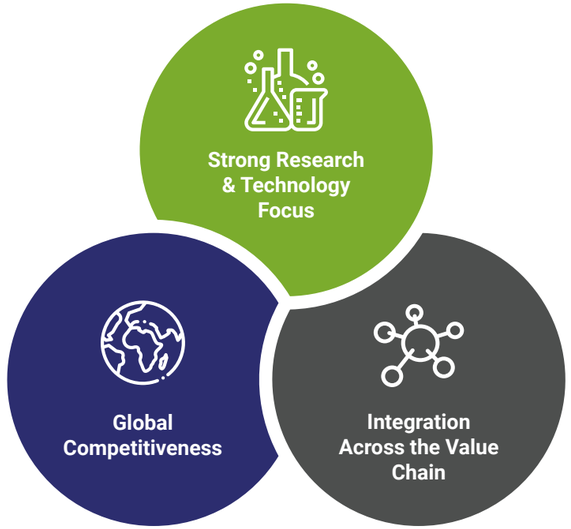
Identity





Advanced Enzyme Technologies Limited (AETL) is a research driven company with global leadership in the manufacturing of enzymes and probiotics. We are the largest Indian enzyme company, engaged in the research and development, manufacturing and marketing of 400+ proprietary products developed from over 68+ indigenous enzymes and probiotics. We are commited to providing eco-safe solutions to a wide variety of industries like human health care and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, speciality applications, textile processing, leather processing, paper & pulp processing, bio-fuels, bio-mass processing, bio-catalysis, etc. Our aim is to help consumers access side-effect free healthcare, help farmers enhance nutrition for animals, and also to help adopt modern enzyme based processes.

Key Strengths



Vision

Our vision at Advanced Enzymes is to become a leading, respected & preferred, enzyme based solutions provider in the global market.

Mission

It is our mission to see that every human being is able to utilize the power of enzymes, for general well-being, for health and for improving the quality of life.

It is also our mission to see that every possible industry is able to take the advantage of enzymes, to create & produce innovative products, improve the quality of the end products, reduce energy costs, optimise the use of raw materials & resources, reduce pollution & overall carbon footprint of the process.



We firmly believe that research & development is the lifeline of your Company—innovation is needed for growth.

V.L. Rathi
(Chairman)

Chairman's Letter

Dear Shareholders,

On behalf of the Board of Directors and Management, I am very pleased to provide you all the annual performance report for the year 2018-2019. We have come a long way from our roots, pioneering the production of Papain in 1958. Since then, there has been a global surge in demand for enzymes, probiotics, and sustainable organic solutions driven by health awareness, eco awareness, and increasing governmental regulation. Our high-value, tailor-made solution model, coupled with our true geographical diversity, has placed us in a niche category. Your Company is well-positioned to take advantage of the market trend.

We are proud to say that your Company's growth has been in line with guidance. In FY19, our operating revenues grew by about 6% from ₹3,957.0 million to ₹4,195.9 million, our EBITDA grew by about 11% from ₹1,639.6 to ₹1,819.6 million, and our PAT (before minority interest) has grown 24% from ₹935.6 million to ₹1,159.0 million. As before, the Human Nutrition segment is our largest revenue driver (contributing 76% of revenue), followed by the Animal Nutrition segment (12% of revenue) and the Bio Processing segment (12% of revenue). On the Operations front, our capacity utilization continues to be in the 52%-55% range.

In addition to making excellent progress in growing the size of our business, we have also expanded our balance sheet, maintained a tight rein on our debt, and have a net cash surplus of about ₹994 million. We have made careful, but significant research & development investments in the past, and will continue to invest to do so. We firmly believe that research & development is the lifeline of your Company—innovation is needed for growth.

We are very proud of our substantial progress. The credit goes to the committed and hard-working employees of your Company.

Through our decades of experience in this sector, we believe the enzyme and probiotic industry is at a very exciting stage. We plan to leverage our brand and continue to explore new avenues for growth.

Thank you for being a part of our journey! We look forward to your continued support.

With Best Regards,
V. L. Rathi

Diversified Markets









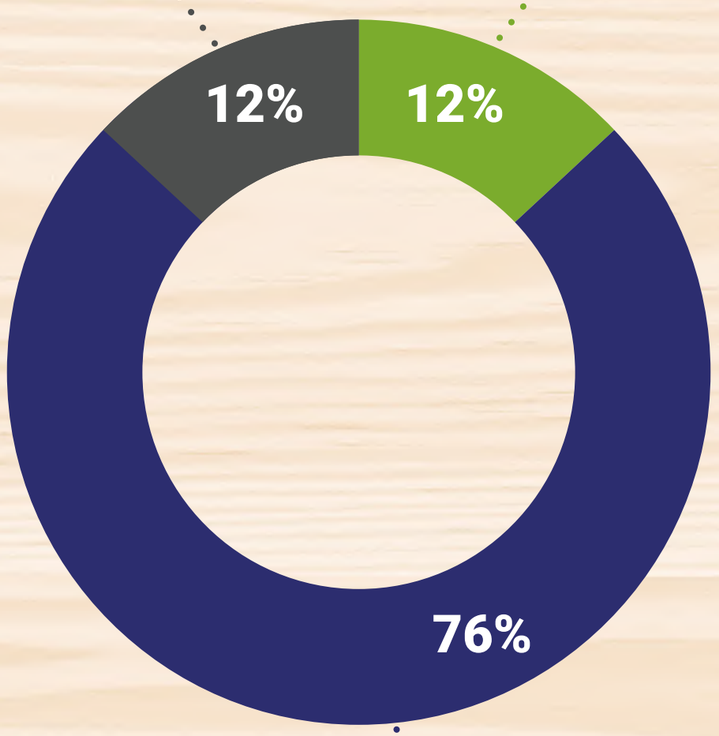
Industrial Bio-Processing

Non-Food Processing
Enzymes are considered as potent biocatalysts for a large number of reactions. AETL offers eco-safe solutions for variety of industries such as textiles, leather, detergent and pulp & paper, which are used in the manufacture of a wide range of products. Biological solutions improve the efficiency of industrial processes by saving energy, water and other raw materials, while reducing waste and effluent load, thereby helping customers to comply with the pollution norms reducing overall process cost.



Food Processing
By maximizing the resources and continuously enhancing the quality of the products, food and beverage manufacturers are improving the choices enjoyed by consumers and users around the globe. Enzymes play an essential role in bringing more nutritious and appealing food and beverage products to the modern world, and they offer significant benefits beyond the scope of traditional alternatives.







Animal Nutrition

AETL provides enzyme based feed additives for the animal nutrition industry, mainly catering to poultry and swine. By adding enzymes to feed, the digestibility of the components can be enhanced. Animal Nutrition product offering enables animals to maximize the nutrients they absorb from the feed, thus helping in reducing feed costs, minimizing animal waste production and accordingly helping to reduce environmental pollution. Probiotics has beneficial metabolites and competitive exclusion widely used in animal healthcare. We have developed and assessed efficacy of probiotic formulations useful in Animal healthcare.

Human Healthcare and Nutrition

AETL provides proprietary enzyme products and customized enzyme solutions to various pharmaceutical and nutraceutical companies in India, North America, Asia (ex-India), Europe and other countries globally. These products includes various anti-inflammatory solutions, digestion solutions, probiotics, etc. which are used by customers as active ingredients. Probiotics have now become an integral part of several therapies for the digestive disorders and newer applications for treatment of several other diseases are being developed. We have developed and upscaled technologies for the production and application of several important probiotics.





68+ Enzymes & Probiotics

25+ Years of Fermentation Experience

420 m^3 Fermentation Capacity

550+ Employees

Quick Facts

45+ Countries Worldwide Presence

700+ Customers Worldwide

22 Patents Granted

#1 Indian Enzyme Company

15 Amongst Top 15 Global Enzyme Companies

400+ Proprietary Products

11 Food Dossier Filed with EFSA

01 GRAS dossier already evaluated and one filed with US FDA

100+ Scientists, Microbiologists, Engineers, Food Technologists, Biotechnologists



Diversified

Revenues

Geography

41% India

59% International

Segmental

76% Human Nutrition

12% Animal Nutrition

12% Industrial Bio-Processing

Robust Margins*

82% Gross Margin

44% EBITDA Margin

28% PAT Margin

Robust Returns**

24% ROCE

29% ROIC

19% ROE

Robust Performance

5.48 Inventory Turnover*

2.51 Fixed Asset Turnover*

1,163 Free Cash Flow
₹ million

Robust Balance Sheet

110 Net Working Capital*
Days

0.02 Net Debt/Equity

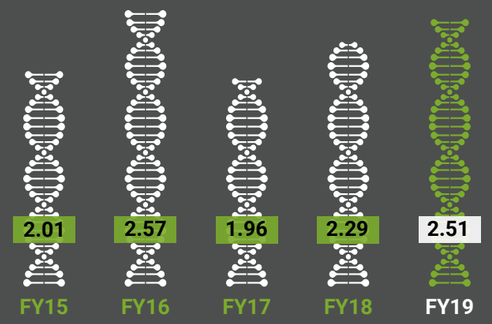
6.79 Net Worth
₹ billion

Note : * Based on net sales (excluding export incentives)
** Based on average shareholders' fund and average debt

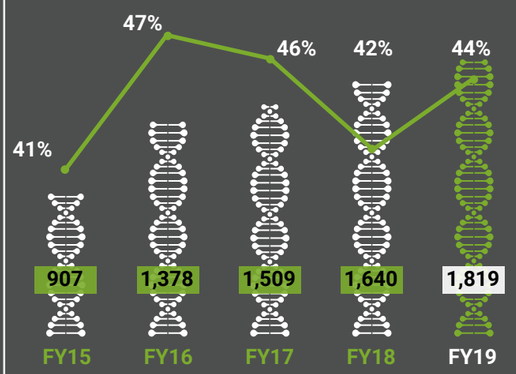
Key Performance

Indicators

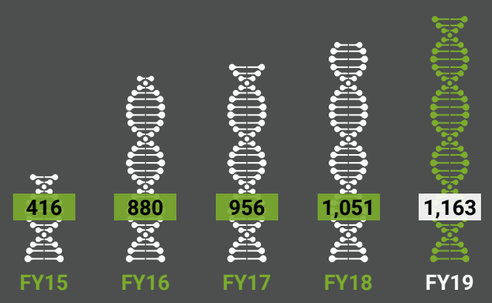
Fixed Asset Turnover (X)



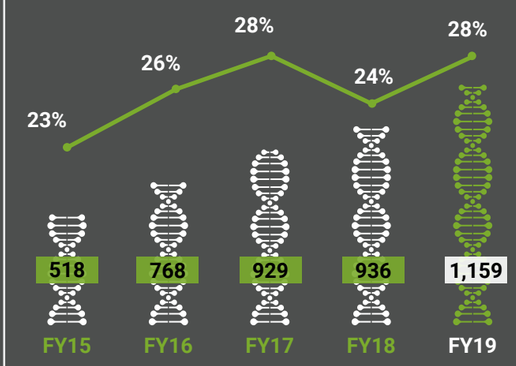
EBITDA* & EBITDA Margin (%)



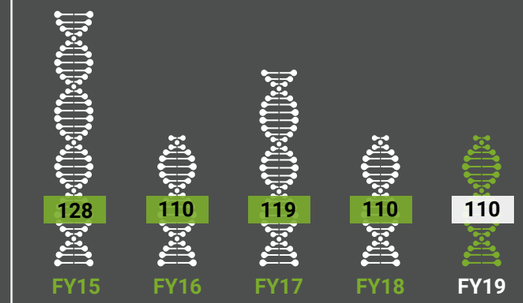
Free Cash Flow*



PAT* & PAT Margin (%)



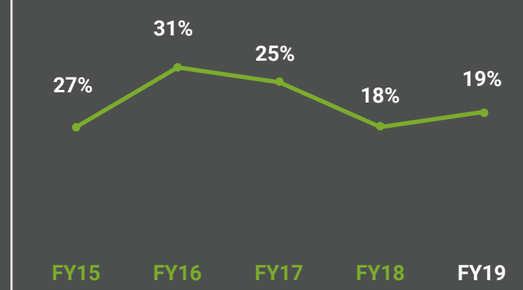
Net Working Capital (Days)



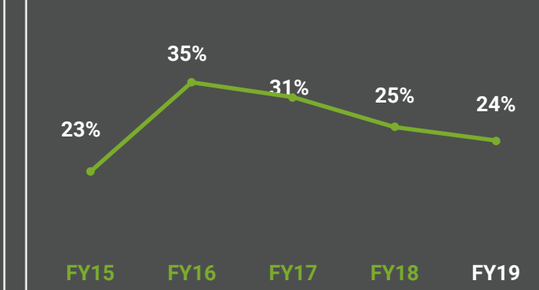
Net Worth*



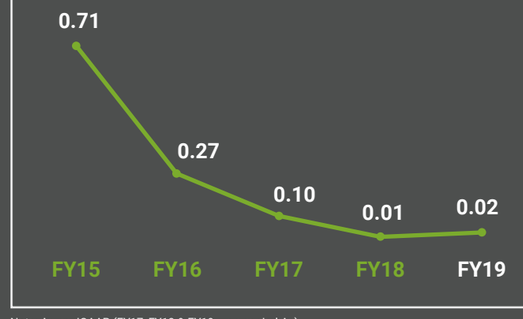
ROE (%)



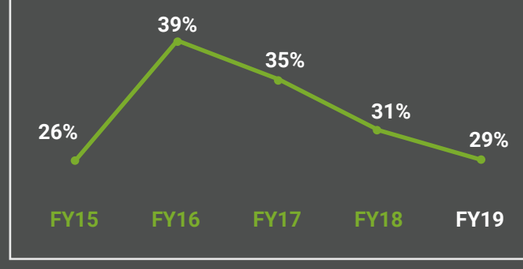
ROCE (%)



Net Debt / Equity (X)



ROIC (%)



Note: As per IGAAP (FY17, FY18 & FY19 – as per Ind As)
All numbers are on Consolidated basis.
* All numbers are in ₹ million unless otherwise stated.
Net working capital days =((Trade receivables + inventories – Trade payables)/ Net Sales)*365
Net Debt = Long term debt + short term debt + current maturities of long term debt – Cash & Cash Equivalent
ROIC=EBITDA / (Equity + Net Debt)
Return ratio calculated based on average of shareholders' fund and average debt

Financial

Summary (Consolidated)

(₹ in million)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue from operations (including excise duty and export incentives)	4,196	3,957	3,431	3,047	2,321
Net Sales (excluding excise duty and export incentives)	4,177	3,881	3,299	2,938	2,231
EBITDA	1,819	1,640	1,509	1,378	907
Depreciation and Amortisation Expense	211	183	128	87	90
EBIT	1,608	1,457	1,381	1,291	817
Finance Cost	39	81	36	79	93
Profit Before Tax & Exceptional Items	1,569	1,376	1,346	1,212	724
Exceptional items	-	-	-	41	-
Other Income	51	14	25	11	24
Profit Before Tax	1,620	1,390	1,371	1,182	748
Tax	461	454	441	414	230
Profit After Tax including minority (PAT)	1,159	936	929	768	518
Profit After Tax and Allocation of Minority Interest	1,111	901	915	758	510
Paid up Capital-Equity	223	223	223	218	218
Reserves & Surplus	6,565	5,368	4,417	2,563	1,902
Shareholders' Fund	**6,788**	**5,591**	**4,640**	**2,781**	**2,120**
Minority Interest	260	226	211	54	45
Long-term Borrowings (including current maturities)	137	290	275	718	1,303
Working Capital Finance	213	377	214	296	226
Short Term Unsecured Borrowings	-	1	52	-	11
Total Debt	**350**	**668**	**541**	**1,014**	**1,540**
Current liabilities (excluding short term borrowings and current maturities)	372	519	271	480	307
Other Liabilities	341	312	227	176	147
Tangible Fixed Assets (Property, Plant and Equipment) (Net)	1,665	1,693	1,679	1,144	1,111
Intangible Assets (Net)	680	741	336	51	38
Goodwill on Consolidation	2,715	2,584	2,280	1,710	1,710
Current assets	2,821	2,107	1,382	1,397	1,041
Other Assets	230	191	213	203	259
Net Worth	6,788	5,591	4,640	2,781	2,120
Total outside Liabilities (TOL)	1,323	1,725	1,250	1,724	2,039

Growth Indicators	2018-19	2017-18	2016-17	2015-16	2014-15
Net Sales	8%	18%	12%	32%	-7%
EBITDA	11%	9%	10%	52%	-11%
EBIT	10%	5%	7%	58%	-11%
PAT	24%	1%	21%	48%	145%

Key Operating Ratios#	2018-19	2017-18	2016-17	2015-16	2014-15
Gross Margin	82%	79%	78%	80%	79%
EBITDA Margin - EBITDA/Net Sales	44%	42%	46%	47%	41%
EBIT Margin- EBIT/ Net Sales	38%	38%	42%	44%	37%
PAT Margin-PAT/Net Sales	28%	24%	28%	26%	23%

Financial Leverage	2018-19	2017-18	2016-17	2015-16	2014-15
Debt/Equity	0.05	0.12	0.12	0.36	0.73
Interest Coverage	41.23	17.99	38.62	16.34	8.78
Debt/EBDAT	0.20	0.43	0.37	0.78	1.89

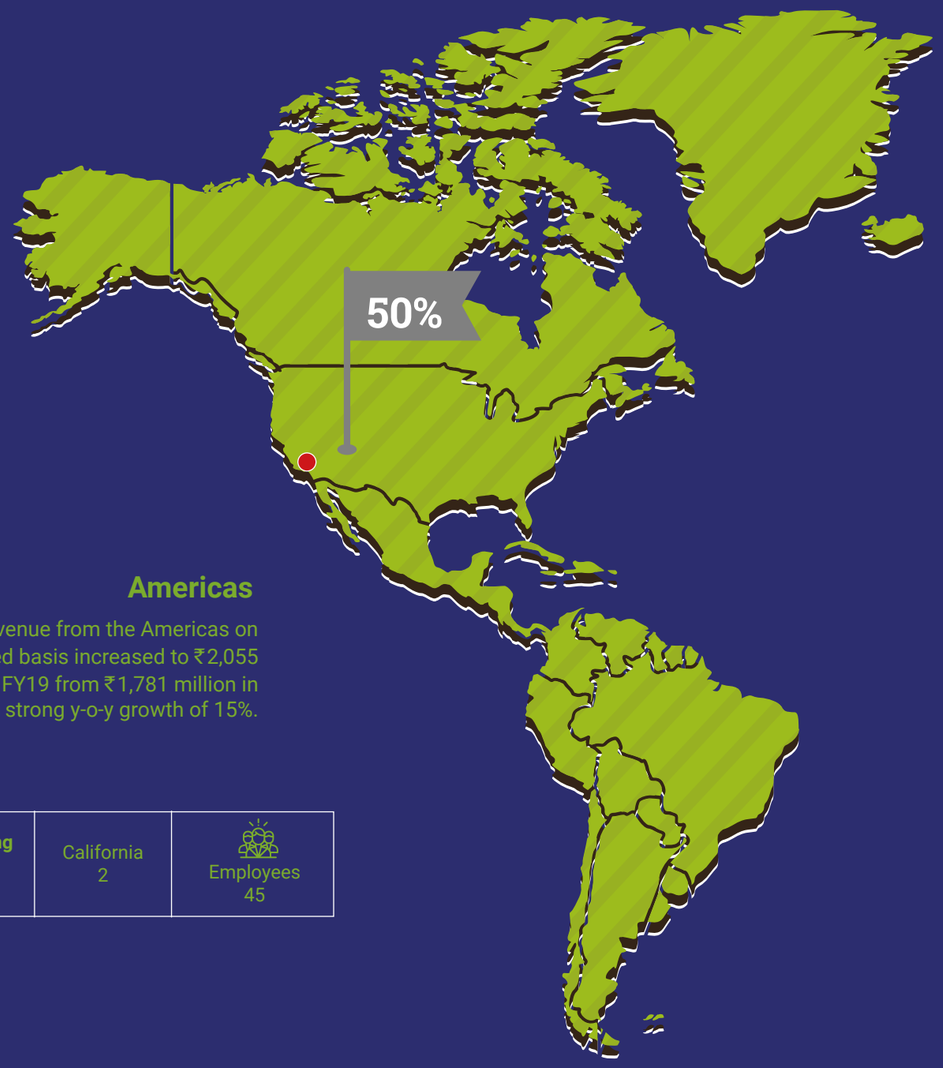
Return Ratios #	2018-19	2017-18	2016-17	2015-16	2014-15
RoE (PAT/ Shareholders' Fund)	19%	18%	25%	31%	27%
RoCE (EBIT/(Shareholders' Fund + Total Debt))	24%	25%	31%	35%	23%
ROIC(EBITDA)/(Equity+ Total Debt-Cash & Cash equivalent)	29%	31%	35%	39%	26%

Other Ratios	2018-19	2017-18	2016-17	2015-16	2014-15
Turnover to Tangible Assets (Net)	2.51	2.29	1.96	2.57	2.01
TOL to Net Worth Ratio	0.19	0.31	0.27	0.62	0.96
Book Value/Share (₹)	60.80	50.08	41.57	127.57	97.25
EPS (Basic) (₹)	9.95	8.07	8.27	34.85	23.42
EPS (Diluted) (₹)	9.94	8.06	8.27	34.85	23.42

#Return ratio calculated based on average shareholders' fund and average debt

Note- FY 17, FY 18 & FY 19 Book value and EPS are based on face value of ₹ 2 per share
Note- FY 17, FY 18 & FY 19 figures are as per Ind AS

Presence Across the Globe



Americas

Revenue from the Americas on consolidated basis increased to ₹2,055 million in FY19 from ₹1,781 million in FY18, a strong y-o-y growth of 15%.

Manufacturing Facilities (USA)	California 2	Employees 45

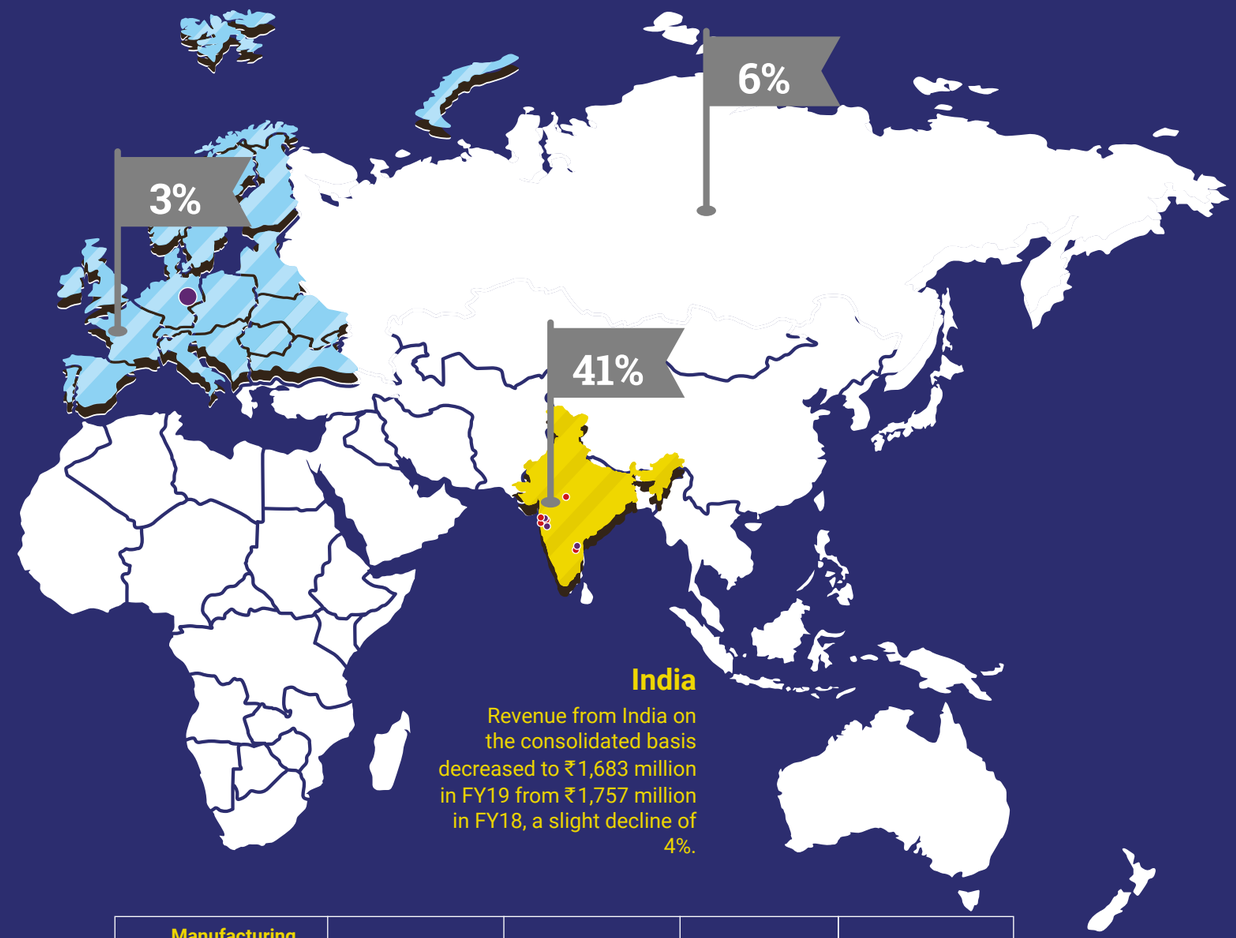
Europe

Revenue from Europe on the consolidated basis decreased to ₹207 million in FY19 as compared to ₹210 million in FY18, a y-o-y decrease of 1.5%.

R&D Locations (GERMANY)	North Rhine-Westphalia 1	Employees 25

Rest of the World

Revenue from Asia (ex-India) and Others (Russia, Middle East, Africa) on the consolidated basis increased to ₹232 million in FY19 from ₹178 million in FY18, a strong growth of 31%.



India

Revenue from India on the consolidated basis decreased to ₹1,683 million in FY19 from ₹1,757 million in FY18, a slight decline of 4%.

Manufacturing Facilities (INDIA)	Maharashtra 3	Madhya Pradesh 1	Andhra Pradesh 1	Employees 507
R&D Locations (INDIA)	Maharashtra 3	Andhra Pradesh 1		

Journey Over

The Years

1989 — Incorporated as Advanced Biochemicals Pvt Ltd.

1994 — 1st fermentation facility commissioned at Sinnar, Maharashtra

2001 — R&D locations (Thane and Sinnar) recognized by DSIR

2004 — Advanced Biochemicals ranked as the largest domestic manufacturer of Industrial Enzymes.

Advanced Biochemicals files its first patent.

2005 — Advanced Biochemicals Ltd. is renamed as Advanced Enzyme Technologies Limited

2011 — Takeover of Cal-India Foods International – USA presence

2012 — Equity investment by Kotak Private Equity*

Takeover of Advanced Supplementary Technologies

2nd fermentation facility commissioned at Pithampur, Indore

2014 — 1st food enzyme dossier was filed

2016 — Floated IPO

Acquired 70% stake in JC Biotech with a fermentation facility at Ongole, Andhra Pradesh

2017 — Acquired 100% stake in evoxx technologies GmbH, Germany

1st GRAS dossier was filed with USFDA

2018 — 4 food enzymes got approved as a processing aid with Food Safety Standard Authority of India (FSSAI)

4 enzymes are registered with REACH -ECHA (European Chemical Agency)

Note : * through Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund

Corporate

Structure

Advanced Enzyme Technologies Limited (AETL)

60%

Advanced Bio-Agro Tech Ltd
Incorporated: 2004
Core Areas: Animal Nutrition
Presence: South Asia

100%

Advanced EnzyTech Solutions Ltd
Incorporated: 2008
Core Areas: Non-Food Industrial Bio-Processing
Presence: South Asia

100%

Advanced Enzymes USA
Incorporated: 2010
Core Areas: Holding Company for Americas

70%

JC Biotech Private Ltd
Incorporated: 1991
Acquired: 2016
Core Areas: Manufacturing of Enzymes
Presence: India

100%

Advanced Enzymes (Malaysia) Sdn.Bhd.
Incorporated: 2016
Acquired: 2017
Core Areas: Industrial Bio-Processing
Presence: South East Asia

100%

Advanced Enzymes Europe B.V.
Incorporated: 2017
Core Areas: Holding Company for Europe

100%

Cal India Foods International
Incorporated: 1985
Core Areas: Human Nutrition B2B
Presence: North, Central and Latin America

100%

Enzyme Innovation, Inc.
Incorporated: 2015
Core Areas: Animal Nutrition and Industrial Bio-Processing
Presence: North, Central and Latin America

100%

AST Enzymes
Incorporated: 2010
Core Areas: Owned & Branded Supplements for Nutraceutical Applications
Presence: North, Central and South America

100%

Dynamic Enzymes, Inc.
Incorporated: 2010
Core Areas: Owned & Branded Supplements for Retail Business Model
Presence: North, Central and South America

100%

evoxx technologies GmbH
Incorporated: 2006
Acquired: 2017
Core Areas: Animal Nutrition and Industrial Bio-Processing
Presence: Europe

Integrated Across

Value Chain

Research & Development

- Enzyme Development
- Microbial Engineering
- Process Scale-up
- Application Development
- Customization
- Intellectual Property Protection

Manufacturing

- Highly Controlled Processes
- Flexible Batch Sizes
- Flexible Downstreaming Capabilities
- Large Capacities
- Ability to Expand Quickly
- Globally Competitive Cost Structure

Marketing & Distribution

- Reliability & Quality
- Global Regulatory Expertise
- Customized Solutions
- Value Based Selling
- Direct Access to End Users
- Deep Customer Insights

Key Business

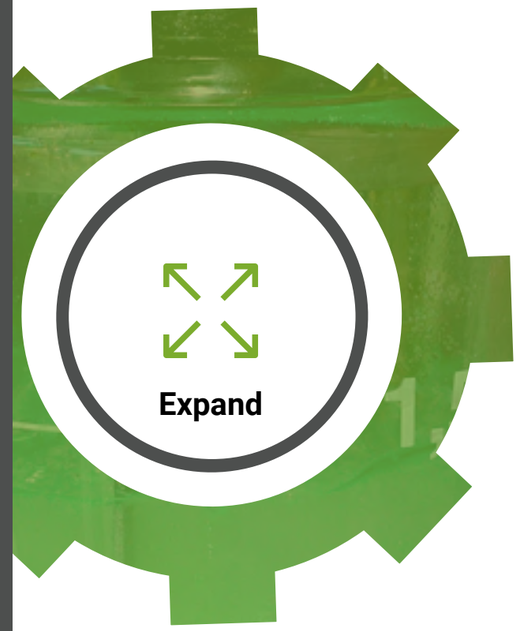
Strategies



Continued Investment in R&D

Identify product gaps and develop new Enzymes & Probiotics solutions

Expand Competencies in Enzyme Discovery and Genetic Engineering



Broaden & Deepen Geographical Presence

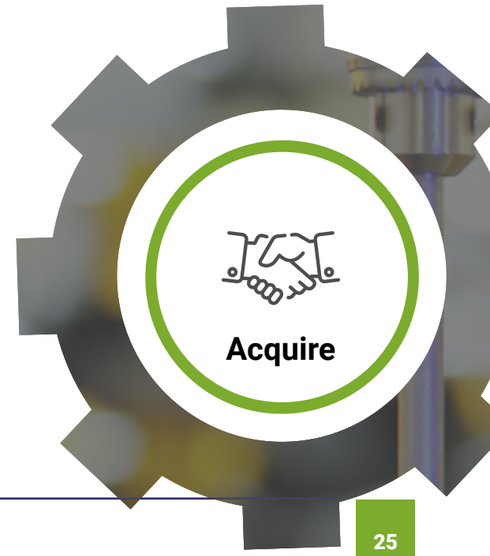
Expand Sales, Marketing & Distribution Networks in North American, European, Latin American & Asian markets

Build Strategic Partnerships in Key Markets for Focus Segments

Inorganic Expansion

On the R&D front, Acquisition of Key Technologies, Competencies & Skill-sets which Enable Consolidation and/or Entry into New Market Segments

Acquisition of Client Relationships & Businesses in Key Focus Markets



Research and Development

Enzyme Development

- Strengthens the Enzyme Engineering part of R&D
- Helps in designing the right set of enzymes with their target applications in mind

Proteomics & Applied Microbiology

- Purification & Characterisation of enzymes
- Generate data for filing regulatory dossiers
- Develop newer & improved microbial systems for enzymes & probiotics application

Process Development & Optimization

- Upscaling fermentation
- Enhance efficiency of downstream processes
- Improve recovery & purification yields

Application Development

- Develop innovative enzyme & probiotic solutions for various food & non-food processing industries
- Lab trials support for enzymes/probiotics applications

100+
Scientists, Microbiologists, Engineers, Food Technologists, Biotechnologists

68+
Enzymes & Probiotics

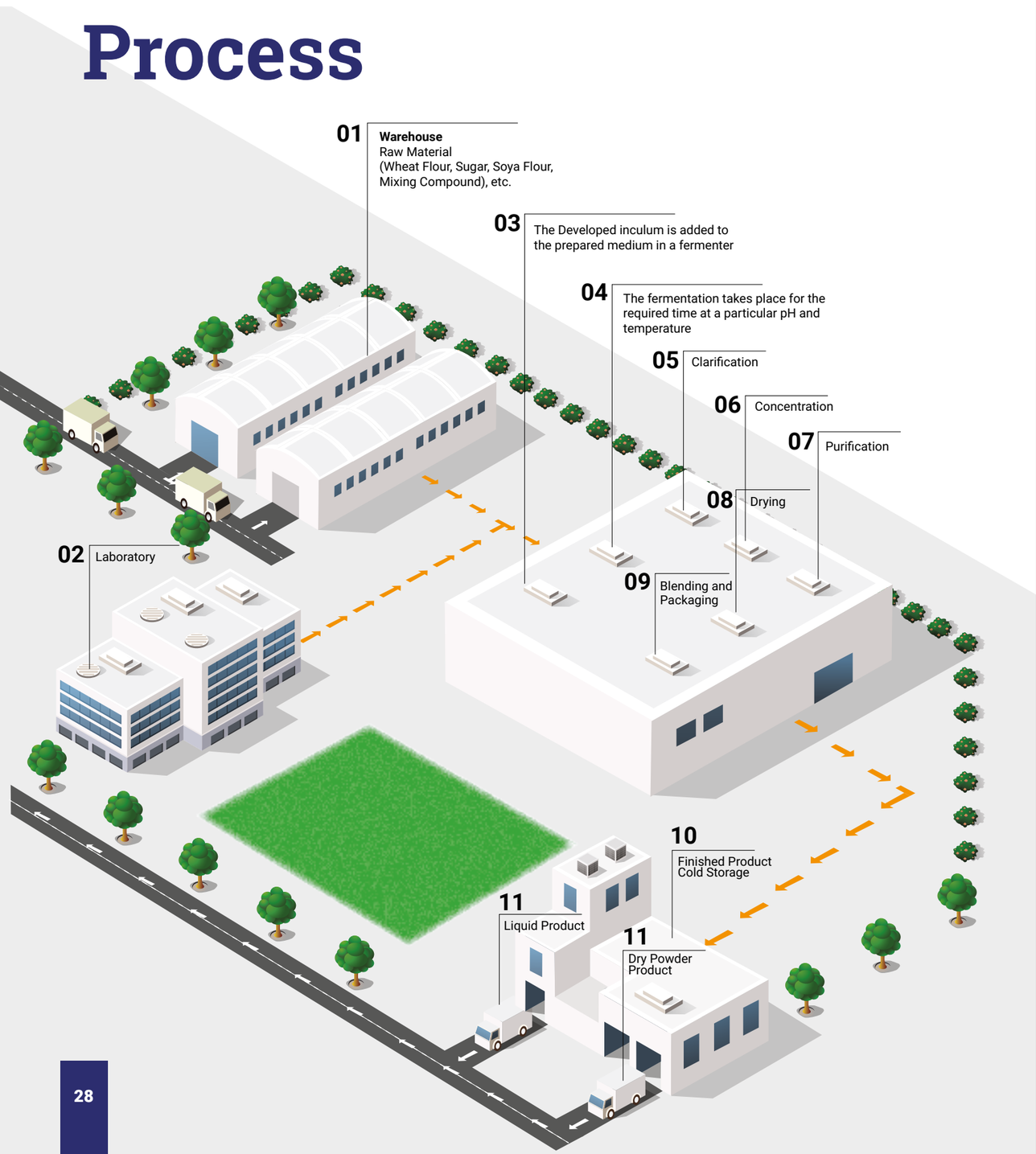
05
R&D Locations in India & Germany

22
Patents Granted

11
Food Enzymes Dossiers filed with EFSA

01
GRAS dossier already evaluated and one filed with US FDA

Production
Process



Awards and
Recognitions



Corporate Social Responsibility















The Association of Parents of Mentally Retarded Children (ADHAR)

ADHAR is a lifetime home for specially abled adults. ADHAR's vision was to reach out to parents of intellectually disabled adults and provide a life-time home for their special children. Funded the activities at ADHAR's Nashik (Maharashtra) centre. Most of the parents in the ADHAR are old & with middle class background, financial capacity of individual parent has a limitation & they cannot cope up with the ever increasing running cost of the institution.

Social Networking Forum (SNF)

Financial support provided to SNF to arrange for safe & clean drinking water facility at Kolushti, Tal Peth, District – Nashik, Maharashtra. One of the activities undertaken by SNF is providing drinking water facilities to draught struck villages.

Parivaar Ramakrishna Vivekananda Seva Kutirs (Community Day Boardings)

CSR initiative to address the twin problems of malnutrition and poor educational levels of children of poor families through Parivaar Ramakrishna Vivekananda Sevakutirs (Community Day Boardings) ["SevaKutir Program"], a program of Parivaar Education Society. The SevaKutir program seeks to provide a balanced diet and supplementary education to all children in the age group of 4-14 years attending the Kutir.

Shree Gurudev Bahudheshiya Samajik Sanstha – Divya Vidyalay

Education to special children by way of part-sponsoring construction of Multipurpose Hall (Jawahar, Maharashtra) through - Shree Gurudev Bahudheshiya Samajik Sanstha – Divya Vidyalay where primarily differently abled children gets special education, food & accommodation.

Sri Sri Vidya Mandir (SSVM) Matriculation School

Towards education & other aspects of knowledge, skills, etc. which leads to holistic growth of children from economically backward area, through -International Association for Human Values / Sri Sri Vidya Mandir (SSVM) Matriculation School (Anaikoil, Nagapattinam)

Kala Sugandha Mandal

Education to underprivileged children through Kala Sugandha Mandal. The main objective of the Mandal is to provide basic education to the children living in slums to be able to live a good life and build a good society thereafter.

Samta Purushottam Agrawal Memorial Foundation

Renovation of auditorium used for educational / academic including personality development activities, through: Samta Purushottam Agrawal Memorial Foundation. The said Auditorium is at UDPS Nagpur Alumni Association, Nagpur



Board of
Directors

Left to Right: Mr. Rajesh Sharma, Mr. Kedar J. Desai, Mr. Vinodkumar Jajoo, Mr. Mukund M. Kabra, Mr. Pramod Kasat, Mr. V.L. Rathi, Mr. Vilas Aurangabadkar, Mrs. Savita Rathi, Ms. Rasika Rathi.

Mr. V. L. Rathi
Chairman and Non-Executive Director

Mr. Vasant Laxminarayan Rathi is the Promoter and a Non-Executive and Non-Independent Director of your Company. He holds a Bachelor's degree in Pharmacy from Nagpur University and degree of Master of Science from University of Hawaii. He has over 37 years of experience in the enzyme industry and was one of the co-founders of Rathi Papains Private Limited incorporated in the year 1978, which was engaged in the business of manufacturing of enzymes from papain. He promoted and incorporated Cal-India in the year 1985 and has been associated with your Company since the year 1993. Mr. Vasant Laxminarayan Rathi heads our international subsidiaries based in United States.

Mr. Mukund M. Kabra
Whole time Director

Mr. Mukund Madhusudan Kabra, is a Whole-time Director of your Company. He holds a Bachelor degree in Chemical Engineering from Sambalpur University. He has over 20 years of experience in enzyme industry and joined the Company in the year 1995. He is responsible for overlooking the manufacturing operations of the Company at Sinnar and Indore and for optimising the fermentation for existing products, strain improvement, downstream research and analytical research.

Mrs. Savita Rathi
Whole time Director

Mrs. Savita Chandrakumar Rathi, is a Whole-time Director of your Company. She has over 28 years of experience in the enzyme industry and has been associated with the Company since incorporation. She is responsible for the administration of the Company, management and supervision of Export-Import, Client relationship management and the Human Resource department of the Company.

Mr. Kedar Jagdish Desai
Independent Director

Mr. Kedar Jagdish Desai, is a Non-Executive and Independent Director on the Board. He holds a Bachelor's degree of Commerce and a Bachelor's degree in Law from the University of Mumbai. He is also a qualified solicitor from the Bombay Incorporated Law Society. He has over 21 years of experience in the field of law. He was associated with Messrs Kanga & Co. from the year 1997 to 2007, out of which during the period 2004 to 2007, he was a partner at Messrs Kanga & Co. Subsequently and ever since, he has been a part of Messrs Desai, Desai, Carrimjee & Mulla, Advocates and Solicitors, as a partner.

Mr. Pramod Kasat
Independent Director

Mr. Pramod Kasat is a Non-Executive and Independent Director of your Company since December 14, 2016. He holds an Engineering Degree from BITS, Pilani and a Master's in Finance from Sydenham Institute of Management Studies, Mumbai University. He is currently the Country Head of Investment banking , Indusind Bank, Mumbai. Before joining Indusind Bank, he served as Director and Head of Investment Banking at Pioneer Investcorp Ltd. (PINC) and was instrumental in driving growth in the investment banking business.
Prior to PINC, He was Director of Investment Banking and Global Market Solutions Group at Credit Suisse and Director at Deutsche Bank Global Markets. In his previous experience, he worked with the IL&FS Group for over a decade as the Head of Origination for the Investment Banking Group, among other leadership roles. He also worked in Citibank NA in the Capital Markets Group. He serves as an Independent Director on the Board of Shilpa Medicare Ltd. and Natural Capsules Ltd (w.e.f. May 30, 2019).

Mr. Rajesh Sharma
Independent Director

Mr. Rajesh Sharma is the Executive Vice President & Chief Financial Officer for Citrus Valley Health Partners. He has more than 20 years experience in health care finance and leadership. He most recently served as Senior Vice President of Financial Operations for City of Hope. Other previous appointments include positions at St. Mary Medical Center in Long Beach, Calif., California Hospital Medical Center in Los Angeles and Glendale Memorial Hospital and Health Center. He earned his Presidential and Key Executive Master of Business Administration degree from Pepperdine University and is a Certified Public Accountant. He also completed an executive education program in health care delivery at Harvard Business School and is an inaugural fellow of Coro's Health Leadership program and a fellow of Leadership Southern California.

Mr. Vilas Aurangabadkar
Additional (Independent) Director

Mr. Vilas Aurangabadkar is the Additional (Independent) Director of your Company. He has a experience of around 6 years in Manufacturing industry; teaching experience of around 37 years including about 25 years as educationalist (Principal of pharmacy colleges). Also Co-ordinator of various professional institutions. Qualification: DBM, MMS (Master in Management Sciences), B. Pharm, M. Pharm. Awards: Ideal Principal-Teacher Award 1994, Ideal Administrator Award 1996, Felicitation as Ideal Administrator-Teacher·, Mahatma Gandhi Vidyamandir Trust, Malegaon 1997, Samajshri Award, Mumbai, Man of the Year, IBC (UK) 2000, National Udyog Excellence Award.

Ms. Rasika Rathi
Additional Director (Non-Executive)

Ms. Rasika Rathi is a Juris Doctorate in Law from University of Michigan Law School & B.A. Economics from University of California. She has a rich experience of around 14 years and has been associated as Vice President, General Counsel & Secretary at Specialty Enzymes & Probiotics, Chino; California (SEB), since August 2013. She is also Director of Company's Subsidiaries, Advanced Enzymes Europe B.V., Enzyme Innovation, Inc., Advanced Supplementary Technologies Corporation, Dynamic Enzymes, Inc. Before joining Specialty Enzymes & Probiotics, she was associated with Allen & Overy LLP as an Associate – Tax and Litigation in New York, United States of America (USA). Prior to this, she was a consulting analyst – Health & Life Sciences at Accenture, San Francisco. She has also founded a Non-profit National Information Centre in California USA, named Pulmonary Fibrosis NOW to disseminate information about pulmonary fibrosis, conduct research and search for alternative therapies.

Mr. Vinodkumar Jajoo
Additional (Independent) Director

Mr. Vinodkumar Hiralal Jajoo is a Chartered Accountant in Practice by profession. He holds a Master's degree in Commerce (Mcom) and is a Fellow member of Institute of Chartered Accountants of India. He has a very rich experience of over 30 years in the field of Direct and Indirect Taxation. Further, he also has a vast experience in the field of Audit work.

Leadership Team



Mr. Beni Prasad Rauka
(Group CFO and Director - Advanced Bio-Agro Tech Ltd, Advanced Enzytech Solutions Ltd & JC Biotech Pvt Ltd)



Dr. Anil Kumar Gupta
(Vice President - Research & Development)



Mr. Dipak Roda
(Vice President – Market & Business Development, Director - Advanced Enzytech Solutions Ltd, India)



Mr. Sanjay Basantani
(Company Secretary & Head Legal)



Mr. Mike Smith
(Vice President Sales & Marketing Specialty Enzymes & Biotechnologies)



Mr. Harshad Doshi
(Chief Financial Officer & Chief Operating Officer of the US subsidiaries)

Corporate Information

BOARD OF DIRECTORS

Mr. Vasant Rathi
Non-Executive Chairman

Mrs. Savita Rathi
Whole-Time Director

Mr. Mukund M. Kabra
Whole-Time Director

Mr. Ramesh Mehta
Independent Director
(Ceased w.e.f March 31, 2019)

Mr. Kedar Desai
Independent Director

Mr. Pramod Kasat
Independent Director

Mr. Rajesh Sharma
Independent Director

Mr. Vilas Aurangabadkar
Additional Director (Independent)

Ms. Rasika Rathi
Additional Director (Non-Executive)

Mr. Vinodkumar Jajoo
Additional Director (Independent)

PLANTS
(including subsidiaries)

A-61/62, M.I.D.C. Area, Sinnar, Nashik - 422 103. Maharashtra

SORL, H-17, M.I.D.C, Satpur Area, Nashik, Maharashtra

Survey No.30, Pali, Vasind, Shahpur, Thane, Maharashtra

Plot No. B-5-13, SEZ, Pithampur, Dhar, Madhya Pradesh

Plot No 548 to 550, APIIC Growth Center, Gundlapalli Village, Maddipadu Mandal, Prakasam District, Ongole, Andhra Pradesh 523 211

13591 Yorba Avenue, Chino, California 91710.

4880 Murrieta St., Chino CA 91710.

LEADERSHIP TEAM

Mr. Beni Prasad Rauka
Chief Financial Officer

Dr. Anil Kumar Gupta
Vice President
Research & Development

Mr. Dipak Roda
Vice President
Market & Business Development

Mr. Sanjay Basantani
Company Secretary &
Head-Legal

Mr. Mike Smith
Vice President
Sales & Marketing
Specialty Enzymes &
Biotechnologies

Mr. Harshad Doshi
Chief Financial Officer & Chief Operating Officer of the US subsidiaries

R&D LOCATIONS
(including subsidiaries)

Plot no. A-161, Main Road No. 27, Wagle Industrial Estate, Thane (W) 400 604

A-135, Road No. 23, Wagle Industrial Estate, Thane (W) 400 604

A-61/62, M I D C, Malegaon, Sinnar, Nashik, Maharashtra 422 113

Plot No 548 to 550, APIIC Growth Center, Gundlapalli Village, Maddipadu Mandal, Prakasam District, Ongole, Andhra Pradesh 523 211

Alfred-Nobel-Str. 10, 40789 Monheim am Rhein

REGISTERED OFFICE

Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018
A wing, Sun Magnetica, 5th Floor, Near LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400 604
Tel: +91-22-41703200
Fax: +91-22-25835159
Email: info@advancedenzymes.com
Website: www.advancedenzymes.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd ,
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Tel: +91-22-49186270
Fax: +91-22-49186060
Email ID: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

STATUTORY AUDITORS

BSR & Co. LLP,
Chartered Accountants
05th Floor, Lodha Excelus,
Apollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011

INTERNAL AUDITORS

Aneja Associates,
Chartered Accountants
301, Peninsula Towers,
Peninsula Corporate Park
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013.

BANKERS

Citi Bank N.A.
HDFC Bank Ltd.
DBS Bank Ltd.

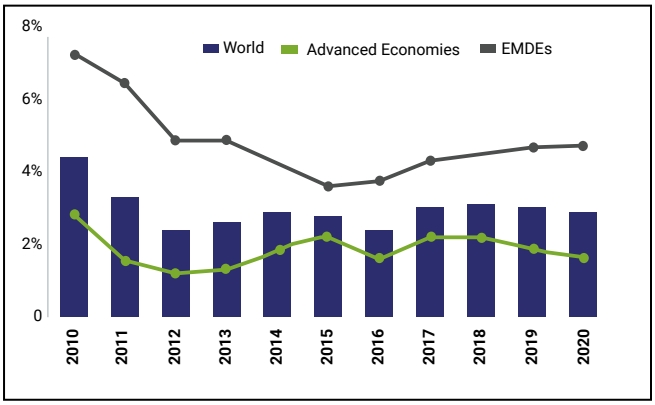


Management Discussion & Analysis - FY19

Global Economy

Global growth is projected to moderate from a downwardly revised 3% in 2018 to 2.9% in 2019 and 2.8% in 2020-21, as economic slack dissipates, monetary policy accommodation in advanced economies is removed, and global trade gradually slows. Growth in the United States will continue to be supported by fiscal stimulus in the near term, which will likely lead to larger and more persistent fiscal deficits. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5% by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

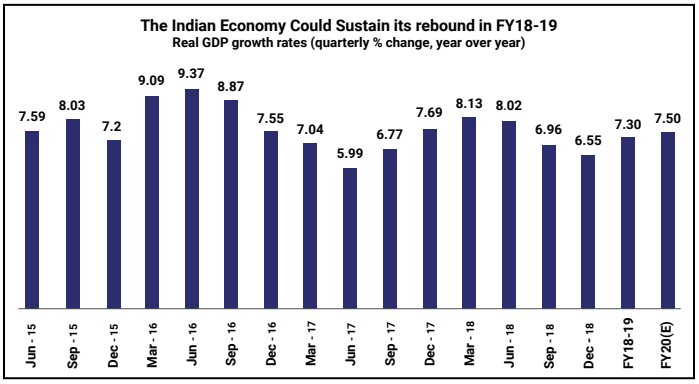
Softening global trade and tighter financing conditions will result in a more challenging external environment for Emerging Markets and Developing Economies (EMDE) economic activity. EMDE growth is expected to stall at 4.2% in 2019—0.5% point below previous forecasts, partly reflecting the lingering effects of recent financial stress in some large economies (e.g., Argentina, Turkey), with a sharply weaker-than-expected pickup in commodity exporters accompanied by a deceleration in commodity importers. EMDE growth is projected to plateau at an average of 4.6% in 2020-21, as the recovery in commodity exporters levels off. Per capita growth will remain anemic in several EMDE regions—most notably, in those with a large number of commodity exporters—likely impeding further poverty alleviation.



Source: World Bank Report 2019

Indian Economy

The Indian economy is likely to sustain the rebound in FY2018–19—growth is projected to be in the 7.2% to 7.5% range and is estimated to remain upward of 7% for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has al sixth-largest economy. By 2019, it may become the fifth-largest economy and possibly the third-largest in 25 years.



Source : Deloitte, IMF

Global Enzyme Market

Enzyme market size is estimated to exceed USD 9.5 Billion by 2024. Proteases will worth over USD 2 billion by 2024. Health benefits offered by proteases include, boosting immune system, prevents inflammatory bowel diseases and cures skin burns & stomach ulcers will up surge this segment's demand. The product demand in animal feed segment will be driven by key product properties including, improved fodder efficiency, upkeep of gut health, and lower cost. Carbohydrases surpassed USD 2.5 billion in 2016. Increased usage of catalysts for conversion processes in food & beverage and pharmaceutical industry will provide lucrative opportunity for this segment. Its major application is converting of carbohydrates into sugar syrups, including fructose and glucose. Lipase will witness gains at over 6.8% up to 2024 owing to its usage as a vital digestive enzyme. It breaks down dietary fats into smaller molecules called glycerol and fatty acids. Growing obesity issues in developed countries is predicted to boost product's demand in this segment as it aids in weight control by fat digestion. Food & beverage holds over 36% of overall global enzymes market share in 2016. Growing demand for nutritional diet coupled with favorable government regulations will fuel this segment's growth. Flour enhancement, improved texture & color, softness and longer shelf life is expected to propel the product demand.

Animal feed market size will grow at over 7% up to 2024. Growing diseases occurrence including, Bovine Spongiform Encephalopathy and Porcine Epidemic Diarrhea Virus has compelled farmers to use high quality animal forage. Biofuel will generate over USD 950 million by 2024. Up surging biodiesel production in Germany, France, Brazil and the U.S. will promote industry growth. Lipases act as a major product in production of biodiesel due to its increased capability to process fatty acids and glycerides through transesterification and esterification reactions. Pulp & paper enzymes market will witness over 6% CAGR up to 2024. The product demand in this segment is driven by its usage in numerous applications in pulp & paper industry including, cleaning of paper, deinking, drainage improvement and coating of starch. Additionally, growing demand of smooth papers for printing purpose will enhance the product scope.

Source : GM Insights

Global Probiotic Market

Global probiotics ingredients market valued at USD 2303 million in 2019 and is expected to reach USD 3,560.7 million by 2025 growing at an estimated CAGR of 7.7% over the next five years. Rising preference towards preventive healthcare coupled with inherent benefits of probiotics is expected to boost overall market growth over the forecast period.

Among bacterial probiotics, lactobacilli genus dominated the market and the segment was valued at USD 1061.4 million in 2018 and is expected to grow at an anticipated CAGR of 7.9% from 2019 to 2025. Bifidobacterium genus segment is expected to be valued at USD 931.1 million by 2025. Historic research and studies on lactobacilli and Bifidobacterium is benefitting the respective market segments. In terms of application, probiotics food & beverages dominated the global market and is expected to do same over the forecast period.

The food & beverages segment was valued at USD 1,703.5 million in 2018 and is expected to be valued at USD 2,818.2 million by 2025 growing at an anticipated CAGR of 7.6% over the next six years. Rising preference

for functional foods, broad product portfolio and easy availability of products is benefitting the segment.

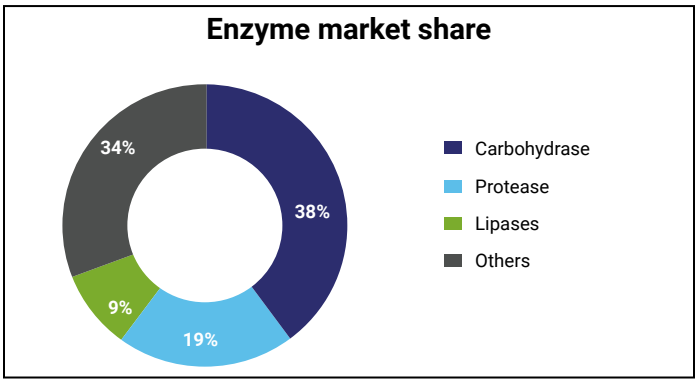
In terms of end use, human probiotics held the majority share and were valued at USD 1,957.1 million in 2018. The segment is expected to grow at an anticipated CAGR of 7.7% over the next six years. Animal probiotics are expected to grow at an anticipated CAGR of 7.8% over the forecast period.

Source: Grandview Research

Indian Enzyme Industry

India Industrial enzymes market is forecast to surpass USD 361 million by 2020 on account of increasing food processing facilities, growing number of tanneries and rising textile manufacturing facilities in the country. Northern region is the largest consumer of industrial enzymes and is expected to continue its dominance through 2020 on account of increasing presence and anticipated expansion of food processing, leather manufacturing and textile production facilities in the region. India industrial enzymes market is dominated by Novozymes South Asia Pvt. Limited, E.I. DuPont India Pvt. Limited, and Advanced Enzyme Technologies Limited.

Industrial enzymes are categorized into carbohydrases, proteases, lipases, and others. Among these, the demand for carbohydrases is growing at the fastest pace in India as they are widely used in various industries such as baking, brewing, dairy, etc. Increasing demand for packaged food, dairy products, detergents and pharmaceuticals that aid in digestion is driving the country's industrial enzymes market. Moreover, an increasing number of detergent manufacturers are shifting their focus towards adopting enzymes for detergent formulations due to environmental concerns associated with the usage of phosphorus in detergents.



Source: Pharmaion, "India Industrial Enzymes Market Forecast & Opportunities, 2020

Indian Probiotic Market

Demand for probiotics ingredient in India was USD 29.1 million in 2015 and is expected to reach USD 51.9 million in 2025, growing at an estimated CAGR of 8.4% from 2019 to 2025. Probiotics market by yeast amounted USD 3 million in 2018 and is expected to increase and reach USD 5.2 million in 2025, growing at an estimated CAGR of 7.8% from 2019 to 2025. Probiotics demand for genus lactobacilli was USD 15.5 million in 2018 and is expected to reach USD 28.2 million in 2025, growing at an estimated CAGR of 8.7% from 2019 to 2025. In terms of revenue, probiotics used in animal feed was worth USD 2.8 million in 2018 and is expected to reach USD 5.0 million in 2025, growing at an estimated CAGR of 8.6% from 2018 to 2025. Probiotics ingredient demand for human probiotics was USD 24.6 million in 2018 and is expected to reach USD 46.9 million in 2025, growing at an estimated CAGR of 8.4% from 2019 to 2025.

Source: Grandview Research

Company Overview

Advanced Enzyme Technologies Limited ("AETL") started operations about three decades ago with a strong vision supported by a group of professionals. Today, AETL is India's largest enzyme company that has transformed business globally in the manufacturing of enzymes by improving the fundamentals based on research and technology. Your Company is engaged in the research and development, manufacturing and marketing of 400+ proprietary products developed from over 68 indigenous enzymes and probiotics.

Your Company is the pioneers in the production of enzymes in India and equipped with state-of-the-art manufacturing facilities in India, US and Germany. Your Company is committed to providing eco-safe solutions to a wide variety of industries like human healthcare and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, specialty applications, textile processing, leather processing, paper & pulp processing, biofuels, biomass processing and biocatalysis etc. Your Company pride itself in being one of the few manufacturers in the world who possess excellence and expertise in fermented enzymes manufacturing. AETL continues to set trends with the introduction of new applications for the use of enzymes across various industries. AETL comprises of four wholly-owned direct subsidiaries, two subsidiaries (60% & 70%) and five step-down wholly owned subsidiaries as on 31, March 2019.

Your Company helps consumers to access side effect free, enzyme based healthcare products.

Subsidiaries

1) **Advanced Enzymes USA ("AEU"):** Advanced Enzymes USA was incorporated on November 01, 2010 with its registered address as 13591, Yorba Avenue, Chino, California-91710. AEU is a body corporate engaged in the research, development and marketing of cutting edge, efficacious and all-natural enzyme solutions of the highest quality catering primarily to the North American and Latin American markets. AEU has stake in following corporations. In terms of the consolidated financial performance, AEU's revenue for FY 2018-19 was ₹2,128.18 million, and PAT for FY 2018-19 was ₹822.84 million.

   a. **Advanced Supplementary Technologies Corporation ("AST"):** Advanced Supplementary Technologies Corporation was incorporated on December 30, 2010 with its registered address as 13591, Yorba Avenue, Chino, California-91710. AST was acquired by your Company on October 31, 2012. AST is a leading manufacturer of enzyme-based strength supplements to support cardiovascular, anti-inflammatory, joint, digestive and colon health. AST uses only non-genetically modified, natural ingredients, tested by its team of leading scientists and industry experts. AST helps customers achieve a healthy lifestyle with enzyme supplements that are formulated and manufactured in-house, assuring customers of the highest quality, activity, purity and safety. AST is a subsidiary of Advanced Enzymes USA.

   b. **Cal-India Foods International (doing business as Specialty Enzymes and Bio-technologies, "SEB"):** Cal-India was incorporated on March 25, 1985 and acquired by your Company on April 04, 2011 with its registered address as 13591, Yorba Avenue, Chino, California-91710. SEB is a leading producer of enzymes in the Western Hemisphere. Specialty Enzymes and Biotechnologies offers complete enzyme solutions for healthcare and nutrition primarily to North America and Latin America. A subsidiary of Advanced Enzymes USA, the company specializes in creating customized enzyme blends, from conception to finished products, and also offers highly effective established enzyme products.

   c. **Enzyme Innovation, Inc. ("EI"):** Enzyme Innovation, Inc. was incorporated on October 8, 2013 as Enzytech, Inc with its registered address as 13591, Yorba Avenue, Chino, California-91710. Its name was changed to Enzyme Innovation, Inc. on April 3, 2014. Enzyme Innovation is a subsidiary of SEB, USA focused on marketing and business development of industrial enzymes in Americas. Enzyme Innovations caters to industries like Baking & Milling, Brewing & Malting, Brewing & Distilling, Fruit & Vegetable processing, Animal Feed, Protein Modification, Grain Alcohol, Paper & Pulp, Waste Management, Wine and Detergents & Cleaning aids. EI specializes in customized solutions.

   d. **Dynamic Enzymes, Inc. ("DEI"):** Dynamic Enzymes, Inc. was incorporated on February 24, 2015 under the laws of the State of California with its registered address at 4880, Murietia St., Ste. D, Chino, California 91710 since incorporation. DEI, inter alia, offers high quality systemic and digestive enzyme supplements through retail channels.

2) **Advanced Bio-Agro Tech Limited ("ABAT"):** This is a public limited company initially incorporated as a private company on November 9, 2004 with registered office at A-Wing, 5th floor, Sun Magnetica, Louiswadi, Thane(W) 400064, Maharashtra, India. A subsidiary of your Company, ABAT is, inter alia, engaged in the business of promotion, development, marketing and selling products of your Company in the Animal Health and Nutrition segment and also developing market in crop saving drugs, composting etc. ABAT has established itself as a leader of poultry enzyme solutions within the Indian sub-continent, and offers solutions to the large South East Asian markets of Vietnam, Thailand and Malaysia. In terms of the financial performance, during FY 2018-19 ABAT's revenue was ₹395.39 million and PAT was ₹55.02 million.

3) **Advanced EnzyTech Solutions Limited ("AESL"):** It was incorporated on September 1, 2008 as a public limited company with registered office at A-Wing, 5th floor, Sun Magnetica, Louiswadi, Thane(W) 400064, Maharashtra, India. Advanced EnzyTech Solutions is a wholly owned subsidiary of AETL. AESL is engaged in the business of promotion, development, marketing and selling products of your Company in the bioprocessing non-food segment such as textile, pulp and paper and other process industries and providing enzymatic and other solution to them including providing of solution to pollution related problems faced by the process industries by using the said products. AESL aims to replace the traditional harsh chemical processes in these industries with

newer, eco-friendly, yet cost-effective solutions using enzymes, micro-organisms and bio-degradable chemicals. In terms of the financial performance for FY 2018-19, AESL's revenue was ₹94.69 million and PAT was ₹5.23 million.

4) **JC Biotech Private Limited ("JC Biotech"):** JC Biotech was established in the year 1991 and registered office is at 8-2-269/S/3/A, Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad, Telangana -500034, with the objective of manufacturing nutraceuticals, bio-pharmaceuticals and bio-chemicals. Effective December 01, 2016, JC Biotech has become a subsidiary as 70% stake of JC Biotech was acquired by your Company as on that date. Apart from continued development and manufacturing of bio-pharmaceutical molecules. In terms of the financial performance for FY 2018-19, JC Biotech's revenue was ₹488.83 million and PAT was ₹98.25 million.

5) **Advanced Enzymes (Malaysia) Sdn. Bhd.:** Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM") (erstwhile Palm Techno Ventures Enzyme Sdn Bhd) is a 100% subsidiary of your Company. As it's a newly acquired company during 2017 (incorporated in 2016), AEM has been conducting trials on products & yet to generate sales. During the year, expenditure were incurred on payment of salaries of technical person, administration and on trial on products and resulted in a loss of ₹4.78 million. The said subsidiary will be engaged in supplying and providing enzyme based solutions for extraction of palm oil from palm fruits.

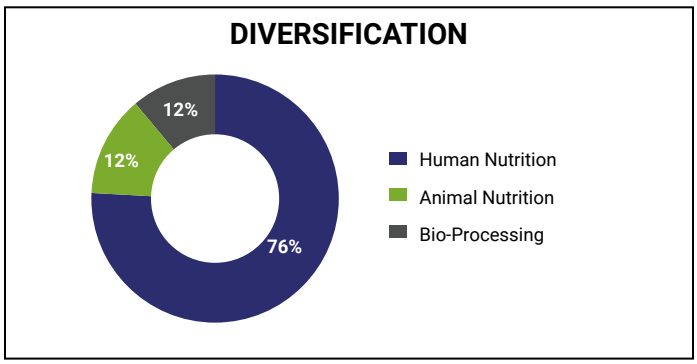
6) **Advanced Enzymes Europe B.V., Amsterdam (Netherlands) ("AEE BV"):** AEE BV is incorporated as a wholly-owned Subsidiary on July 11, 2017. It is registered with the Chamber of Commerce having issued share capital of €2 million. AEE BV is an SPV for European market and holds 100% equity of evoxx technologies GmbH. In terms of the consolidated financial performance (including evoxx technologies, GmbH) for FY 2018-19, AEE BV's revenue was ₹166.74 million and loss of ₹120.47 million (which includes about ₹35.16 million of operational loss and a ₹48.03 million of amortization expense and finance cost of ₹46.27 million).

   a. **evoxx technologies GmbH ("evoxx"):** AETL bought 100% stake in evoxx during August 2017 through AEE BV. Revenues for evoxx was ₹166.74 million and had negatively impacted the bottom line by ₹60.66 million (which includes about ₹33.93 million of operational loss and a ₹18.05 million of amortization expense and finance cost of ₹8.68 million).

The comparative numbers of the aforesaid subsidiaries can be referred in the Board's Report, which forms an integral part of this Annual Report.

Segment Discussion

Your Company caters to diversified industries and verticals like human nutrition, animal nutrition and bio-processing. In FY19, human nutrition vertical comprising of active ingredient for nutraceuticals and pharmaceuticals contributed 76% of the revenues followed by animal nutrition and bio-processing contributing 12% and 12% respectively.





1) Human Nutrition:

Enzymes:
Your Company provides proprietary enzyme products and customized enzyme solutions to various pharmaceutical and nutraceutical companies in India, North America, Asia (ex-India), Europe and other countries globally. Customers use these enzymes as active ingredients in their pharmaceutical and nutraceutical formulations.

Probiotics:
Probiotics are live microorganisms, when administered in sufficient amount, confer health benefits to human and animals. Probiotics have now become an integral part of several therapies for the digestive disorders and newer applications for treatment of several other diseases are being developed. Probiotics act by fighting with the disease causing microorganisms and by secreting beneficial metabolites in the human/animal system. Your Company has developed and upscaled technologies for the production and application of several important probiotics.

2) Animal Nutrition:

Enzymes:
Enzymes increase the digestibility of modern animal feeds, which improves feed: gain ratios for ruminants and monogastric animals alike. Enzymes like cellulase and hemicellulase improve the nutritive value of silage and corn/soy-based feeds. Other enzymes like alpha-galactosidase increase the nutritional value of Non-Starch Polysaccharides (NSP). Enzymes may benefit dogs and cats by improving the digestibility of pet foods and strengthening the immune system. Our enzymes consistently deliver quality and effectiveness while having an economic value.

Probiotics:
The ability of probiotic to produce enzymes, beneficial metabolites and competitive exclusion of harmful microorganism has led to their widespread applications in animal healthcare as well, where they are used for growth promotion and also as an antibiotic replacement tool. Your Company has developed and assessed efficacy of probiotic formulations useful in Animal healthcare.

3) Bio-Processing:

a. Food Processing: Enzymes play an essential role in developing more nutritious and appealing food and beverage products to the modern world, moreover enzymes offer significant benefits beyond the scope of traditional alternatives. Your Company provides proprietary enzyme products and customized enzyme solutions for food processing industries like baking, dairy and cheese processing, fruit and vegetable processing, cereal extraction, brewing, grain processing, protein processing and oils and fats processing. Our specialized enzyme products help customers to improve the quality of their products, reduce wastages, optimize resources, produce higher yields, reduce costs and also to decrease the environmental pollution.

b. Non-Food Processing: Enzymes are considered as potent biocatalysts for a large number of reactions replacing chemical catalysts. Your Company offers eco-safe solutions to a variety of industries such as textiles, leather, detergent and pulp and paper, which are used in the manufacturing of wide range of products. The biological solutions of your Company improve the efficiency of industrial processes by saving energy, water and other raw materials, while reducing waste and effluent load, thereby helping to comply with the pollution norms while reducing the overall process cost.

Research & Development (R&D)

The DSIR approved R & D centers of your Company focus on development, evaluation, validation and upscaling of technologies for the commercial production and novel enzyme formulation for industrial processing & in human welfare. The research center has developed expertise in cloning and expression of industrial enzymes in suitable and safe microbial hosts. The centers have developed strains expressing thermostable enzymes besides other enzymes of mesophilic origin. Technology for production of EPA and DHA using immobilized lipase (in house) has been developed, scaled up and successfully commercialized. Technology for synthesis of EPA DHA rich triglycerides, using lipases, has been developed.

Probiotic research has led to the development of strains and technology for production for some important probiotics belonging to Bacillus and Lactobacillus genus. Few technologies have been successfully scaled up. Our R&D Centre at Sinnar carry out research and development on improvement of enzyme production through conventional mutation technique; optimization and improvement in the fermentation technologies, and

studies required for the scale-up of enzyme production. The center has optimized fermentation technologies for the production of thermostable mannanase and xylanase. Studies related to scale up of the bacterium Lactobacillus resulted in successful upscaling. The center has also been able to develop a proprietary technology for high density cultivation of spore forming bacterium Bacillus coagulans.

evoxx enhances our product portfolio and offerings for the Pharma Bio-Catalysis and Food Bio-Processing Industries and also brings in certain specialized nutritional carbohydrates. evoxx is helping us to strengthen our R&D capabilities. We carry out R&D in the field of :

Proteomics & Applied Microbiology

- Purification & Characterization of Enzymes
- Generate data for filling regulatory dossiers
- Develop newer & improved microbial systems for enzymes & probiotics application

Process Development & Optimization

- Up scaling fermentation
- Enhance efficiency of downstream processes
- Improve recovery & purification yields

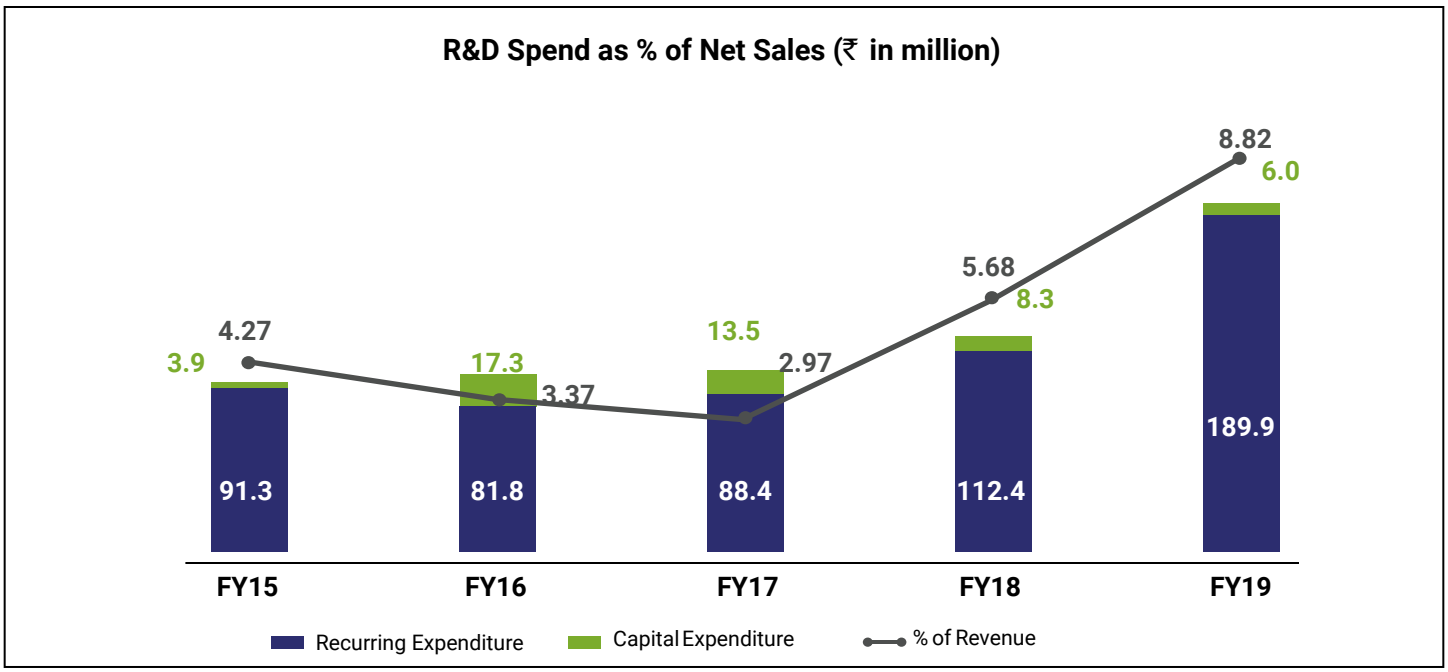
Application Development

- Develop innovative enzyme & probiotic solutions for various food & non-food processing industries
- Lab trials support for enzymes/probiotics applications

Laboratory Services

- Custom application development
- Testing services for customers





*Net Sales of ₹2,220.93 million (previous year ₹2,122.03 million)

On consolidated basis Research and Development expenditure for FY 2018-19 ("FY19") is ₹112.96 million (2.69% of Net sales) and for FY 2017-18 ("FY18") was ₹106.07 million (2.68% of Net sales).

Financial Analysis on consolidated basis:

1) **Revenue from Operations:** Your Company's revenue from operations on consolidated basis increased to ₹4,195.9 million in FY19 from ₹3,957.0 million in FY18, a growth rate of 6.04%. The total revenue comprises International sales amounting to ₹2,494.4 million (previous year ₹2,168.5 million) increased by 15.03 % and Domestic sales amounting to ₹1,701.5 million (including export incentives ₹18.5 million) (previous year ₹1,788.5 million, including export incentives of ₹31.02 million and excise duty of ₹45.3 million) decreased by around 4.86%. Your Company's domestic sales constitute 41% of revenue from operations during FY19 as compared to 45% of revenue during FY18. International sales were 59% of revenue from operations as compared to 55% of revenue from operations during previous year.

2) **Financial Costs:** Financial costs decreased to ₹38.7 million in FY19 from ₹80.9 million in FY18, a decrease of 52.16%.

3) **Profit:** Consolidated EBITDA (Earnings before interest, tax, depreciation and amortization excluding other income) margin during FY19 was ₹1,819.1 million as compared to ₹1,639.6 million during FY18. Profit before exceptional item and tax stood at ₹1,619.6 million during FY19 as against ₹ 1,389.7 million in the previous year. Profit after tax (before minority interest) stood at ₹ 1,159.0 million during FY19 as compared to ₹ 935.6 million during the FY18.

4) **Other Income:** Other income for FY19 is ₹50.4 million as compared to ₹13.9 million in FY18.

5) **Depreciation & Amortization:** Depreciation & Amortization charge for the FY19 higher by 15.41% at ₹211.2 million as compared to ₹183.0 million in the previous year. Increase in depreciation and amortization supported by Tangible assets (Plant and machinery) as well as Intangible assets for amounted to ₹156.2 million and ₹55.0 million respectively.

6) **Net Worth, Capital employed and Returns:** The Net Worth of the shareholders stood at ₹6,788.5 million as at March 31, 2019. Return on Net Worth (RONW) for the year 2018-19 is 18.73% as compared to 18.29% for the previous year. (Return ratio is calculated based on average shareholders' fund)

7) **Cash Equivalents:** Cash and Equivalents in FY19 stood at ₹234.1 million against ₹614.2 million in FY18.

Details of significant changes (i.e. Change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore:

Ratios	2018-19	2017-18	Variance	Reasons for variance
Interest coverage ratio	41.46 times	18.00 times	about 130% improvement	Repayment of loans and lower average utilization of working capital credit facilities.
Current ratio	4.33 times	2.33 times	about 86% improvement	Cash generated from operations during the year used for repayment of borrowings (including current maturities) coupled with lower utilization of working capital credit facilities and deployment of surplus funds in current investments resulted in improvement of current ratio.
Debt/Equity ratio	0.05 times	0.12 times	43% improvement	Repayment of loans and lower average utilization of working capital credit facilities.

Note 1: There has been no significant change in the Debtors turnover ratio, Inventory turnover ratio, Operating profit margin and Net Profit margin, as compared to the financial year 2017-18 (Please refer page no.13 of the Annual Report for other details).

Note 2: Optimisation of operating costs resulted in improvement of EBITDA margin from 42% to 44% and consequently improved return on net worth.



Outlook

Your Company has reviewed its business model and will continue to focus on human and animal nutrition, also efforts will be made to expand its product portfolio and market of Probiotics.

Your Company intends to expand its presence in the huge global market for Animal Feed. We will continue to drive revenues by expanding our distribution network and registrations in key target geographies like North America, Europe and Latin America. Your Company also continues to explore new avenues, both organically and inorganically, to establish a significant presence in key target segments.

To drive the growth of enzymes and probiotics business, your Company is fairly comfortable with its existing capacities and capital investments. Currently, we are operating at 55% (approximately) of the installed capacity of its fermentation assets, which is sufficient to fulfill our present customer needs. Your Company intends to set trends in the R & D areas mainly for the development of new enzymes, probiotics & their applications. Your Company has expanded its research facilities and spending on building skill sets in state-of-the-art technologies in the area of enzymes and probiotics with the focus on human and animal health business.

Your company is working expeditiously to develop enzyme based green processes, replacing conventional, polluting chemical process. Significant contribution in this area has brought 'Pharma Innovation Award' this year to your Company.

Risks and Concerns

1) **Customer concentration:** Your Company's top 10 customers concentrate around 40% - 44% of total revenue of the Company on consolidated basis which creates concentration risk. Any reduction or discontinuation in demand from the customers may have an adverse effect on our business prospects, financial condition and results of operation. Your Company has de-risked the business model having diversified client base with more than 700 customers and tapping new geographies, thereby the risk is being mitigated.

2) **Forex risk:** A significant portion of revenues are derived by exporting the enzyme products and solutions to North America, Asia (ex-India), Europe and various other countries. For the fiscal year ended March 31, 2019, 59% of our revenue from operations of your Company was from international markets, while 41% was contributed by the Indian market. While depreciation of the Rupee against the U.S. Dollar and other foreign currencies increases the Rupee value of such revenues, an appreciation of the Rupee, particularly with respect to the U.S. Dollar, decreases the Rupee value of revenues. Your Company uses derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

3) **Competitive risk:** Due to competition from few new entrants in the market with homogeneous product and consequent pricing pressures, sales of one of your Company's leading product "Serratiopeptidase" may be adversely impacted. Your Company is confident of the product, its superior quality & by substantially maintaining good customer relationship in the market, your Company continues to be the leader in the market for this product.

4) **Regulatory & Compliance risk:** The Company is exposed to risks pertaining to various applicable statutes, laws and regulations. Non-compliance, if any, may result in financial loss / penalties. A compliance framework is followed by the Company wherein the requisite compliances are reviewed periodically through internal auditors & external compliance audits.

For Financial risk management, please refer to Note No. 52(C) of the Consolidated Financial Statements which forms an integral part of this Annual Report.

Internal Control and Risk Management System

In your Company, an internal control system is in place to ensure the effectiveness and efficiency of the operations. Internal control system plays a significant role in the process of risk identification and its mitigation. It is a valuable contribution which ensures compliance of applicable laws and regulations.

Risk management is the primary function of the internal control system. In your Company, proper communication channel from top-to-bottom and vice versa safeguard the internal control system by considering internal and external factors in an appropriate and timely manner.

Your Company has adopted a revised Risk Assessment &

Management policy in supersession of the existing policy which embeds the vision that a robust Risk Management system ensures commensurate controls and monitoring mechanism for smooth and efficient management of Business. The Policy outlines the framework for identification, measurement, evaluation, monitoring and mitigation of various risks. The Management has also reviewed the Risk Management framework of the Company. The Risk Registers are prepared by the concerned departments wherein the respective risks are identified alongwith its current control activities and the mitigation plans. Thereafter, the registers are reviewed.

Your Company has successfully migrated from SAP B1 to SAP HANA during the year and is in the process of better utilisation of available features of the SAP HANA. IT system is continually improved on preventive basis and to address challenges faced by IT system due to hacking and other issues.

We evaluate the effectiveness and efficiency of an internal control system.

Your Company maintains appropriate and adequate Internal Control System / Internal Financial Control commensurate to its size and nature of operations. Your Company's Internal control systems are tested and certified by the Internal Auditors and Statutory Auditors of the Company.

Material developments in Human Resources / Industrial Relations

Your Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels. Our constant endeavor is to invest in people and people processes to improve human capital for the organization and service delivery to our stake holders.

Attracting, developing and retaining the right talent will be a key strategic imperative and the organization continues its undivided attention towards that. Your Company recognizes the fact that Human Capital is one of the vital constituents of a successful organization. The growth of your Company and execution of new projects places emphasis on the recruitment process and your Company has been successful in attracting professional talent. New talent was inducted at various levels within the organization this year. Your Company is having a talented pool of around 313 employees as on March 31, 2019 and on consolidated basis, total strength of employees was 577, comprising of professionals from diverse backgrounds like R & D, Sales, Finance, Legal, IP & Regulatory, Manufacturing etc. Your Company strives to provide a conducive and supportive work environment to help the employees excel through various employee engagement programs. The management strengthens Human Resources by making available better tools, technology, techniques at the work place to harness the latent potential as it has always aimed at bettering the performance of individuals and groups.

To sharpen the skills, update the concepts and to gain more knowledge Human Resource department constantly organized various training and development programs. For certain critical functional heads, external technical training was provided to make them ready for taking up new projects. Employees' health and safety measures were taken care at work places, manufacturing areas, etc. Human Resources endeavors to create a culture where learning is a natural outcome of all engagements. It is important to have a 'growth mindset' where learning grows when you share and help others succeed. Your Company has stressed lot of importance on de-stressing techniques as it strongly believed that "A happy individual always performs well" and has successfully imparted Excellence at Workplace training programs which are an unique combination of behavioral and holistic approach. Industrial relations at the Company were cordial throughout the year.

Cautionary Statement

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

BOARD'S REPORT

Dear Members,

Your Board of Directors (**"Board"**) is pleased to present the 30th Annual Report of Advanced Enzyme Technologies Limited (**"Company"**) along with the Audited Financial Statements for the Financial year (**"FY"**) ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the financial year ended March 31, 2019 is summarized below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	2,220.93	2,153.05	4,195.91	3,956.99
EBITDA	**523.84**	**496.63**	**1,819.14**	**1639.57**
Less:				
Finance Cost	22.27	30.60	38.70	80.86
Depreciation and Amortisation	85.63	78.14	211.16	182.98
Add:				
Other income	56.10	50.52	50.36	13.94
Profit Before Tax	**472.04**	**438.41**	**1,619.64**	**1,389.67**
Less: Provision for Taxation				
Current tax	119.64	93.78	488.77	478.47
Deferred tax	0.06	(14.27)	(19.72)	(7.71)
MAT credit entitlement	-	-	-	(17.03)
Tax adjustment for earlier years	-	-	(8.44)	0.38
Profit for the year	**352.34**	**358.90**	**1,159.03**	**935.56**
Surplus Brought Forward from Previous Year	1,849.15	1,535.72	4,332.16	3,485.17
Amount Available for Appropriations	2,139.62	1,849.15	5,375.97	4,332.16
Earnings Per Share (Amount in ₹)				
Basic	3.16	3.22	9.95	8.07
Diluted	3.15	3.21	9.94	8.06

RESULTS FROM OPERATIONS

Revenue - Consolidated

Your Company's revenue from operations on consolidated basis increased to ₹ 4,195.91 Million in the financial year 2018-19 ("FY19") from ₹ 3,956.99 Million (including excise duty) in the financial year 2017-18 ("FY18"), a growth rate of 6.04%. The total revenue comprises of International sales amounting to ₹ 2,494.39 Million (FY18 - ₹ 2,168.48 Million), growth of 15.03 % and Domestic sales amounting to ₹ 1,701.52 Million (including Export Incentives of ₹ 18.54 Million) (FY18 - ₹ 1,788.51 Million (including Export Incentives of ₹ 31.02 Million and excise duty of ₹ 45.28 Million)) decrease of 4.86%.

Your Company's domestic sales constitute 40.55% of revenue from operations during FY19 as compared to 45.20% of revenue from operations during FY18. International sales were 59.45% of revenue from operations as compared to 54.80% of revenue from operations during FY18.

Revenue - Standalone

Your Company's revenue from operations on standalone basis increased to ₹ 2,220.93 Million from ₹ 2,153.05 Million in the FY18, at a growth rate of 3.15%. The total revenue comprises of International sales of ₹ 682.88 Million (FY18 - ₹ 565.85 Million), increase of 20.68 % and Domestic sales at ₹ 1,538.05 Million (including Export Incentives of ₹ 18.54 Million) (FY18 - ₹ 1,587.20

Million (including Export Incentives of ₹ 31.01 Million and excise duty)) decrease of 3.10%.

The domestic sales constitute 69.25% of revenue from operations during FY19 as compared to 73.72% of revenue from operations during FY18. International sales are 30.75% of revenue from operations as compared to 26.28% of revenue from operations during FY18.

Profits - Consolidated

EBITDA (Earnings before interest, tax, depreciation and amortisation excluding other income) margin during FY19 was ₹ 1,819.14 Million (43.36%) as compared to ₹ 1,639.57 Million (41.43%) during FY18, increase of about 10.95%.

Profit before tax stood at ₹1,619.64 Million (38.60%) during FY19 as against ₹ 1,389.67 Million (35.12%) in the previous year, a growth of 16.55%. Profit after tax stood at ₹ 1,159.03 Million during FY19 as compared to ₹ 935.56 Million during the FY18, a growth of 23.89%.

Profits - Standalone

EBITDA margin during the year under review was at ₹ 523.84 Million (23.58%) as compared to ₹ 496.63 Million (23.07%) in the FY18. Profit before tax stood at ₹ 472.04 Million during FY19 as compared to ₹ 438.41 Million in the FY18, a growth of 7.67%. Profit after tax stood at ₹ 352.34 Million during FY19 as compared to ₹ 358.90 Million during FY18, a decrease of 1.83%.

DIVIDEND

The Board recommends a final Dividend @30% i.e. ₹ 0.60/- per equity share of face value of ₹ 2/- each for the FY19, aggregating to about ₹ 67 Million (excluding Dividend Distribution Tax) as compared to final Dividend @ 25% i.e. ₹ 0.50 per equity share of face value of ₹ 2/- each for FY18. An amount of about ₹ 9.89 Million would be paid as Dividend Distribution Tax on the Dividend. The Dividend payout is subject to approval of Members at 30th Annual General Meeting ("AGM") of your Company.

RESERVES

During the FY19, your Company has not transferred any amount to the General Reserves.

EMPLOYEES STOCK OPTION PLAN

The details of Employees Stock Option Scheme 2015 [as amended] (**"ESOP Scheme 2015"**) and Employees Incentive Plan 2017 (**"Plan 2017"**) are provided in Annexure I and forms part of this Report. The said scheme/plan are also published on the website of the Company at www.advancedenzymes.com/investors/corporate-governance

ESOP 2015

The Nomination & Remuneration Committee in its meeting held on February 14, 2017 granted 220,000 stock options (of ₹ 2/- each) to its eligible employees of the Company and the employees of subsidiaries (**"Grantee"**). Out of the total Options granted, the first tranche of 10% of stock options got vested on February 15, 2018, as per the provisions of the Scheme. Each Option is convertible and is equivalent to One (1) Equity Share. Based on the exercise applications & amount received from the Grantees, total 18,950 Equity Shares of ₹ 2/- each (at an exercise price of ₹ 60/- each) were allotted to such Grantees during the year under review as follows:

Sr. No.	Date of Board / Security Allotment Committee meeting (Allotment Date)	No. of shares allotted
1	May 19, 2018	17,750
2	June 07, 2018	1,050
3	February 09, 2019	150
	Total	**18,950**

In view of above, the Paid-up share capital of your Company has increased as follows (as on March 31, 2019)

Particulars	Paid-up Capital	
	No. of shares	Amount (₹)
At the beginning of the year	111,630,025	223,260,050
Allotments during the year	18,950	37,900
At the end of the year	111,648,975	223,297,950

The second tranche of 20% of Stock Options got vested on February 15, 2019, as per the provisions of the Scheme. Based on the exercise applications of the Grantees and amount received thereto, total 19,100 Equity Shares of ₹ 2/- each were allotted to such Grantees on May 24, 2019 and accordingly the paid-up share capital of the Company has increased from ₹ 223,297,950 to ₹ 223,336,150.

The Equity Shares issued under ESOP Scheme 2015 are subject to lock in for a period of 1 year from the Date of Allotment.

Employees Incentive Plan 2017:

The Members of the Company have also approved the AETL Employees Incentive Plan 2017 ("Plan 2017") through trust route and related matters on May 4, 2017 through Postal Ballot. Your Company has received in-principle approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). As on the date of this report, no Stock Options / Stock Appreciation Rights have been granted under the Plan 2017.

FINANCIAL STATEMENTS

The financial statements of your Company for the year ended March 31, 2019 are prepared in accordance with the Indian Accounting Standards (**"IND AS"**), read with the provisions of Section 129 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) rules framed thereunder and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**"SEBI Listing Regulations"**) and forms part of this Annual Report.

The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019.

SUBSIDIARIES

Investments in wholly-owned subsidiary, Advanced Enzymes (Malaysia) Sdn. Bhd. ('AEM'):

Your Company subscribed to Right Issue of 100,000 Equity Shares at MYR 1 per share of AEM, aggregating to MYR 100,000 (equivalent to approx. ₹ 17 lakhs) during July 2018.

Details related to the aforementioned Investment are provided on the website of the Company at www.advancedenzymes.com/investors/stock-exchange-compliance

As on March 31, 2019 your Company has Eleven (11) subsidiaries as listed below:

Domestic Subsidiaries:

1. Advanced Bio-Agro Tech Limited (60%) ["ABAT"];
2. Advanced EnzyTech Solutions Limited (100%) ["AESL"];
3. JC Biotech Private Limited (70%)["JCB"];

   In terms of the financial performances:

   i. ABAT's revenue for FY19 was ₹395.39 Million (previous financial year ["FY18"] - ₹ 422.22 million) and PAT for FY19 was ₹55.02 Million (FY18 - ₹ 54.37 million).

   ii. AESL's revenue for FY19 was ₹94.69 Million (FY18 - ₹ 99.70 million) and PAT for FY19 was ₹5.23 Million (FY18 - ₹ 5.84 million).

   iii. JCB's revenue for FY19 was ₹488.83 Million (FY18 - ₹ 404.82 million) and PAT for FY19 was ₹98.25 Million (FY18 - ₹ 61.41 million).

International Subsidiaries:

1. Advanced Enzymes USA (100%);

   A. Advanced Supplementary Technologies Corporation (100% Subsidiary of Advanced Enzymes USA);

   B. Cal-India Foods International (doing Business as Specialty Enzymes and Biotechnologies) (100% Subsidiary of Advanced Enzymes USA);

   C. Dynamic Enzymes Inc. (100% Subsidiary of Advanced Enzymes USA);

   D. Enzyme Innovation Inc. (100% Subsidiary of Cal-India Foods International);

   In terms of the consolidated financial performance of Advanced Enzymes USA, the revenue for FY19 was ₹ 2128.18 Million (FY18 - ₹ 1,814.16 million) and PAT for FY19 was ₹ 822.84 Million (FY18 - ₹ 649.44 million).

2. Advanced Enzymes (Malaysia) Sdn. Bhd. (100%) ["AEM"];

   The Company has acquired AEM in the year 2017 (incorporated in 2016). AEM is in the process of conducting trials on products and yet to generate sales. During the year expenditure was incurred on payment of salaries of technical person, administration and on trials on products and resulted in a loss of ₹ 4.78 Million (FY18 – ₹ 6.31 million). The said subsidiary will be engaged in supplying and providing enzyme based solutions for extraction of palm oil from palm fruits.

3. Advanced Enzymes Europe B.V. (100%) ["AEE"];

   In terms of the consolidated financial performance (including evoxx technologies, GmbH), AEE's revenue for FY19 was ₹ 166.74 Million (FY18 – ₹ 111.12 million) and loss of ₹ 120.47 Million for FY19 (which includes about

₹ 35.16 million of operational loss and a ₹ 48.03 Million of amortization expense and finance cost of ₹ 46.27 Million) (FY18 – ₹ 131.89).

4. evoxx technologies GmbH (100%) [Wholly owned subsidiary of AEE] ["evoxx"]

   Revenues for evoxx was ₹ 166.74 million and had a negative impact on the bottom line by ₹ 60.66 Million (which includes about ₹ 33.93 Million of operational loss and a ₹ 18.05 Million of amortization expense and finance cost of ₹ 8.68 Million). For FY18, Revenues for evoxx added ₹111.12 Million to the topline and had negatively impacted the bottom line by ₹131.89 Million (which includes about ₹ 70.50 Million of operational loss and a ₹29.89 Million of amortization expense and a ₹ 31.50 Million loss due to foreign currency translation loss).

   A separate statement containing the salient features of the financial performance of subsidiaries in the prescribed form AOC - 1 is annexed to the financial statements of the Company. The Audited Consolidated financial statements together with Auditors' Report forms an integral part of the Annual Report.

   The Policy for determining Material Subsidiaries (revised on February 09, 2019 with the effective date as mentioned in the revised policy) is available on the Company's website: www.advancedenzymes.com/investors/corporate-governance. During the year under review, Cal-India Foods International was a Material Subsidiary based on the criteria specified in SEBI Listing Regulations.

   The individual financial statements and other reports of the Company's subsidiaries have not been attached to the financial statements of the Company for the FY19. The financial statements of the subsidiary companies and related information are uploaded on the website of your Company and can be accessed using the weblink www.advancedenzymes.com/investors/quarterly-updates/financial-results. Any Member seeking information on the Annual Financial Statements of the Company's subsidiaries may write to the Company Secretary at the registered office of the Company. The financial statements of the Company's subsidiaries will be kept open for inspection at the registered office of the Company, from 11:00 A.M. to 3:00 P.M. on all working days, except Saturdays and Sundays, up to the date of the 30th AGM of the Company as required under the provisions of Section 136 of Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of your Company, subsidiaries and its Business are given in the Management Discussion and Analysis, as required under the SEBI Listing Regulations, which is provided in separate section and forms integral part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief and based on the information and explanations provided to them, confirm that:

a. in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b. appropriate accounting policies have been selected and applied consistently and judgments and estimates are made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

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

d. the annual accounts have been prepared on a 'going concern' basis;

e. Proper internal financial controls are devised to ensure compliance with all the provisions of the applicable laws and that such internal financial controls are adequate and are operating effectively; and

f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT

Your Company understands that controlling risks through a formal program is a necessary component and an integral cornerstone of Corporate Governance. Your Company has adopted a revised Risk Assessment & Management policy in supersession of the existing policy which embeds the vision that a robust Risk Management system ensures commensurate controls and

monitoring mechanism for smooth and efficient management of Business. The Policy outlines the framework for identification, measurement, evaluation, monitoring and mitigation of various risks. The Management has also reviewed the Risk Management framework of the Company. The Risk Registers are prepared by the concerned departments wherein the respective risks are identified alongwith its current control activities and the mitigation plans. Thereafter, the registers are reviewed.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions with related parties were placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee was obtained for the related party transactions which are repetitive in nature. All the transactions with related parties, entered into during the year under review were in the Ordinary Course of Business and on Arms' Length Basis in accordance with the provisions of the Act, Rules made thereunder and SEBI Listing Regulations.

The Audit Committee and the Board, review all the transactions entered into pursuant to the omnibus approvals, on a quarterly basis. Approval of the Members of the Company is also obtained in case any related party transaction exceeds the prescribed limits and as good corporate governance practice as there may be few transactions that may be carried out in the long-term interest of the Company.

The Policy on Related Party Transactions (including the revised policy applicable for related party transactions effective April 01, 2019), is available on the Company's website and can be accessed at www.advancedenzymes.com/investors/corporate-governance

As prescribed by Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts/arrangements with related parties are given in Form AOC-2, annexed as Annexure II to this report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124(6) of the Companies Act, 2013 all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund ("IEPF"). In view of this, your Company has transferred 27,000 unclaimed Equity Shares pertaining to financial year 2010-2011 to the Demat account of IEPF during October 2018. The details of the said shares transferred are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

During the year under review, the Company has transferred unclaimed Dividend of ₹ 24,940 for the financial year 2010-11. As on March 31, 2019, the total amount lying in the Unpaid Dividend accounts of the Company in respect of the last seven years is around ₹ 0.77 lakhs. Details of unclaimed Dividend & Shares due for transfer with due dates and procedure to claim the same are provided in the Notes to Notice for 30th AGM and in the Corporate Governance Report which forms part of this Report.

Details of Nodal Officer are displayed on the Company's website at:
www.advancedenzymes.com/investors/shareholder-information/

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Annual Report on Corporate Social Responsibility Activities has been provided in Annexure III and forms integral part of this report. The Composition of CSR Committee is disclosed in the said Annual Report on CSR Activities and in the Corporate Governance report section.

The Corporate Social Responsibility Policy (revised effective from January 08, 2019) may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance.

POLICY ON CRITERIA FOR APPOINTMENT / REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

As per the Nomination & Remuneration Policy of the Company ("Policy"), the Nomination and Remuneration Committee *inter alia* recommends the appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The Policy lays down the criteria for such appointments and the framework in relation to remuneration of Directors including Managerial Personnel, KMPs & employees of the Company. The Nomination & Remuneration Committee looks into the matter of remuneration of the Executive Directors, KMPs & Senior Management Personnel and recommend to the Board, revision, if any, in the remuneration of the said Directors / Personnel subject to limits as may be approved by the shareholders.

The Nomination and Remuneration Policy may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes occurred in the composition of the Board of Directors and the Key Managerial Personnel:

Mrs. Rupa Vora (DIN: 01831916), resigned as an Independent Director of the Company with effect from May 18, 2018 due to personal reasons. The Board placed on record its appreciation for her association with the Company and the contribution made by Mrs. Vora during her tenure as an Independent Director.

The Shareholders at their 29th Annual General Meeting (**"29th AGM"**) held on September 14, 2018 approved the appointment of Mr. Rajesh Sharma (DIN: 08195715) as an Independent Director for a period of five years effective from August 11, 2018. The resolution for regularization of Mr. Suresh Paharia, as an Independent Director was not approved at the 29th AGM. The Shareholders at 29th AGM did not approve the re-appointment of retiring Director, Mr. Chandrakumar L. Rathi (DIN: 00365691), the then Managing Director of the Company.

Mr. Piyush Rathi resigned as a Chief Business Officer (Key Managerial Personnel) of the Company with effect from December 31, 2018.

During the year under review, based on the recommendation of the Nomination & Remuneration Committee, the Board approved the appointment of Ms. Rasika Rathi (DIN: 08300682) as an Additional Director (Non-Executive) w.e.f January 08, 2019 to hold office upto the 30th Annual General Meeting. Further, the Board also approved the appointment of Mr. Vilas M. Aurangabadkar (DIN: 08225986) and Mr. Vinodkumar H. Jajoo (DIN: 08224980) as Additional Directors (Independent) w.e.f January 08, 2019 and February 09, 2019 respectively, for a term of five (5) years subject to the approval of the Members at the 30th AGM of the Company. Accordingly, the Board recommends the appointment of Ms. Rasika Rathi (liable to retire by rotation), Mr. Vilas M Aurangabadkar and Mr. Vinodkumar H Jajoo (not liable to retire by rotation), and brief profile of the said Directors proposed to be appointed has been provided in Notice convening the 30th AGM of the Company ("AGM Notice").

Mr. Ramesh Mehta (DIN: 00367439), Independent Director of the Company whose first term of five (5) years concluded on March 31, 2019, has voluntarily refused to get re-appointed for the second term due to his age and health and therefore has ceased to be on the Board of the Company. The Board appreciated his valuable contribution to the Company over the years & wished him good health. Further, the term of five (5) years of Mr. Kedar Desai (DIN: 00322581), Independent Director of the Company concluded on March 31, 2019. Based on the recommendation of the Nomination & Remuneration Committee, the Board has approved and recommended the re-appointment of Mr. Desai as an Independent Director on the Board of the Company for second term of five (5) years effective April 01, 2019.

Except as mentioned above, there has been no change in the composition of Board and Key Managerial Personnel of the Company, during the year under review.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of Companies Act, 2013 read with Rules made thereunder and the Articles of Association of the Company, Mrs. Savita Rathi (DIN: 00365717), Whole-time Director retires by rotation at the 30th AGM, and being eligible, offers herself for re-appointment. Accordingly, the Board recommends the said re-appointment of Mrs. Savita Rathi at the 30th AGM and her brief profile has been provided in the AGM Notice.

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given the declarations that (i) they meet the 'criteria of Independence' as defined under Regulation 16(1) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 read with Schedule IV and the relevant Rules made thereunder; (ii) they have complied with the provisions of the Code of Conduct & Ethics of the Company. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, B S R & Co. LLP, Chartered Accountants [Firm's Registration No: 101248W/W-100022] (**"BSR"**) were appointed as Statutory Auditors for a term of five years to hold office from the conclusion of 27th Annual General Meeting up to the conclusion of the 32nd Annual General Meeting, subject to ratification at every Annual General Meeting. However, in accordance with the amendment to the provisions of Section 139 of Companies Act, 2013, the

ratification of appointment of Statutory Auditors at every Annual General Meeting has been omitted and therefore, the ratification of appointment of Statutory Auditors is not being sought.

The Auditors' Report to the Members on the Financial Statements of the Company for the year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Mr. Shiv Hari Jalan, Company Secretary (FCS No. 5703 C.P.No.4226) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2018-19 is annexed as Annexure IV and forms an integral part of this Report. The Secretarial Audit Report for the year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance and the Certificate of the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as required pursuant to the provisions of the SEBI Listing Regulations, are enclosed as Annexure V. A declaration signed by the Whole-time Director affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel also forms part of this Report.

COMMITTEES OF THE BOARD

As per the Companies Act, 2013 and the SEBI Listing Regulations, the Board has four Statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, and the Stakeholders' Relationship Committee. The details of the composition of these Committees along with number of meetings held and attendance at the meetings are provided in the Corporate Governance Report and forms part of this Report.

VIGIL MECHANISM

Your Company had adopted Whistle Blower Policy / Vigil Mechanism Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the Companies (Meetings of Board and Its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations. Details on the Vigil Mechanism of your Company have been outlined in Corporate Governance Report which forms part of this Report.

The said Policy has been amended effective from April 01, 2019 primarily encompassing the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Whistle Blower Policy (as revised) may be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance

MEETINGS OF THE BOARD

During the year, Eight (8) meetings of the Board of Directors were held. The requisite details of the Board Meetings and the details of the Directors present are provided in the Corporate Governance Report, which forms part of this Report.

SECRETARIAL STANDARDS

The Company has complied with all the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has undertaken an Annual Evaluation of its own performance, its various Committees and individual Directors. The manner in which the performance evaluation has been carried out has been given in the Corporate Governance Report, annexed to this Report. The Board expressed its satisfaction of the evaluation process & outcome.

The Board Evaluation policy can be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, the detail of familiarization program is available at website of your Company at www.advancedenzymes.com/investors/corporate-governance. Further, at the time of the appointment of an Independent Director, the Company issues a Letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on the Company's website at:
www.advancedenzymes.com/investors/corporate-governance

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has in place a Code of Conduct for Prohibition of Insider Trading, which lays down the process of trading in securities of the Company by the Designated Persons and to regulate, monitor and report trading by the employees of the Company either on his/her own behalf or on behalf of any other person, on the basis of Unpublished Price Sensitive Information. The said Code has been revised and substituted effective from April 01, 2019 to be known as AETL Insider Trading Code encompassing the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The aforementioned amended Code is available on the website of the Company at www.advancedenzymes.com/investors/corporate-governance

INTERNAL CONTROL AND ITS ADEQUACY

Your Company has adopted procedures and systems for ensuring the orderly and efficient conduct of its Business, including adherence to the 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 financial disclosures. Your Company maintains appropriate and adequate Internal Control System / Internal Financial Control commensurate to its size and nature of operations. Your Company's Internal control systems are tested and certified by the Internal Auditors and Statutory Auditors of the Company.

The Audit Committee periodically reviews the report(s) of the independent Internal Auditors along with the adequacy and effectiveness of Internal Control systems.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and its future operations.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in Business and in the nature of Business of your Company during the year under review affecting the financial position of the Company.

MATERIAL CHANGES FROM THE DATE OF END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Except as otherwise mentioned in this report, there are no 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 related and the date of this report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The details of Loans and Investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the FY19 are given in the Standalone Financial Statements (Note 51 to the standalone financial statements). Your Company has not provided any guarantee or security under Section 186 of the Companies Act, 2013 during the year under review.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with the rules framed thereunder, an extract of Annual Return of the Company in the Form MGT-9 is enclosed as Annexure VI to this report and is also available on the website of the Company at www.advancedenzymes.com

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

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure VII and forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are disclosed in Annexure VIII to this report.

The statement containing particulars of remuneration 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, is given in an Annexure IX to this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the said Annexure IX. However, this annexure is available for inspection by the Members at the Registered Office of the Company during Business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member desirous of obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office address of your Company.

DEPOSITS

During the year under review, your Company did not invite or accept any Deposits covered under Chapter V of the Companies Act, 2013 ("Act"). There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the year under review or the previous financial year.

CREDIT RATING

During the year under review, there was no revision in the rating received from CRISIL. The rating stood at A/Stable for Bank facilities to the tune of ₹ 100 Crores, by Credit Rating Information Services of India Limited (CRISIL).

COST RECORDS

The Company has maintained Cost records in accordance with the provisions of Section 148(1) of Companies Act, 2013, during the year under review.

GENERAL DISCLOSURES

During the year under review:

a. Neither the Managing Director (during his tenure) nor the Whole-time Directors of your Company received any remuneration or commission from any of the subsidiaries.

b. Your Company has not issued Shares with Differential Rights as to Dividend, Voting or otherwise.

c. Your Company has devised a policy on Prevention of Sexual Harassment to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is hosted on the Company's website at www.advancedenzymes.com. During the year under review, there were no cases / grievances reported or pending and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

d. There are no details to be disclosed under Section 134(3)(ca) of the Act as there has been no such fraud reported by the Auditors under Section 143(12) of the Act.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support received by the Company from the Banks, Government Agencies/ organizations and employees of your Company.

Your Directors also acknowledge with thanks the faith reposed by the Investors in the Company and look forward to their continued support for times to come.

For and On behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Vasant L. Rathi
Chairman
DIN: 01233447

Date : May 24, 2019
Place : Thane

Annexure I

Details of Employees Stock Option Scheme 2015 (ESOP 2015) and Employees Incentive Plan 2017 (PLAN 2017)

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 ["DISCLOSURES"]

At the Extra-Ordinary General Meeting of the Company held on December 23, 2015, the Members of the Company passed a Special Resolution approving the Company's Employee Stock Option Scheme 2015 ("ESOS 2015" / "Scheme"). The Scheme was then amended primarily to align it with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time).

The main features of the amendments to the ESOS 2015 are as follows:

1. The Nomination and Remuneration Committee shall not act in any manner, which may be detrimental to the interest of its employees.
2. Maximum quantum of benefits to be provided per employee under the Scheme.
3. Implementation and administration of the Scheme.
4. Procedure adopted for adjustment to the entitlement of number of Options and to Exercise price in the event of any Corporate actions of the Company.
5. Statement of Risks.

The detailed note on the disclosure as required as per the 'Guidance note on accounting for employee share-based payments' is under Note no. 42 to the Standalone Financial Statements for the year ended March 31, 2019 and forms part of this Report.

Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 - Details of same are provided under Note 39 to the aforesaid Standalone Financial Statements and forms integral part of this Report.

(I) Employee Stock Option Scheme 2015 (ESOP 2015) [As on March 31, 2019]:

1) Brief Description:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Date of Shareholders' approval</td><td>Approval of Scheme by the Members at Extra Ordinary General Meeting held on December 23, 2015
Amendment to ESOP 2015 approved by the Members on September 15, 2016.</td></tr>
<tr><td>2.</td><td>Total number of options approved under ESOS</td><td>10,00,000 Options*</td></tr>
<tr><td></td><td>Vesting requirements</td><td>The Options shall not vest for a period of one year after grant. After the expiry of one year, the vesting of Options shall take place over a term of four years, as follows:
<table>
<tr><th>Year of Vesting</th><th>Percentage of Vesting</th></tr>
<tr><td>1 year after the date of grant</td><td>10%</td></tr>
<tr><td>2 years after the date of grant</td><td>20%</td></tr>
<tr><td>3 years after the date of grant</td><td>30%</td></tr>
<tr><td>4 years after the date of grant</td><td>40%</td></tr>
</table></td></tr>
<tr><td>3.</td><td>Exercise price or pricing formula</td><td>Not exceeding ₹ 60/- per share*</td></tr>
<tr><td>4.</td><td>Maximum term of options granted</td><td>Exercise period shall not exceed five years from the relevant vesting date and the date after which the option shall lapse.</td></tr>
<tr><td>5.</td><td>Source of shares (primary, secondary or combination)</td><td>Primary</td></tr>
<tr><td>6.</td><td>Variation in terms of options</td><td>The Company shall not vary the terms of the Scheme, in any manner, which may be detrimental to the interests of the Eligible Employees.</td></tr>
</table>

*At the time of approval of the Scheme, number of options approved was 200,000 (face value: ₹ 10/- each) and the Exercise Price was ₹ 300/-. Thereafter, sub-division of Equity Shares from face value of ₹ 10/- each to ₹ 2/- each was approved by the Members on May 04, 2017. The present face value of the Equity Shares is ₹ 2/-. Accordingly, in the above table the number of Options and the Exercise Price is correspondingly adjusted to that extent.

2) Method used to account for ESOS – Fair Value as at the grant date (Black-Scholes-Option Valuation Model)

3) 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 recognized 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 also be disclosed – Not Applicable

4) Option movement during the year (For each ESOS):

Number of options outstanding at the beginning of the period	219,150
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	15,300
Number of options vested during the year	40,600
Number of options exercised during the year	18,950
Number of shares arising as a result of exercise of options	18,950
Money realized by exercise of options (INR), if scheme is implemented directly by the company	11,37,000 (18,950*60)
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	1,84,900 (face value of ₹ 2/- each)
Number of options exercisable at the end of the year	42,800 (face value of ₹ 2/- each)

* Lapsed due to resignation / retirement of the concerned grantees.
In case of resignation/retirement of the concerned grantees, all the unvested Options are shown as lapsed above during the year.

5) Weighted-average exercise prices and weighted-average fair values of options

A. as it is less than market price of the stock (in ₹)

Date of Vesting	February 15, 2018	February 15, 2019	February 15, 2020	February 15, 2021
Weighted-average exercise prices	₹ 60*			
Weighted-average fair value of options	270	272	274	276

*At the time of approval of the Scheme, 200,000 Options (of ₹ 10/- each) was approved and the Exercise Price was ₹ 300. Thereafter, sub-division of Equity Shares from face value of ₹ 10/- each to ₹ 2/- each was approved by the Members on May 04, 2017. The present face value of the Equity Shares is ₹ 2/-. Accordingly, in the above table Exercise Price is correspondingly adjusted to that extent.

B. as it is equals or exceeds the market price of the stock

Date of Vesting	February 15, 2018	February 15, 2019	February 15, 2020	February 15, 2021
Weighted-average exercise prices	NA			
Weighted-average fair value of options	NA			

6) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

a) Senior managerial personnel (KMPs);

During the year under review, there was no option granted to Senior Managerial Personnel.

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; and : NIL

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: NIL

7) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Sr. No.	Particulars	Details			
1.	the weighted-average values of share price:				
	Date of Vesting	**February 15, 2018**	**February 15, 2019**	**February 15, 2020**	**February 15, 2021**
	exercise price:	₹ 60/-			
	expected volatility:	0.49	0.49	0.49	0.49
	expected option life:	3 years	3.5 years	4 years	4.5 years
	expected dividends % :	0.06%	0.06%	0.06%	0.06%
	the risk-free interest rate:	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.
	any other inputs to the model	-			
2.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes-Option Valuation Model			
3.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	• Fair value calculated by using Black-Scholes option pricing model. • Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted. • Exercise Price: Exercise Price is the price (₹ 60/- per share) as determined by the Nomination and Remuneration Committee. • Expected Volatility: Volatility of the Company's stock price based on the NSE price data from the date of listing (i.e. August 1, 2016) upto the date of grant. • Expected Option Life: The expected life of the options i.e. the average of the period upto the vesting date and the exercise period corresponding to each vesting. • Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the five financial years preceding the date of the grant. • Risk free interest rate: Zero coupon Government Bond rate representing the risk free interest rate.			
4.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.				

(II) AETL's Employees Incentive Plan 2017 (Plan 2017):

Brief Description:

Sr. No.	Particulars	Details
1.	Date of shareholders' approval	The Scheme / Plan 2017 was approved by the Members through Postal Ballot on May 4, 2017.
2.	Total number of options approved under the Plan 2017	Under this Plan 2017, the maximum number of Shares awarded through Options and Stock Appreciation Rights (SARs), shall not exceed 45,80,000 Equity shares (9,16,000 Equity Shares before sub-division) Or 5% of the paid up share capital of the Company whichever is lower. 1 (One) Stock Option shall be on Exercise be entitled to 1(one) equity share of the Company. 1(one) SAR shall on Exercise be entitled to Appreciation on 1(one) equity share of the Company, payable in the form of equity shares and /or cash payment.
3.	Vesting requirements	The Options and SARs shall not Vest for a period of one year from the date of the Grant. After the expiry of one year from the date of the Grant, the Vesting of Options and/or SARs shall take place over a term of 4 (four) years, as per provisions of this Plan 2017.

Year of Vesting	Percentage of Vesting
1 year after the date of grant	10% of Options/SARs Granted shall Vest
2 years after the date of grant	20% of Options/SARs Granted shall Vest
3 years after the date of grant	30% of Options/SARs Granted shall Vest
4 years after the date of grant	40% of Options/SARs Granted shall Vest

4.	Exercise price or pricing formula	Exercise Price shall not be higher than the prevailing Market Price of the Shares as on Grant date ('relevant date') discounted by 20%. "Market Price" means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
5.	Maximum term of options granted	Exercise period shall not exceed five years from vesting date and the date after which the option shall lapse.
6.	Source of shares (primary, secondary or combination)	Combination
7.	Variation in terms of options	Subject to the provisions of the SEBI Regulations, the Committee may alter, modify, and/or amend the terms and conditions of the Plan 2017 provided that such amendment/ alterations/ modification is not detrimental to the interests of the Employees.

As no Options / SARs have been granted by the Company under the Plan 2017, during the year under review and as on the date of Board's Report, other Disclosures are not applicable.

Annexure II

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 sub¬section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
   (f) Date(s) of approval by the Board: Not Applicable
   (g) Amount paid as advances, if any: Not Applicable
   (h) Date on which the Special Resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Transaction – Sale / Purchase	
a)	**Name(s) of the related party and** **Nature of relationship**	Cal-India Foods International Wholly owned subsidiary (step-down)	JC Biotech Private Limited Subsidiary (70%)
b)	**Nature of contracts/ arrangements/ transactions**	Sale/Purchase of Goods	Sale/Purchase of Goods
c)	**Duration of the contracts/ arrangements/ transactions**	Transaction during the year ended March 31, 2019	Transaction during the year ended March 31, 2019
d)	**Salient terms of the contracts or arrangements or transactions including the value, if any:**	Total: ₹ 413.53 Million (Sale : ₹ 411.60 Million Purchase : ₹ 1.92 Million)	Total: ₹ 489.11 Million (Sale : ₹ 0.45 Million Purchase : ₹ 488.66 Million)
e)	**Date(s) of approval by the Board, if any:**	February 06, 2018 and February 09, 2019	August 09, 2017 and May 19, 2018
f)	**Amount paid as advances, if any:**	NIL	NIL

Note: The above disclosure of material related party transaction(s) is based on the transaction value exceeding 10% of annual consolidated turnover of the Company as on March 31, 2018, pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Policy on Related Party Transactions of the Company, as amended from time to time.

For and On behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Vasant L. Rathi
Chairman
DIN: 01233447

Date : May 24, 2019
Place : Thane

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   The Company's CSR policy intends to focus on certain long term projects which shall include initiatives, *inter alia*, in the fields of education, skill development/vocational training, health care, sanitation, safe drinking water, environment sustainability, women empowerment and rural development which will enable creation of a sustainable livelihood in society and better human capital culture.

   The CSR policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 and Schedule VII thereto. The CSR Policy of the Company including the overview of projects or programme may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance

2. **The Composition of the CSR Committee is as under:**

   As on March 31, 2019, the CSR Committee comprised of following members:

   Mr. Kedar Desai (Non-Executive- Independent Director) - Chairman

   Mr. Mukund Kabra (Whole-time Director) - Member

   Mr. Ramesh Mehta (Non-Executive Independent Director) - Member

   [Change in composition during the year till date of the report is provided in Corporate Governance report]

3. **Average net profit of the Company for last three financial years: ₹ 3512.73 Lakhs**

4. **Prescribed CSR Expenditure (Two percent of amount as in Item no. 3): ₹ 70.25 Lakhs**

5. **Details of CSR spent during the financial year:**

   (a) Total amount spent for the financial year: ₹ 70.25 lakhs

   (b) Amount unspent, if any: NIL

(₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or Other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through Implementing agency
1	Providing safe & clean drinking water facility	Making available safe drinking water	Kolushti, Tal Peth, District – Nashik, Maharashtra	3.75	Direct: 3.75 Overheads: NIL	3.75	Direct – NIL Through - Social Networking Forum: One of the activities undertaken is providing drinking water facilities to draught struck villages

(₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or Other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through Implementing agency
2	Vocational training, skills & holistic development of special adults	Promoting education, including special education and vocation skills especially among the differently abled and livelihood enhancement projects	Nashik, Maharashtra	4.40	Direct: 4.40 Overheads: NIL	4.40	Direct – NIL Through- ADHAR: ADHAR is a lifetime Home for Specially Abled adults and registered under the Public Trust Act 1950 as an 'Association of Parents of Mentally Retarded'
3	Parivaar Ramakrishna Vivekananda Sevakutirs - CSR activities undertaken through Sevakutirs to address the problems of malnutrition and poor educational levels of children of underprivileged families	Promoting Education & a step towards eradicating malnutrition	Madhya Pradesh – Sihore / Dewas District	12.50	Direct: 12.50 Overheads: 0.15	12.50*	Direct - NIL Through - Parivaar Ramakrishna Vivekananda Sevakutirs (Community Day Boardings) ["SevaKutir Program"] a program of Parivaar Education Society. The SevaKutir program seeks to provide a balanced diet and supplementary education to all children in the age group of 4-14 years attending the Kutir.
4	Education to special children by way of part-sponsoring construction of Multipurpose Hall	Promoting Education including special education & vocational skills	Jawahar, Thane, Maharashtra	12.00	Direct: 12.00 Overheads: NIL	12.00	Direct- NIL Through - Shree Gurudev Bahudheshiya Samajik Sanstha – Divya Vidyalay where primarily differently abled children gets special education, food & accommodation.
5	Education & other aspects of knowledge, skills, values, beliefs, & habits which leads to holistic growth of children from economically backward area	Promoting Education including special education & vocational skills and measures for reducing inequalities faced by socially and economically backward groups	Anaikoil, Nagapattinam	13.50	Direct: 13.50 Overheads: NIL	13.50	Direct- NIL Through - International Association for Human Values / Sri Sri Vidya Mandir (SSVM) Matriculation School. Role of the school: Offset the social and economical disadvantage by providing high quality inclusive education for social transformation.

(₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or Other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through Implementing agency
6	Education to underprivileged children	Promoting Education & measures for reducing inequalities faced by socially and economically backward groups	Thane / Maharashtra	4.00	Direct: 3.10 Overheads: NIL	3.10	Direct- NIL Through Kala Sugandha Mandal. The main objective of the Mandal is to provide basic education to the children living in slums to be able to live a good life and build a good society thereafter.
7	Others: Renovation of auditorium used for educational / academic including personality development activities	Promoting Education	Nagpur, Maharashtra	20.10	Direct: 21.00 Overheads: NIL	21.00	Direct – NIL Through: Samta Purushottam Agrawal Memorial Foundation. The said Auditorium is at UDPS Nagpur Alumni Association, Nagpur
			Total	**70.25**	**70.25***	**70.25***	

*excluding overheads

6. In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board report: Not Applicable

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in Compliance with CSR Objective and Policy of the Company.

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Date : May 24, 2019
Place : Thane

Kedar Desai
Director & Chairman of CSR Committee
DIN: 00322581

Mukund Kabra
Wholetime Director & CSR Committee member
DIN: 00148294

Annexure IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Advanced Enzyme Technologies Limited
Sun Magnetica, 5th Floor,
Near LIC Service Road, Louis Wadi,
Thane - 400604.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Advanced Enzyme Technologies Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the period under review)

(g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the period under review)

(h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the period under review)

(i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the period under review)

(j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period under review)

(vi) Other laws applicable specifically to the Company namely:

(a) Factories Act, 1948;

(b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;

(c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;

(d) Environment Protection Act, 1986

(e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;

(f) Explosive Act, 1884;

(g) The Petroleum Act, 1934;

(h) Drugs & Cosmetics Act, 1940;

(i) Food Safety and Standard Act, 2006 & rules made thereunder;

(j) Prevention of Food Adulteration Act, 1954.

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 provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in accordance with the provisions of Companies Act, 2013 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 if any 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.

I further report that during the audit period the Company had no specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Shiv Hari Jalan
Company Secretary
FCS NO.: 5703
C.P.NO.: 4226

Place : Mumbai
Date : 21.05.2019

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.

'Annexure A'

To
The Members,
Advanced Enzyme Technologies Limited
Sun Magnetica, 5th Floor,
Near LIC Service Road, Louis Wadi,
Thane - 400604.

My 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 my audit.

2. I have followed the audit practices and process 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 correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard 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 Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Shiv Hari Jalan
Company Secretary
FCS NO.: 5703
C.P.NO.: 4226

Place : Mumbai
Date : 21.05.2019

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.

Annexure V

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about maximizing shareholders value legally, ethically and sustainably with a goal to ensure fairness for every stakeholder. We are dedicated to ensure to adopt and attain the best practices in Corporate Governance. The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in the functioning of the Company, and believes that these are pre-requisites for attaining sustainable growth in this competitive corporate world.

BOARD OF DIRECTORS

Composition of Board of Directors as on March 31, 2019

The Board of Directors of the Company (hereinafter referred as "the Board") comprises of an optimum combination of Executive and Non-Executive Directors. As on March 31, 2019, the Board comprised 10 (Ten) Directors i.e. 2 (Two) Executive Directors and 8 (Eight) Non-Executive Directors, out of which 6 (Six) were Independent Directors. The Chairman of the Board is a Non-Executive Director (Promoter) and more than half of the Board members were Independent. The composition of the Board is in line with requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter referred as "SEBI Listing Regulations"). The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgment in any manner. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. The Directors are eminently qualified and experienced professionals in business, finance and corporate management.

The relevant details of composition of the Board of Directors are as follows:

Sr. No.	Names of the Directors	Category of Directors
1.	Mr. Vasant L. Rathi	Chairman & Non-Executive Director
2.	Mrs. Savita Rathi	Whole-time Director
3.	Mr. Mukund Kabra	Whole-time Director
4.	Mr. Kedar Desai	Independent Director
5.	Mr. Pramod Kasat	Independent Director
6.	Mr. Ramesh Mehta #	Independent Director
7.	Mr. Rajesh Sharma @	Independent Director
8.	Mr. Vilas Aurangabadkar $	Additional Director (Independent)
9.	Ms. Rasika Rathi*	Additional Director (Non-Executive)
10.	Mr. Vinodkumar Jajoo *#	Additional Director (Independent)

#ceased to be a Director on the Board pursuant to end of tenure as Independent Director on March 31, 2019 and voluntary refusal for re-appointment, due to age & health reasons.
@ appointed as an Independent Director w.e.f August 11, 2018
$ appointed as an Additional Director (Independent) w.e.f January 08, 2019.
**appointed as an Additional Director (Non-Executive) w.e.f January 08, 2019*
**#appointed as an Additional Director (Independent) w.e.f February 09, 2019.*

Notes: None of the Directors of the Company are related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the corresponding Rules framed thereunder ("Act") except:

(i) Ms. Rasika Rathi (Promoter group member) - daughter of Mr. Vasant Rathi; and

(ii) Mrs. Savita Rathi (Promoter group member) - wife of Mr. Chandrakumar Rathi and Mr. Chandrakumar Rathi is a brother of Mr. Vasant Rathi.

Number of Board or Board Committees of which a Director is a member or chairperson; and the names of other Listed entities where the Directors of the Company are Directors and the Category of their Directorship, as on March 31, 2019

Sr. No.	Name of Directors	No. of Directorship held in others companies ($)	No. of Committee membership in other Companies(*)	No. of Committees in which Director is a Chairperson (Other companies)(*)	Name of the listed entities where the person is a Director (Category of Directorship)
1.	Mr. Vasant Rathi	-	-	-	-
2.	Mrs. Savita Rathi	1	-	-	-
3.	Mr. Mukund Kabra	2	-	-	-
4.	Mr. Kedar Desai	2	1	-	-
5.	Mr. Ramesh Mehta	-	-	-	-
6.	Mr. Pramod Kasat	2	1	1	Shilpa Medicare Limited (Independent Director)
7.	Mr. Rajesh Sharma	-	-	-	-
8.	Ms. Rasika Rathi	-	-	-	-
9.	Mr. Vinodkumar Jajoo	-	-	-	-
10.	Mr. Vilas Aurangabadkar	-	-	-	-

$ Excludes Directorship in private companies, foreign companies and Section 8 companies.
** Audit Committee and Stakeholders' Relationship Committee in listed and unlisted public limited companies have been considered.*

Note: During the year under review, all the recommendations of the Committees of the Board which are mandatorily required were approved by the Board.

Attendance of each Director at the Board Meetings and the last Annual General Meeting:

During the financial year 2018-19 ("FY19"), the meeting of the Board of Directors was held Eight (8) times i.e. on May 19, 2018 (No. 03/2018), August 11, 2018 (No. 04/2018), September 17, 2018 (No. 05/2018), September 22, 2018 (No. 06/2018), November 1, 2018 (No. 07/2018), January 08, 2019 (No. 01/2019), February 09, 2019 (No. 02/2019) and March 23, 2019 (No. 3/2019). The maximum gap between any two Board meetings was less than One hundred and Twenty (120) days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations. The details of attendance at the Board meetings and General Meeting as the Directors of the Company, during the year under review and post their appointment as Director on the Board hereinafter:

Sr. No	Name of Directors	No. of Board Meetings		Attended - last AGM held on September 14, 2018	Attended - Adjourned AGM held on September 21, 2018
		Held	Attended		
1.	Mr. Vasant Rathi	8	8	Yes	Yes
2.	Mr. Chandrakumar Rathi #	2	2	Yes	NA
3.	Mrs. Savita Rathi	8	7	Yes	No
4.	Mr. Mukund Kabra	8	8	Yes	Yes
5.	Mr. Kedar Desai	8	8	Yes	No
6.	Mr. Ramesh Mehta ##	8	7	No	No
7.	Mr. Pramod Kasat	8	8	Yes	No
8.	Mr. Rajesh Sharma*	6	5	No	No
9.	Mr. Vilas Aurangabadkar@	2	2	NA	NA
10.	Ms. Rasika Rathi @@	2	1	NA	NA
11.	Mr. Vinodkumar Jajoo $	1	1	NA	NA

#ceased to be a Director on the Board w.e.f. September 14, 2018 due to non-appointment by the Members at the 29th Annual General Meeting of the Company held on September 14, 2018
##ceased to be a Director on the Board pursuant to end of tenure as Independent Director on March 31, 2019 and voluntary refusal for re-appointment, due to age & health reasons.
**appointed as an Independent Director w.e.f August 11, 2018 and has attended all the meetings by video conference*
@appointed as an Additional Director (Independent) w.e.f January 08, 2019
@@appointed as an Additional Director (Independent) w.e.f January 08, 2019 & has attended one meeting via tele-conference & other by video conference.
$ appointed as an Additional Director (Independent) w.e.f February 09, 2019.

Notes:

(i) Details of attendance of Mrs. Rupa Vora is not provided since she resigned as an Independent Director due to personal reasons and ceased to be the Director of the Company effective from May 18, 2018 and no Board meeting was held prior to the said date during the year under review.

(ii) Mr. Suresh Paharia was present only for the agenda deliberated post his appointment as an Additional Director (Independent) at the Board meeting held on August 11, 2018. There was no other Board meeting held during his association as an Additional Director of the Company.

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board comprises qualified personnel who have the key skills, competencies and expertise required for the Board members' effective contribution to the Board & its Committees and also for the Board to function effectively. Following is the chart / matrix setting out the requisite skills/competencies/expertise of the Board of Directors of the Company:

Experience in the enzyme business / industry	The experience in the enzyme business / industry is seen as most critical considering the nature of business of the Company.
Leadership	Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth
Finance	Finance field skills/competencies/expertise is seen as important for intricate and high quality financial management and financial reporting processes
Legal	In order to strengthen and maintain the governance levels & practices in the organization.
Understanding of Global Business	Owing to presence across the globe, the understanding of global business & markets is seen as pivotal.

The aforementioned skills are only indicative and not possessing any skill/competency/expertise is not seen as a disqualifying ability. The nominations to the Board are made on the recommendations of the Nomination and Remuneration Committee which considers various other factors.

CERTIFICATION FROM THE COMPANY SECRETARY IN PRACTICE

Mr. Shiv Hari Jalan, Practising Company Secretary (FCS No.: 5703), has issued a certificate as required under the SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as an Annexure to this report.

AUDIT COMMITTEE

Brief Description of term of reference

The terms of reference of Audit Committee articulates the roles, responsibilities and powers of the Audit Committees under Regulation 18(3) read with Schedule II (Part C) of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 (hereinafter referred to as "the Act"). The Role of the Audit Committee is as prescribed under Regulation 18 of SEBI Listing Regulations.

The role of the Audit Committee *inter alia* includes the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for the appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review 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 Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - 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.
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review with the management, the statement of uses / application of funds, if any, raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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;

- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review 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;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Review 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;
- 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;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Act and the SEBI Listing Regulations.

Composition, Names of Members and Chairman, Meetings of the Committee and Attendance during the year

In accordance with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act, the Audit Committee of the Board comprises four (4) Independent Directors and one (1) Non-Executive Director as on March 31, 2019. All the members of the Audit Committee are financially literate. The Committee invites the representatives of the Statutory and Internal Auditor(s). Further, the Chief Financial Officer also attends the Audit Committee meeting(s). The Company Secretary acts as a Secretary to the Audit Committee.

During the FY19, the Audit Committee met Seven (7) times i.e. on May 14, 2018 (No. 3/2018), May 19, 2018 (No. 4/2018), August 11, 2018 (No. 5/2018), September 22, 2018 (No. 6/2018), November 01, 2018 (No. 7/2018), January 8, 2019 (No. 1/2019) and February 9, 2019 (No.2/2019).

The composition of the Audit Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Names of Members	Designation	No. of Audit Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	7	7
Mr. Ramesh Mehta*	Member	7	6
Mr. Pramod Kasat	Member	5	5
Mr. Rajesh Sharma**	Member	2	1
Mr. Vasant Rathi***	Member	4	4
Mrs. Rupa Vora#	Chairperson#	1	1
Mr. Suresh Paharia##	-	-	-

**Ceased to be member of the Audit Committee as well as the Board of the Company w.e.f March 31, 2019*

***Appointed as member of the Audit Committee w.e.f. November 01, 2018.*
****Appointed as member of the Audit Committee w.e.f August 11, 2018.*
#Ceased to be member of the Committee w.e.f May 18, 2018 consequent to resignation from the Board.
##Appointed as member of the Audit Committee w.e.f August 11, 2018 and ceased to be Member of the Committee and Director of the Company w.e.f. September 14, 2018.

NOMINATION AND REMUNERATION COMMITTEE

Brief Description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The role of the Nomination and Remuneration *inter alia* includes the following:

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 diversity of the Board;

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.

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) Devising a policy on Employee Stock Option Scheme and ensuring proper implementation as per scope provided in ESOP Scheme.

Composition, Name of Members and Chairman, Meetings of the Committee and Attendance during the year

During the FY19, Nomination and Remuneration Committee met five (5) times i.e. on May 19, 2018 (No. 02/2018), August 11, 2018 (No. 03/2018), November 01, 2018 (No. 03/2018), January 08, 2019 (No. 01/2019) and February 09, 2019 (No. 02/2019).

The composition of the Nomination and Remuneration Committee as on March 31, 2019 along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Members	Designation	No. of Meetings	
		Held	Attended
Mr. Ramesh Mehta*	Chairman	5	5
Mr. Kedar Desai	Member	5	5
Mr. Pramod Kasat@	Member	4	4
Mr. Vasant Rathi**	Member	3	3
Mr. Rajesh Sharma#	Member	2	1
Mrs. Rupa Vora##	Member	NA	NA
Mr. Suresh Paharia$	Member	NA	NA

**Ceased to be member of the Nomination & Remuneration Committee as well as the Board of the Company w.e.f March 31, 2019*
***Appointed as member of the Nomination & Remuneration Committee w.e.f August 11, 2018*
#Appointed as member of the Nomination & Remuneration Committee w.e.f November 01, 2018.
##Ceased to be member of the Committee w.e.f May 18, 2018 consequent to resignation from the Board.
$Appointed as member of the Nomination & Remuneration Committee w.e.f August 11, 2018 and ceased to be Member of the Committee and Board w.e.f. September 14, 2018.
@ Elected as the Chairman of the Committee in its meeting held on May 24, 2019, with immediate effect.

Familiarisation Programme for Independent Directors

The Familiarisation programme for the Directors covers topics such as Operations, Financials, Strategy, Performance, Outlook and update on amendment of statutory & regulatory laws.

The details of the Familiarisation programme are available on the Company's website at: www.advancedenzymes.com/investors/corporate-governance

Performance Evaluation of Board and Individual Directors

The Board has adopted a formal policy for evaluating the performance of its Board, Committees and Directors, including the Chairman of the Board ("Board Evaluation Policy"). The said evaluation typically examines the role of the Board and the entailing responsibilities, and assesses their effectiveness by the Board. The effectiveness of the Board depends on various factors, some of which are derived from the functions of the Board. A structured performance evaluation exercise was carried out based on criteria such as Board / Committee compositions, dynamics and functioning of the Board, Business Strategy, Governance & Monitoring role, Financial reporting, Internal audit, Internal controls and Advisory role etc.

Pursuant to provisions of the Act, SEBI Listing Regulations and Board Evaluation Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and the Independent Directors (excluding the Director being evaluated). The evaluation of Independent Directors was conducted on the basis of the parameters which included the participation & contribution at the Board & Committee meetings, understanding of the governance, regulatory, financial, fiduciary and ethical requirements of the Board & Committees, standards of ethics & integrity, ability to exercise objective independent judgment in the best interests of the Company & its stakeholders.

A meeting of Independent Directors of the Company was held to: (a) review the performance of Chairperson, Non Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board. The results of the performance evaluation were placed and reviewed at the meeting of the Independent Directors, Nomination and Remuneration Committee and the Board.

REMUNERATION OF DIRECTORS

There were no pecuniary relationships or transactions between the Non-Executive Directors (including Independent Directors) and the Company, except the following:

1. Sitting fees drawn by Independent Directors for attending the meeting of the Board, Committee(s) thereof and Independent Directors' Meeting.

2. Commission paid to Non-Executive Directors of the Company.

Criteria for making payment to Non-Executive Directors

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force. The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committees. Limits of Remuneration / Commission to be paid shall be within the monetary limits as approved by shareholders, and not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

The said Policy is available on the Company's website. The weblink for the same is www.advancedenzymes.com/investors/corporate-governance.

Details of Remuneration to Directors:

Remuneration to Executive Directors

The details of the Remuneration of Executive Directors of the Company for the year ended March 31, 2019 is as follows:

(in ₹)

Particulars		Mrs. Savita Rathi	Mr. Mukund M. Kabra	Mr. Chandrakumar Rathi*
Basic	**A**	**22,68,516**	**41,29,056**	**27,68,256**
Other Allowances		39,57,043	97,44,566	52,10,115
Bonus		1,89,043	3,18,600	213,467
	B	**41,46,086**	**1,00,63,166**	**54,23,582**
Sub-total	**(A+B)**	**64,14,602**	**1,41,92,222**	**81,91,838**
Contribution to :				
Provident fund		2,72,222	4,95,491	3,35,923
Super annuation fund		2,26,852	3,82,320	-
Gratuity		99,974	1,98,512	-
	C	**5,99,048**	**10,76,323**	**3,35,923**
Total (A+B+C)		**70,13,650**	**1,52,68,545**	**85,27,761**
Commission to Directors for FY19	**D**	-	17,54,062	-
Grand Total (A+B+C+D)		**70,13,650**	**1,70,22,607**	**85,27,761**
Stock Options (Granted)#		NIL	NIL	NIL

Note: The aforesaid amount is on payable basis and is excluding leave encashment.

**ceased to be a Director on the Board pursuant to non-reappointment at the previous AGM held on September 14, 2018. It may be noted that based on the recommendations of the Nomination & Remuneration Committee, approval of the Audit Committee & the Board of Directors of the Company, an amount of ₹ 2,18,38,200 (Rupees Two Crores Eighteen Lakhs Thirty Eight Thousand Two Hundred) was also paid as full & final compensation for loss of his office as Managing Director of the Company pursuant to Section 202 of the Companies Act, 2013.*

(#) Mr. Chandrakumar Rathi being the Promoter of the Company & Mrs. Savita Rathi being the Promoter group member are not eligible for stock options. During February 2017, the Company has granted 12,500 Options to Mr. Mukund Kabra (Whole-time Director), as per the provisions of Employees Stock Option Scheme 2015 (as amended) of the Company. Out of which 10% Options (i.e. 1,250) got vested on February 15, 2018 and 20% Options (i.e. 2500) got vested on February 15, 2019. During the year under review, Mr. Mukund Kabra has exercised 1250 Options at the exercise price of ₹ 60/- per option, as per the provisions of AETL Employees Stock Option Scheme 2015. Based on this, 1,250 Equity Shares have been allotted to Mr. Mukund Kabra on May 19, 2018.

Remuneration and Shareholding (as on March 31, 2019) of the Non-Executive Directors

All the Independent Directors receive remuneration by way of sitting fees for attending meetings of the Board/ Committees and for Meeting of Independent Directors. The details of Sitting Fees and Commission paid to Independent Directors and Commission paid to Non- Executive Promoter Director (Chairman) for the FY19 along with the Shareholding of the Non-Executive Directors are as under:

Name of Directors	Category of Non-Executive Directorship	Sitting Fees (Note 1) (₹ In million)	Commission (Note 2) (₹ In million)	No. of Shares (Face Value ₹ 2/- each)	% of Shareholding
Mr. Vasant Rathi	Non-Executive Non-Independent	-	0.70	3,65,04,500	32.70
Mr. Kedar Desai	Independent	0.62	0.70	2,000	0.001
Mr. Ramesh T. Mehta	Independent	0.57	0.61	40,000	0.035
Mrs. Rupa Vora*	Independent	0.02	NA	NIL	NIL
Mr. Pramod Kasat	Independent	0.44	0.70	NIL	NIL
Mr. Rajesh Sharma	Independent	0.21	0.44	NIL	NIL
Ms. Rasika Rathi	Additional Director (Non-Executive Non-Independent)	-	0.09	25,65,000	2.30
Mr. Vilas Aurangabadkar	Additional Director (Independent)	0.08	0.18	NIL	NIL
Mr. Vinodkumar Hiralal Jajoo	Additional Director (Independent)	0.05	0.09	NIL	NIL

**resigned w.e.f. May 18, 2018*

Note 1: During the year under review, sitting fees of ₹ 30,000/- was paid for each Board Meeting and ₹ 20,000 was paid for & each Committee Meeting and Independent Directors' Meeting.

Note 2: Commission payable to Non-Executive Directors is as per the approval of the Members at the 25th Annual General Meeting held on August 12, 2014. The amount of commission is determined and approved by the Board of Directors based on their respective attendance & contribution thereof in the Board meetings. The total amount of commission to Non-Executive Directors is within the limit of 1% of the Net profits of the Company for the year under review, calculated as per the provisions of the Act.

Details of service contracts, notice period and severance fees of the Executive Directors as on March 31, 2019

Name of Directors	Mrs. Savita Rathi	Mr. Mukund Kabra
Date of contract	December 28, 2015	September 11, 2017
Term of contract	Five years w.e.f January 1, 2016	Five years w.e.f April 1, 2017
Notice Period	Three Months	Three Months
Severance Fees	-	-

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations read with Part D of Schedule II thereto, the Company has in place, a Stakeholders' Relationship Committee ("SRC"). The SRC comprises of two Independent Directors and two Whole-time Directors as on March 31, 2019. The Chairman of the Committee is an Independent Director. The Company Secretary and the Head-Legal, acts as a Secretary to the Committee.

During the FY19, Stakeholders' Relationship Committee has met four (4) times i.e. on May 19, 2018 (No. 02/2018), August 11, 2018 (No. 03/2018), November 01, 2018 (No. 04/2018), and February 9, 2019 (No. 01/2019) respectively.

The following is the constitution of the Stakeholders' Relationship Committee along with the meeting and attendance during the year:

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	4	4
Mr. Ramesh Mehta*	Member	4	4

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Chandrakumar Rathi**	Member	2	2
Mrs. Savita Rathi	Member	4	4
Mr. Mukund Kabra***	Member	1	1

**Ceased to be a Director on the Board pursuant to end of tenure as Independent Director and voluntary refusal for re-appointment w.e.f March 31, 2019.*
***Ceased to be member of the Committee as well as the Board of the Company w.e.f September 14, 2018*
****Appointed to the Committee w.e.f November 01, 2018*

The role of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and as per Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations and *inter alia* includes:-

i) Transfer / transmission of shares including change of name

ii) Consolidation of shares

iii) Issue of duplicate share certificates

iv) Dematerialisation / Rematerialisation of shares

v) Resolve the grievances of the security holders of the Company including grievances related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

vi) Other matters as may be required for aforesaid purposes.

Name and Designation of Compliance Officer
Mr. Sanjay Basantani - 'Company Secretary & Head - Legal'

Status Report of Investor Complaints for the year ended March 31, 2019

No. of Complaints as on April 01, 2018	- NIL
No. of Complaints Received during the year	- 15
No. of Complaints Resolved during the year	- 12
No. of Complaints Pending as on March 31, 2019	- 3

The aforesaid pending complaints as on March 31, 2019 have been resolved as on the date of the report.
All valid requests for share transfer and dematerialization where in the complete documentation was received during the year have been acted upon and no such valid transfer and dematerialization request is pending as on the date of this report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITEE)

In line with the provisions of Section 135 of the Act read with the corresponding Rules framed thereunder, the Board has constituted a CSR Committee comprising of Independent Directors and a Whole-time Director. The Company Secretary and the Head-Legal, acts as a Secretary to the Committee.

During the FY19, the CSR Committee has met twice i.e. on May 19, 2018 (No. 01/2018) and January 8, 2019 (No. 01/2019). All the Members were present in the Meeting.

The following is the constitution of the CSR Committee along with the meeting and attendance during the year:

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	2	2
Mr. Ramesh Mehta#	Member	2	2
Mr. Chandrakumar Rathi*	Member	1	1
Mr. Mukund Kabra**	Member	1	1

 # Ceased to be member of the Committee as well as the Board of the Company w.e.f March 31, 2019.
**Ceased to be member of the Committee as well as the Board of the Company w.e.f September 14, 2018.*
***Appointed to the Committee w.e.f November 01, 2018*
Mr. Vasant Rathi has been appointed as the Member of the Committee effective from May 24, 2019.

The terms of reference of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act and *inter alia* includes:

- To formulate and recommend to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Schedule VII to the Act;

- To review and recommend the amount of expenditure to be

incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time; and
- Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

GENERAL BODY MEETINGS

Details of location, time & date of last three Annual General Meetings are given below:

Financial Year	Date	Location	Time
2017-2018	September 21, 2018 (Adjourned 29th AGM)	Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louiswadi Police Chowki, Thane (West) – 400604	11:30 a.m.
	September 14, 2018 (29th AGM)		11:30 a.m.
2016-2017	September 11, 2017	Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louiswadi Police Chowki, Thane (West) – 400604	02:30 p.m.
2015-2016	September 15, 2016	Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louiswadi Police Chowki, Thane (West) – 400604	10:00 a.m.

Special Resolutions passed in the previous three Annual General Meetings (AGMs)

During the Annual General Meetings held in the last 3 years i.e. for FY16 to FY18 approvals of the Members were obtained by passing special resolutions in AGMs, as follows:

Sr. No.	Special Resolutions	Date of Meeting
1.	Creation of mortgage / charge on the properties of the Company under Section 180(1)(a) of the Companies Act, 2013	September 14, 2018
2.	Re-appointment of Mr. Mukund Kabra as Whole-time Director	September 11, 2017
3.	Amendment to Employee Stock Option Scheme 2015	September 15, 2016

Resolutions passed through postal ballot & details of voting pattern:

During the year under review, no resolution was passed through postal ballot.

MEANS OF COMMUNICATION

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement and newspaper publications, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

Quarterly Results

The unaudited quarterly financial results of the Company were published in English and regional newspaper. These are not sent individually to the shareholders.

Newspapers wherein results are normally published

The results are normally published in an English Newspaper viz. The Free Press Journal and a Regional Newspaper viz. Navshakti.

Website

The Company has in place a website addressed as www.advancedenzymes.com. The Website contains the basic information about the Company viz. details of its Business, financial information, Annual Reports, Company's policies & Code of Conduct & Ethics as required under the Act and the SEBI Listing Regulations, Shareholding Pattern, Compliance With Corporate Governance report, contact information of the Designated officials of the Company, who is responsible for assisting and handling Investor Grievances and such other details as may be required under sub regulation (2) of Regulation 46 of SEBI Listing Regulations. The Company ensures that the contents of this website are periodically updated. In addition, the Company publishes official news release and presentations, if any, made to institutional investors /analysts on its website.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Date, Time and Venue	30th Annual General Meeting August 08, 2019 (Thursday) at 3:30 p.m. Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louiswadi Police Chowki, Thane (West), Maharashtra – 400604, India.
Financial Year	April 01 to March 31
Schedule (Tentative) for declaration of financial results during the FY20:	First quarter - Upto August 14, 2019
	Second quarter - Upto November 14, 2019
	Third quarter - Upto February 14, 2020
	Annual & fourth quarter - Upto May 30, 2020
	Annual General Meeting - Upto end of September 2020
Dividend Payment Date	On or after August 09, 2019
Listing on Stock Exchanges	Company's Shares are listed at:
	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Mumbai - 400051
	The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and National Stock Exchange of India Limited.
Stock Code / Symbol ISIN	**(BSE)** : 540025/ **(NSE)**: ADVENZYMES INE837H01020
Registrar & Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel: (+91 22) 49186270 Fax: (+91 22) 49186060 Email ID: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

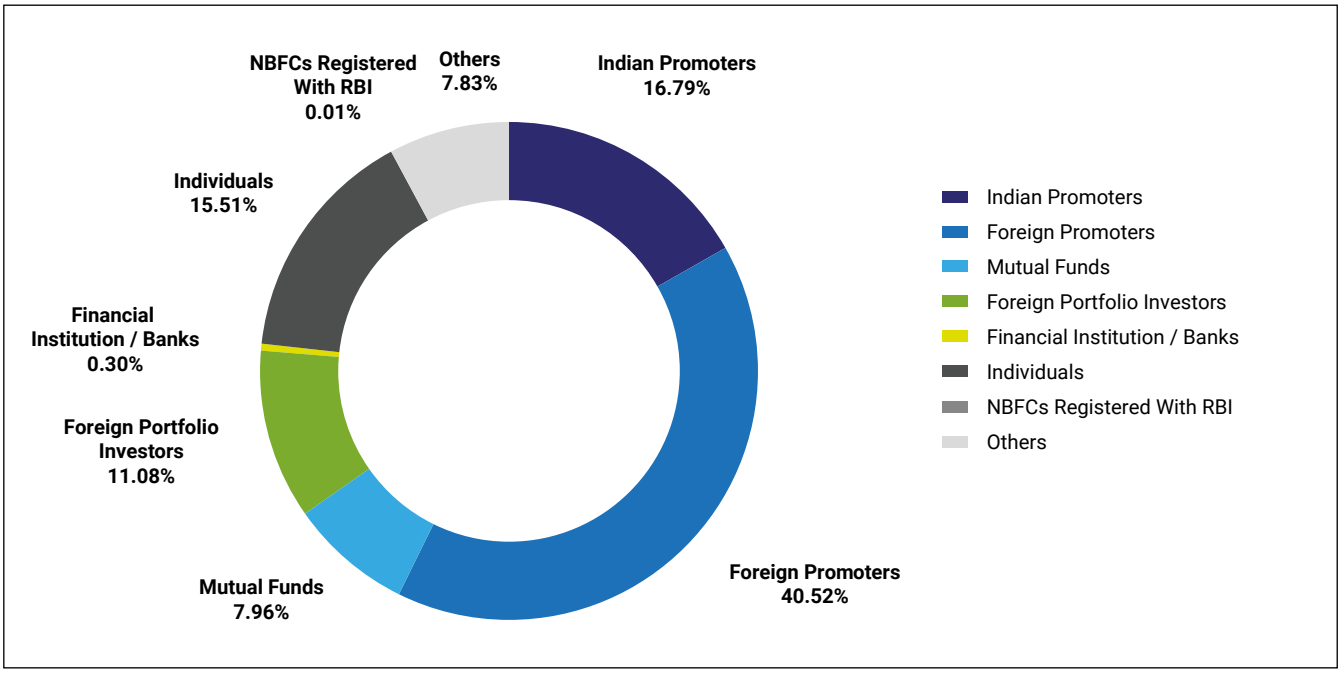
All shares sent for transfer by the shareholder(s) in physical form are registered by the Registrar and Share Transfer Agents as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any objection(s) in relation to the share transfer, the same is normally attended to within 15 days. The Stakeholders' Relationship Committee generally meets on quarterly basis as may be warranted by the number of share transaction requests received by the Company. All requests for dematerialization of shares are processed and the confirmation is given by the Registrar & Transfer Agents of the Company to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

The certificate received from a Practicing Company Secretary pursuant to the provisions of Regulation 40(9) of the SEBI Listing Regulations is submitted by the Company to the Stock Exchanges, on half yearly basis. The Certificate has also been received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company

and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996. The Company has designated the e-mail ID: investor.grievances@advancedenzymes.com, for addressing the investors' grievances.

Shareholding Pattern of the Company as on March 31, 2019

Categories of Shareholders	No. of Shares held	% of holding
Promoter and Promoter Group:		
-Indian	18,746,476	16.79
-Foreign	45,242,500	40.52
Sub-Total (A)	**63,988,976**	**57.31**
Public:		
Institutions:		
-Mutual Funds	8,889,636	7.96
-Foreign Portfolio Investors	12,369,567	11.08
-Financial Institutions/Banks	332,562	0.30
Non Institutions:		
-Individuals	17,320,811	15.51
-HUF/ NRI/ Trust/ Bodies Corporate/ IEPF/ Clearing Members/ Others	8,736,660	7.83
NBFCs registered with RBI	10,763	0.01
Sub-Total (B)	**47,659,999**	**42.69**
Grand Total (A+B)	**111,648,975**	**100.00**



Distribution of Shareholding as on March 31, 2019:

Shareholding (Range)	Number of Shareholders	%	Shares	%
Upto 500	54,747	93.00	5,548,494	4.97
501 to 1000	2124	3.61	1,645,177	1.47
1001 to 2000	979	1.67	1,488,577	1.33
2001 to 3000	314	0.53	796,748	0.71
3001 to 4000	166	0.28	610,041	0.55
4001 to 5000	110	0.19	516,542	0.46
5001 to 10000	183	0.31	1,401,309	1.26
10001 and above	244	0.41	99,642,087	89.25
Total	**58,867**	**100**	**111,648,975**	**100**

Dematerialization of shares and liquidity

As on March 31, 2019, **98.12%** of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

Note: Trading in the Equity Shares of the Company is permitted only in Dematerialised form in accordance with the circular issued by SEBI.

Particulars of Unclaimed Dividend of the Company

Financial Year	Type of Dividend	Date of Declaration	Due date to transfer to IEPF
2011-2012	Final Dividend	July 17, 2012	August 22, 2019
2012-2013	Final Dividend	August 1, 2013	September 6, 2020
2013-2014	Final Dividend	August 12, 2014	September 17, 2021
2014-2015	Final Dividend	September 1, 2015	October 07, 2022
2015-2016	Interim Dividend	March 26, 2016	May 01, 2023
2016-2017	Final Dividend	September 11, 2017	October 17, 2024
2017-2018	Final Dividend	September 14, 2018	October 20, 2025

The Company will transfer the Unclaimed dividend to Investor Education and Protection Fund (IEPF) within thirty (30) days from the aforesaid due dates.

Equity Shares lying with the Company in Suspense Account

During the year under review, there were no shares lying with the Company in its demat/unclaimed suspense account. Pursuant to Section 124(6) of the Companies Act, 2013 all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund **("IEPF")**. In view of this, your Company has transferred 27,000 unclaimed Equity Shares pertaining to financial year 2010-2011 to the Demat account of IEPF during October 2018. The details of the said shares transferred are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

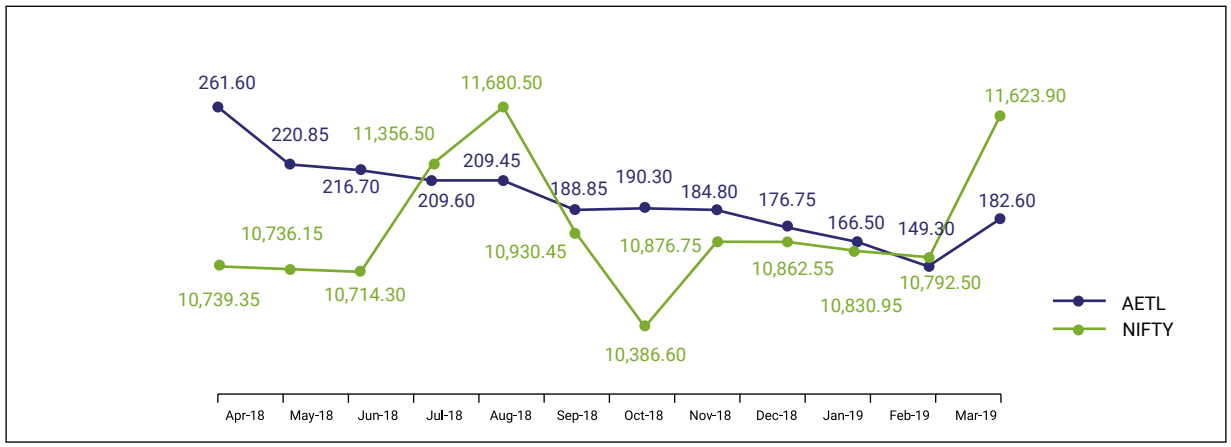
Market Price Data of Company's Shares

(in ₹)

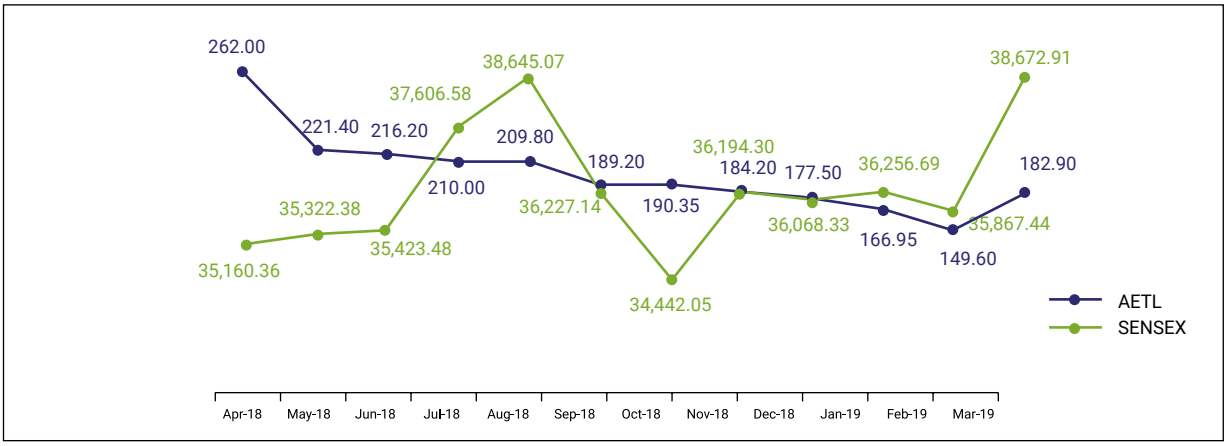
Month	BSE		NSE	
	High	Low	High	Low
April 2018	263.35	213.00	263.70	213.20
May 2018	262.00	217.00	262.90	216.15
June 2018	232.80	205.30	232.40	205.00
July 2018	222.80	190.80	224.00	194.00
August 2018	233.45	204.00	232.90	203.85
September 2018	229.45	185.10	229.30	183.80
October 2018	204.30	166.10	204.30	165.35
November 2018	203.30	180.90	203.30	181.20
December 2018	186.95	165.00	186.60	165.10
January 2019	179.50	150.00	177.75	150.00
February 2019	171.60	145.40	169.75	146.80
March 2019	195.90	149.65	195.70	149.00

Share Price performance in comparison to broad based indices – S & P BSE Sensex & NSE Nifty

AETL vs. NSE Nifty



AETL vs BSE Sensex



* The above graphs are taken on the basis of closing prices

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

Commodity price risk or foreign exchange risk and hedging activities:

The Company does not trade in commodities. The relevant details of foreign exchange exposure & risk / hedging activities are provided in Note No. 40(C) of Standalone Financial Statements

Custodian Fees

The Company has paid custodian fees for folios maintained by National Securities Depository Limited and Central Depository Services (India) Limited for the FY19, as per the Invoice received.

Plant Locations of the Company

1. A-61/62, M.I.D.C. Area, Sinnar, Nashik, Maharashtra
2. SORL, H-17, M.I.D.C, Satpur Area, Nashik, Maharashtra
3. Survey No.30, Pali, Vasind, Shahpur, Thane, Maharashtra
4. Plot No. B-5-13, SEZ, Pithampur, Dhar, Madhya Pradesh

Address for Correspondence

Advanced Enzyme Technologies Limited
5th Floor, 'A' wing, Sun Magnetica, Near LIC Service Road,
Louiswadi, Thane, Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: investor.grievances@advancedenzymes.com
Website: www.advancedenzymes.com

Company Secretary and Compliance Officer

Mr. Sanjay Basantani
Company Secretary & Head - Legal
5th Floor, 'A' wing, Sun Magnetica, Near LIC Service Road,
Louiswadi, Thane, Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: sanjay@advancedenzymes.com
Website: www.advancedenzymes.com

Registrar Transfer Agent

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400083
Tel: (+91 22) 49186270 Fax: (+91 22) 49186060
Email Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintme.co.in

OTHER DISCLOSURES

Materially Significant Related Party Transactions

During the year under review, the related party transactions are done on arm's length basis and in ordinary course of business. The Company presents a statement of related party transactions before the Audit Committee on a quarterly basis specifying *inter alia* the nature & value of the transactions. Transactions with related parties are conducted in a transparent manner in the interest of the Company and are approved by the Audit Committee and have no potential conflict with the interest of the Company at large. There were no significant related party transactions, monetary transactions or relationships between the Company and Directors, the management, subsidiaries or

relatives except as disclosed in the Note No. 41 of Standalone financial statements for the year ended March 31, 2019 and AOC - 2 annexed as Annexure II to the Board's report.

Whistle Blower Policy

The Board had adopted Vigil Mechanism/Whistle Blower Policy pursuant to the provisions of Section 177(9) of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 22 of the SEBI Listing Regulations, in order to establish a Vigil Mechanism for the Directors and Employees to report the genuine concerns in such manner as may be prescribed. Your Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and open communication. Accordingly, the Whistle Blower Policy has been formulated with a view to provide a mechanism for associates of the Company to approach the Chairperson of the Audit Committee of the Company to, *inter alia*, report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's policy.

No personnel were denied access to the Audit Committee of the Company.

Details of Utilization of Funds Raised through Preferential allotment or Qualified Institutions placement as specified under Regulation 32(7)

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

Details of total fees paid to the Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows

(₹ in Million)

Particulars	Year ended March 31, 2019
Company to Statutory Auditors:	
Statutory audit	2.75
Limited review	2.85
Certification work	0.69
Transfer pricing	0.06
Reimbursement of expenses	0.31
Total	**6.66**
Company to network entity of Statutory Auditors:	
Issuing Form 3CEB	0.05
Transfer Pricing Report for FY 17-18	0.15
Reimbursement of expenses	0.01
Total	**0.21**
Subsidiaries	**NIL**

Compliance with mandatory / Non-mandatory requirements

The Company has complied with the mandatory Corporate Governance requirements under the SEBI Listing Regulations.

The provisions of Schedule V Part C read with Schedule II Part E, further states that the non-mandatory requirements adopted by the Company be highlighted in the Corporate Governance Report. Accordingly, the Company has complied with the following non-mandatory requirements:

During the year, the Office of Chairman and the Managing Director or CEO was held by distinct individuals.

The Internal Auditors have direct access to the Audit Committee and present their Internal Audit observations to the Audit Committee.

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

Sr. No.	Particulars	Number
1.	Number of Complaints filed during the Financial Year	NIL
2.	Number of Complaints disposed of during the Financial year	NA
3.	Number of complaints pending as on the end of the Financial year	NA

Disclosures

The Company has a Risk Management Policy. An update on risk management was placed before the Board for review, based on the system and procedures devised.

During the last three years, there were no instances of non-compliance reported by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets.

Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Regulations, a Wholetime Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2019. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

The Certificate of the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance for the year ended March 31, 2019 by the Company, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations is annexed to this report and forms an integral part of this report.

Web link for material subsidiaries and Related Party Transactions
In accordance with the requirements of the SEBI Listing Regulations, the Company has formulated a Policy for determining Material Subsidiary and Policy on Related Party Transactions. These policies have been hosted on the website of the Company at: www.advancedenzymes.com/investors/corporate-governance

Shareholders' Right
The Quarterly / Half-Yearly / Annual Results of the Company are published in English and Vernacular newspapers and are also displayed on the Company's website, www.advancedenzymes.com and at the website of the stock exchanges, where the shares of the Company are listed / traded, as soon as the results are approved by the Board. These are not sent individually to the shareholders.

Auditors' Report
The Auditors' Report to the Members on the Financial Statements of the Company for the year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT & ETHICS

[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Advanced Enzyme Technologies Limited

This is to confirm that the Company has adopted Code of Conduct and Ethics for all the Members of Board of Directors, Senior Management/ Officers of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management / Officers of the Company have affirmed compliance with this Code of Conduct & Ethics for the Financial year ended on March 31, 2019.

Mukund Kabra
Whole-time Director
DIN: 00148294

Date : May 24, 2019
Place : Thane

Certification On Corporate Governance

To
The Members of Advanced Enzyme Technologies Limited

I have examined the compliance of conditions of Corporate Governance by **Advanced Enzyme Technologies Limited** ('the Company') for the year ended March 31, 2019 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I 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.

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I 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, 2019.

I further 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.

Restriction on use
This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

SHIV HARI JALAN
COMPANY SECRETARY
FCS No: 5703
C.P.NO.: 4226

Place : Mumbai
Date : May 24, 2019

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
Advanced Enzyme Technologies Limited
Sun Magnetica, 5th Floor,
Near LIC Service Road,
Louis Wadi, Thane- 400604.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advanced Enzyme Technologies Limited having CIN L24200MH1989PLC051018 and having registered office at Sun Magnetica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane-400604 (hereinafter referred to as 'the Company'), produced before me by 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN
1	Mr. Mukund Kabra	00148294
2	Mr. Kedar Desai	00322581
3	Mrs. Savita Rathi	00365717
4	Mr. Pramod Kasat	00819790
5	Mr. Vasant Rathi	01233447
6	Mr. Rajesh Kumar Sharma	08195715
7	Mr. Vinodkumar Jajoo	08224980
8	Mr. Vilas Aurangabadkar	08225986
9	Ms. Rasika Rathi	08300682
10	Mr. Ramesh Thakorlal Mehta	00367439

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SHIV HARI JALAN
COMPANY SECRETARY
FCS No: 5703
C.P.NO.: 4226

Place : Mumbai
Date : May 22, 2019

Annexure VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	L24200MH1989PLC051018
2.	Registration Date	March 15, 1989
3.	Name of the Company	Advanced Enzyme Technologies Limited
4.	Category/ Sub-category	Company limited by Shares/ Non-government Company
5.	Address of the Registered office	5th Floor, A-Wing, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400604, India
6.	Whether shares listed on recognized Stock Exchange(s)	Yes
7.	If yes, details of stock exchanges where shares are listed	BSE Limited (BSE): 540025 The National Stock Exchange of India Limited (NSE): ADVENZYMES
8.	Contact details	Telephone: +91-22-41703200 Fax: +91-22-25835159 Email ID: sanjay@advancedenzymes.com Website: www.advancedenzymes.com
9.	Name of the Registrar & Transfer Agent, if any. Address Contact details	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Telephone: +91-22-49186270 Fax:+91-22- 49186060 Website: www.linkintime.co.in E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business ctivities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Enzymes	21001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2019

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Advanced Bio-Agro Tech Limited	A-Wing, 5th Floor, Sun Magnetica, Louiswadi, Thane (W) - 400604, Maharashtra	U24100MH2004PLC149464	Subsidiary	60%	2(87)(ii)
2.	Advanced Enzytech Solutions Limited	A-Wing, 5th Floor, Sun Magnetica, Louiswadi, Thane (W) - 400604, Maharashtra	U24200MH2008PLC186383	Subsidiary	100%	2(87)(ii)
3.	JC Biotech Private Limited	8-2-269/S/3/A, Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad TG 500034	U65993TG1991PTC013624	Subsidiary	70%	2(87)(ii)
4.	Advanced Enzymes USA	13591, Yorba Avenue, Chino, California, 91710	NA*	Subsidiary	100%	2(87)(ii)
5.	Cal India Foods International, USA	13591, Yorba Avenue, Chino, California, 91710	NA*	Subsidiary of Advanced Enzymes USA	100%	2(87)(ii)
6.	Advanced Supplementary Technologies Corporation, USA	13591, Yorba Avenue, Chino, California, 91710	NA*	Subsidiary of Advanced Enzymes USA	100%	2(87)(ii)
7.	Dynamic Enzymes Inc.,	4880, Murrieta St., Ste., D, Chino, CA 91710	NA*	Subsidiary of Advanced Enzymes USA	100%	2(87)(ii)
8.	Enzyme Innovation Inc.	13591, Yorba Avenue, Chino, California, 91710	NA*	Step- down Subsidiary of Advanced Enzymes USA	100	2(87)(ii)
9.	Advanced Enzymes (Malaysia) Sdn. Bhd.	E-7-3, (7th Floor), Block-E, Megan Avenue 1, 189, Jalan Tun Razak, 50400, Kuala Lumpur	NA*	Subsidiary	100%	2(87)(ii)
10.	Advanced Enzymes Europe B. V.	Hullenbergweg, 278, 1101 BV, Amsterdam, Netherlands	NA*	Subsidiary	100%	2(87)(ii)
11.	evoxx technologies GmbH	Alfred-Nobel-Str. 10, 40789 Monheim am Rhein, Germany	NA*	Subsidiary of Advanced Enzymes Europe B. V.	100%	2(87)(ii)

*Incorporated outside India.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding -

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - April 01, 2018				Shareholding at the end of the year - March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	24,74,600	-	24,74,600	2.22	23,74,600	-	23,74,600	2.13	-0.09
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	3,73,14,330	-	3,73,14,330	33.43	1,63,71,876	-	1,63,71,876	14.66	-18.76
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	**3,97,88,930**	**-**	**3,97,88,930**	**35.64**	**1,87,46,476**	**-**	**1,87,46,476**	**16.79**	**-18.85**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	3,98,22,500	-	3,98,22,500	35.67	4,52,42,500	-	4,52,42,500	40.52	4.85
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	**3,98,22,500**	**-**	**3,98,22,500**	**35.67**	**4,52,42,500**	**-**	**4,52,42,500**	**40.52**	**4.85**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**7,96,11,430**	**-**	**7,96,11,430**	**71.32**	**6,39,88,976**	**-**	**6,39,88,976**	**57.3126**	**-14.01**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	34,25,077	-	34,25,077	3.07	88,89,636	-	88,89,636	7.96	4.89
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(e)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investor	41,69,940	-	41,69,940	3.74	12369567	-	1,23,69,567	11.08	7.34
(g)	Banks/Financial Institutions	4,35,378	-	4,35,378	0.39	332562	-	3,32,562	0.30	-0.09
(h)	Insurance Companies	-	-	-	-	-	-	-	-	-
	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**80,30,395**	**-**	**80,30,395**	**7.19**	**2,15,91,765**	**-**	**2,15,91,765**	**19.34**	**12.15**
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
[3]	**Non-Institutions**									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	11,84,172	-	11,84,172	1.06	12,92,207	-	12,92,207	1.16	0.12
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,17,65,157	12,64,165	1,30,29,322	11.67	1,20,80,852	9,23,265	1,30,04,117	11.65	-0.02
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	48,77,841	-	48,77,841	4.37	43,16,694	-	43,16,694	3.87	-0.50

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - April 01, 2018				Shareholding at the end of the year - March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	NBFCs registered with RBI	-	-	-	-	10,763	-	10,763	0.01	0.01
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	48,000	-	48,000	0.04	75,000	0	75,000	0.07	0.02
	Trusts	54,000	11,77,000	12,31,000	1.10	300	11,77,000	11,77,300	1.05	-0.05
	Hindu Undivided Family	4,82,868	-	4,82,868	0.43	5,26,285	-	5,26,285	0.47	0.04
	Foreign Companies	-	-	-	-	24,56,277	-	24,56,277	2.20	2.20
	Non Resident Indians (Non Repat)	22,51,305	-	22,51,305	2.02	22,39,364	-	22,39,364	2.01	-0.01
	Non Resident Indians (Repat)	4,57,921	-	4,57,921	0.41	5,51,332	-	5,51,332	0.49	0.08
	Foreign Portfolio Investor (Individual)	200	-	200	0.00	500	-	500	0	0.00
	Clearing Member	4,25,571	-	4,25,571	0.38	4,18,395	-	4,18,395	0.38	-0.00
	Sub Total (B)(3)	**2,15,47,035**	**24,41,165**	**2,39,88,200**	**21.49**	**2,39,67,969**	**21,00,265**	**2,60,68,234**	**23.35**	**1.86**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**2,95,77,430**	**24,41,165**	**3,20,18,595**	**28.68**	**4,55,59,734**	**21,00,265**	**4,76,59,999**	**42.69**	**14.01**
	Total (A)+(B)	**10,91,88,860**	**24,41,165**	**11,16,30,025**	**100**	**10,95,48,710**	**21,00,265**	**11,16,48,975**	**100**	**-**
(C)	**Non Promoter - Non Public**									
[1]	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**10,91,88,860**	**24,41,165**	**11,16,30,025**	**100**	**10,95,48,710**	**21,00,265**	**11,16,48,975**	**100**	

ii. Shareholding of Promoters

Sr. No	Shareholders' Names	Shareholding at the beginning of the year - April 01, 2018			Shareholding at the end of the year - March 31, 2019			% Change in Shareholding during the year
		No. of Shares held	% of total Shares of the Company	%of Shares Pledged / encumbered to Total Shares	No. of Shares held	% of total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1	Mr. Vasant L. Rathi	3,39,04,500	30.37	-	3,65,04,500	32.70	-	2.33
2	Chandrakant Rathi Innovations And Projects Private Limited	2,48,49,630	22.26	22.26	1,63,71,876	14.66	7.18	-7.60
3	Atharva Green Ecotech LLP	1,24,64,700	11.17	5.91	-	-	-	-11.17
4	Ms. Rachana Rathi	16,25,000	1.46	-	25,65,000	2.30	-	0.84
5	Ms. Rasika Rathi	16,25,000	1.46	-	25,65,000	2.30	-	0.84
6	Ms. Reshma Rathi	16,25,000	1.46	-	25,65,000	2.30	-	0.84
7	Mr. Kishor L. Rathi	14,66,000	1.31	-	14,66,000	1.31	-	-
8	Mrs. Prabhavati V. Rathi	10,43,000	0.93	-	10,43,000	0.93	-	-
9	Mrs. Mangala M. Kabra	4,35,600	0.39	-	4,35,600	0.39	-	-
10	Mrs. Savita C. Rathi	3,71,500	0.33	-	3,71,500	0.33	-	-
11	Mr. Piyush C. Rathi	1,23,500	0.11	-	23,500	0.02	-	-0.09
12	Mr. Chandrakumar L. Rathi	46,500	0.04	-	46,500	0.04	-	-
13	Ms. Radhika A. Pujara	31,500	0.03	-	31,500	0.03	-	-
	Total	**7,96,11,430**	**71.32**	**28.17**	**6,39,88,976**	**57.31**	**7.18**	**-14.01**

Note: 1. Paid up Share Capital of the Company at the end of the year is ₹ 22,32,97,950 divided into 11,16,48,975 Equity Shares of Face Value ₹ 2/- each.

2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Share Capital of the Company at the end of the year.

iii. Changes in Promoters' Shareholding (Promoter and Promoter Group)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2018		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transactions	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	Mr. Vasant Rathi	3,39,04,500	30.37	-	-	3,39,04,500	30.37
	Purchase	-	-	October 12, 2018	54,20,000	3,93,24,500	35.22
	Gift of Shares to Ms. Rasika Rathi, Ms. Rachana Rathi and Ms. Reshma Rathi	-	-	January 16, 2019	(28,20,000)	3,65,04,500	32.70
	At the End of the Year	-	-	-	-	3,65,04,500	32.70
2	Chandrakant Rathi Innovations And Projects Private Limited	2,48,49,630	22.26	-	-	2,48,49,630	22.26
	Sale	-	-	April 24, 2018	(23,30,535)	2,25,19,095	20.17
	Sale	-	-	May 28, 2018	(20,92,854)	2,04,26,241	18.30
	Sale	-	-	March 08, 2019	(15,98,088)	1,88,28,153	16.86
	Sale	-	-	March 11, 2019	(24,56,277)	1,63,71,876	14.66
	At the End of the Year	-	-	-	-	1,63,71,876	14.66
3	Ms. Rasika Rathi	16,25,000	1.46	-	-	16,25,000	1.46
	Gift of shares from Mr. Vasant Rathi	-	-	January 16, 2019	9,40,000	25,65,000	2.30
	At the End of the Year	-	-	-	-	25,65,000	2.30
4	Ms. Rachana Rathi	16,25,000	1.46	-	-	16,25,000	1.46
	Gift of shares from Mr. Vasant Rathi	-	-	January 16, 2019	9,40,000	25,65,000	2.30
	At the End of the Year	-	-	-	-	25,65,000	2.30
5	Ms. Reshma Rathi	16,25,000	1.46	-	-	16,25,000	1.46
	Gift of shares from Mr. Vasant Rathi	-	-	January 16, 2019	9,40,000	25,65,000	2.30
	At the End of the Year	-	-	-	-	25,65,000	2.30
6	Mr. Kishor L. Rathi	14,66,000	1.31	-	-	14,66,000	1.31
	At the End of the Year	-	-	-	-	14,66,000	1.31
7	Mrs. Prabhavati V. Rathi	10,43,000	0.93	-	-	10,43,000	0.93
	At the End of the Year	-	-	-	-	10,43,000	0.93
8	Mrs. Mangala M. Kabra	4,35,600	0.39	-	-	4,35,600	0.39
	At the End of the Year	-	-	-	-	4,35,600	0.39
9	Mrs. Savita C. Rathi	3,71,500	0.33	-	-	3,71,500	0.33
	At the End of the Year	-	-	-	-	3,71,500	0.33
10	Mr. Chandrakumar L. Rathi	46,500	0.04	-	-	46,500	0.04
	At the End of the Year	-	-	-	-	46,500	0.04
11	Ms. Radhika A. Pujara	31,500	0.03	-	-	31,500	0.03
	At the End of the Year	-	-	-	-	31,500	0.03
12	Mr. Piyush C. Rathi	1,23,500	0.11	-	-	1,23,500	0.11
	Sale	-	-	January 14, 2019	(1,00,000)	23,500	0.02
	At the End of the Year	-	-	-	-	23,500	0.02
13	Atharva Green Ecotech LLP	1,24,64,700	11.16	-	-	1,24,64,700	11.16
	Sale	-	-	October 12, 2018	(55,00,000)	69,64,700	6.24
	Sale	-	-	March 08, 2019	(69,64,700)	-	-
	At the End of the Year	-	-	-	-	-	-

Note: 1. Paid up Share Capital of the Company at the end of the year is ₹ 22,32,97,950 divided into 11,16,48,975 Equity Shares of Face Value ₹ 2/- each.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Share Capital of the Company at the end of the year.

iv. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year April 01, 2018		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transactions	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	Orbimed Asia III Mauritius Limited	-	-	-	-	-	-
	Purchase			March 15, 2019	1,10,53,245	1,10,53,245	9.90
	At the End of the Year	-	-	-	-	1,10,53,245	9.90
2	HDFC Small Cap Fund	-	-	-	-	-	-
	Purchase	-	-	April 27, 2018	22,00,000	22,00,000	1.97
		-	-	May 25, 2018	4,49,300	26,49,300	2.37
		-	-	June 01, 2018	16,13,000	42,62,300	3.82
		-	-	June 15, 2018	1,44,690	44,06,990	3.95
		-	-	June 22, 2018	22,500	44,29,490	3.97
		-	-	June 30, 2018	94,000	45,23,490	4.05
		-	-	July 06, 2018	23,000	45,46,490	4.07
		-	-	July 13, 2018	20,230	45,66,720	4.09
		-	-	July 20, 2018	16,000	45,82,720	4.10
		-	-	July 27, 2018	1,49,000	47,31,720	4.24
		-	-	August 03, 2018	46,868	47,78,588	4.28
		-	-	August 10, 2018	5,530	47,84,118	4.29
		-	-	September 07, 2018	1,50,000	49,34,118	4.42
		-	-	October 26, 2018	12,59,200	61,93,318	5.55
		-	-	November 16, 2018	9,260	62,02,578	5.56
		-	-	January 18, 2019	1,50,000	63,52,578	5.69
		-	-	February 01, 2019	19,900	63,72,478	5.71
		-	-	March 01, 2019	5,75,000	69,47,478	6.22
	At the End of the Year	-	-	-	-	69,47,478	6.22
3	Orbimed Asia III Mauritius FVCI Limited	-	-	-	-	-	-
	Purchase	-	-	March 15, 2019	24,56,277	24,56,277	2.20
	At the End of the Year	-	-	-	-	24,56,277	2.20
4	Mr. Pradip B. Shah	20,04,000	1.79	-	-	20,04,000	1.79
	At the End of the Year	-	-	-	-	20,04,000	1.79
5	Reliance Capital Trustee Co. Ltd-A/C Reliancesmall Cap Fund	15,14,757	1.36	-	-	15,14,757	1.36
	Purchase	-	-	June 01, 2018	2,00,000	17,14,757	1.54
		-	-	March 15, 2019	26,115	17,40,872	1.56
	At the End of the Year	-	-	-	-	17,40,872	1.56
6	Mr. Mukund M. Kabra	16,80,500	1.51	-	-	16,80,500	1.51
	Purchase (Allotment under ESOP Scheme 2015)	-	-	May 19, 2018	1,250	16,81,750	1.51
	At the End of the Year	-	-	-	-	16,81,750	1.51
7	Sri Sri Ravi Shankar Trust	11,77,000	1.05	-	-	11,77,000	1.05
	At the End of the Year	-	-	-	-	11,77,000	1.05

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year April 01, 2018		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transactions	No. of Shares	No. of Shares Held	% of Total Shares of the Company
8	Mr. Arvind Varchaswi	11,24,470	1.01	-	-	11,24,470	1.01
	Sale	-	-	June 22, 2018	(60,000)	10,64,470	0.95
		-	-	June 30, 2018	(64)	10,64,406	0.95
		-	-	July 13, 2018	(15,000)	10,49,406	0.94
		-	-	August 10, 2018	(50,000)	9,99,406	0.90
		-	-	August 17, 2018	(45,724)	9,53,682	0.85
	At the End of the Year	-	-	-	-	9,53,682	0.85
9	Gymkhana Partners L.P.	1,02,740	0.09	-	-	1,02,740	0.09
	Purchase	-	-	July 27, 2018	9,760	1,12,500	0.10
		-	-	September 29, 2018	10,800	1,23,300	0.11
		-	-	October 05, 2018	22,250	1,45,550	0.13
		-	-	October 12, 2018	21,579	1,67,129	0.15
		-	-	December 14, 2018	11,126	1,78,255	0.16
		-	-	January 25, 2019	24,045	2,02,300	0.18
		-	-	February 01, 2019	12,181	2,14,481	0.19
	At the End of the Year	-	-	-	-	2,14,481	0.19
10	Lacuna - Adamant Asia Pacific Health	98,000	0.09	-	-	98,000	0.09
	Purchase	-	-	April 06, 2018	72,000	1,70,000	0.15
		-	-	April 27, 2018	30,448	2,00,448	0.18
		-	-	May 18, 2018	5,187	2,05,635	0.18
	At the End of the Year	-	-	-	-	2,05,635	0.18

Note: 1. Paid up Share Capital of the Company at the end of the year is ₹ 22,32,97,950 divided into 11,16,48,975 Equity Shares of Face Value ₹ 2/- each.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name & Type of Transactions	Shareholding at the beginning of the year - April 01, 2018		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transactions	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Directors including KMP						
1	Mr. Vasant Rathi (Non-Executive Chairman)	3,39,04,500	30.37	-	-	3,39,04,500	30.37
	Purchase	-	-	October 12, 2018	54,20,000	3,93,24,500	35.22
	Gift of Shares to Ms. Rasika Rathi, Ms. Rachana Rathi and Ms. Reshma Rathi	-	-	January 16, 2019	(28,20,000)	3,65,04,500	32.70
	At the End of the Year	-	-	-	-	3,65,04,500	32.70
2	Mrs. Savita C. Rathi (Whole-Time Director)	3,71,500	0.33	-	-	3,71,500	0.33
	At the End of the Year	-	-	-	-	3,71,500	0.33
3	Mr. Mukund M. Kabra (Whole-Time Director)	16,80,500	1.51	-	-	16,80,500	1.51
	Purchase (Allotment under ESOP Scheme 2015)	-	-	May 19, 2018	1,250	16,81,750	1.51
	At the End of the Year	-	-	-	-	16,81,750	1.51

Sr. No.	Name & Type of Transactions	Shareholding at the beginning of the year - April 01, 2018		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transactions	No. of Shares	No. of Shares Held	% of Total Shares of the Company
4	Ms. Rasika Rathi [Additional Director (Non-Executive)]*	16,25,000	1.46	-	-	16,25,000	1.46
	Gift of shares from Mr. Vasant Rathi	-	-	January 16, 2019	9,40,000	25,65,000	2.30
	At the End of the Year	-	-	-	-	25,65,000	2.30
5	Mr. Kedar J. Desai (Independent Director)	2,000	0.00	-	-	2,000	0.00
	At the End of the Year	-	-	-	-	2,000	0.00
6	Mr. Ramesh T. Mehta (Independent Director)**	40,000	0.04	-	-	40,000	0.04
	At the End of the Year	-	-	-	-	40,000	0.04
7	Mr. Pramod B. Kasat (Independent Director)	-	-	-	-	-	-
	At the End of the Year	-	-	-	-	-	-
8	Mr. Rajesh Sharma (Independent Director)	-	-	-	-	-	-
	At the End of the Year	-	-	-	-	-	-
9	Mr. Vilas M. Aurangabadkar [Additional Director (Independent)]***	-	-	-	-	-	-
	At the End of the Year	-	-	-	-	-	-
10	Mr. Vinodkumar H. Jajoo [Additional Director (Independent)]*****	-	-	-	-	-	-
	At the End of the Year	-	-	-	-	-	-

**Appointed as an Additional Director (Non-Executive) w.e.f January 08, 2019*
***Ceased to be a Director w.e.f close of Business hours on March 31, 2019*
****Appointed as an Additional Director (Independent) w.e.f January 08, 2019*
*****Appointed as an Additional Director (Independent) w.e.f February 09, 2019*

Key Managerial Personnel

1	Mr. Beni P. Rauka (Chief Financial Officer)	1,58,000	0.14	-	-	1,58,000	0.14
	Purchase (Allotment under ESOP Scheme 2015)	-	-	May 19, 2018	1,250	1,59,250	0.14
	At the End of the Year	-	-	-	-	1,59,250	0.14
2	Mr. Sanjay Basantani (Company Secretary & Head - Legal)	-	-	-	-	-	-
	At the End of the Year	-	-	-	-	-	-

Note: 1. Paid up Share Capital of the Company at the end of the year is ₹ 22,32,97,950 divided into 11,16,48,975 Equity Shares of Face Value ₹. 2/- each.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.
4. Shareholding of all those Directors and Key Managerial Personnel who held the office as on March 31, 2019 is shown herein above

V. INDEBTEDNESS

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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	411.42	34.69	-	446.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.26	-	-	1.26
Total (i+ii+iii)	**412.68**	**34.69**	**-**	**447.38**
Change in Indebtedness during the financial year				
• Addition	-	-	-	
• Reduction	243.19	10.58	-	253.77
Net Change	**243.19**	**10.58**	**-**	**253.77**
Indebtedness at the end of the financial year				
i) Principal Amount	169.49	24.11	-	193.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**169.49**	**24.11**	**-**	**193.60**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole-time Directors			Total
		Mr. Chandrakumar L Rathi	Mrs. Savita Rathi	Mr. Mukund M Kabra	
1.	**Gross salary**				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	31.84	10.05	14.20	56.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	0.20	0.20
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	**Stock Option***	**-**	**-**	**-**	**-**
3.	**Sweat Equity**	**-**	**-**	**-**	**-**
4.	**Commission (refer Notes (ii) below)**	**-**	**-**	**1.75**	**1.75**
	- as % of profit	-	-	0.50%	-
	- others specify	-	-	-	-
5.	**Others**	**-**	**-**	**-**	**-**
Total of the above		**31.84**	**10.05**	**16.15**	**58.04**
Total (excluding the compensation paid under Section 202 of the Companies Act, 2013 as per Note (iii) below) **[A]**		₹ **36.20 Million** (which is within the ceiling as per the Act, mentioned below)			
Ceiling as per the Act		₹ **51.07 Million** (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

Notes:

(i) The above remuneration is excluding retirement benefits contribution but including gratuity paid during the year under review.
(ii) Commission related to the FY19, which is payable during FY20.
(iii) Mr. Chandrakumar L. Rathi ceased to be a Director on the Board w.e.f. September 14, 2018. Based on the recommendations of the Nomination & Remuneration Committee, approval of the Audit Committee & the Board of Directors of the Company, during the year under review, an amount of ₹ 2,18,38,200 (Rupees Two Crores Eighteen Lakhs Thirty Eight Thousand Two Hundred) was paid as full & final compensation for loss of his office as Managing Director of the Company pursuant to the provisions of Section 202 of Companies Act, 2013.

*During the year under review, Mr. Mukund Kabra exercised and was allotted 1,250 Equity Shares of ₹ 2/- each under the Employees Stock Option Scheme 2015 of the Company.

B. Remuneration to Other Directors:

(₹ in Million)

Particulars of Remuneration	Independent Directors							Non-Executive Non-Independent Directors		Total Amount
	Mr. Kedar Desai	Mr. Ramesh Mehta	Mr. Pramod Kasat	Mr. Rajesh Sharma	Mr. Vilas Aurangabadkar	Mr. Vinodkumar Jajoo	#Mrs. Rupa Vora	Mr. V. L. Rathi	Ms. Rasika Rathi	
Fee for attending Board/ Committee meetings	0.62	0.57	0.44	0.21	0.08	0.05	0.02	-	-	1.99
Commission	0.70	0.61	0.70	0.44	0.18	0.09	N.A.	0.70	0.09	3.51
Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (B)	**1.32**	**1.18**	**1.14**	**0.65**	**0.26**	**0.14**	**0.02**	**0.70**	**0.09**	**5.50**
Total Managerial Remuneration(A+B)	**₹ 41.70 Million**									
Overall Ceiling as per the Act	**₹ 56.19 Million (Being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)**									

#resigned w.e.f. May 18, 2018

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole time Director

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Beni Rauka (Chief Financial Officer)	Mr. Piyush Rathi (Chief Business Officer)*	Mr. Sanjay Basantani (Company Secretary & Head-Legal) ##	Total
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	7.55	9.50	2.50	19.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03	-	-	0.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	# Refer note below	-	-	-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Beni Rauka (Chief Financial Officer)	Mr. Piyush Rathi (Chief Business Officer)*	Mr. Sanjay Basantani (Company Secretary & Head-Legal) ##	Total
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**7.58**	**9.50**	**2.50**	**19.50**

Notes:

The above remuneration is excluding retirement benefits contribution but including gratuity paid during the year under review.

* resigned w.e.f. close of business hours on December 31, 2018
# During the year under review, Mr. Beni P Rauka exercised and was allotted 1250 Equity Shares of ₹ 2/- each under the Employees Stock Option Scheme 2015 of the Company.
The above remuneration of Mr. Sanjay Basantani is excluding annual variable incentive for the financial year 2018-19, which is payable in financial year 2019-20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure VII

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2019.

A) CONSERVATION OF ENERGY-

(i) Steps taken for conservation of energy:

- Installed LED based Lighting fixtures in entire Plant

(ii) Impact of measures taken:

- Reduction in electricity consumption.

(iii) The steps taken by the company for utilising alternate sources of energy:

- Utilization of Coal Fire Boiler
- Excess available steam utilization for water chilling purpose

(iv) The capital investment on energy conservation equipment:

- LED based Lighting fixtures: ₹ 7.86 lakhs.

B) TECHNOLOGY ABSORPTION

I. Efforts in brief made towards technology absorption:

1. Continuous efforts on development of probiotics technology led to development of new probiotics. Technology for the use of these probiotics in different food matrices has been developed.

2. New enzyme based formulations for feed and food applications have been developed and introduced in the market.

3. Improvements in the bacterial enzyme production system led to a better and efficient enzyme production system.

4. Improvements in Upstream and downstream process of some important enzyme production technologies have been made and absorbed for the large scale production.

II. Benefits derived as a result of the above efforts:

1. New probiotics for human, food and feed applications are introduced in the market.

2. Improved enzyme production system led to faster enzyme technology development process.

3. Higher yields in case of some enzymes have been observed at production scale.

III. Imported technology:

Technology imported: NIL

a) the details of technology imported: NA
b) Year of Import: NA
c) Has the technology been Fully absorbed: NA
d) If not fully absorbed areas where absorption has not taken place, and the reasons thereof: NA

IV) Expenditure incurred on Research and Development:

(₹ in Million)

Sr. No.	Particulars	2018-19	2017-18
(a)	Capital	6.03	8.26
(b)	Recurring	189.93	112.35
(c)	Total	195.96	120.61
(d)	Total R&D expenditure as a % of net sales of the Company	8.82%	5.68%

* Net Sales of ₹ 2,220.93 Million (previous year ₹ 2,122.03 Million)

On consolidated basis Research and Development expenditure for FY 2018-19 is ₹ 112.94 Million (2.69% of Net sales) and for FY 2017-18 was ₹ 106.06 Million (2.68% of Net sales).

C) Foreign Exchange Earnings and Outgo

(₹ in Million)

Sr. No.	Particulars	2018-19	2017-18
(a)	Foreign Exchange Earnings	668.95	557.79
(b)	Foreign Exchange Outgo	285.78	242.46

For and On behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Vasant L Rathi
Chairman
DIN: 01233447

Place : Thane
Date : May 24, 2019

Annexure VIII

DISCLOSURE IN BOARD'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr. No.	Requirements	Disclosure		
		Name of the Directors	Remuneration (₹ in Million)	Ratio to median remuneration
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year	Mr. Vasant L. Rathi	0.70	1.46
		Mr. Chandrakumar L. Rathi*	8.53	17.72
		Mrs. Savita C. Rathi	7.01	14.58
		Mr. Mukund M. Kabra	17.02	35.38
		Ms. Rasika Rathi	0.09	0.18
		Mr. Kedar Desai	0.70	1.46
		Mr. Ramesh T. Mehta (upto March 31, 2019)	0.61	1.28
		Mr. Pramod Kasat	0.70	1.46
		Mr. Rajesh Sharma	0.44	0.91
		Mr. Vilas M. Aurangabadkar	0.18	0.36
		Mr. Vinodkumar H. Jajoo	0.09	0.18

Note:

i. The median remuneration of employees of the Company was ₹ 481154.50

ii. The Commission is for financial year 2018-19 (FY19) payable to Directors is also included in the total Remuneration

iii. For this purpose, the Sitting Fees paid to the Independent Directors have not been considered as remuneration

iv. Figures have been rounded off wherever necessary.

*v. *Mr. Chandrakumar L. Rathi ceased to be a Director on the Board w.e.f. September 14, 2018. Based on the recommendations of the Nomination & Remuneration Committee, approval of the Audit Committee & the Board of Directors of the Company, during the year 2018-19, an amount of ₹ 2,18,38,200 (Rupees Two Crores Eighteen Lakhs Thirty Eight Thousand Two Hundred) was also paid as full & final compensation for loss of his office as Managing Director of the Company pursuant to the provisions of Section 202 of Companies Act, 2013.*

2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year (Name with % change in the financial year 2018-19)	Mr. Vasant L. Rathi	Chairman	(1.82%)
		Mr. Chandrakumar L. Rathi	Managing Director (ceased to be the Director of the Company w.e.f. September 14, 2018)	8.00%
		Mrs. Savita C. Rathi	Whole-time Director	8.00%
		Mr. Mukund M. Kabra	Whole-time Director	8.00%
		Mr. Kedar Desai	Independent Director	(1.82%)
		Mr. Ramesh T. Mehta	Independent Director (upto March 31, 2019)	(14.10%)
		Mr. Pramod Kasat	Independent Director	(1.82%)
		Mr. Rajesh Sharma	Independent Director	Not Applicable

		Mr. Vilas M. Aurangabadkar	Additional Director (Independent)	Not Applicable
		Ms. Rasika Rathi	Additional Director (Non-Executive)	Not Applicable
		Mr. Vinodkumar H. Jajoo	Additional Director (Independent)	Not Applicable
		Mr. Beni P Rauka	Chief Financial Officer	8.00%
		Mr. Sanjay Basantani	Company Secretary	15.12%

Note:

(i) The percentage change in remuneration of Mr. Vasant Rathi shown in the above table is from the standalone perspective (i.e. commission payable). Besides, as per resolution passed by the shareholders of the Company in its meeting held on September 15, 2016, recommendation of the Nomination & Remuneration Committee and approval of the Board, since Mr. Vasant Rathi heads the US Operations, he was paid remuneration and performance bonus aggregating to ₹ 31.61 Million for FY19 by the Company's subsidiary in US for the services rendered.

(ii) The % increase in remuneration of Mr. Chandrakumar Rathi, erstwhile Managing Director and Mr. Mukund Kabra, Whole-time Director are determined after excluding Commission.

(iii) Mr. Rajesh Sharma, Ms. Rasika Rathi, Mr. Vilas M. Aurangabadkar and Mr. Vinodkumar H. Jajoo were appointed during the FY19 and hence there is no base available for calculating percentage change.

3	The percentage increase in the median remuneration of employees in the financial year:	During Financial Year 2018-2019, the percentage increase in the median remuneration of employees as compared to previous year was approximately 3.41%
4	The number of permanent employees on the rolls of company (As on March 31, 2019)	313
5	Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.	Average increase in remuneration is 10.66 % for employees other than Managerial Personnel and 8% for Managerial Personnel.
Note: The average percentage increase in the managerial remuneration was based on the financial performance of the Company as summarised in the Board's Report and the Nomination and Remuneration Policy of the Company.		
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

INDEPENDENT AUDITORS' REPORT

To the Members of Advanced Enzyme Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Advanced Enzyme Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at 31 March 2019, and standalone profit and other comprehensive income, standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Description of Key Audit Matter

Revenue Recognition

The key audit matter	How the matter was addressed in our audit
▪ Revenue is recognised when the control of the products being sold has transferred to the customer. Therefore, there is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure management may feel to achieve performance targets at the reporting period end. ▪ Refer note 4 (a) to the standalone financial statements for details on accounting policy on revenue recognition.	In view of the significance of the matter we applied following procedures: • Assessed appropriateness of the Company's revenue recognition accounting policies, including those relating to anticipated sales returns by comparing with applicable accounting standards. • Assessed and tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/ manual application controls over the Company's systems which govern recording of revenue, creation of new customers, revenue cut-off and sales return accruals in the general ledger accounting system. • Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, including one off sales to customers, by verifying the underlying documents, which included sales invoices/contracts and shipping documents. • We assessed manual journals posted to revenue to identify unusual items and considered adequacy of disclosures in respect of revenue.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our Auditors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements 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 and Board of Directors are 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.

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

Auditor's Responsibilities 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 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 with reference to financial statements 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 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.

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

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

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 auditors' 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

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 50 to the standalone financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these

financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 24 May 2019

Annexure A to the Independent Auditors' Report - 31 March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which the fixed assets are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, the Company has physically verified certain fixed assets during the year. The discrepancies noticed on such verification were not material and have been appropriately dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 5 to the standalone financial statements are held in the name of the Company except in respect of the lease for the Company's land at Jalna, Maharashtra with Maharashtra Industrial Development Corporation (gross block: ₹ 12.57 million and net block ₹ 12.57 million included under Non-current assets held for sale under note 17 to the standalone financial statements).

(ii) The inventory, except for goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adequately dealt with in books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a) and (b) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Profession tax, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

Also refer Note 50

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Profession tax, Income-tax, Sales-tax, Goods and Services tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value added tax as at 31 March 2019 which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.40	-	AY 2004-05	Bombay High Court
Income Tax Act, 1961	Income Tax	58.96	45.78	AY 2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	11.84	8.57	AY 2011-12	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	53.74	14.41	AY 2012-13	Commissioner Appeals
Income Tax Act, 1961	Income Tax	0.18	-	AY 2013-14	Commissioner Appeals
Income Tax Act, 1961	Income Tax	29.23	5.85	AY 2011-12	Commissioner Appeals
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Service Tax, Interest and Penalty	12.51	10.38	July 2010 to January 2015	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	2.84	-	April 2012 to January 2015	Additional Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	4.19	-	July 2010 to January 2015	Additional Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	2.79	2.79	July 2011 to January 2015	Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	0.53	0.53	March 15 to October 15	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Service Tax, Interest and Penalty	1.37	1.06	March 2015 to December 2015	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	0.60	-	March 2015 to December 2015	Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	2.11	-	January 2016 to June 2017	Commissioner of GST, Central Excise, Customs and Service Tax

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and government. The Company does not have any loans or borrowings from financial institutions or dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 24 May 2019

Annexure B to the Independent Auditors' Report on the standalone financial statements of Advanced Enzyme Technologies Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Advanced Enzyme Technologies Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 24 May 2019

Standalone Balance Sheet

as at 31 March 2019
(₹ in Millions)

	Note	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5	**950.20**	976.06
(b) Capital work-in-progress	5A	**12.61**	24.26
(c) Other Intangible assets	6	**23.31**	2.66
(d) Intangible assets under development	6A	**57.40**	78.83
(e) Financial assets			
(i) Investments			
- Investment in subsidiaries	7	**1,204.02**	1,199.73
- Other Investment	7	**0.62**	0.62
(ii) Loans	8	**355.36**	293.46
(iii) Other financial assets	9	**0.04**	0.04
(f) Income tax asset (net)		**71.16**	51.21
(g) Other non-current assets	10	**14.22**	13.16
Total non-current assets		**2,688.94**	2,640.03
(2) Current assets			
(a) Inventories	11	**586.16**	548.63
(b) Financial assets			
(i) Trade receivables	12	**381.46**	385.78
(ii) Cash and cash equivalents	13	**1.86**	1.90
(iii) Bank balances other than (ii) above	13A	**3.50**	2.91
(iv) Loans	14	**0.24**	20.58
(v) Other financial assets	15	**10.35**	30.92
(c) Other current assets	16	**38.22**	51.06
Total current assets		**1,021.79**	1,041.78
(3) Non-current assets held for sale	**17**	**48.17**	48.17
Total assets		**3,758.90**	3,729.98
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	**223.30**	223.26
(b) Other equity	19	**2,971.42**	2,665.72
Total equity		**3,194.72**	2,888.98
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	**16.96**	79.45
(b) Provisions	21	**5.14**	5.55
(c) Deferred tax liabilities (net)	22	**38.53**	15.25
Total non-current liabilities		**60.63**	100.25
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**165.11**	323.27
(ii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		**0.69**	1.47
b) total outstanding dues other than micro enterprises and small enterprises		**155.15**	210.55
(iii) Other financial liabilities	25	**86.96**	123.79
(b) Other current liabilities	26	**24.92**	15.19
(c) Provisions	21	**16.60**	17.99
(d) Current tax liabilities (net)		**0.36**	7.89
Total current liabilities		**449.79**	700.15
(4) Liabilities for non-current assets held for sale		**53.76**	40.60
Total equity and liabilities		**3,758.90**	3,729.98

Significant accounting policies **2 - 4**
Notes form an integral part of these standalone financial statements **5 - 52**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Standalone Statement of Profit and Loss

for the year ended 31 March 2019
(₹ in Millions)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	27	**2,220.93**	2,153.05
Other income	28	**56.10**	50.52
Total income		**2,277.03**	2,203.57
Expenses			
Cost of materials consumed	29	**804.33**	847.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	**54.02**	8.12
Excise duty		**-**	32.45
Employee benefits expense	31	**350.71**	324.81
Finance costs	32	**22.27**	30.60
Depreciation and amortisation expense	33	**85.63**	78.14
Other expenses	34	**488.03**	444.03
Total expenses		**1,804.99**	1,765.16
Profit before tax		**472.04**	438.41
Tax expense			
Current tax		**119.64**	93.78
Deferred tax charge/(credit)		**0.06**	(14.27)
Total tax expense		**119.70**	79.51
Profit for the year		**352.34**	358.90
Other comprehensive income/(loss)			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/(asset)		**(0.69)**	2.37
(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.20**	(0.82)
B (i) Items that will be reclassified to profit or loss		**-**	-
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
		(0.49)	1.55
Total comprehensive income for the year		**351.85**	360.45
Earnings per equity share (face value ₹ 2 each fully paid up)	**39**		
Basic		**3.16**	3.22
Diluted		**3.15**	3.21

Significant accounting policies **2 - 4**
Notes form an integral part of these standalone financial statements **5 - 52**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
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DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2019
(₹ in Millions)

(a) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year (Refer Note 18)	**111,630,025**	**223.26**	22,326,005	223.26
Changes in equity share capital during the year	**18,950**	**0.04**	89,304,020	-
Balance at the end of the year	**111,648,975**	**223.30**	111,630,025	223.26

(b) Other equity

Particulars	Reserves & Surplus					Total Equity
	Securities Premium	Capital Reserve	General reserve	Employee stock option account	Retained earnings	
Balance at 1 April 2017	**754.71**	**3.00**	**32.53**	**3.05**	**1,535.72**	**2,329.01**
Profit for the year	-	-	-	-	358.90	358.90
Other comprehensive income for the year	-	-	-	-	1.55	1.55
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**360.45**	**360.45**
Add : Options granted during the year	-	-	-	23.28	-	23.28
Less: Dividend	-	-	-	-	(44.65)	(44.65)
Less: Dividend Distribution Tax	-	-	-	-	(2.37)	(2.37)
Balance at 31 March 2018	**754.71**	**3.00**	**32.53**	**26.33**	**1,849.15**	**2,665.72**
Profit for the year	-	-	-	-	352.34	352.34
Other comprehensive income for the year	-	-	-	-	(0.49)	(0.49)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**351.85**	**351.85**
Options granted during the year	6.29	-	-	17.33	-	23.62
Options lapsed during the year	-	-	-	(3.20)	-	(3.20)
Excercise of share options	-	-	-	(5.19)	-	(5.19)
Dividend	-	-	-	-	(55.82)	(55.82)
Dividend Distribution Tax	-	-	-	-	(5.56)	(5.56)
Balance at 31 March 2019	**761.00**	**3.00**	**32.53**	**35.27**	**2,139.62**	**2,971.42**

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Standalone Cash flow statement

for the year ended 31 March 2019
(₹ in Millions)

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flows from operating activities**		
	Profit before tax	**472.04**	438.41
	Adjustments for non-cash transactions		
	Depreciation and amortization expense	**85.63**	78.14
	Property, plant and equipment written off	**0.30**	1.71
	(Profit) / Loss on sale of property, plant and equipment	**0.62**	(0.12)
	Bad debts written off	**0.13**	9.52
	Provision for doubtful trade receivables provided / (written back)	**0.32**	(5.74)
	Employee stock compensation expense	**13.23**	22.06
	Guarantee commission	**(1.60)**	(1.60)
	Excess provision written back	**(5.97)**	-
	Sundry balances written off/ (back) (net)	**0.24**	0.13
	Unrealized foreign exchange loss/(gain)	**(0.02)**	0.06
		564.92	542.57
	Items considered separately		
	Interest income	**(28.87)**	(15.49)
	Interest expenses	**22.01**	28.50
	Dividend income	**(18.90)**	(28.80)
		539.16	526.78
	Operating profit before working capital changes		
	(Increase) / Decrease in Non-current loans	**(33.77)**	(265.22)
	(Increase) / Decrease in other non-current assets	**0.50**	(0.65)
	(Increase) in inventories	**(37.53)**	(38.04)
	(Increase) / Decrease in trade receivables	**2.67**	(78.49)
	(Increase) / Decrease in Current loans	**20.34**	0.07
	(Increase) / Decrease in financial current assets - Others	**20.58**	(28.55)
	(Increase) / Decrease in Other current assets	**12.84**	54.09
	Increase / (Decrease) in provisions	**(2.48)**	2.79
	Increase / (Decrease) in trade payables	**(50.54)**	126.87
	Increase / (Decrease) in current financial liabilities - others	**(4.05)**	6.38
	Increase / (Decrease) in other current liabilities	**9.73**	6.20
	Cash generated from operating activities	**477.45**	312.23
	Income taxes paid	**(123.71)**	(86.38)
	Net cash generated from operating activities	**353.74**	225.85
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (tangible and intangible both)	**(31.71)**	(73.48)
	Proceeds from sale of property, plant and equipment	**0.70**	0.75
	Capital expenditure on intangible assets under development	**-**	(13.34)
	Purchase of intangible assets	**(5.76)**	(1.97)
	Purchase of non-current investments	**(1.78)**	(163.44)
	Interest received	**0.72**	0.90
	Dividend received	**18.90**	28.80
	(Increase) / Decrease in bank deposits with maturity more than 3 months but less than 12 months	**(0.13)**	(0.12)
	(Increase) / Decrease in bank deposits with maturity of more than 12 months#	**(0.00)**	1.35
	Net cash (used in) investing activities	**(19.06)**	(220.55)
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital	**1.14**	-
	(Repayment of)/ proceeds from long-term borrowings (net)	**(94.34)**	(41.27)
	(Repayment of)/ proceeds from short-term borrowings (net)	**(156.86)**	110.71
	Interest paid	**(23.28)**	(28.55)
	Dividends paid (including dividend tax)	**(61.38)**	(47.02)

Standalone Cash flow statement (Continued)

for the year ended 31 March 2019
(₹ in Millions)

(₹ in million)

		Year ended 31 March 2019	Year ended 31 March 2018
	Net cash generated from financing activities	**(334.72)**	(6.13)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(0.04)**	(0.83)
	Cash and cash equivalents as at the beginning of the year	**1.90**	2.73
	Cash and cash equivalents as at the end of the year*	**1.86**	1.90
	*** Composition of cash and cash equivalents**		
	Cash in hand	**0.26**	0.46
	Balance with banks :		
	Current account	**1.59**	1.19
	Fixed deposit account (with maturity less than 3 months)	**0.01**	0.25
	Deposits with maturity more than 3 months but less than 12 months	**2.49**	2.36
		4.35	4.26
	Less: Deposits with maturity more than 3 months but less than 12 months	**2.49**	2.36
		1.86	1.90

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities

Particulars	Notes	31 March 2018	Cashflows	Non cash changes				31 March 2019
				Acquisitions	Foreign exchange movement	Fair value change	Other adjustments	
Non-current borrowings	20 & 25	124.10	(95.61)	-	-	-	-	**28.49**
Cash credit, packing credit and working capital demand loans	23	323.27	(156.86)	-	(1.30)	-	-	**165.11**
Total liabilities from financing		**447.37**	**(252.47)**	**-**	**(1.30)**	**-**	**-**	**193.60**

Notes

1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

1 Overview of the Company

Advanced Enzyme Technologies Limited ('the Company') was incorporated on 15 March 1989 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing and sales of enzymes. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016.

2 Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. The standalone financial statements were authorised for issue by the Company's Board of Directors on 24 May 2019.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

Functional and presentation currency:

These Standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

Historical cost convention:

The Standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying standalone financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 are as follows:

a. Property, plant and equipment
Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets
Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

d. Recognition and measurement of other provisions
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow

of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

f. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

g. Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers.

h. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value meaasurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3A Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116- Leases:

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements and no significant impact is expected.

"The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities."

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Company's finance leases.

"The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information."

"The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17."

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

"The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12."

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

4 Significant accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

a. Revenue recognition

i. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

ii. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales are inclusive of excise duty and net of sales tax, goods and service tax (GST) and discounts.

iii. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.

iv. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

v. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

b. Property, plant and equipment and depreciation

Recognition and measurement

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.

ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

iii. An asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Statement of Profit and Loss.

iv. Capital work-in-progress includes assets not ready for their intended use and related incidental expenses and attributable interest.

v. The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Subsequent expenditure

vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

vii. Depreciation on tangible fixed assets other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

The estimated useful life of assets are as follows:

Particulars	Estimated useful life
Building	30 - 60 years
Plant and equipment	10 - 25 years
Furniture and fixture	10 years
Vehicles	8 years
Office equipments	5 years
Computer and data processing equipment	3 - 6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

viii. Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.

ix. The Company has reviewed its policy for providing depreciation on its tangible assets and has also reassessed their useful lives as per Part C of Schedule II of the Act. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II of the Act, for all classes of tangible assets.

c. Intangible assets

i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.

ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of intangible asset.

iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iv. An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

v. Any expected loss is recognized immediately in the Statement of Profit and Loss.

vi. Intangible assets that are ready for use are amortized on a straight line basis as follows:

Particulars	Estimated useful life
Computer software	4 years
Product dossiers	10 years

d. Non-current assets held for sale

Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss. Once classified as held-for-sale they are no longer depreciated.

e. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

f. Foreign currency transactions

i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of Profit and Loss in the period in which they arise.

g. Stock based Compensation:

Employees Stock Option Plans (“ESOPs”):

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head ““Employee Stock Option account””. On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being

met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

h. Inventories

i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.

ii. Cost of raw materials, consumables and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location. Cost of finished goods and stock in process is determined on weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

i. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of Profit and Loss, when the contribution to the Fund is due.

ii. Defined benefit plans

The Company provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Company policy.

j. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Minimum Alternate Tax
Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as deferred tax in the the Statement of Profit and Loss. The Company recognizes MAT credit available as an asset only when it is probable that the future economic benefit associated with it will flow to the Company i.e. the Company will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, by way of credit to the Statement of Profit and Loss and shown as "Deferred tax" MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid evidence no longer exists.

k. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

l. Research and development costs

Research and development costs incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of assets and depreciated on the same basis as other assets.

m. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of

the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. 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.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

n. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease
A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease
Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

o. Cash and cash equivalents

Cash comprises of cash at bank and in hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Operating cycle

Operating cycle is the time between the acquisition of assets for processing an their realization in cash or cash equivalents. Based on the nature of products/ activities of the Company, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q. Share issue expenses

Share issue expenses are adjusted against the Securities premium as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the Securities premium. Share issue expenses in excess of the balance in the Securities premium is expensed in the Statement of Profit and Loss.

r. Financial Instruments

a. Financial assets

i. Recognition and initial measurement
Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification
On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

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

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Subsequent measurement and gains and losses

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

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

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transactionin which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. Impairment of financial assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities,deposits, and bank balance.

ii. Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather,it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

vi. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. 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.

v. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the Statement of profit and loss.

s. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5 Property, Plant and Equipment

Gross block	Land	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Computer and data processing equipments	Total
Balance as at 1 April 2017	0.90	5.22	189.56	824.77	15.71	16.18	5.98	2.37	3.89	1,064.58
Additions	-	-	17.40	48.03	1.04	2.47	1.09	-	3.44	73.47
Disposals	-	-	-	-	-	1.12	0.07	-	-	1.19
Reversal on account of assets written off	-	-	-	1.92	0.01	-	0.10	-	0.07	2.10
Balance as at 31 March 2018	**0.90**	**5.22**	**206.96**	**870.88**	**16.74**	**17.53**	**6.90**	**2.37**	**7.26**	**1,134.76**
Additions	**-**	**-**	**6.24**	**39.67**	**0.59**	**0.82**	**0.91**	**-**	**6.60**	**54.83**
Disposals	**-**	**-**	**-**	**1.39**	**-**	**0.36**	**-**	**-**	**0.65**	**2.40**
Reversal on account of assets written off	**-**	**-**	**-**	**0.03**	**0.24**	**-**	**0.21**	**-**	**0.08**	**0.56**
Balance as at 31 March 2019	**0.90**	**5.22**	**213.20**	**909.13**	**17.09**	**17.99**	**7.60**	**2.37**	**13.13**	**1,186.63**
Accumulated depreciation and amortization										
Balance as at 1 April 2017	-	0.07	15.44	52.76	3.65	4.83	1.93	1.83	1.72	82.23
Depreciation and amortization	-	0.07	16.89	49.71	3.07	4.16	1.65	-	1.87	77.42
Reversal on disposal of assets	-	-	-	-	-	0.53	0.03	-	-	0.56
Reversal on account of assets written off#	-	-	-	0.31	0.00	-	0.07	-	0.01	0.39
Balance as at 31 March 2018	**-**	**0.14**	**32.33**	**102.16**	**6.72**	**8.46**	**3.48**	**1.83**	**3.58**	**158.70**
Depreciation and amortization	**-**	**0.07**	**16.18**	**51.62**	**2.68**	**2.86**	**1.47**	**0.02**	**4.18**	**79.08**
Reversal on disposal of assets	**-**	**-**	**-**	**0.36**	**-**	**0.25**	**-**	**-**	**0.48**	**1.09**
Reversal on account of assets written off	**-**	**-**	**-**	**0.01**	**0.12**	**-**	**0.07**	**-**	**0.06**	**0.26**
Balance as at 31 March 2019	**-**	**0.21**	**48.51**	**153.41**	**9.28**	**11.07**	**4.88**	**1.85**	**7.22**	**236.43**
Net block										
Balance as at 31 March 2018	0.90	5.08	174.63	768.72	10.02	9.07	3.42	0.54	3.68	976.06
Balance as at 31 March 2019	**0.90**	**5.01**	**164.69**	**755.72**	**7.81**	**6.92**	**2.72**	**0.52**	**5.91**	**950.20**

Note 1:

The Company has decided to sell the lease rights for one of its leasehold land situated at Jalna, Maharashtra. Accordingly, the cost of land and building appurtenant thereto along with the development costs has been classified as non-current assets held for sale under Note 17.

Note 2:

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on 1 April 2016.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00.

5A Capital work-in-progress (CWIP)

	Amount
CWIP as at 1 April 2017	**14.98**
Additions during the year	71.71
Capitalised during the year	62.43
CWIP as at 31 March 2018	**24.26**
Additions during the year	**42.92**
Capitalised during the year	**54.57**
CWIP as at 31 March 2019	**12.61**

6 Intangible assets

Gross block	Computer Software	Product Dossiers	Total
Balance as at 1 April 2017	**2.01**	**-**	**2.01**
Additions	1.97	-	1.97
Disposals	-	-	-
Balance as at 31 March 2018	**3.98**	**-**	**3.98**
Additions	**23.37**	**3.83**	**27.20**
Disposals	**-**	**-**	**-**
Balance as at 31 March 2019	**27.35**	**3.83**	**31.18**
Accumulated amortisation			
Balance as at 1 April 2017	**0.60**	**-**	**0.60**
Amortisation	0.72	-	0.72
Balance as at 31 March 2018	**1.32**	**-**	**1.32**
Amortisation	**6.44**	**0.11**	**6.55**
Balance as at 31 March 2019	**7.76**	**0.11**	**7.87**
Net block			
Balance as at 31 March 2018	2.66	-	2.66
Balance as at 31 March 2019	**19.59**	**3.72**	**23.31**

Note:
The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on 1 April 2016.

6A Intangible assets under development

	Amount
Balance as at 1 April 2017	**65.49**
Additions during the year	15.31
Capitalised during the year	1.97
Balance as at 31 March 2018	**78.83**
Additions during the year	**5.76**
Capitalised during the year	**27.19**
Balance as at 31 March 2019	**57.40**

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7 Non-current investments

	As at 31 March 2019	As at 31 March 2018
Investment in Equity Instruments (Unquoted)		
Investment in subsidiaries (Valued at cost unless stated otherwise) (Refer note 41)		
60,000 Equity shares (31 March 2018 - 60,000) of ₹ 10 each fully paid up of Advanced Bio-Agro Tech Limited	**0.60**	0.60
70,000 Equity shares (31 March 2018 - 70,000) of ₹ 10 each fully paid up of Advanced Enzytech Solutions Limited	**1.57**	1.57
5,839 Equity shares (31 March 2018 - 5,839) of USD 1,000 each fully paid up of Advanced Enzymes USA, Inc.	**530.32**	529.41
14,499,000 Equity shares (31 March 2018 - 14,499,000) of ₹ 10 each fully paid up of JC Biotech Private Limited	**513.30**	511.70
500,000 Equity shares (31 March 2018 - 400,000) of MYR 1 each fully paid up of Advanced Enzymes (Malaysia) Sdn. Bhd. (refer note 48)	**8.38**	6.60
2,000,000 Equity shares (31 March 2018 - 2,000,000) of Euro 1 each fully paid up of Advanced Enzymes Europe B.V.	**149.85**	149.85
	1,204.02	1,199.73

	As at 31 March 2019	As at 31 March 2018
Other investments (unquoted)		
Equity shares at fair value through profit and loss		
19,100 Equity shares (31 March 2018 - 19,100) of ₹ 10 each fully paid up of Advanced Vital Enzymes Private Limited (Refer note 41)	**0.57**	0.57
1,666 Equity shares (31 March 2018 - 1,666) of ₹ 30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	**0.05**	0.05
	0.62	0.62
	1,204.64	1,200.35
Aggregate value of unquoted investments	**1,204.64**	1,200.35

8 Long-term loans

(Unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Security deposits	**12.49**	13.08
Loans to related parties (Refer note 41)	**300.19**	265.83
Interest receivable	**42.68**	14.55
	355.36	293.46

9 Other non-current financial assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Non-current bank balances	**0.04**	0.04
	0.04	0.04

10 Other non-current assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	**10.07**	10.57
Capital advances	**4.15**	2.59
	14.22	13.16

11 Inventories

(valued at lower of cost and net realizable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials and packing materials [including goods-in-transit of ₹ 30.01 million (31 March 2018: ₹ 30.71 million)]	**272.17**	186.80
Work-in-progress	**184.79**	256.32
Finished goods [including goods-in-transit of ₹ 36.46 million (31 March 2018 ₹ 31.53 million)]	**84.90**	67.39
Consumables and fuel	**44.30**	38.12
	586.16	548.63

As at 31 March 2019, the the Company has written down the value for slow moving inventory aggregating ₹ 60.96 million (31 March 2018: ₹ 11.10 million). The charge on account of written down during the year ended 31 March 2019 is ₹ 49.86 million (31 March 2018: ₹ 0.55 million) is included in cost of materials consumed and changes in inventories.

12 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Secured, considered good	**0.13**	0.13
Unsecured, considered good	**381.33**	385.65
Unsecured, credit impaired	**0.70**	0.38
Less : Impairment loss allowance	**0.70**	0.38
	381.46	385.78
(Refer note 40 for information about credit risk and market risk of trade receivables)		
The above balance includes amounts due by private companies in which directors are interested (Refer note 41)	**55.57**	88.03

13 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**0.26**	0.46
Balances with banks		
- in current accounts	**1.59**	1.19
- in deposit account with original maturity upto three months	**0.01**	0.25
	1.86	1.90

13A Other bank balances

	As at 31 March 2019	As at 31 March 2018
Unpaid dividend accounts	**1.01**	0.55
Bank deposits with original maturity more than three months but less than twelve months*	**2.49**	2.36
	3.50	2.91
* includes earmarked balances for performance guarantees	**2.49**	2.36

14 Short-term loans

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Security deposits	**-**	20.57
Loan to employees	**0.24**	0.01
	0.24	20.58

15 Other current financial assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Interest receivable	**0.37**	0.36
Export incentives receivable	**9.40**	29.17
Others	**0.58**	1.39
	10.35	30.92

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16 Other current assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	**8.65**	10.68
Advance to suppliers	**2.82**	14.75
Balance with Government authorities	**20.19**	21.58
Assets recoverable from customers	**2.60**	3.51
Others	**3.96**	0.54
	38.22	51.06

17 Non-current assets held for sale

	As at 31 March 2019	As at 31 March 2018
Assets held for sale	**48.17**	48.17
	48.17	48.17

Note:

Description	31 March 2019	31 March 2018
Land (refer Note 5)	**12.57**	12.57
Development costs	**35.60**	35.60
	48.17	48.17

18 Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 2 each	**175,000,000**	**350.00**	175,000,000	350.00
	175,000,000	**350.00**	**175,000,000**	**350.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	**111,648,975**	**223.30**	111,630,025	223.26
Total	**111,648,975**	**223.30**	**111,630,025**	**223.26**

a) Reconciliation of equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**111,630,025**	**223.26**	22,326,005	223.26
Add : Adjustment for Sub-Division of Equity Shares (Note 18e below)	**-**	**-**	89,304,020	-
Add : Issued during the year (Refer Note 18d below)	**18,950**	**0.04**	-	-
Balance at the end of the year	**111,648,975**	**223.30**	111,630,025	223.26

b) Shareholders holding more than 5% of equity shares

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Mr. Vasant L. Rathi*	**36,504,500**	**32.70%**	33,904,500	30.37%
Chandrakant Rathi Innovations and Projects Private limited	**16,371,876**	**14.66%**	24,849,630	22.26%
Atharva Green Ecotech LLP (formerly known as Atharva Capital Ventures Private Limited)	**-**	**-**	12,464,700	11.17%
HDFC Small Cap Fund	**6,947,478**	**6.22%**	-	0.00%
Orbimed Asia III Mauritius Limited	**11,053,245**	**9.90%**	-	0.00%
	70,877,099	**63.48%**	71,218,830	**63.80%**

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2019: 5,000,000 shares (4.48%) [31 March 2018: 5,000,000 shares (4.48%)]

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) Shares reserved for issue under options

The Company had reserved issuance of 220,000 Equity shares of ₹ 2 each (31 March 2018: 220,000) for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (Also, refer note 42)

e) Sub-division of shares

The Shareholders vide a special resolution approved sub-division of shares of the Company in the ratio of 5 shares of face value of ₹ 2 each for every existing 1 share of the face value of ₹ 10 each through postal ballot. The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on 4 May 2017.

19 Other equity

	As at 31 March 2019	As at 31 March 2018
Capital reserve	**3.00**	3.00
Securities premium		
Balance at the beginning of the year	**754.71**	754.71
Add: Premium on issue of new equity shares	**6.29**	-
Balance at the end of the year	**761.00**	754.71
Employee stock option account		
Balance at the beginning of the year	**26.33**	3.05
Add: Options granted during the year (refer note 42)	**17.33**	23.28
Less: Exercised during the year	**(5.19)**	-
Less: Lapsed during the year	**(3.20)**	-
Balance at the end of the year	**35.27**	26.33
General reserve	**32.53**	32.53
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	**1,849.15**	1,535.72
Add: Transferred from Statement of Profit and Loss	**352.34**	358.90
Add: Transferred from Other comprehensive income	**(0.49)**	1.55
Less: Dividend	**(55.82)**	(44.65)
Less: Tax on dividends distributed during the year	**(5.56)**	(2.37)
Balance at the end of the year	**2,139.62**	1,849.15
	2,971.42	2,665.72

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Nature and purpose of reserves

Capital reserve
The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve
General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Dividends
The following dividends were declared and paid by the Company during the year:

Particulars	Paid during 01-Apr-18 to 31-Mar-19	Paid during 01-Apr-17 to 31-Mar-18
₹ 0.50 per equity share (31 March 2018: ₹ 0.40 share)	**55.82**	44.65
Dividend distribution tax on dividend to equity shareholders	**5.56**	2.37
	61.38	47.02

20 Non-current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Term loans:		
From banks	**-**	50.00
Vehicle loans	**2.02**	5.33
	2.02	55.33
Unsecured		
Deferred sales tax payment liabilities	**14.94**	24.12
	14.94	24.12
	16.96	79.45

a) Details of guarantee for each type of borrowing

Particulars	As at 31 March 2019	As at 31 March 2018
	Long-term	**Long-term**
Guaranteed by former Managing Director		
Term loans:		
From banks (including current maturities)	-	80.00

b) Details of security for each type of borrowing

(i) Term loans from banks are secured by

(i) hypothecation charge of present and future movable and immovable assets of the Company; and

(ii) first pari-passu charge by way of equitable/ registered mortgage on all the present and future land and building (immovable properties) of the Company.

(ii) Vehicle loans availed from four banks and two financial institutions are secured by charge on vehicles as specified in their respective loan agreements.

c) Terms of repayment of term loans and other loans

Term loan from banks

Term loan form bank carries an interest rate of base rate + 1% (amounts to 10.50% both for the current and previous years) and was payable in 60 equal monthly installments of ₹ 2.5 million each along with interest upto 9 November 2020, however, the said loan is fully repaid during the year and outstanding as on 31 March 2019 is ₹ Nil.

Vehicle Loans (including current maturities)

Interest rate	No. of install-ments	Date of last installment	Amount of installment	Outstanding as at 31 March 2019	Outstanding as at 31 March 2018
11.60%	60	03-Aug-18	0.01	-	0.07
10.59%	60	15-Oct-18	0.02	-	0.18
10.50%	60	07-Nov-19	0.02	**0.12**	0.27
10.15%	59	15-Mar-20	0.03	**0.37**	0.72
10.14%	59	15-Mar-20	0.03	**0.33**	0.63
9.90%	60	05-Jun-20	0.01	**0.13**	0.22
9.75%	60	07-Nov-20	0.01	**0.23**	0.34
9.32%*	59	01-Aug-21	0.04	-	1.36
9.16%	60	07-Apr-21	0.09	**2.14**	2.96
8.35%	60	05-Mar-22	0.03	**1.05**	1.39
Total				**4.37**	**8.14**

* Vehicle loan has been prepaid in the current year

Deferred sales tax payment liabilities

Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years of moratorium year from each such year of deferral period from 1996-97 to 2006-07.

21 Provisions

	As at 31 March 2019		As at 31 March 2018	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Compensated absences	**0.53**	**5.77**	0.51	5.18
Gratuity (Refer note 36)	**4.61**	**4.34**	5.04	4.03
Provision for sales return (Also, refer note below)	**-**	**6.49**	-	8.78
	5.14	**16.60**	5.55	17.99

Note:
As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37

	As at 31 March 2019	As at 31 March 2018
Movement in provision for sales return		
Provision at the beginning of the year	**8.78**	8.15
Provision created during the year	**6.49**	8.78
Provision reversed/utilised during the year	**(8.78)**	(8.15)
Provision at the end of the year	**6.49**	8.78

Notes to the Standalone Financial Statements

as at 31 March 2019
(₹ in Millions)

22 Deferred tax liabilities (net)

	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in standalone financial statements	**142.43**	142.39
	142.43	142.39

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets		
Minimum Alternate Tax credit entitlement	**94.35**	117.77
Provision for employee benefits	**7.46**	6.71
Others	**2.09**	2.66
	103.90	127.14
	38.53	15.25

Movement in deferred tax balances

Particulars	31 March 2019						
	Net balance 1 April 2018	Recognised in Statement of Profit and Loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, plant and equipment	(142.39)	0.04	-	-	(142.43)	-	(142.43)
Provision for employee benefits	6.71	(0.55)	(0.20)	-	7.46	7.46	-
Others	2.66	0.57	-	-	2.09	2.09	-
Minimum Alternate Tax Credit	117.77	-	-	23.42	94.35	94.35	-
Tax assets/(liabilities)	**(15.25)**	**0.06**	**(0.20)**	**23.42**	**(38.53)**	**103.90**	**(142.43)**
Offsetting of deferred tax assets and liabilities						**(103.90)**	**103.90**
Net deferred tax assets/ (liabilities)	**(15.25)**	**0.06**	**(0.20)**	**23.42**	**(38.53)**	**-**	**(38.53)**

Particulars	31 March 2018						
	Net balance 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, plant and equipment	(158.48)	(16.09)	-	-	(142.39)	-	(142.39)
Provision for employee benefits	5.18	(2.35)	0.82	-	6.71	6.71	-
Others	6.83	4.17	-	-	2.66	2.66	-
Minimum Alternate Tax Credit	123.99	-	-	6.22	117.77	117.77	-

Particulars	31 March 2018						
	Net balance 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Tax assets/(liabilities)	**(22.48)**	**(14.27)**	**0.82**	**6.22**	**(15.25)**	**127.14**	**(142.39)**
Offsetting of deferred tax assets and liabilities						(127.14)	127.14
Net deferred tax assets/(liabilities)	**(22.48)**	**(14.27)**	**0.82**	**6.22**	**(15.25)**	**-**	**(15.25)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

As at year end, the Company has accounted tax credits in respect of Minimum Alternative Tax ("MAT" credit) of ₹ 94.35 million (31 March 2018: ₹ 117.77 million). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Given that the Company does not have any intention to dispose investments in subsidiaries in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

23 Current borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Loans repayable on demand		
From banks in foreign currency	**98.37**	58.34
From banks in rupees	**66.74**	264.93
	165.11	323.27

a) Details of guarantee for each type of borrowing

	As at 31 March 2019	As at 31 March 2018
	Short-term	Short-term
Guaranteed by former Managing Director		
Loans repayable on demand		
From banks	-	323.27

b) Details of security for each type of borrowing

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

c) Terms of loans repayable on demand

(i) Cash Credit from bank for ₹ 66.74 million (31 March 2018: ₹ 113.65 million) carries an interest rate of 9% to 12%.

(ii) Packing credit foreign currency loan from bank for ₹ 98.37 million (31 March 2018: ₹ 58.34 million) carries an interest rate of Libor + 100 to 125 bps (31 March 2018: Libor + 100 to 125 bps).

(iii) Packing credit in local currency as on 31 March 2019 from bank for ₹ Nil (31 March 2018: ₹ 36.28 Million) carries an interest rate of 5.25%.

(iv) Working capital demand loan from bank for ₹ Nil (31 March 2018: ₹ 115.00 million) carries an interest rate in the range of 7.85% to 8.50% p.a. (31 March 2018: 7.85% to 8.50% p.a.)

Notes to the Standalone Financial Statements

as at 31 March 2019
(₹ in Millions)

24 Trade payables

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues to micro and small enterprises (refer note below)	**0.69**	1.47
Total outstanding dues to others (refer note 41 for payable to related parties)	**155.15**	210.55
	155.84	212.02

Note:
Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Principal amount remaining unpaid	**0.69**	1.47
Interest due thereon	**0.01**	0.01
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	**-**	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
Interest accrued and remaining unpaid as at balance sheet date	**0.02**	0.01
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**-**	-

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the standalone financial statements based on information received and available with the Company.

25 Other current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term borrowings (refer note 20)		
- From banks	**-**	31.26
- Vehicle loans	**2.35**	2.81
- Deferred sales tax payment liabilities	**9.18**	10.57
Unpaid dividends (refer note below)	**1.01**	0.55
Security deposits from customers	**0.17**	0.17
Payable for purchase of property, plant and equipment	**7.24**	7.37
Payable in respect of investment in subsidiary	**-**	5.00
Employee benefits payable	**49.59**	40.61
Other payables	**17.42**	25.45
	86.96	123.79

Note:
The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.02 million (31 March 2018: ₹ 0.03 million).

26 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Statutory dues:		
Provident fund payable	**1.65**	1.58
Employees' State Insurance Scheme contribution payable	**0.05**	0.13
Other dues payable	**6.07**	7.47
Advance from customers	**17.15**	6.01
	24.92	15.19

27 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations (including excise duty)		
Sale of goods		
Export	**682.88**	565.85
Domestic	**1,519.51**	1,556.19
	2,202.39	2,122.04
Other operating revenues		
Export incentives	**18.54**	31.01
	2,220.93	2,153.05

The Government of India introduced the Goods and Services Tax (GST) with effect from 1 July 2017, consequently revenue from operations for the period from 1 July 2017 upto 31 March 2018 is net of GST. However revenue for the quarter ended 30 June 2017 included in the year ended 31 March 2018 is inclusive of excise duty. The Net Revenue from Operations (Net of GST/ Excise Duty) as applicable are stated below:

	31 March 2019	31 March 2018
Revenue from operations	**2,220.93**	2,153.05
Less: Excise duty	**-**	30.89
Net revenue from operations	**2,220.93**	2,122.16

Disaggregation of revenue

Following table provides disaggregation of revenue and a reconciliation of revenue reported under segment information and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

Particulars of segment	31 March 2019	31 March 2018
Human nutrition	**1,602.20**	1,535.01
Animal nutrition	**321.30**	306.92
Bio-process	**277.28**	284.68
	2,200.78	2,126.61
Adjustments		
Reversal/(Provision) for sales return	**2.29**	(3.92)
Discount	**(0.68)**	(0.65)
	1.61	(4.57)
Total revenue from contract with customers	**2,202.39**	2,122.04

28 Other income

	31 March 2019	31 March 2018
Interest income		
- on bank deposits	**0.18**	0.29
- on loan to related parties	**28.19**	14.49
- on others	**0.50**	0.71
Liabilities no longer required written back	**5.97**	-
Profit on sale of property, plant and equipment (net)	**-**	0.12
Net gain on foreign currency transactions and translations	**-**	3.98
Dividend income	**18.90**	28.80
Guarantee commission from related parties	**1.60**	1.60
Miscellaneous income	**0.76**	0.53
	56.10	50.52

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

29 Cost of materials consumed

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	**186.80**	142.23
Add: Purchases during the year	**889.70**	891.58
Less: Closing stock	**272.17**	186.80
	804.33	847.01

30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock		
- Finished goods	**67.39**	68.75
- Work-in-progress	**256.32**	258.93
	323.71	327.68
Closing stock		
- Finished goods	**84.90**	67.39
- Work-in-progress	**184.79**	256.32
	269.69	323.71
Excise duty on stocks	**-**	4.15
	54.02	8.12

31 Employee benefits expense

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	**283.39**	268.99
Compensatory payment to director for loss of office (refer note 45)	**21.84**	-
Contribution to provident and other funds (refer note 36)	**11.90**	11.64
Retirement benefits expense	**8.17**	8.44
Staff welfare expenses	**12.18**	13.67
Employee stock compensation expense (refer note 42)	**13.23**	22.07
	350.71	324.81

32 Finance costs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on financial liabilities - borrowings carried at amortised cost	**16.01**	18.90
Interest on term loan - carried at amortised cost	**6.00**	9.60
Net loss on foreign currency transactions and translations	**0.26**	2.10
	22.27	30.60

33 Depreciation and amortisation expense

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	**79.08**	77.42
Amortisation of intangible assets	**6.55**	0.72
	85.63	78.14

34 Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spare parts	**28.96**	44.24
Power and fuel	**102.09**	102.91
Water charges	**3.41**	3.01
Laboratory expenses	**14.93**	7.60
Repairs and maintenance		
- Buildings	**6.91**	7.28
- Plant and equipment	**11.75**	14.40
- Others	**7.64**	5.58
Travel, conveyance and car hire	**25.59**	33.65
Commission	**5.75**	13.52
Sales promotion and advertisement	**1.51**	2.25
Freight outward and forwarding	**17.07**	21.30
Selling and distribution expenses	**21.36**	20.12

	Year ended 31 March 2019	Year ended 31 March 2018
Rent (refer note 37)	**6.71**	8.55
Rates and taxes	**40.01**	30.68
Insurance	**3.40**	3.99
Printing and stationery	**1.84**	2.27
Communication expenses	**5.51**	5.72
Directors' sitting fees	**1.99**	1.70
Legal and professional charges	**39.27**	35.22
Technical services	**102.67**	48.11
Payment to Auditors (refer note 44)	**6.66**	6.22
Bad debts	**0.13**	9.52
Provisions of doubtful debts charge / (written back)	**0.32**	(5.74)
Net bad debts	**0.45**	3.78
Donations	**0.51**	2.68
Loss on sale of property, plant and equipment (net)	**0.62**	-
Net loss on foreign currency transactions and translations	**0.38**	-
Property, plant and equipment written off	**0.30**	1.71
Bank charges	**4.96**	3.11
Corporate Social Responsibility expenditure (refer note 47)	**7.53**	5.63
Miscellaneous expenses	**18.25**	8.80
	488.03	444.03

Note : 35 Income taxes

Tax expense

(a) Income tax recognised in Statement of Profit and Loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax	**119.64**	93.78
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**0.06**	(14.27)
Tax expense for the year	**119.70**	79.51

(b) Income tax recognised in Other Comprehensive Income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(0.69)**	**0.20**	**(0.49)**	2.37	(0.82)	1.55
	(0.69)	**0.20**	**(0.49)**	2.37	(0.82)	1.55

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

(c) Reconciliation of effective tax rate

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	**472.04**	438.41
Tax using the Company's domestic tax rate (31 March 2019: ₹ 29.12%; 31 March 2018: 34.608%)	**137.46**	151.73
Tax effect of:		
Incremental deduction allowed for research and development costs	**(12.73)**	(13.42)
Tax-exempt income	**(5.50)**	(9.97)
Permanent differences	**2.22**	5.58
Investment allowance deduction	**-**	(29.37)
Change in Income tax rates	**-**	(25.72)
Others	**(1.75)**	0.68
Tax expense as per profit or loss	**119.70**	79.51

Note 36 Employee benefits

The Company contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The Company recognised ₹ 10.81 million for the year ended 31 March 2019 (31 March 2018: ₹ 10.60 million) towards provident fund contribution and ₹ 3.12 million for the year ended 31 March 2019 (31 March 2018: ₹ 3.48 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan:

The Company provides for gratuity benefit, which is defined benefit plans, covering all its eligible employees. The Company has taken a Group Gratuity for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Defined benefit obligation	**52.19**	48.87
Fair value of plan assets	**43.24**	39.80
Net defined benefit obligation/ (assets)	**8.95**	9.07

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

	Defined benefit obligation	
	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Opening balance	**48.87**	44.23
Included in profit or loss		
Current service cost	**4.03**	3.82
Past service cost	**0.48**	-
Interest cost	**3.51**	3.07
Transfer in/(out) obligation	**0.10**	-
	56.99	51.12
Included in OCI		
Remeasurement loss/(gain):		
Actuarial loss/(gain) arising from:		
Financial assumptions	**0.82**	(1.68)

	Defined benefit obligation	
	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Experience adjustment	**0.30**	0.18
	58.11	49.62
Benefits paid	**(5.92)**	(0.75)
Closing balance	**52.19**	48.87

(₹ in million)

ii) Change in fair value of plan assets

	Fair value of plan assets	
	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Opening balance	**39.80**	33.42
Included in profit or loss		
Expected return on plan assets	**2.97**	1.93
Transfer in/(out) obligation	**0.10**	-
	42.87	35.35
Included in OCI		
Remeasurement (loss)/gain:		
Actuarial (loss)/gain arising from:		
Experience adjustment	**0.43**	0.87
	43.30	36.22
Other		
Contributions paid by the employer	**5.86**	4.33
Benefits paid	**(5.92)**	(0.75)
Closing balance	**43.24**	39.80

Impact on Standalone Statement of Profit and Loss for the current year

	31 March 2019	31 March 2018
	Gratuity	Gratuity
Service cost:		
Current service cost	**4.03**	3.82
Past service cost and loss/ (gain) on curtailments and settlement	**0.48**	-
Net interest cost	**0.54**	1.15
Total included in Employee Benefit expenses	**5.05**	4.97
Expenses deducted from the fund	**-**	-
Total Charge to Standalone Statement of Profit and Loss	**5.05**	4.97

Impact on Other comprehensive income for the current year

	31 March 2019	31 March 2018
	Gratuity	Gratuity
Components of actuarial gain/ losses on obligations:		
Due to Change in financial assumptions	**0.82**	(1.68)
Due to experience adjustments	**0.30**	0.18
Return on plan assets excluding amounts included in interest income	**(0.43)**	(0.87)
Amounts recognized in Other Comprehensive Income	**0.69**	**(2.37)**

Plan assets

Plan assets comprise the following

Gratuity	31 March 2019	31 March 2018
Policy of insurance	**100%**	100%
	100%	100%

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

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for the year ended 31 March 2019
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	31 March 2019	31 March 2018
	Gratuity	Gratuity
Policy of insurance	**100.00%**	100.00%
Discount rate	**7.40%**	7.60%
Rate of return on plan assets	**7.40%**	7.60%
Salary Escalation	**8.50%**	8.50%
Withdrawal rates	**12% at younger ages reducing to 2% at older ages**	12% at younger ages reducing to 2% at older ages
Retirement age	**58 years**	58 years
Mortality rates	**As published under the Indian assured lives mortality (2006-08) table**	As published under the Indian assured lives mortality (2006-08) table

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Increase in	31 March 2019	31 March 2018
	Gratuity	Gratuity
	(₹ in Million)	(₹ in Million)
Discount rate (0.5% movement)	**50.18**	47.11
Future salary growth (0.5% movement)	**54.17**	50.63
Withdrawal rates (10% movement)	**52.10**	48.79

Decrease in	31 March 2019	31 March 2018
	Gratuity	Gratuity
	(₹ in Million)	(₹ in Million)
Discount rate (0.5% movement)	**54.33**	50.75
Future salary growth (0.5% movement)	**50.31**	47.20
Withdrawal rates (10% movement)	**52.38**	48.96

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

v. Expected future cash flows

Expected contribution
The expected contributions for defined benefit plan for the next financial years are mentioned below:

Expected future benefit payments	
31 March 2020	2.20
31 March 2021	3.56
31 March 2022	5.49
31 March 2023	3.32
31 March 2024	6.47
Therafter	27.75

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Note 37 Leases

Operating leases

A. Leases as lessee

The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the

Standalone Statement of Profit and Loss. The Company has entered into non-cancellable leasing arrangements which are mentioned below:

Amounts recognised in the Statement of Profit and Loss	31 March 2019	31 March 2018
Lease expense	**6.71**	8.55
	6.71	8.55

The future minimum lease payments under non-cancellable leases payable as at the year ending are as follows:

Particulars	31 March 2019	31 March 2018
Less than one year	**0.51**	0.51
Between one to five years	**2.05**	2.05
More than five years	**6.85**	7.37

Note 38 Segment reporting

Basis of segmentation
The Company operates only in one primary business segment viz. 'manufacturing and sales of enzymes' and hence no separate information for primary segment wise disclosure is required.

Geographic information
The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue (based upon location of customers)		
India	**1,519.51**	1,556.19
Europe	**92.61**	95.01
USA	**426.45**	354.92
Asia	**142.55**	99.39
Others	**21.27**	16.53
	2,202.39	2,122.04

	31 March 2019	31 March 2018
Segment assets (based upon location of assets)		
India	**1,067.77**	1,084.94
Europe	**57.41**	57.41
USA	**3.72**	3.83
	1,128.90	1,146.18

Major customer
Revenue from one customer based in U.S.A is ₹ 411.60 million (31 March 2018: ₹ 317.15 million) out of the total revenue of the Company.

Note 39 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	31 March 2019	31 March 2018
Profit attributable to equity holders	**352.34**	358.90

ii. Weighted average number of equity shares

	31 March 2019	31 March 2018
Issued equity shares at 1 April	**111,630,025**	111,630,025
Effect of fresh issue of shares for cash	**16,294**	-
Weighted average number of shares at 31 March for basic EPS	**111,646,319**	111,630,025
Effect of exercise of share options	**79,417**	36,364
Weighted average number of shares at 31 March for diluted EPS	**111,725,736**	111,666,389

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Basic and Diluted earnings per share		
	31 March 2019	31 March 2018
Basic earnings per share	**3.16**	3.22
Diluted earnings per share	**3.15**	3.21

Note 40 Financial instruments

i. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 March 2019	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	7	0.62	-	-	0.62	-	-	-	-
Loans - Non-current	8	-	-	355.36	355.36	-	-	-	-
Others - Non-current	9	-	-	0.04	0.04	-	-	-	-
Trade receivables	12	-	-	381.46	381.46	-	-	-	-
Cash and cash equivalents	13	-	-	1.86	1.86	-	-	-	-
Bank balances	13A	-	-	3.50	3.50	-	-	-	-
Loans - Current	14	-	-	0.24	0.24	-	-	-	-
Others - Current	15	-	-	10.35	10.35	-	-	-	-
		0.62	**-**	**752.81**	**753.43**	**-**	-	-	-
Financial liabilities									
Borrowings - Non current	20	-	-	16.96	16.96	-	-	-	-
Borrowings - Current	23	-	-	165.11	165.11	-	-	-	-
Trade payables	24	-	-	155.84	155.84	-	-	-	-
Other financial Liabilities	25	-	-	86.96	86.96	-	-	-	-
		-	**-**	**424.87**	**424.87**	**-**	-	-	-

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year.

31 March 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	7	0.62	-	-	0.62	-	-	-	-
Loans - Non-current	8	-	-	293.46	293.46	-	-	-	-
Others - Non-current	9	-	-	0.04	0.04	-	-	-	-
Trade receivables	12		-	385.78	385.78	-	-	-	-
Cash and cash equivalents	13	-	-	1.90	1.90	-	-	-	-
Bank balances	13A	-	-	2.91	2.91	-	-	-	-
Loans - Current	14	-	-	20.58	20.58	-	-	-	-
Others - Current	15	-	-	30.92	30.92	-	-	-	-
		0.62	**-**	**735.59**	**736.21**	**-**	-	-	-
Financial liabilities									
Borrowings - Non current	20	-	-	79.45	79.45	-	-	-	-
Borrowings - Current	23	-	-	323.27	323.27	-	-	-	-
Trade payables	24	-	-	212.02	212.02	-	-	-	-
Other financial Liabilities	25	-	-	123.79	123.79	-	-	-	-
		-	**-**	**738.52**	**738.52**	**-**	-	-	-

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non-current financial assets / liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

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C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

At 31 March 2019, the carrying amount of the Company's most significant customer accounted for ₹ 57.17 million (31 March 2018 - ₹ 63.30 million)

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2019		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	**277.41**	**0.01%**	**0.04**
0-90 days	**99.25**	**0.04%**	**0.04**
91-180 days	**1.04**	**0.91%**	**0.01**
181-270 days	**-**	**0.00%**	**-**
271-360 days	**2.00**	**4.96%**	**0.10**
More than 360 days	**2.46**	**20.76%**	**0.51**
	382.16		**0.70**

	31 March 2018		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	265.27	0.01%	0.02
0-90 days	113.89	0.02%	0.02
90-180 days	4.80	0.37%	0.02
180-270 days	1.40	1.20%	0.02
270-360 days	0.42	3.03%	0.01
More than 360 days	0.38	76.51%	0.29
	386.16		0.38

Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Amount
Balance as at 1 April 2017	6.12
Impairment loss recognised	3.78
Amounts written back	9.52
Balance as at 31 March 2018	**0.32**
Impairment loss recognised	**0.38**
Amounts written off	**-**
Balance as at 31 March 2019	**0.70**

The impairment loss at 31 March 2019 and 31 March 2018 related to certain customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1.86 million at 31 March 2019 (31 March 2018: ₹ 1.90 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit which carry no/low mark-to-market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

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31 March 2019	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long-term borrowings	**16.96**	**16.96**	**-**	**16.96**	**-**	**-**
Interest on borrowings	**-**	**0.42**	**0.29**	**0.13**	**-**	**-**
Short-term borrowings	**165.11**	**165.11**	**165.11**	**-**	**-**	**-**
Trade payables	**155.84**	**155.84**	**155.84**	**-**	**-**	**-**
Other financial liabilities	**86.96**	**86.96**	**86.96**	**-**	**-**	**-**
Issued financial guarantee contracts on behalf of subsidiaries*	**-**	**-**	**-**	**-**	**-**	**-**

31 March 2018	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long-term borrowings	79.45	79.45	-	71.70	7.75	-
Interest on borrowings	-	12.33	7.35	4.96	0.02	
Short-term borrowings	323.27	323.27	323.27	-	-	-
Trade payables	212.02	212.02	212.02	-	-	-
Other financial liabilities	122.52	122.52	122.52	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-

* Guarantees issued by the Company on behalf of subsidiary are with respect to borrowings raised by the subsidiary. These amount will be payable on default by the subsidiary. As of the reporting date, the subsidairy has not defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantee (Refer note: 50)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e. foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

(₹ in Million)

	31 March 2019 USD	31 March 2019 EURO	31 March 2019 Others
Financial assets			
Cash and cash equivalents	**0.11**	**0.01**	**0.03**
Trade and other receivables	**44.57**	**5.62**	**-**
	44.68	**5.63**	**0.03**
Financial liabilities			
Trade and other payables	**9.11**	**9.64**	**1.11**
Loans	**98.37**	**-**	**-**
	107.48	**9.64**	**1.11**
Net exposure	**(62.80)**	**(4.01)**	**(1.08)**

(₹ in Million)

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 Others
Financial assets			
Cash and cash equivalents	0.08	0.09	0.21
Trade and other receivables	73.84	0.15	-
	73.92	**0.24**	**0.21**
Financial liabilities			
Trade payables	46.66	0.96	-
Loans	58.34	-	-
	105.00	0.96	-
Net exposure	**(31.08)**	**(0.72)**	**0.21**

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2019		
1% movement		
USD	**(0.63)**	**0.63**
EUR	**(0.04)**	**0.04**
Others	**(0.01)**	**0.01**
	(0.68)	**0.68**

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2018		
1% movement		
USD	(0.31)	0.31
EUR	(0.01)	0.01
Others	0.00	(0.00)
	(0.32)	**0.32**

Derivative instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to trade receivable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Particulars	As at 31 March 2019 USD in million	As at 31 March 2018 USD in million
Forward contracts used for hedging trade receivables	**0.15**	0.57
	0.15	**0.57**

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

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Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial liabilities - measured at amortised cost		
Vehicle Loan	**4.37**	8.14
Working capital demand loan	**-**	115.00
Floating-rate instruments		
Financial liabilities - measured at amortised cost		
Term loan from banks	**-**	81.26
From banks in foreign currency	**98.37**	58.34
From banks in rupees	**66.74**	149.93
Total	**169.48**	412.67

Note: Deferred Sales Tax scheme is not included in the above since it does not bear any interest rate.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31 March 2019		
Variable-rate loan instruments	**(0.41)**	**0.41**
Cash flow sensitivity (net)	**(0.41)**	**0.41**

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31 March 2018		
Variable-rate loan instruments	(0.72)	0.72
Cash flow sensitivity (net)	**(0.72)**	**0.72**

Note 41 Related party relationships, transactions and balances

The table provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a Name of Related Parties
I Subsidiaries including step-down subsidiaries

1) Advanced Bio-Agro Tech Limited
2) Advanced Enzytech Solutions Limited
3) Advanced Enzymes Europe B.V. (w.e.f. 11 July 2017)
4) JC Biotech Private Limited
5) Advanced Enzymes USA, Inc.
6) Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)
7) Advanced Enzymes (Malaysia) Sdn. Bhd. (Subsidiary w.e.f. 3 July 2017 upto 11 March 2018) (Wholly owned subsidiary w.e.f. 12 March 2018)
8) Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
9) Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
10) Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)
11) Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
12) Enzyfuel Innovation, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc. dissolved voluntarily w.e.f. 19 September 2017)

II Key Management Personnel (KMP)

Mr. Vasant L Rathi	Chariman and Non-executive director
Mr. Chandrakumar L. Rathi (up to 14 September 2018)	Managing director
Mrs. Savita C. Rathi	Whole-time director
Mr. Mukund M. Kabra	Whole-time director
Mr. Piyush C. Rathi (up to 31 December 2018)	Chief Business Officer
Mr. Beni P. Rauka	Chief Financial Officer
Mr. Sanjay Basantani	Company Secretary
Mrs. Rupa Vora (up to 18 May 2018)	Independent Director
Mr. Kedar Desai	Independent Director
Mr. Ramesh Mehta (up to 31 March 2019)	Independent Director
Mr. Pramod Kasat	Independent Director
Mr. Suresh Paharia (w.e.f. 11 August 2018) (up to 14 September 2018)	Additional (Independent) Director
Mr. Rajesh Sharma (w.e.f. 11 August 2018)	Independent Director
Ms. Rasika Rathi (w.e.f. 08 January 2019)	Additional (Non-executive) director and daughter of Chairman
Mr. Vilas M. Aurangabadkar (w.e.f. 08 January 2019)	Additional (Independent) Director
Mr. Vinod Jajoo (w.e.f. 09 February 2019)	Additional (Independent) Director

Relatives of KMP :

Mrs. Prabha V. Rathi	Wife of chairman
Mr. Kishore L. Rathi	Brother of Chairman
Mrs. Mangala M. Kabra	Mother of Whole-time director

III Other related parties (entities in which either of the KMP's have significant influence) and with whom transactions have taken place during the year

Advanced Vital Enzymes Private Limited
Om Manufacturing Jalna Private Limited
Silvertech Trading Company Private Limited
Advanced Biodiesel Limited

b) **Transactions with related parties**

	Transactions during the year	Subsidiaries		KMP and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
1	**Purchases of goods**						
	Om Manufacturing Jalna Private Limited	**-**	-	**-**	-	**-**	23.12
	Advanced Vital Enzymes Private Limited	**-**	-	**-**	-	**-**	1.35
	Silvertech Trading Company Private Limited	**-**	-	**-**	-	**-**	13.24
	JC Biotech Private Limited	**488.66**	392.64	**-**	-	**-**	-

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	Transactions during the year	Subsidiaries		KMP and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
	Cal India Foods International	**1.92**	5.27	**-**	-	**-**	-
		490.58	**397.91**	**-**	**-**	**-**	**37.71**
2	**Sale of goods**						
	Advanced EnzyTech Solutions Limited	**72.10**	74.06	**-**	-	**-**	-
	Advanced Bio-Agro Tech Limited	**237.49**	239.43	**-**	-	**-**	-
	Advanced Vital Enzymes Private Limited	**-**	-	**-**	-	**24.21**	17.28
	Cal India Foods International	**411.60**	317.15	**-**	-	**-**	-
	JC Biotech Private Limited	**0.45**	0.13	**-**	-	**-**	-
	Om Manufacturing Jalna Private Limited	**-**	-	**-**	-	**-**	2.26
	Evoxx Technologies GmbH	**0.48**	-	**-**	-	**-**	-
		722.12	**630.77**	**-**	**-**	**24.21**	**19.54**
3	**Remuneration * ^**						
	Mr. Chandrakumar L. Rathi (refer note 45)	**-**	-	**31.92**	15.95	**-**	-
	Mrs. Savita. C. Rathi	**-**	-	**7.25**	6.34	**-**	-
	Mr. Mukund Kabra	**-**	-	**15.26**	13.59	**-**	-
	Mr. Kishore.L. Rathi	**-**	-	**2.75**	2.49	**-**	-
	Mrs. Mangala M. Kabra	**-**	-	**3.18**	2.88	**-**	-
	Mr. Piyush Rathi	**-**	-	**9.34**	7.31	**-**	-
	Mr. Beni P. Rauka	**-**	-	**8.26**	7.31	**-**	-
	Mr. Sanjay Basantani	**-**	-	**2.65**	2.11	**-**	-
		-	**-**	**80.61**	**57.98**	**-**	**-**
4	**Commission to directors ***						
	Mr. Vasant L. Rathi	**-**	-	**0.70**	0.71	**-**	-
	Mr. Chandrakumar L. Rathi	**-**	-	**-**	2.69	**-**	-
	Mr. Mukund Kabra	**-**	-	**1.75**	1.79	**-**	-
	Ms. Rasika Rathi	**-**	-	**0.09**	-	**-**	-
	Mrs. Rupa Vora	**-**	-	**-**	0.71	**-**	-
	Mr. Kedar Desai	**-**	-	**0.70**	0.71	**-**	-
	Mr. Ramesh Mehta	**-**	-	**0.61**	0.71	**-**	-
	Mr. Pramod Kasat	**-**	-	**0.70**	0.71	**-**	-
	Mr. Vilas M. Aurangabadkar	**-**	-	**0.18**	-	**-**	-
	Mr. Vinod Jajoo	**-**	-	**0.09**	-	**-**	-
	Mr. Rajesh Sharma	**-**	-	**0.44**	-	**-**	-
		-	**-**	**5.26**	**8.03**	**-**	**-**
5	**Sitting fees to Independent directors**						
	Mrs. Rupa Vora	**-**	-	**0.02**	0.48	**-**	-
	Mr. Kedar Desai	**-**	-	**0.62**	0.54	**-**	-
	Mr. Ramesh Mehta	**-**	-	**0.57**	0.47	**-**	-
	Mr. Pramod Kasat	**-**	-	**0.44**	0.21	**-**	-
	Mr. Vilas M. Aurangabadkar	**-**	-	**0.08**	-	**-**	-

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	Transactions during the year	Subsidiaries		KMP and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
	Mr. Vinod Jajoo	-	-	0.05	-	-	-
	Mr. Rajesh Sharma	-	-	0.21	-	-	-
		-	-	1.99	1.70	-	-
6	**Interest income**						
	Advanced Enzymes Europe B.V.	28.10	14.49	-	-	-	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	0.09	-	-	-	-	-
		28.19	14.49	-	-	-	-
7	**Advances / Loan given**						
	Advanced Enzymes USA, Inc.	-	0.06	-	-	-	-
	Advanced Enzymes Europe B.V.	32.40	310.72	-	-	-	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	1.96	-				
		34.36	310.78	-	-	-	-
8	**Advances / Loan repaid**						
	Advanced Enzymes Europe B.V.	-	44.95	-	-	-	-
		-	44.95	-	-	-	-
9	**Investment in subsidiaries**						
	JC Biotech Private Limited	-	7.00	-	-	-	-
	Advanced Enzymes Europe B.V.	-	149.85	-	-	-	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	1.78	6.60	-	-	-	-
		1.78	163.45	-	-	-	-
10	**Dividend income**						
	Advanced Bio-Agro Tech Limited	18.90	28.80	-	-	-	-
		18.90	28.80	-	-	-	-
11	**Reimbursement of expenses**						
	Advanced Enzymes USA, Inc.	0.91	1.22	-	-	-	-
	JC Biotech Private Limited	0.20	-	-	-	-	-
	Advanced EnzyTech Solutions Limited	0.04	-	-	-	-	-
	Advanced Bio-Agro Tech Limited	0.05	-	-	-	-	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	0.17	-	-	-	-	-
		1.37	1.22	-	-	-	-
12	**Share application money given**						
	Advanced Biodiesel Limited	-	-	-	-	-	1.50
		-	-	-	-	-	1.50
13	**Share application refunded**						
	Advanced Biodiesel Limited	-	-	-	-	-	1.50
		-	-	-	-	-	1.50
14	**Commission income**						
	JC Biotech Private Limited	1.60	1.60	-	-	-	-
		1.60	1.60	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

	Transactions during the year	Subsidiaries		KMP and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
14	**Technical services**						
	Evoxx Technologies GmbH	**86.95**	19.26	**-**	-	**-**	-
		86.95	**19.26**	**-**	**-**	**-**	**-**
15	**Business and development charges**						
	Advanced Enzymes (Malaysia) Sdn. Bhd.	**2.98**	-	**-**	-	**-**	-
		2.98	**-**	**-**	**-**	**-**	**-**

* included in Employee benefit expense

^The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.

c)	Balances at the year end	Subsidiaries		KMP and relatives		Other related parties	
		As on 31 March 2019	As on 31 March 2018	As on 31 March 2019	As on 31 March 2018	As on 31 March 2019	As on 31 March 2018
	Outstanding balances						
1	**Investments**						
	Advanced Bio-Agro Tech Limited	**0.60**	0.60	**-**	-	**-**	-
	Advanced EnzyTech Solutions Limited	**1.57**	1.57	**-**	-	**-**	-
	Advanced Enzymes USA, Inc.	**530.32**	529.41	**-**	-	**-**	-
	JC Biotech Private Limited	**513.30**	511.70	**-**	-	**-**	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	**8.38**	6.60	**-**	-	**-**	-
	Advanced Enzymes Europe B.V.	**149.85**	149.85	**-**	-	**-**	-
	Advanced Vital Enzymes Private Limited	**-**	-	**-**	-	**0.57**	0.57
		1,204.02	**1,199.73**	**-**	**-**	**0.57**	**0.57**
2	**Trade receivables**						
	Advanced EnzyTech Solutions Limited	**-**	5.23	**-**	-	**-**	-
	Advanced Bio-Agro Tech Limited	**10.87**	9.68	**-**	-	**-**	-
	Advanced Vital Enzymes Private Limited	**-**	-	**-**	-	**4.16**	9.15
	Cal India Foods International	**40.51**	63.30	**-**	-	**-**	-
	Om Manufacturing Jalna Private Limited	**-**	-	**-**	-	**0.03**	0.67
		51.38	**78.21**	**-**	**-**	**4.19**	**9.82**
3	**Trade payables**						
	Cal India Foods International	**-**	1.57	**-**	-	**-**	-
	Advanced EnzyTech Solutions Limited	**0.08**	-	**-**	-	**-**	-
	Silvertech Trading Company Private Limited		-	**-**	-	**-**	3.14

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

c)	Balances at the year end	Subsidiaries		KMP and relatives		Other related parties	
		As on 31 March 2019	As on 31 March 2018	As on 31 March 2019	As on 31 March 2018	As on 31 March 2019	As on 31 March 2018
	Evoxx Technologies GmbH	**8.58**	17.69	**-**	-	**-**	-
	JC Biotech Private Limited	**87.03**	57.96	**-**	-	**-**	-
	Advanced Enzymes (Malaysia) Sdn. Bhd.	**1.11**	-	**-**	-	**-**	-
		96.80	**77.22**	**-**	**-**	**-**	**3.14**
4	**Loans and advances (including current maturities and interest receivable)**						
	Advanced Enzymes (Malaysia) Sdn. Bhd.	**2.05**	-	**-**	-	**-**	-
	Advanced Enzymes Europe B.V.	**340.76**	280.27	**-**	-	**-**	-
	Cal India Foods International	**0.06**	0.06	**-**	-	**-**	-
		342.87	**280.33**	**-**	**-**	**-**	**-**
5	**Remuneration payable**						
	Mr. Chandrakumar L. Rathi	**-**	-	**-**	0.74	**-**	-
	Mrs. Savita C. Rathi	**-**	-	**3.13**	0.35	**-**	-
	Mr. Mukund M. Kabra	**-**	-	**0.59**	0.54	**-**	-
	Mr. Kishore L. Rathi	**-**	-	**0.16**	0.16	**-**	-
	Mrs. Mangala M. Kabra	**-**	-	**0.15**	0.14	**-**	-
	Mr. Piyush C. Rathi	**-**	-	**-**	0.36	**-**	-
	Mr. Beni P. Rauka	**-**	-	**0.27**	0.14	**-**	-
	Mr. Sanjay Basantani	**-**	-	**0.13**	0.12	**-**	-
		-	**-**	**4.43**	**2.55**	**-**	**-**
6	**Commission payable**						
	Mr. Vasant L. Rathi	**-**	-	**0.70**	0.61	**-**	-
	Mr. Chandrakumar L. Rathi	**-**	-	**-**	2.41	**-**	-
	Mr. Mukund Kabra	**-**	-	**1.75**	1.61	**-**	-
	Ms. Rasika Rathi	**-**	-	**0.09**	-	**-**	-
	Mrs. Rupa Vora	**-**	-	**-**	0.64	**-**	-
	Mr. Kedar Desai	**-**	-	**0.70**	0.64	**-**	-
	Mr. Ramesh Mehta	**-**	-	**0.61**	0.64	**-**	-
	Mr. Pramod Kasat	**-**	-	**0.70**	0.64	**-**	-
	Mr. Vilas M. Aurangabadkar	**-**	-	**0.18**	-	**-**	-
	Mr. Vinod Jajoo	**-**	-	**0.09**	-	**-**	-
	Mr. Rajesh Sharma	**-**	-	**0.44**	-	**-**	-
		-	**-**	**5.26**	**7.19**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Notes:

1 The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2018. Management believes that the Company's international transactions and domestic transactions with related parties post 31 March 2018 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

Subsidiaries	Ownership interest		
	Country of incorporation	31 March 2019	31 March 2018
i. Advanced Bio-Agro Tech Limited	India	**60%**	60%
ii. JC Biotech Private Limited	India	**70%**	70%
iii. Advanced Enzytech Solutions Limited	India	**100%**	100%
iv. Advanced Enzymes USA, Inc.	USA	**100%**	100%
v. Advanced Enzymes Europe B.V. (Wholly owned subsidiary 11 July 2017)	Netherlands	**100%**	100%
vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)	Germany	**100%**	100%
vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	**100%**	100%
viii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	**100%**	100%
ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	**100%**	100%
x. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	**100%**	100%
xi. Enzyfuel Innovation, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc. dissolved voluntarily w.e.f. 19 September 2017)	USA	**-**	-
xii. Advanced Enzymes (Malaysia) Sdn. Bhd. (Subsidairy w.e.f. 3 July 2017 up to 11 March 2018) (Wholly owned subsidiary w.e.f. 12 March 2018)	Malaysia	**100%**	100%

Note 42 Employee share-based payment plans

a) Description of share-based payment arrangements:

As at 31 March 2019, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015' - ("AETL ESOS 2015")
AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2018: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
Specified employees	220,000	- Continued employment with the Company:	Graded vesting over 4 years
		After 1 year of the date of grant 10% vesting	
		After 2 year of the date of grant 20% vesting	
		After 3 year of the date of grant 30% vesting	
		After 4 year of the date of grant 40% vesting	

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

Particulars				
Vesting	1 Year	2 Years	3 Years	4 Years
Share price at grant date (Face value - ₹ 10 per share)	₹ 1,598	₹ 1,598	₹ 1,598	₹ 1,598
Exercise price (Face value - ₹ 2 per share)	₹ 60	₹ 60	₹ 60	₹ 60
Expected volatility (weighted average)	0.49	0.49	0.49	0.49
Expected life (weighted average)	3 years	3.5 years	4 years	4.5 years
Expected dividend	0.06%	0.06%	0.06%	0.06%
Risk-free interest rate (based on government bond)	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.

Weighted-average exercise prices and weighted-average fair values of options

Date of Vesting	1 Year	2 Years	3 Years	4 Years
Weighted-average exercise prices	₹ 60	₹ 60	₹ 60	₹ 60
Weighted-average fair value of options	270	272	274	276

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

Particular	31 March 2019		31 March 2018	
	No. of options	Weighted average exercise price (in rupees)	No. of options	Weighted average exercise price (in rupees)
Outstanding at 1 April	**220,000**	**60**	44,000	300
Adjustment for sub-division of Equity shares	**-**	**-**	176,000	-
Vested	**61,750**	**60**	-	-
Forfeited	**16,150**	**60**	-	-
Expired	**-**	**-**	-	-
Exercised	**18,950**	**60**	-	-
Outstanding at 31 March	**184,900**	**60**	220,000	60
Exercisable at 31 March	**42,800**	**60**	22,000	60

The options outstanding at 31 March have an exercise price as given below:

	31 March 2019		31 March 2018	
	No. of options	Exercise price	No. of options	Exercise price
AETL ESOS 2015	**184,900**	**60**	220,000	60

d) Expense recognized in the Standalone Statement of Profit or Loss :

	31 March 2019	31 March 2018
AETL ESOS 2015	**13.23**	22.07
Total expense recognized in 'employee benefits'	**13.23**	22.07

Note 43 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	31 March 2019	31 March 2018
Non-current borrowings	**16.96**	79.45
Current borrowings	**165.11**	323.27
Current maturity of long term debt	**11.53**	44.65
Gross debt	**193.60**	447.37
Less - Cash and cash equivalents	**1.86**	1.90
Less - Other bank deposits	**3.50**	2.91
Adjusted net debt	**188.24**	442.56
Total equity	**3,194.72**	2,888.98
Adjusted net debt to equity ratio	**5.89%**	15.32%

Note 44 Payments to auditors (excluding Service Tax & GST)

	Year ended 31 March 2019	Year ended 31 March 2018
As auditor		
Statutory audit	**2.75**	2.75
Limited review	**2.85**	2.85
Certification work	**0.69**	0.26
Transfer pricing	**0.05**	0.10
Reimbursement of expenses	**0.32**	0.26
	6.66	6.22

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Note 45 Compensatory payment to Managing director for loss of office

During the current year, pursuant to Section 202 of the Companies Act, 2013 and other applicable provisions, the Board of Directors on recommendation of Nomination and Remuneration Committee approved compensation of ₹ 21.8 million for loss of office to Mr. C. L. Rathi, former Managing Director.

Note 46 Research and development

The Company has incurred the following expenditure on research and development activities:

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue expenditure		
Laboratory expenses and consumables	**9.31**	8.24
Employee benefit expenses	**48.77**	45.69
Legal and professional charges	**6.64**	5.06
Technical services	**93.49**	31.21
Electricity	**9.83**	9.15
Rent, rates and taxes	**7.73**	4.50
Repairs and maintenance	**5.69**	3.86
Travelling and conveyance expenses	**2.72**	2.11
Other expenses	**5.65**	2.55
	189.83	**112.37**
Less: Other non-operating income	**-**	-
	189.83	**112.37**
Capital expenditure		
Plant and equipment	**5.35**	5.19
Furniture and fixtures	**-**	0.01
Office equipment	**0.20**	0.15
Computer and data processing equipment	**0.48**	0.44
Vehicles	**-**	2.47
	6.03	**8.26**

This information also complies with the terms of the recognition granted upto 31 March 2019 to the Company's In- House Research and Development Activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/2159/2016 dated 4 July 2016.

Note 47 Corporate Social Responsibility

As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year ₹ 7.03 million (Year 2017-18 ₹ 5.86 million).

(b) Amount spent by the Company during the year on purpose other than construction/ acquisition of assets is ₹ 7.53 million (31 March 2018 : ₹ 5.63 million)

Note 48 Acquisition of Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM")

On 10 July 2018, the Company has purchased 100,000 ordinary shares of RM (Malaysian Ringitt) 1.00 each of Advanced Enzymes (Malaysia) Sdn. Bhd. by way of subscription to the rights issue, equivalent to ₹ 1.78 million.

Note 49 Proposed Dividend

The Board of Directors recommended a final dividend for the financial year 2018-19 of ₹ 0.60 (31 March 2018: ₹ 0.50) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Note 50 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities	31 March 2019	31 March 2018
Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset Rs 74.60 million (31 March 2018: ₹ 58.75 million).	**154.35**	100.75
Pertains to Excise Duty and Service Tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 16 'Other current assets'.	**26.94**	26.94
Letter of comfort issued by the Company towards the credit facilities sanctioned by bankers of subsidiary company aggregating to ₹ 201 million (31 March 2018 : ₹ 201 Million).	**113.61**	156.65
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.	**-**	-
	294.90	**284.34**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

Commitments	31 March 2019	31 March 2018
Estimated amount of commitments remaining to be executed		
- Capital (net of advances)	**13.70**	20.20
	13.70	**20.20**

Note 51 Disclosure under Section 186 of the Companies Act, 2013

a) The details of loan under Section 186 of the Act read with the Companies (Meetings of the board and its Powers) Rules, 2014 are as follows:

Name of entity	As at 31 March 2017	Loan given during the year	Repaid during the year	As at 31 March 2018
Advanced Enzymes Europe B.V.	-	310.72	44.95	265.77
	As at 31 March 2017	**Investment during the year**	**Investment reversed during the year**	**As at 31 March 2018**
Advanced Enzymes USA, Inc.	528.20	1.21	-	529.41
JC Biotech Private Limited	503.10	8.60	-	511.70
Advanced Enzymes Europe B.V.	-	149.85	-	149.85
Advanced Enzymes (Malaysia) Sdn. Bhd.	-	6.60	-	6.60

Name of entity	As at 31 March 2018	Loan given during the year	Repaid during the year	As at 31 March 2019
Advanced Enzymes Europe B.V.	265.77	32.40	-	298.17
Advanced Enzymes (Malaysia) Sdn. Bhd.	-	1.96	-	1.96
	As at 31 March 2018	**Investment during the year**	**Investment reversed during the year**	**As at 31 March 2019**
Advanced Enzymes USA, Inc.	529.41	0.91	-	530.32
JC Biotech Private Limited	511.70	1.60	-	513.30
Advanced Enzymes Europe B.V.	149.85	-	-	149.85
Advanced Enzymes (Malaysia) Sdn. Bhd.	6.60	1.78	-	8.38

Note 1:

Purpose of utilisation of above loans	**1) Advanced Enzymes Europe B.V.:** For acquisition of Evoxx Technologies GmbH **2) Advanced Enzymes (Malaysia) Sdn. Bhd.:** Towards working capital requirements.
Loan repayment terms	**1) Advanced Enzymes Europe B.V.:** 14 quarterly instalments including interest starting from Jun 2020. **2) Advanced Enzymes (Malaysia) Sdn. Bhd.:** 23 month moratorium period from October 2018 to August 2020 and then 12 quarterly instalments including interest starting from September 2020 till July 2023 respectively.
Rate of Interest	**1) Advanced Enzymes Europe B.V.: 9.00%**
	2) Advanced Enzymes (Malaysia) Sdn. Bhd.: 9.50%

Maximum amount outstanding during the year is Rs 300.11 million (31 March 2018: Rs 279.88 million) as per additional disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notes to the Standalone Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Note 52 Specified Bank Notes Disclosure

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

INDEPENDENT AUDITORS' REPORT

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in Equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other Auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Description of Key Audit Matter
Revenue Recognition

The key audit matter	How the matter was addressed in our audit
▪ Revenue is recognised when the control of the products being sold has transferred to the customer. Therefore, there is a risk of revenue being overstated on account of variation in the timing of transfer of control due to the pressure management may feel to achieve performance targets at the reporting period end. ▪ Refer note 5(a) to the consolidated financial statements for details on accounting policy on revenue recognition.	In view of the significance of the matter we applied following procedures: • Assessed appropriateness of the Group's revenue recognition accounting policies, including those relating to anticipated sales returns by comparing with applicable accounting standards. • Assessed and tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/ manual application controls over the Company's systems which govern recording of revenue, creation of new customers, revenue cut-off and sales return accruals in the general ledger accounting system. • Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, including one off sales to customers, by verifying the underlying documents, which included sales invoices/contracts and shipping documents. • We assessed manual journals posted to revenue to identify unusual items and considered adequacy of disclosures in respect of revenue.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities 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 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 with reference to financial statements 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 (Company and subsidiaries) 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 auditors' 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 eleven subsidiaries, whose financial statements reflect total assets of ₹ 5,930 million as at 31 March 2019, total revenues of ₹ 3,330 million and net cash flows amounting to ₹ (407) million for the year ended on that date, as considered in the consolidated financial statements. 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, 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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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

INDEPENDENT AUDITORS' REPORT (Continued)

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 changes in Equity and the consolidated statement of cash flows 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 Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and 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 on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, Refer Note 54 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 24 May 2019

Annexure A to the Independent Auditors' Report

on the consolidated financial statements of Advanced Enzyme Technologies Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 relevant subsidiary companies 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 with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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

Annexure A to the Independent Auditors' Report (Continued)

on the consolidated financial statements of Advanced Enzyme Technologies Limited for the year ended 31 March 2019

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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 24 May 2019

Consolidated Balance Sheet

as at 31 March 2019
(₹ in Millions)

	Note	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	6A	**1,617.64**	1,666.60
(b) Capital work-in-progress	6B	**47.54**	26.55
(c) Goodwill	6C	**2,714.74**	2,584.20
(d) Other intangible assets	6D	**622.26**	662.14
(e) Intangible assets under development	6E	**57.41**	78.84
(f) Financial assets			
(i) Investments	7	**0.62**	0.62
(ii) Loans	8	**21.81**	22.43
(iii) Other financial assets	9	**0.04**	0.04
(g) Deferred tax assets (net)	38	**59.14**	42.36
(h) Income tax asset (net)		**77.56**	57.72
(i) Other non-current assets	10	**23.37**	19.68
Total non-current assets		**5,242.13**	5,161.18
(2) Current assets			
(a) Inventories	11	**768.99**	755.72
(b) Financial assets			
(i) Investments	12	**1,109.85**	0.04
(ii) Trade receivables	13	**587.27**	585.94
(iii) Cash and cash equivalents	14	**230.62**	611.28
(iv) Bank balances other than (iii) above	15	**3.50**	2.91
(v) Loans	16	**1.29**	20.94
(vi) Other financial assets	17	**22.42**	42.88
(c) Other current assets	18	**96.69**	87.38
Total current assets		**2,820.63**	2,107.09
(3) Non-current assets held for sale	**19**	**48.17**	48.17
Total assets		**8,110.93**	7,316.44
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	20	**223.30**	223.26
(b) Other equity	21	**6,565.15**	5,367.55
Equity attributable to the owners of the Company		**6,788.45**	5,590.81
Non-controlling interest	**50**	**259.62**	225.98
Total equity		**7,048.07**	5,816.79
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	**70.48**	198.35
(b) Provisions	23	**5.46**	11.21
(c) Deferred tax liabilities (net)	38	**281.98**	261.19
Total non current liabilities		**357.92**	470.75
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**213.45**	378.06
(ii) Trade payables	25		
a) total outstanding dues of micro enterprises and small enterprises		**5.95**	5.91
b) total outstanding dues other than micro enterprises and small enterprises		**90.90**	168.82
(iii) Other financial liabilities	26	**233.06**	227.53
(b) Other current liabilities	27	**56.59**	151.72
(c) Provisions	28	**26.77**	32.40
(d) Current tax liabilities (net)		**24.46**	23.86
Total current liabilities		**651.18**	988.30
(4) Liabilities for non-current assets held for sale		**53.76**	40.60
Total equity and liabilities		**8,110.93**	7,316.44

Significant accounting policies **5**
Notes form an integral part of these consolidated financial statements **6-60**
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019
(₹ in Millions)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	29	**4,195.91**	3,956.99
Other income	30	**50.36**	13.94
Total income		**4,246.27**	3,970.93
Expenses			
Cost of materials consumed	31	**657.11**	799.37
Purchases of stock-in-trade	32	**2.38**	3.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	**112.88**	11.44
Excise duty		**-**	46.84
Employee benefits expense	34	**802.29**	685.95
Finance costs	35	**38.70**	80.86
Depreciation and amortisation expense	36	**211.16**	182.98
Other expenses	37	**802.11**	769.91
Total expenses		**2,626.63**	2,581.26
Profit before exceptional items and tax		**1,619.64**	1,389.67
Exceptional items		**-**	-
Profit before tax		**1,619.64**	1,389.67
Tax expense (refer note 38)			
Current tax		**488.77**	478.47
Minimum Alternate Tax (MAT) credit entitlement		**-**	(17.03)
Deferred tax (credit)/ charge		**(19.72)**	(7.71)
Tax adjustment for earlier years		**(8.44)**	0.38
Total tax expense		**460.61**	454.11
Profit for the year		**1,159.03**	935.56
Less: Share of profit attributable to Non-controlling interest		**48.44**	35.01
Profit for the year attributable to the owners of the Company		**1,110.59**	900.55
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability / (asset)		**1.22**	(0.91)
(ii) Income tax related to items that will not be reclassified to profit or loss		**(0.35)**	0.09
B (i) Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations		**138.56**	79.68
(ii) Income tax related to items that will be reclassified to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**139.43**	78.86
Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest		**0.39**	(1.01)
Other Comprehensive Income for the year attributable to Owners of the Company		**139.04**	79.87
Total Comprehensive Income attributable to:			
Owners of the Company		**1,249.63**	980.42
Non-Controlling Interest		**48.83**	34.00
Total Comprehensive Income for the year		**1,298.46**	1,014.42
Earnings per equity share (face value ₹ 2 each fully paid up)	**45**		
Basic		**9.95**	8.07
Diluted		**9.94**	8.06

Significant accounting policies **5**
Notes form an integral part of these consolidated financial statements **6-60**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Consolidated Statement of Changes in Equity (SOCIE)

as at 31 March 2019
(₹ in Millions)

(a) Equity share capital	31 March 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year (refer note 20)	**11,16,30,025**	**223.26**	2,23,26,005	223.26
Changes in equity share capital during the year	**18,950**	**0.04**	8,93,04,020	-
Balance at the end of the year	**11,16,48,975**	**223.30**	11,16,30,025	223.26

(b) Other equity

Particulars	Attributable to owners of the Company							Total attributable to owners of the Company	Attributable to NCI	Total Equity
	Reserves and Surplus									
	Securities Premium	Capital Reserve	General reserve	Retained earnings	Employee stock option account	Other reserve	Foreign currency translation reserve			
Balance at 1 April 2017	**754.71**	**3.00**	**38.77**	**3,485.17**	**3.05**	**-**	**132.51**	**4,417.21**	**211.42**	**4,628.63**
Profit for the year	-	-	-	901.56	-	-	-	901.56	35.01	936.56
Other comprehensive income for the year	-	-	-	(0.83)	-	-	79.68	78.85	(1.01)	77.84
Total comprehensive income for the year	**-**	**-**	**-**	**900.73**	**-**	**-**	**79.68**	**980.41**	**34.00**	**1,014.41**
Issue of Share capital	2.19	-	-	-	-	-	-	2.19	-	2.19
Dividends paid	-	-	-	(44.65)	-	-	-	(44.65)	-	(44.65)
Dividend Distribution Tax (DDT)	-	-	-	(9.09)	-	-	-	(9.09)	-	(9.09)
Acquisition of a Non-controlling Interest (NCI)	-	-	-	-	-	(1.81)	-	(1.81)	-	(1.81)
Add : Options granted during the year (refer note 44)	-	-	-	-	23.29	-	-	23.29	-	23.29
Movement in non-controlling interest	-	-	-	-	-	-	-	-	(19.44)	(19.44)
Balance at 31 March 2018	**756.90**	**3.00**	**38.77**	**4,332.16**	**26.34**	**(1.81)**	**212.19**	**5,367.55**	**225.98**	**5,593.53**
Profit for the year	-	-	-	1,110.59	-	-	-	1,110.59	48.44	1,159.03
Other comprehensive income for the year	-	-	-	0.48	-	-	138.56	139.04	0.39	139.43
Total comprehensive income for the year	**-**	**-**	**-**	**1,111.07**	**-**	**-**	**138.56**	**1,249.63**	**48.83**	**1,298.46**
Issue of Share capital	6.29	-	-	-	-	-	-	6.29	-	6.29
Exercise of Share options	-	-	-	-	(5.19)	-	-	(5.19)	-	(5.19)
Options lapsed during the year	-	-	-	-	(3.20)	-	-	(3.20)	-	(3.20)
Dividends paid	-	-	-	(55.82)	-	-	-	(55.82)	-	(55.82)
Dividend Distribution Tax (DDT)	-	-	-	(11.44)	-	-	-	(11.44)	-	(11.44)
Add : Options granted during the year (refer note 44)	-	-	-	-	17.33	-	-	17.33	-	17.33
Movement in non-controlling interest	-	-	-	-	-	-	-	-	(15.19)	(15.19)
Balance at 31 March 2019	**763.19**	**3.00**	**38.77**	**5,375.97**	**35.28**	**(1.81)**	**350.75**	**6,565.15**	**259.62**	**6,824.77**

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Consolidated Cash flow statement

for the year ended 31 March 2019
(₹ in Millions)

		Year ended 31st March, 2019	Year ended 31st March, 2018
A.	**Cash flows from operating activities**		
	Profit before tax	**1,619.63**	1,389.67
		1,619.63	1,389.67
	Adjustments for non-cash transactions		
	Depreciation and amortization expense	**211.16**	182.98
	Property, plant and equipments written off	**0.36**	1.71
	(Profit) / Loss on sale of Property, plant and equipments	**2.57**	(0.12)
	Allowances for bad and doubtful trade receivables	**1.05**	(5.84)
	Bad debts written off	**11.42**	29.38
	Provision for doubtful trade receivables provided / (written back)	**0.32**	(5.74)
	Employee stock compensation expense	**14.13**	24.50
	Sundry balances written off/ (back) (net)	**3.59**	0.13
	Excess provision written back	**(13.67)**	-
	Fair valuation of investments in marketable securities	**(11.18)**	-
	Unrealized foreign exchange loss/(gain)	**5.31**	0.06
		1,844.71	1,616.73
	Items considered separately		
	Interest income	**(3.46)**	(21.99)
	Interest expenses	**38.60**	66.43
		1,879.85	1,661.17
	Operating profit before working capital changes		
	(Increase) / Decrease in Non-current loans	**(1.38)**	14.99
	(Increase) / Decrease in other non-current assets	**(2.12)**	(5.71)
	(Increase) in inventories	**(2.22)**	(37.95)
	(Increase) / Decrease in trade receivables	**(85.16)**	44.84
	(Increase) / Decrease in Current loans	**18.51**	11.17
	(Increase) / Decrease in financial current assets	**21.40**	(31.62)
	(Increase) / Decrease in Other current assets	**(11.97)**	69.44
	Increase / (Decrease) in provisions	**(10.37)**	4.04
	Increase / (Decrease) in trade payables	**(77.25)**	(26.25)
	Increase / (Decrease) in current financial liabilities - others	**47.92**	14.54
	Increase / (Decrease) in other current liabilities	**(18.38)**	(113.85)
	Cash generated from operating activities	**1,758.82**	1,604.81
	Income taxes paid (net of refunds)	**(473.16)**	(445.06)
	Net cash generated from operating activities	**1,285.66**	1,159.75
B.	**Cash flows from investing activities**		
	Purchase of Property, plant and equipments	**(117.65)**	(93.91)
	Proceeds from sale of Property, plant and equipments	**1.57**	0.99
	Capital expenditure on intangible assets under development	**-**	(13.35)
	Purchase of intangible assets	**(6.21)**	(2.27)
	Consideration for acquisition of subsidiary	**(17.47)**	(675.97)
	Purchase of current investments	**(1,110.14)**	-
	Interest received	**3.50**	1.40
	(Increase) / Decrease in bank deposits with maturity more than 3 months but less than 12 months	**(0.13)**	(0.12)
	(Increase) / Decrease in bank deposits with maturity of more than 12 months #	**(0.00)**	1.35
	Net cash (used in) investing activities	**(1,246.54)**	(781.88)
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital	**1.14**	-
	(Repayment of)/ proceeds from long-term borrowings (net)	**(149.69)**	(7.96)

Consolidated Cash flow statement (Continued)

for the year ended 31 March 2019
(₹ in Millions)

		Year ended 31st March, 2019	Year ended 31st March, 2018
	(Repayment of)/ proceeds from short-term borrowings (net)	**(163.20)**	107.46
	Interest paid	**(38.65)**	(44.16)
	Dividends paid (including dividend tax)	**(80.45)**	(76.00)
	Net cash generated from financing activities	**(430.86)**	(20.66)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(391.74)**	357.21
	Cash and cash equivalents as at the beginning of the year	**611.28**	75.05
	Cash acquired on acquisition	**-**	150.82
	Effect of exchange rate changes on cash and cash equivalents held	**11.08**	28.20
	Cash and cash equivalents as at the end of the year*	**230.62**	611.28
	*** Composition of cash and cash equivalents**		
	Cash in hand	**0.44**	0.78
	Balance with banks :		
	Current account	**191.63**	610.25
	Fixed deposit account (with maturity less than 3 months)	**30.01**	0.25
	Other balance	**8.54**	-
		230.62	611.28

Reconciliation between the opening and closing balances in the balances sheet for liabilities arising from financing activities

Particulars	Notes	31 March 2018	Cashflows	Non cash changes				31 March 2019
				Acquisitions	Foreign exchange movement	Fair value change	Other adjustments	
Non-current borrowings	22 & 26	289.60	(149.69)	-	(3.09)	-	-	136.82
Cash credit, packing credit and working capital demand loans	24	378.06	(163.20)	-	(1.41)	-	-	213.45
Total liabilities from financing		**667.66**	**(312.89)**	**-**	**(4.50)**	**-**	**-**	**350.27**

Notes to the Consolidated cash flow statement

1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Statement of cashflows'.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

1 Overview of the Company

Advanced Enzyme Technologies Limited (herein referred to as 'the Parent Company' or the 'the Company') together with its subsidiaries (together referred to as 'the Group') carries on the business of manufacturing and sales of enzymes. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016. The registered office of the company is Sun Magnetica, A wing, 5th Floor, Near LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400604

2 Basis of preparation

a Statement of compliance

These consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions and amendments as applicable.

These consolidated Ind AS financial statements were authorised for issue by the Group's Board of Directors on 24 May 2019.

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained the operating cycle to be 12 months.

b Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c Historical cost convention:

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

3 Use of estimates

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying Consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 are as follows:

a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation

carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

f. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Group.

g. Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers.

h. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3A Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on 28 March 2019, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after 1 April 2019

Ind AS 116- Leases:

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

existing leases guidance, Ind AS 17, Leases.
The Group has completed an initial assessment of the potential impact on its standalone financial statements and no significant impact is expected.

"The Group will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities."

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Group's finance leases.

"The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information."

"The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17."

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

"The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12."

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

4 Principles of Consolidation

a Business combinations

As part of its transition to Ind AS, the group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after the transition date i.e 1 April 2016. In accordance with Ind AS 103, the group accounts for these business combinations using the acquisition method when control is transferred to the group. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the consolidated statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

b Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Subsidiary companies considered in the Consolidated Financial Statements are as follows:

Name of the Company	Country of incorporation	% age voting power held as at 31 March 2019	% age voting power held as at 31 March 2018
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. JC Biotech Private Limited (Acquired on 1 December 2016)	India	70.00%	70.00%
iii. Advanced Enzytech Solutions Limited	India	100.00%	100.00%
iv. Advanced Enzymes USA, Inc.	USA	100.00%	100.00%
v. Advanced Enzymes Europe B.V. (incorporated on 11 July 2017)	Netherlands	100.00%	100.00%
vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)	Germany	100.00%	100.00%
vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
viii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100.00%	100.00%
x. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
xi. Advanced Enzymes (Malaysia) Sdn. Bhd. (Subsidairy w.e.f. 3 July 2017 up to 11 March 2018) (Wholly owned subsidiary w.e.f. 12 March 2018)	Malaysia	100.00%	100.00%

c Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
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lost. Any resulting gain or loss is recognised in consolidated statement profit or loss.

e Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

5 Significant accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the Consolidated financial statements.

a. Revenue recognition

i. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

ii. Revenue from sale of products:

The Group is engaged in selling proprietary enzymes.

Revenues related to sale of products is recognized at a point in time when control of the asset is transferred to the customer based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of physical possession, the transfer of risk and rewards, and acceptance by the customer. In case of product sales undertaken by the group, sales are recognized when control of the products has transferred, being when the products are either delivered to pre-agreed location or shipped from the warehouse, as agreed in the contract, the risk and rewards has transferred, the entity has right to payment and has transferred legal title to a customer. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated trade discounts.

iii. Revenue from sale of services:

The group offers various services ranging from enzyme identification, enzyme optimisation, enzyme and process development, scale-up and production ender fixed price contracts.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

iv. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.

v. Interest income is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Property, plant and equipment and depreciation

Recognition and measurement

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.

ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

iii. Asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Consolidated Statement of Profit and Loss.

iv. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

v. The Group has elected to continue with the carrying value of all its property, plant and equipment as recognized in the Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

Subsequent expenditure

vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

vii Depreciation on tangible fixed assets other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

The estimated useful life of assets are as follows:

Particulars	Estimated useful life
Building	30 - 60 years
Plant and equipment	10 - 25 years
Furniture and fixture	3 - 10 years
Vehicles	8 years
Office equipments	5 years
Computer and data processing equipment	3 - 6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

viii Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.

c. Intangible assets

i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.

ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of intangible asset.

iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iv. An intangible asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

v. Any expected loss is recognized immediately in the consolidated statement of Profit and Loss.

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated useful life
Computer software	1 - 5 years
Customer relationship	10 years
Developed technologies	15 - 25 years
Rights and Licences	10 - 15 years
Product Dossiers	10 years
Trade name	7 years

d. Non-current assets held for sale

Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets,are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss. Once classified as held-for-sale they are no longer depreciated.

e. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the consolidated statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier

Notes to the Consolidated Financial Statements

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accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the consolidated statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

f. Foreign currency

Foreign currency transactions

i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in consolidated statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the consolidated statement of Profit and Loss in the period in which they arise.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupee at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian rupee at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

g. Stock based Compensation:

Employees Stock Option Plans ("ESOPs"):

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head ""Employee Stock Option account"". On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

h. Inventories

i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.

ii. Cost of raw materials, consumables and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location. Cost of finished goods and stock in process is determined on weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

i. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

For the entities incorporated in U.S.A., the companies contributed towards the persion cum retirement benefit plan in accordance with 401(k) of the Internal Revenue Code and the contribution paid or payable is recognised as an expense in the period in which the employee renders services.

ii. Defined benefit plans

The Group provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Group's policy.

j. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax

Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit

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will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the the consolidated statement of Profit and Loss. The group recognizes MAT credit available as an asset only when it is probable that the future economic benefit associated with it will flow to the group i.e. the resepective company in the group will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the respective company in the group recognizes MAT Credit recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, by way of credit to the consolidated statement of Profit and Loss and shown as "MAT Credit Entitlement." MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid evidence no longer exists.

k. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognized as an expense in the consolidated statement of profit and loss.

l. Research and development costs

Research and development costs incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of assets and depreciated on the same basis as other assets.

m. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. 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.

A contingent asset is not recognised but disclosed in the Consolidated financial statements where an inflow of economic benefit is probable.

n. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the group's balance sheet. Payments made under operating leases are recognized in the consolidated statement of profit and loss on a straight-line basis over the term of the lease.

o. Cash and cash equivalents

Cash comprises of cash at bank and in hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Operating cycle

Operating cycle is the time between the acquisition of assets for processing an their realization in cash or cash equivalents. Based on the nature of products/ activities of the Group, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

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

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss.

iv. Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. Impairment of financial assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities,deposits, and bank balance.

ii. Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather,it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit and loss.

iii. Derecognition

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in consolidated statement of profit and loss.

iv. 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.

v. Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the consolidated statement of profit and loss.

s. Government grants

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions. Government grants related to income are deferred and recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and netted off with the expense in the consolidated statement of profit and loss. Government grants related to purchase of property plant and equipment are recognised as deferred income and are credited to consolidated statement of profit and loss on a straight line basis over expected life of the related asset and presented within other income.

t. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5 Property, Plant and Equipment

Gross block	Land Freehold	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Computer and data processing equipments	Total
Balance as at 1 April 2017	138.45	5.22	306.67	1,295.73	24.22	22.08	9.01	85.38	10.34	1,897.10
Additions	-	-	18.48	53.96	1.36	3.05	1.25	8.11	4.96	91.17
Addition on acquisition of subsidiary company	-	-	-	95.03	-	-	70.37	-	-	165.40
Disposals	-	-	-	-	-	1.12	0.10	-	0.21	1.43
Reversal on account of assets written off	-	-	-	1.92	0.01	-	0.10	-	0.07	2.10
Balance as at 31 March 2018	**138.45**	**5.22**	**325.15**	**1,442.80**	**25.57**	**24.01**	**80.43**	**93.49**	**15.02**	**2,150.14**
Additions	-	-	6.76	79.65	1.45	5.29	3.00	3.22	8.75	108.12
Disposals	-	-	-	8.78	-	0.36	1.43	-	0.65	11.22
Reversal on account of assets written off#	-	-	-	0.03	0.00	-	0.00	-	0.03	0.06
Balance as at 31 March 2019	**138.45**	**5.22**	**331.91**	**1,513.64**	**27.02**	**28.94**	**82.00**	**96.71**	**23.09**	**2,246.98**
Accumulated depreciation and amortisation										
Balance as at 1 April 2017	-	0.07	41.78	153.29	6.98	8.11	3.07	13.78	4.10	231.18
Depreciation and amortisation	-	0.07	24.73	91.15	5.48	5.07	5.32	15.00	3.78	150.60
On acquisition of subsidiary company	-	-	-	47.19	-	-	57.14	-	-	104.33
Reversal on disposal of assets	-	-	-	-	-	0.53	0.06	-	0.20	0.79
Reversal on account of assets written off#	-	-	-	0.31	0.00	-	0.07	-	0.01	0.39
Balance as at 31 March 2018	**-**	**0.14**	**66.51**	**291.32**	**12.46**	**12.65**	**65.40**	**28.78**	**7.67**	**484.93**
Depreciation and amortisation	-	0.07	26.74	90.99	4.12	4.09	6.37	17.13	6.63	156.14
Reversal on disposal of assets#	-	-	-	5.38	0.00	0.25	0.00	-	0.48	6.11
Balance as at 31 March 2019	**-**	**0.21**	**93.25**	**376.93**	**16.58**	**16.49**	**71.77**	**45.91**	**13.82**	**634.96**
Other Adjustment										
Foreign currency translation adjustments as at 31 March 2018	-	-	-	2.27	(0.04)	-	0.76	(1.48)	(0.12)	1.39
Foreign Currency Translation adjustments during the year	-	-	-	0.15	0.08	-	(0.24)	4.06	0.18	4.23
Balance as at 31 March 2019	**-**	**-**	**-**	**2.42**	**0.04**	**-**	**0.52**	**2.58**	**0.06**	**5.62**
Net block										
Balance as at 31 March 2018	**138.45**	**5.08**	**258.64**	**1,153.75**	**13.07**	**11.36**	**15.79**	**63.23**	**7.23**	**1,666.60**
Balance as at 31 March 2019	**138.45**	**5.01**	**238.66**	**1,139.13**	**10.48**	**12.45**	**10.75**	**53.38**	**9.33**	**1,617.64**

Note 1:
The Group has decided to sell the lease rights for one of its leasehold land situated at Jalna, Maharashtra. Accordingly, the cost of land and building appurtenant thereto along with the development costs has been classified as non-current assets held for sale in Note 19.

Note 2:
The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

6B Capital work-in-progress (CWIP)

CWIP as at 1 April 2017	14.98
Addition during the year	75.10
Capitalised during the year	63.53
CWIP as at 31 March 2018	**26.55**
Addition during the year	97.23
Capitalised during the year	76.24
CWIP as at 31 March 2019	**47.54**

6C Goodwill on consolidation (refer note 51)

	As at 31 March 2019	As at 31 March 2018
Advanced Enzymes USA, Inc.	**2,342.97**	2,203.17
JC Biotech Private Limited	**123.65**	123.65
Advanced Enzytech Solutions Limited	**0.87**	0.87
Advanced Enzymes (Malaysia) Sdn. Bhd.	**0.93**	0.93
Advanced Enzymes Europe B.V.	**246.32**	255.58
	2,714.74	2,584.20

6D Intangible assets

Gross block	Computer software	Customer relation-ship	Developed Technolo-gies	Rights and Li-cences	Trade-name	Website Domain	Product Dossiers	Total
Balance as at 1 April 2017	2.01	-	272.25	-	-	-	-	274.26
Additions	2.41	-	-	-	-	-	-	2.41
Addition on acquisition of subsidiary company	3.74	78.62	255.68	228.59	25.63	6.32	-	598.58
Balance as at 31 March 2018	**8.16**	**78.62**	**527.93**	**228.59**	**25.63**	**6.32**	**-**	**875.25**
Additions	23.37	-	-	0.45	-	-	3.83	27.65
Balance as at 31 March 2019	**31.53**	**78.62**	**527.93**	**229.04**	**25.63**	**6.32**	**3.83**	**902.90**
Accumulated amortisation								
Balance as at 1 April 2017	0.60	-	3.58	-	-	-	-	4.18
Amortisation	0.91	5.04	21.82	2.25	2.35	-	-	32.37
Addition on acquisition of subsidiary company	3.71	-	-	199.40	-	-	-	203.11
Balance as at 31 March 2018	**5.22**	**5.04**	**25.40**	**201.65**	**2.35**	**-**	**-**	**239.66**
Amortisation	6.61	8.44	29.08	4.46	3.93	2.39	0.11	55.02
Balance as at 31 March 2019	**11.83**	**13.48**	**54.48**	**206.11**	**6.28**	**2.39**	**0.11**	**294.68**
Other Adjustment								
Foreign currency translation adjustments as at 31 March 2018	0.01	5.26	17.59	1.95	1.68	0.06	-	26.55

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Gross block	Computer software	Customer relation-ship	Developed Technolo-gies	Rights and Li-cences	Trade-name	Website Domain	Product Dossiers	Total
Foreign Currency Translation adjustments during the year	0.00	(2.52)	(8.77)	(0.90)	(0.75)	0.43	-	(12.51)
Balance as at 31 March 2019	**0.01**	**2.74**	**8.82**	**1.05**	**0.93**	**0.49**	**-**	**14.04**
Net block								
Balance as at 31 March 2018	2.95	78.84	520.12	28.89	24.96	6.38	-	662.14
Balance as at 31 March 2019	**19.71**	**67.88**	**482.27**	**23.98**	**20.28**	**4.42**	**3.72**	**622.26**

Note 1
The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on 1 April 2016.

6E Intangible assets under development

Balance as on 1 April 2017	65.49
Addition during the year	15.32
Capitalised during the year	1.97
Balance as on 31 March 2018	**78.84**
Addition during the year	5.76
Capitalised during the year	27.19
Balance as at 31 March 2019	**57.41**

7 Non-current investments

	As at 31 March 2019	As at 31 March 2018
Other investments (unquoted)		
Equity shares at fair value through profit and loss		
19,100 Equity shares (31 March 2018 - 19,100) of ₹10 each fully paid up of Advanced Vital Enzymes Private Limited *	**0.57**	0.57
1,666 Equity shares (31 March 2018 - 1,666) of ₹30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	**0.05**	0.05
	0.62	0.62
Aggregate value of unquoted investments	**0.62**	0.62

* refer note 42

8 Long-term loans
(unsecured considered good unless otherwise stated)

	As at 31 March 2019 Long- term	As at 31 March 2018 Long- term
Security deposits	**21.81**	22.43
	21.81	22.43

9 Other non-current financial assets
(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Non-current bank deposits	**0.04**	0.04
	0.04	0.04

10 Other non-current assets
(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	**10.07**	10.58
Capital advances	**13.30**	9.10
	23.37	19.68

11 Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials and packing materials [including goods-in-transit of ₹ 30.01 million (31 March 2018 ₹ 30.71 million)]	**400.70**	282.01
Work-in-progress	**196.08**	264.66
Finished goods [including goods-in-transit of ₹ 36.46 million (31 March 2018 ₹ 31.53 million)]	**116.94**	158.50
Stores, consumables and fuel	**55.27**	50.55
	768.99	755.72

As at 31 March 2019, the Company has written down the value for slow moving inventory aggregating ₹ 64.04 million (31 March 2018: ₹ 11.10 million). The charge on account of written down during the year ended 31 March 2019 is ₹ 52.94 million (31 March 2018: ₹ 0.55 million) is included in cost of materials consumed and changes in inventories.

12 Current investments

	As at 31 March 2019	As at 31 March 2018
Mutual funds (Quoted)		
Measured at fair value through profit and loss		
Fixed income securities	**1,109.81**	-
ICICI Prudential Mutual Fund- "ICICI Prudential Liquid - Growth"	**0.04**	0.04
(No. of units 31 March 2019: 145.78, 31 March 2018: 145.78)		
(Market value 31 March 2019: 275.42/unit, 31 March 2018: 256.69/unit)	**1,109.85**	0.04

13 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Secured, considered good	**0.13**	0.13
Unsecured, considered good	**587.14**	585.81
Unsecured, credit impaired	**15.28**	20.75
Less : Impairment loss allowance	**(15.28)**	(20.75)
	587.27	585.94
(refer note 52 for information about credit risk and market risk of trade receivables)		
The above balance includes amounts due from Private companies in which directors are interested (refer note 42)		
	4.19	9.82

14 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	**0.44**	0.78
Balances with banks		
- in current accounts	**191.63**	610.25
- in deposit account with original maturity upto three months	**30.01**	0.25
Money market deposits	**8.54**	-
	230.62	611.28

15 Other bank balances

	As at 31 March 2019	As at 31 March 2018
Unclaimed dividend account	**1.01**	0.55
Bank deposits with original maturity of more than three months but less than twelve months*	**2.49**	2.36
	3.50	2.91
* includes earmarked balances for performance guarantees	**2.49**	2.36

16 Short-term loans

(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Security deposits	**0.35**	20.93
Loan to employees	**0.94**	0.01
	1.29	20.94

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17 Other current financial assets
(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Interest receivable	**0.92**	0.36
Export incentives receivable	**9.40**	29.17
Others	**12.10**	13.35
	22.42	42.88

18 Other current assets
(unsecured considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Loan to employees	**-**	0.23
Prepaid expenses	**13.06**	15.05
Advance to suppliers	**3.41**	17.62
Excess of Planned Assets over Obligation - Gratuity	**0.99**	-
Balance with Government authorities	**22.67**	27.44
Asset recoverable from customers	**6.55**	3.51
Others	**50.01**	23.53
	96.69	87.38

19 Non-current assets held for sale

	As at 31 March 2019	As at 31 March 2018
Non- current assets held for sale (refer note below)	**48.17**	48.17
	48.17	48.17

Note:

Description	31 March 2019	31 March 2018
Land (refer note 6A)	**12.57**	12.57
Development costs	**35.60**	35.60
	48.17	48.17

20 Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 2 each	**17,50,00,000**	**350.00**	17,50,00,000	350.00
	17,50,00,000	**350.00**	17,50,00,000	350.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	**11,16,48,975**	**223.30**	11,16,30,025	223.26
Total	**11,16,48,975**	**223.30**	11,16,30,025	223.26

a) Reconciliation of equity share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**11,16,30,025**	**223.26**	2,23,26,005	223.26
Add : Adjustment for Sub-Division of Equity Shares (Refer note 20 e below)	**-**	**-**	8,93,04,020	-
Add : Issued during the year (Refer note 20 d below)	**18,950**	**0.04**	-	-
Balance at the end of the year	**11,16,48,975**	**223.30**	11,16,30,025	223.26

b) Shareholders holding more than 5% of the equity shares

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Mr. Vasant L. Rathi*	**3,65,04,500**	**32.70%**	3,39,04,500	30.37%
Chandrakant Rathi Innovations and Projects Private limited	**1,63,71,876**	**14.66%**	2,48,49,630	22.26%
Atharva Green Ecotech LLP (formerly known as Atharva Capital Ventures Private Limited)	**-**	**-**	1,24,64,700	11.17%
Orbimed Asia III Mauritius Limited	**1,10,53,245**	**9.90%**	-	-
HDFC Small Cap Fund	**69,47,478**	**6.22%**	-	-
	7,08,77,099	**63.48%**	7,12,18,830	63.80%

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2019: 5,000,000 shares (4.48%) [31 March 2018: 5,000,000 shares (4.48%)]

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) Shares reserved for issue under options

The Company had reserved issuance of 220,000 Equity shares of ₹ 2 each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria (refer note 44).

e) Subdivision of shares

The Shareholders vide a special resolution approved sub-division of shares of the Company in the ratio of 5 shares of face value of ₹ 2 each for every existing 1 share of the face value of ₹ 10 each through postal ballot. The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on 4 May 2017.

21 Other equity

	As at 31 March 2019	As at 31 March 2018
Capital reserves	**3.00**	3.00
Securities premium		
Balance at the beginning of the year	**756.90**	754.71

Notes to the Consolidated Financial Statements

as at 31 March 2019
(₹ in Millions)

	As at 31 March 2019	As at 31 March 2018
Add: Premium on issue of equity shares under ESOP scheme	**6.29**	2.19
Balance at the end of the year	**763.19**	756.90
Employee stock option account		
Balance at the beginning of the year	**26.34**	3.05
Add: Options granted during the year (refer note 44)	**17.33**	23.29
Less: Exercised during the year	**(5.19)**	-
Less: Lapsed during the year	**(3.20)**	-
Balance at the end of the year	**35.28**	26.34
Other Reserve	**(1.81)**	(1.81)
General reserve	**38.77**	38.77
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	**4,332.16**	3,485.17
Add: Profit for the year	**1,110.59**	901.56
Add: Transferred from Other comprehensive income	**0.48**	(0.83)
Less: Dividend paid	**(55.82)**	(44.65)
Less: Tax on dividends distributed during the year	**(11.44)**	(9.09)
Balance at the end of the year	**5,375.97**	4,332.16
Other Comprehensive Income		
Foreign currency translation reserve		
Balance at the beginning of the year	**212.19**	132.51
Add: Exchange rate difference in translation (net)	**138.56**	79.68
Balance at the end of the year	**350.75**	212.19
	6,565.15	5,367.55

Nature and purpose of reserves

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Dividends

The following dividends were declared and paid by the Company during the year

Particulars	Paid during 01-Apr-18 to 31-Mar-19	Paid during 01-Apr-17 to 31-Mar-18
₹ 0.50 per equity share (31 March 2018: ₹ 0.40 per equity share)	**55.82**	44.65
Dividend distribution tax on dividend to equity shareholders	**11.44**	9.09
	67.26	53.74

22 Non-current borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Term loans:		
From banks	**29.89**	119.36
Vehicle loans	**2.02**	5.33
From other parties	**23.63**	49.55
	55.54	174.24
Unsecured		
Deferred sales tax payment liabilities	**14.94**	24.11
	14.94	24.11
	70.48	198.35

a) Details of guarantee for each type of borrowing

Guaranteed by former managing director of the Company

Term loans:

	As at 31 March 2019	As at 31 March 2018
From banks (including current maturities)	-	81.26

b) Details of security for each type of borrowings

The Company:

(a) Term loans from banks are secured by

(i) hypothecation charge of present and future movable and immovable fixed assets assets of the Company; and

(ii) first pari-passu charge by way of equitable/ registered mortgage on all the present and future land and building (immovable properties) of the Company.

(b) Vehicle loans availed from four banks and two financial institution are secured by charge on vehicles as specified in their respective loan agreements.

JC Biotech Private Limited:

(a) Term Loan and Overdraft facility:

(i) The Term Loan and Drop Line Overdraft from Yes Bank is secured by way of Hypothecation on current assets and movable assets of the company and deed of mortgage on Immovable properties of the company.

(ii) The Term Loan and Drop Line Overdraft from Yes Bank is further secured by the personal guarantee of Mr.S Chandrashekhar, Managing Director of JC Biotech Private Limited.

(iii) The Parent Company has given the letter of comfort to YES Bank for availing the credit facility of ₹ 201 Million.

(iv) Term Loan from Biotechnology Industry Research Assistance Council (BIRAC/SBIRI) is secured by way of Hypothecation of Assets acquired for the project sanctioned by BIRAC/SBIRI

Evoxx technologies GmbH:

(a) Term loans availed are secured by charge on equipments as specified in their respective loan agreements.

c) Terms of repayment of term loans and other loans (including current maturities)

Term loans	Interest rates	Repayment terms	Outstanding as at 31 March 2019	Outstanding as at 31 March 2018
From Banks				
Kotak Mahindra Bank	Base rate + 1%	Entire amount is prepaid during the current financial year	-	81.26
Yes Bank	9.25%	12 equal quarterly instalments of ₹ 5.83 million each along with interest up to 31 March 2020	**23.36**	46.80
Yes Bank - drop line overdraft facility	9.25%	60 equal monthly instalments of ₹ 1.42 million each along with interest up to 31 March 2022	**47.12**	63.64
From others				
Deutsche Leasing für Sparkassen und Mittelstand GmbH	4.32%	72 equal monthly instalments of ₹ 0.34 million each along with interest up to 1 April 2022	**11.41**	15.35
Deutsche Leasing für Sparkassen und Mittelstand GmbH	4.35%	65 equal monthly instalments of ₹ 0.57 million each along with interest up to 1 Aug 2021	**12.65**	21.79
Biotechnology Industry Research Assistance Council	Upto Rs 10 million - 1% and balance 2%	10 equal half yearly instalments of ₹ 2.22 million each along with interest up to 5 May 2022	**13.79**	16.86

Notes to the Consolidated Financial Statements

as at 31 March 2019
(₹ in Millions)

Vehicle Loans (including current maturities)

Interest rate	Date of last installment	Amount of installment	Outstanding as at 31 March 2019	Outstanding as at 31 March 2018
11.60%	03-Aug-18	0.01	-	0.07
11.60%	04-Mar-19		-	1.08
10.59%	15-Oct-18	0.02	-	0.18
10.50%	07-Nov-19	0.02	**0.12**	0.27
10.15%	15-Mar-20	0.03	**0.37**	0.72
10.14%	15-Mar-20	0.03	**0.33**	0.63
9.90%	05-Jun-20	0.01	**0.13**	0.22
9.75%	07-Nov-20	0.01	**0.23**	0.34
9.32%*	01-Aug-21	0.04	-	1.36
9.16%	07-Apr-21	0.09	**2.14**	2.96
8.35%	05-Mar-22	0.03	**1.05**	1.39
Total			**4.37**	9.22

* Vehicle loan has been prepaid in the current year

Deferred sales tax payment liabilities

Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years moratorium year from each such year of deferral period from 1996-97 to 2006-07.

23 Non-current provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Compensated absences	**0.85**	0.87
Gratuity (refer note 39)	**4.61**	10.34
	5.46	11.21

24 Current borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Loans repayable on demand:		
From banks in foreign currency	**98.37**	58.34
From banks in rupees	**115.08**	318.25
	213.45	376.59
Unsecured		
Loans repayable on demand:		
From others	**-**	1.47
	-	1.47
	213.45	378.06

a) Details of guarantee for each type of borrowing

Guaranteed by managing director of the Company		
Loans repayable on demand:		
From banks	**-**	323.27

b) Details of security for each type of borrowings

The Company:

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

Advanced Bio Agro Tech Limited:

(a) Loans repayable on demand from banks (Working Capital loans) are secured as under:

1. Negative lien on Land & Building situated at Gat No 551 , Off Nashik-Pune Road, Dapurwad Road, Mauje, Musalgaon, Taluka- Sinnar , Dist- Nashik, Sole Charge on Plant & Machniery located at the above address as and when procured.

2. First Exclusive charge on Stocks and Book Debts of the Advanced Bio Agro Tech Limited.

3. Personal guarantee given by the Managing Director Mr. OP Singh.

JC Biotech Private Limited:

The cash credit facility from bank is secured by way of hypothecation of current assets and moveable assets of the Company and deed of mortgage on immovable properties of the JC Biotech Private Limited.

c) Terms of repayment of loans

Loan repayable on demand - from banks

(i) Cash Credit from bank for ₹ 115.08 million (31 March 2018: ₹ 166.97 million) carries an interest rate of 9% to 12%.

(ii) Packing credit foreign currency loan from bank for ₹ 98.37 million (31 March 2018: ₹ 58.34 million) carries an interest rate of Libor + 100 to 125 bps.

(iii) Packing credit in local currency from bank for ₹ Nil (31 March 2018: ₹ 36.28) carries an interest rate of 5.25%.

(iv) Working capital demand loan from bank for ₹ Nil (31 March 2018: ₹ 115.00 million carries an interest rate in the range of 7.85% to 8.50% p.a.)

Loan repayable - others
Loan from related party of ₹ Nil (31 March 2018: ₹ 1.47 million) is repayable on demand and carries no interest.

25 Trade payables

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues to micro and small enterprises (refer note below)	**5.95**	5.91
Total outstanding dues to others (refer note 42 for payable to related parties)	**90.90**	168.82
	96.85	174.73

Notes to the Consolidated Financial Statements

as at 31 March 2019
(₹ in Millions)

Note:
Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Principal amount remaining unpaid	**5.95**	5.91
Interest due thereon	**0.01**	0.01
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
Interest accrued and remaining unpaid as at balance sheet date	**0.02**	0.01
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**-**	-

Note:
The management has identified enterprises which have provided goods and services to the companies within the Group which are incorporated in India and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the Consolidated financials statements based on information received and available with the Group.

26 Other current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term term loans (refer note no. 22)		
- From banks	**40.59**	72.34
- Vehicle loans	**2.35**	3.89
- Others	**14.22**	4.45
- Deferred sales tax payment liabilities	**9.18**	10.57
Unpaid dividends (Also refer note below)	**1.01**	0.55
Security deposits from customers	**6.93**	3.88
Payable for purchase of property, plant and equipment	**8.78**	7.37
Payable in respect of investment in subsidiary	**-**	21.26
Employee benefits payable	**60.59**	51.90
Other payables	**89.41**	51.32
	233.06	227.53

Note :
The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.02 million (31 March 2018: ₹ 0.03 million).

27 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Statutory dues:		
Provident fund payable	**2.35**	2.16
Employees' State Insurance Scheme contribution payable	**0.16**	0.19
Other dues payable	**14.04**	19.88
Advance from customers	**27.82**	104.25
Other Payables	**12.22**	25.24
	56.59	151.72

28 Current provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Compensated absences	**7.94**	8.50
Gratuity (refer note 39)	**6.43**	6.36
Provision for 401K (refer note a below)	**5.91**	8.76
Provision for sales return (refer note b below)	**6.49**	8.78
	26.77	32.40

Note:

a) Advanced Enzymes USA, Inc.

The Company has maintained a 401(k) Safe Harbor Profit Sharing Plan ("Plan") to provide retirement and incidental benefits for its eligible employees. Employees may contribute from 1% to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Advanced Enzymes USA contributes 100% of each dollar of mandatory contributions each eligible participant makes each plan year. All safe harbor contributions vest immediately.

Movement in provision 401(k) during the year:

Provision at the beginning of the year	**8.76**	7.13
Contribution during the year	**(10.75)**	(5.47)
Provision created during the year	**5.58**	7.09
Foreign exchange currency translation	**2.32**	0.01
Provision at the end of the year	**5.91**	8.76

b) Provision for sales return

As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37

Movement in provision for sales return

Provision at the beginning of the year	**8.78**	8.15
Provision created during the year	**6.49**	8.78
Provision reversed during the year	**(8.78)**	(8.15)
Provision at the end of the year	**6.49**	8.78

29 Revenue from contracts with customers

29.1 Disaggregated revenue information

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of goods		
Export	**2,443.30**	2,126.59
Domestic	**1,682.97**	1,757.49
	4,126.27	3,884.08
Sale of services		
Export	**51.10**	41.89
	51.10	41.89
	4,177.37	3,925.97
Other operating revenues		
Export incentives	**18.54**	31.02
	4,195.91	3,956.99

The Government of India introduced the Goods and Services Tax (GST) with effect from 1 July 2017, consequently revenue from operations for the period from 1 July 2017 upto 31 March 2018 is net of GST. However, revenue for the quarter ended 30 June 2017 included in the year ended 31 March 2018 and for the year ended 31 March 2017 is inclusive of excise duty. The Net Revenue from Operations (Net of GST/ Excise Duty) as applicable are stated below:

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	**4,195.91**	3,956.99
Less: Excise duty	**-**	45.28
Net revenue from operations	**4,195.91**	3,911.71

29.2 Disaggregation of revenue from contracts with customers and reconciliation:

Following table provides disaggregation of revenue and a reconciliation of revenue reported under segment information and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

	Year ended 31 March 2019	Year ended 31 March 2018
Particulars of segment		
Human nutrition	**3,118.29**	2,893.25
Animal nutrition	**492.33**	496.28
Bio-process	**514.04**	499.13
	4,124.65	3,888.66
Adjustments		
Reversal/(Provision) for sales return	**2.29**	(3.94)
Discount	**(0.68)**	(0.64)
	1.62	(4.58)
Total revenue from contract with customers	**4,126.27**	3,884.08

30 Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income		
- on bank deposits	**2.10**	1.23
- on other assets	**1.36**	0.71
Provision for doubtful debts written back	**0.23**	-
Profit on sale of property, plant and equipment (net)	**-**	0.12
Liabilities no longer required written back	**21.84**	-
Net gain on foreign currency transactions and translations	**0.24**	3.98
Commission	**0.30**	-
Miscellaneous income	**24.29**	7.90
	50.36	13.94

31 Cost of materials consumed

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock		
Raw materials and packing materials (including goods-in-transit)	**282.01**	236.42
Add : Purchases during the year		
Raw materials and packing materials	**775.80**	839.88
Stock acquired on acquisition of subsidiary	**-**	5.08
Less : Closing stock		
Raw materials and packing materials (including goods-in-transit)	**400.70**	282.01
	657.11	799.37

32 Purchase of traded goods

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of traded goods	**2.38**	3.91
	2.38	3.91

33 Changes in inventories of finished goods, work-in-progress and stock-in- trade

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock		
- Finished goods	**158.50**	138.40
- Work-in-progress	**264.66**	265.74
Stock acquired on acquisition of subsidiary		
- Finished goods	**-**	26.10
	423.16	430.24
Closing stock		
- Finished goods	**116.94**	158.50
- Work-in-progress	**196.08**	264.66
	313.02	423.16
Excise duty on stocks	**-**	3.25
Adjustment / foreign curreny translation	**2.74**	1.11
	112.88	11.44

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

34 Employee benefit expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	**682.48**	582.88
Compensatory payment to managing director for loss of office (refer note 57)	**21.84**	-
Contribution to gratuity, provident fund, payroll taxes and other funds	**47.27**	41.68
Retirement benefits expense	**17.59**	17.56
Staff welfare expenses	**18.98**	20.54
Employee stock compensation expense (refer note 44)	**14.13**	23.29
	802.29	685.95

35 Finance costs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on financial liabilities - borrowings carried at amortised cost	**28.72**	31.61
Interest on term loan - carried at amortised cost	**9.88**	15.57
Net loss on foreign currency transactions and translations	**0.10**	33.68
	38.70	80.86

36 Depreciation and amortisation expense

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	156.14	150.60
Amortisation of intangible assets	55.02	32.38
	211.16	182.98

37 Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spare parts	**41.68**	58.42
Power and fuel	**192.92**	180.99
Water charges	**3.41**	3.01
Laboratory expenses	**24.97**	15.59
Analysis and Testing charges	**5.17**	3.30
Repairs and maintenance		
- Buildings	**8.18**	8.05
- Plant and equipment	**12.91**	16.14
- Others	**21.96**	17.44
Travel, conveyance and car hire	**54.63**	66.60
Commission	**6.74**	15.04
Sales promotion and advertisement	**38.83**	26.93
Freight outward and forwarding	**28.28**	32.14
Selling and distribution expenses	**22.75**	21.64
Rent (refer note 40 and 42)	**46.41**	39.47
Rates and taxes	**45.49**	34.83
Insurance	**13.71**	18.55
Printing and stationary	**3.15**	4.09
Communication expenses	**10.09**	9.58
Directors' sitting fees (refer note 42)	**2.27**	1.89
Legal and professional charges	**99.74**	97.09
Payments to Auditors (refer note 41)	**9.84**	8.23
Provision for doubtful debts	**1.39**	1.51
Bad debts	**11.38**	30.23
Less: Provisions of doubtful debts written back	**(6.86)**	(13.95)
Bad debts (net)	**4.52**	16.28
Advances/assets written off	**11.44**	-
Research and development expenses	**4.03**	4.70
Donation	**2.33**	2.76
Bank Charges	**13.32**	9.76
Net loss on foreign currency transactions and translations	**0.38**	0.18
Property, plant and equipment written off	**0.30**	1.71
Loss on sale of fixed assets (net)	**2.63**	-
Corporate Social Responsibility expenditure (refer note 56)	**8.90**	6.84
Commuting expenses	**9.29**	-
Miscellaneous expenses	**50.45**	47.16
	802.11	769.91

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Note 38 Income taxes

Tax expense
(a) Income tax recognised in Statement of profit and loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax	**488.77**	478.47
Changes in estimates related to prior period	**(8.44)**	0.38
Total current tax	**480.33**	478.85
Deferred income tax liability/(asset) net		
Origination and reversal of temporary differences	**(19.72)**	(7.71)
Minimum Alternate Tax (MAT) credit entitlement	**-**	(17.03)
Tax expense for the year	**460.61**	454.11

(b) Income tax recognised in Other Comprehensive Income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(1.22)**	**0.35**	**(0.87)**	0.91	(0.09)	0.82
	(1.22)	**0.35**	**(0.86)**	0.91	(0.09)	0.82

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**1,619.64**	1,389.67
Tax using the Company's domestic tax rate (31 March 2019: 29.12%, 31 March 2018: 34.61%)	**471.64**	480.94
Tax effect of:		
Incremental deduction allowed for research and development costs	**(13.32)**	(14.07)
Tax on losses on which no deferred tax is created	**39.09**	50.35
Permanent differences	**3.54**	(16.47)
Investment allowance deduction#	**0.00**	(29.37)
Prior period tax	**(8.44)**	0.39
Tax rate differential	**(13.56)**	(1.69)
Others	**(18.34)**	(15.98)
Tax expense as per profit or loss	**460.61**	454.11

The Company's weighted average tax rates for the years ended 31 March 2019 and 2018 were 28.26% and 32.68%, respectively. The effective tax rate for the year ended 31 March 2019 was lower primarily as a result of a reduction in enacted tax rates in India as well as U.S.A.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Income taxes (continued)

(d) Movement in deferred tax balances

	31 March 2019							
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Acquired on business combination	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liability)								
Property, plant and equipment	**(395.06)**	**12.34**	**-**	**-**	**(0.47)**	**(383.19)**	**-**	**(383.19)**
Other items	**18.69**	**(0.60)**	**-**	**-**	**(0.42)**	**17.67**	**17.67**	**-**
Unabsorbed depreciation	**55.64**	**(6.06)**	**-**	**-**	**-**	**49.58**	**49.58**	**-**
Provision for employee benefits	**9.34**	**(0.70)**	**(0.35)**	**-**	**-**	**8.29**	**8.29**	**-**
Unrealised profits on unsold inventory	**31.40**	**14.74**	**-**	**-**	**-**	**46.14**	**46.14**	**-**
Intangibles assets	**(85.38)**	**-**	**-**	**-**	**4.65**	**(80.73)**	**-**	**(80.73)**
MAT Credit	**146.54**	**-**	**-**	**-**	**(27.14)**	**119.40**	**119.40**	**-**
Tax assets / (liabilities)	**(218.83)**	**19.72**	**(0.35)**	**-**	**(23.38)**	**(222.84)**	**241.08**	**(463.92)**
Offsetting of deferred tax assets and liabilities							**(241.08)**	**241.08**
Net tax assets/ (liabilities)	**(218.83)**	**19.72**	**(0.35)**	**-**	**(23.38)**	**(222.84)**	**-**	**(222.84)**

(e) Movement in deferred tax balances

	31 March 2018							
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Acquired on business combination	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liability)								
Property, plant and equipment	(269.09)	(10.52)	-	(115.45)	-	(395.06)	-	(395.06)
Other items	7.98	6.62	-	4.09	-	18.69	18.69	-
Unabsorbed depreciation	30.64	25.00	-	-	-	55.64	55.64	-
Provision for employee benefits	12.32	(2.89)	(0.09)	-	-	9.34	9.34	-
Unrealised profits on unsold inventory	41.90	(10.50)	-	-	-	31.40	31.40	-
Intangibles assets	(83.02)	-	-	(6.42)	4.06	(85.38)	-	(85.38)
MAT Credit	139.96	17.03	-	-	(10.45)	146.54	146.54	-
Tax assets / (Liabilities)	(119.31)	24.74	(0.09)	(117.78)	(6.39)	(218.83)	261.61	(480.44)
Offsetting of deferred tax assets and liabilities							(261.61)	261.61
Net tax assets/ (liabilities)	(119.31)	24.74	(0.09)	(117.78)	(6.39)	(218.83)	-	(218.83)

As at year end, the Group has tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 119.40 million (March 31, 2018 : ₹ 146.54 million). The Group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Given that the Group does not have any intention to dispose investments in subsidiaries in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Unrecognised deferred tax assets/ liabilities

As at 31 March 2019 undistributed earning of subsidiaries amounted to ₹ 3,759.99 millions (March 31, 2018: ₹ 2,815.35 millions). The corresponding deferred tax liability of ₹ 583.83 millions (March 31, 2018 ₹ 435.61 millions), was not recognised because the Company

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controls the dividend policy of its subsidiaries i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

		31 March 2019	31 March 2018
	Expiry date	Gross amount	Gross amount
Unabsorbed depreciation	No Expiry	-	22.01

Note 39 Employee benefits

The Group contributes to the following post-employment plans in India.

Defined Contribution Plans:

The Group makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans . Under the plan, the Group is required to contribute a specified percentage of payroll cost to fund the benefits.

The Group recognised ₹ 40.05 million for the year ended 31 March 2019 (31 March 2018 ₹ 35.96 million) towards provident fund and other retirement benefits funds contribution and ₹3.12 million for the year ended 31 March 2019 (31 March 2018 ₹3.48 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(A) Defined Benefit Plan:

The Group provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Group has taken a Group Gratuity and Compensated Absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	31 March 2019	31 March 2018
Defined benefit obligation	**64.82**	65.51
Fair value of plan assets	**54.77**	48.81
Net defined benefit (obligation)/ assets	**(10.05)**	(16.70)

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

	Defined benefit obligation	
	31 March 2019	31 March 2018
Opening balance	**65.51**	52.91
Included in profit or loss		
Additional charge	**-**	-
Current service cost	**2.23**	8.28
Past service cost	**0.48**	-
Interest cost	**4.48**	3.73
	72.70	64.92
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	**-**	-
Financial assumptions	**(1.46)**	0.99
Experience adjustment	**0.67**	0.75
	71.91	66.66
Benefits paid	**(7.09)**	(1.15)
Closing balance	**64.82**	65.51

ii) Change in fair value of plan assets

	Fair value of plan assets	
	31 March 2019	31 March 2018
Opening balance	**48.81**	39.46
Included in profit or loss		
Expenses deducted from the fund	**-**	-
Expected return on plan assets	**3.59**	2.12
	52.41	41.58
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience adjustment	**0.43**	0.82
	52.84	42.40
Other		
Contributions paid by the employer	**8.61**	7.16
Benefits paid	**(6.68)**	(0.75)
Closing balance	**54.77**	48.81

Impact on consolidated Statement of Profit and Loss for the current year

	31 March 2019	31 March 2018
Service cost:		
Current service cost	**2.23**	8.28
Past service cost and loss/(gain) on curtailments and settlement	**0.48**	-
Net interest cost	**0.89**	1.62
Total included in Employee Benefit expenses	**3.60**	9.90
Expenses deducted from the fund	**-**	-
Total Charge to Statement of Profit and Loss	**3.60**	9.90

Impact on Other comprehensive income for the current year

	31 March 2019	31 March 2018
Components of actuarial gain/ losses on obligations:		
Due to Change in financial assumptions	**1.46**	0.99
Due to change in demographic assumption	**-**	-
Due to experience adjustments	**(0.67)**	0.75
Return on plan assets excluding amounts included in interest income	**0.43**	(0.82)
Amounts recognized in Other Comprehensive Income	**1.22**	0.92

ii. Plan assets

Plan assets comprise the following		
Gratuity	**31 March 2019**	**31 March 2018**
Policy of insurance	**100%**	100%
	100%	100%

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2019	31 March 2018
Discount rate	**7.40% - 7.80%**	7.60% - 8.00%
Rate of return on plan assets	**7.40% - 7.80%**	7.60% - 8.00%
Salary Escalation	**6.00% - 8.50%**	7.00% - 10.00%
Withdrawal rates	**12%-5% at younger ages reducing to 2%-1% at older ages**	12%-5% at younger ages reducing to 2%-1% at older ages
Retirement age	**58-60 years**	58-60 years
Mortality rates	**As published under the Indian assured lives mortality (2006-08) table**	As published under the Indian assured lives mortality (2006-08) table

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

Increase in	31 March 2019 ₹ in Million	31 March 2018 ₹ in Million
Discount rate (0.5% movement)	**59.22**	55.78
Future salary growth (0.5% movement)	**63.61**	59.69
Withdrawal rates (10% movement)	**52.10**	48.79

Decrease in	31 March 2019 ₹ in Million	31 March 2018 ₹ in Million
Discount rate (0.5% movement)	**63.77**	59.80
Future salary growth (0.5% movement)	**59.35**	55.87
Withdrawal rates (10% movement)	**52.38**	48.96

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

v. Expected future cash flows
Expected contribution

The expected contributions for defined benefit plan for the next financial years will be as follows:

Expected future benefit payments	
March 31, 2020	2.31
March 31, 2021	3.68
March 31, 2022	6.64
March 31, 2023	3.41
March 31, 2024	6.56
Therafter	29.19

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

40 Operating leases

A. Leases as lessee

The Group has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the Consolidated Statement of Profit and Loss. The Group has entered into non-cancellable leasing arrangements which are mentioned below:

		Year ended 31 March 2019	Year ended 31 March 2018
(a)	As lessee:		
	Operating lease payments charged off to the Consolidated Statement of Profit and Loss	**46.41**	39.47

(b) The future minimum lease payments under non-cancellable leases payable as at the year ending are as follows:

	As at 31 March 2019	As at 31 March 2018
Payable not later than one year	**45.80**	20.58
Payable later than one year not later than five years	**118.11**	57.24
Payable later than five years	**6.85**	9.93
	170.76	87.75

41 Payments to auditors (excluding taxes)

	Year ended 31 March 2019	Year ended 31 March 2018
As auditor		
Statutory audit	**5.55**	4.55
Limited review	**3.23**	3.00
Certification work	**0.69**	0.26
Tax audit fee	**-**	0.05
Transfer pricing	**0.05**	0.10
Reimbursement of expenses	**0.32**	0.27
	9.84	8.23

42 Related Party Disclosures

a) Names of related parties

I Key Management Personnel (KMP)

Mr. Vasant L. Rathi	Chariman and Non-executive director
Mr. Chandrakumar L. Rathi (up to 14 September 2018)	Managing director
Mrs. Savita C. Rathi	Whole time director
Mr. Mukund M. Kabra	Whole time director
Mr. Piyush C. Rathi (up to 31 December 2018)	Chief Business Officer
Mr. Beni P. Rauka	Chief Financial Officer
Mr. Sanjay Basantani (w.e.f. 14 February 2017)	Company secretary
Mrs. Rupa Vora (up to 18 May 2018)	Independent Director
Mr. Kedar Desai	Independent Director
Mr. Ramesh Mehta (up to 31 March 2019)	Independent Director
Mr. Pramod Kasat	Independent Director
Mr. Suresh Paharia (w.e.f. 11 August 2018) (up to 14 September 2018)	Additional (Independent) Director
Mr. Rajesh Sharma (w.e.f. 11 August 2018)	Independent Director
Ms. Rasika Rathi (w.e.f. 08 January 2019)	Additional (Non-executive) director and daughter of Chairman
Mr. Vilas M. Aurangabadkar (w.e.f. 08 January 2019)	Additional (Independent) Director
Mr. Vinod Jajoo (w.e.f. 09 February 2019)	Additional (Independent) Director

II Relatives of KMP :

Mrs. Prabha V. Rathi	Wife of Chairman
Ms. Rachana Rathi	Daughter of Chairman
Ms. Reshma Rathi	Daughter of Chairman
Mr. Kishore L. Rathi	Brother of Chairman
Mrs. Mangala M. Kabra	Mother of Whole-time director

III Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year

Advanced Vital Enzymes Private Limited
Rathi Properties LLC
Om Manufacturing Jalna Private Limited
Silvertech Trading Company Private Limited
Advanced Biodiesel Limited

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b) Transactions with related parties

	Transactions during the year	KMPs and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
1	**Purchase of goods**				
	Advanced Vital Enzymes Private Limited	**-**	-	**-**	1.35
	Om Manufacturing Jalna Private Limited	**-**	-	**-**	23.12
	Silvertech Trading Company Private Limited	**-**	-	**-**	13.24
		-	-	**-**	37.71
2	**Sale of goods**				
	Advanced Vital Enzymes Private Limited	**-**	-	**24.21**	17.28
	Om Manufacturing Jalna Private Limited	**-**	-	**-**	2.26
		-	-	**24.21**	19.54
3	**Rent paid**				
	Rathi Properties LLC		-	**17.51**	14.60
	Mr. Vasant L Rathi	**7.39**	6.06		-
		7.39	6.06	**17.51**	14.60
4	**Remuneration *^**				
	Mr. Chandrakumar L. Rathi (Refer Note 57)	**31.92**	15.95	**-**	-
	Mr. Vasant L. Rathi	**23.55**	20.49	**-**	-
	Mrs. Savita C. Rathi	**7.25**	6.34	**-**	-
	Mr. Mukund M. Kabra	**15.26**	13.59	**-**	-
	Mr. Kishore L. Rathi	**2.75**	2.49	**-**	-
	Mrs. Mangala M. Kabra	**3.18**	2.88	**-**	-
	Mr. Piyush C. Rathi	**9.34**	7.31	**-**	-
	Mrs. Prabha V. Rathi	**13.87**	12.57	**-**	-
	Ms. Reshama Rathi	**7.37**	6.10	**-**	-
	Ms. Rachana Rathi	**7.37**	6.10	**-**	-
	Ms. Rasika Rathi	**10.41**	8.90	**-**	-
	Mr. Beni P. Rauka	**8.26**	7.31	**-**	-
	Mr. Sanjay Basantani	**2.65**	2.11	**-**	-
		143.18	112.14	**-**	-
5	**Commission ***				
	Mr. Vasant L. Rathi	**8.76**	0.71	**-**	-
	Mr. Chandrakumar L. Rathi	**-**	2.69	**-**	-
	Mr. Mukund Kabra	**1.75**	1.79	**-**	-
	Ms. Rasika Rathi	**0.09**	-	**-**	-

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	Transactions during the year	KMPs and relatives		Other related parties	
		Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
	Mrs. Rupa Vora	**-**	0.71	**-**	-
	Mr. Kedar Desai	**0.70**	0.71	**-**	-
	Mr. Ramesh Mehta	**0.61**	0.71	**-**	-
	Mr. Pramod Kasat	**0.70**	0.71	**-**	-
	Mr. Vilas M. Aurangabadkar	**0.18**	-	**-**	-
	Mr. Vinod Jajoo	**0.09**	-	**-**	-
	Mr. Rajesh Sharma	**0.44**	-	**-**	-
		13.32	8.03	**-**	-
	* included in Employee benefit expense				
6	**Sitting fees to Independent directors**				
	Mrs. Rupa Vora	**0.02**	0.48	**-**	-
	Mr. Kedar Desai	**0.77**	0.67	**-**	-
	Mr. Ramesh Mehta	**0.57**	0.47	**-**	-
	Mr. Pramod Kasat	**0.57**	0.27	**-**	-
	Mr. Vilas M. Aurangabadkar	**0.08**	-	**-**	-
	Mr. Vinod Jajoo	**0.05**	-	**-**	-
	Mr. Rajesh Sharma	**0.21**	-	**-**	-
		2.27	1.89	**-**	-
7	**Share application money given**				
	Advanced Biodiesel Limited	**-**	-	**-**	1.50
		-	-	**-**	1.50
8	**Share application refunded**				
	Advanced Biodiesel Limited	**-**	-	**-**	1.50
	-	**-**	-	**-**	1.50

^ The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.

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c) Outstanding balances

		KMPs and relatives		Other related parties	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	Outstanding balances				
a.	**Investment**				
	Advanced Vital Enzymes Private Limited	**-**	-	**0.57**	0.57
		-	-	**0.57**	0.57
b.	**Trade receivables**				
	Advanced Vital Enzymes Private Limited	**-**	-	**4.16**	9.15
	Om Manufacturing Jalna Private Limited	**-**	-	**0.03**	0.67
		-	-	**4.19**	9.82
c.	**Trade payables**				
	Silvertech Trading Company Private Limited	**-**	-	**-**	3.14
		-	-	**-**	3.14
d.	**Remuneration payable**				
	Mr. Chandrakumar L. Rathi	**-**	0.74	**-**	-
	Mrs. Savita C. Rathi	**3.13**	0.35	**-**	-
	Mr. Mukund M. Kabra	**0.59**	0.54	**-**	-
	Mr. Kishore L. Rathi	**0.16**	0.16	**-**	-
	Mrs. Mangala M. Kabra	**0.15**	0.14	**-**	-
	Mr. Piyush C. Rathi	**-**	0.36	**-**	-
	Mr. Beni P. Rauka	**0.27**	0.14	**-**	-
	Mr. Sanjay Basantani	**0.13**	0.12	**-**	-
		4.43	2.55	**-**	-
e.	**Commission payable**			**-**	**-**
	Mr. Vasant L. Rathi	**8.76**	0.61	**-**	-
	Mr. Chandrakumar L. Rathi	**-**	2.41	**-**	-
	Mr. Mukund Kabra	**1.75**	1.61	**-**	-
	Ms. Rasika Rathi	**0.09**	-	**-**	-
	Mrs. Rupa Vora	**-**	0.64	**-**	-
	Mr. Kedar Desai	**0.70**	0.64	**-**	-
	Mr. Ramesh Mehta	**0.61**	0.64	**-**	-
	Mr. Pramod Kasat	**0.70**	0.64	**-**	-
	Mr. Vilas M. Aurangabadkar	**0.18**	-	**-**	-
	Mr. Vinod Jajoo	**0.09**	-	**-**	-
	Mr. Rajesh Sharma	**0.44**	-	**-**	-
		13.32	7.19		

43 Segment reporting

A Basis of segmentation

The Group operates only in one primary business segment viz. 'manufacturing and sales of enzymes' and hence no separate information for primary segment wise disclosure is required.

B Gegraphic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue (based upon location of customers)		
India	**1,682.97**	1,756.94
Europe	**207.11**	210.24
US	**2,054.87**	1,781.00
Asia	**177.86**	134.50
Others	**54.56**	43.29
	4,177.37	3,925.97

	As at 31 March 2019	As at 31 March 2018
Segment assets (based upon location of assets)		
India	**2,035.81**	2,038.56
Europe	**693.62**	763.53
USA	**2,431.09**	2,292.97
Asia	**-**	0.94
	5,160.52	5,096.00

Major customer

Revenue from one customer is ₹ 719.17 million (March 2018: 810.48 million) which is more than 10 percent of the total revenue.

Note 44 Employee share-based payment plans

a) Description of share-based payment arrangements:

As at 31 March 2019, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015")

AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2018: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
Specified employees	2,20,000	- Continued employment with the Group:	Graded vesting over 4 years
		After 1 year of the date of grant 10% vesting	
		After 2 year of the date of grant 20% vesting	
		After 3 year of the date of grant 30% vesting	
		After 4 year of the date of grant 40% vesting	

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b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows:

Particulars				
Vesting	**1 Year**	**2 Years**	**3 Years**	**4 Years**
Share price at grant date (Face value - Rs 10 per share)	₹ 1,598	₹ 1,598	₹ 1,598	₹ 1,598
Exercise price (Face value - Rs 2 per share)	60	₹ 60	₹ 60	₹ 60
Expected volatility (weighted average)	0.49	0.49	0.49	0.49
Expected life (weighted average)	3 years	3.5 years	4 years	4.5 years
Expected dividend	0.06%	0.06%	0.06%	0.06%
Risk-free interest rate (based on government bond)	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.

Weighted-average exercise prices and weighted-average fair values of options

Date of Vesting	1 Year	2 Years	3 Years	4 Years
Weighted-average exercise prices	₹ 60	₹ 60	₹ 60	₹ 60
Weighted-average fair value of options	270	272	274	276

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows:

Particulars	31 March 2019		31 March 2018	
	No. of options	Weighted average exercise price (in rupees)	No. of options	Weighted average exercise price (in rupees)
Outstanding at 1 April	**2,20,000**	**60**	44,000	300
Adjustment for sub-division of Equity shares	**-**	**-**	1,76,000	-
Vested	**61,750**	**60**	-	60
Forfeited	**16,150**	**-**	-	-
Expired	**-**	**-**	-	-
Exercised	**18,950**	**60**	-	-
Outstanding at 31 March	**1,84,900**	**60**	2,20,000	60
Exercisable at 31 March	**42,800**	**60**	22,000	60

The options outstanding at 31 March have an exercise price as given below:

	31 March 2019		31 March 2018	
	No. of options	Exercise price	No. of options	Exercise price
AETL ESOS 2015	**184,900**	**60**	220,000	60

d) Expense recognized in the Standalone Statement of Profit or Loss :

	31 March 2019	31 March 2018
AETL ESOS 2015	14.13	23.29
Total expense recognized in 'employee benefits'	**14.13**	23.29

Note 45 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	31 March 2019	31 March 2018
Profit attributable to equity holders	**1,110.59**	900.55

ii. Weighted average number of equity shares

	31 March 2019	31 March 2018
Issued equity shares at 1 April	**11,16,30,025**	11,16,30,025
Effect of fresh issue of shares for cash under ESOP scheme	**16,294**	-
Weighted average number of shares at 31 March for basic EPS	**11,16,46,319**	11,16,30,025
Effect of exercise of share options	**79,417**	36,364
Weighted average number of shares at 31 March for diluted EPS	**11,17,25,736**	11,16,66,389

Basic and Diluted earnings per share

	31 March 2019	31 March 2018
Basic earnings per share	**9.95**	8.07
Diluted earnings per share	**9.94**	8.06

Note 46 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Particulars	As at 31 March 2019		Year ended 31 March 2019		Year ended 31 March 2019		Year ended 31 March 2019	
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As a % of consolidated net assets	₹ in million	As a % of consolidated profit and loss	₹ in million	As a % of OCI	₹ in million	As a % of Total Comprehensive income	₹ in million
Parent								
Advanced Enzyme Technologies Limited	**47.06**	**3,194.72**	**31.73**	**352.34**	**(0.35)**	**(0.49)**	**28.16**	**351.85**
Subsidiaries								
Indian								
Advanced Bio-Agro Tech Limited	**2.10**	**142.86**	**4.95**	**55.02**	**(0.20)**	**(0.27)**	**4.38**	**54.75**
Advanced EnzyTech Solutions Limited	**0.66**	**44.65**	**0.47**	**5.23**	**(0.03)**	**(0.04)**	**0.42**	**5.19**
JC Biotech Private Limited	**6.01**	**408.10**	**8.84**	**98.18**	**1.20**	**1.66**	**7.99**	**99.84**

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Particulars	As at 31 March 2019		Year ended 31 March 2019		Year ended 31 March 2019		Year ended 31 March 2019	
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As a % of consolidated net assets	₹ in million	As a % of consolidated profit and loss	₹ in million	As a % of OCI	₹ in million	As a % of Total Comprehensive income	₹ in million
Foreign								
Advanced Enzymes USA, Inc. (including its subsidiaries)	**62.61**	**4,249.93**	**74.09**	**822.84**	**131.57**	**182.93**	**80.49**	**1,005.77**
Advanced Enzymes (Malaysia) Sdn. Bhd.	**(0.06)**	**(4.19)**	**(0.43)**	**(4.78)**	**(0.14)**	**(0.20)**	**(0.40)**	**(4.98)**
Advanced Enzymes Europe B.V. (including its subsidiaries)	**(0.92)**	**(62.31)**	**(10.85)**	**(120.47)**	**(20.23)**	**(28.12)**	**(11.89)**	**(148.59)**
Total eliminations/ adjustments	**(13.64)**	**(925.69)**	**(4.44)**	**(49.33)**	**(11.54)**	**(16.04)**	**(5.23)**	**(65.37)**
Share of Non- controlling interest	**(3.82)**	**(259.62)**	**(4.36)**	**(48.44)**	**(0.28)**	**(0.39)**	**(3.91)**	**(48.83)**
Total	**100.00**	**6,788.45**	**100.00**	**1,110.59**	**100.00**	**139.04**	**100.00**	**1,249.63**

Particulars	As at 31 March 2018		Year ended 31 March 2018		Year ended 31 March 2018		Year ended 31 March 2018	
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As a % of consolidated net assets	₹ in million	As a % of consolidated profit and loss	₹ in million	As a % of OCI	₹ in million	As a % of Total Comprehensive income	₹ in million
Parent								
Advanced Enzyme Technologies Limited	51.67	2,889.01	39.86	358.92	1.94	1.55	36.77	360.47
Subsidiaries								
Indian								
Advanced Bio-Agro Tech Limited	2.26	126.09	6.04	54.37	(0.08)	(0.07)	5.54	54.30
Advanced EnzyTech Solutions Limited	0.71	39.46	0.65	5.84	0.00	0.00	0.60	5.84
JC Biotech Private Limited	5.48	306.60	6.82	61.41	(2.90)	(2.31)	6.03	59.10
Foreign								
Advanced Enzymes USA, Inc. (including its subsidiaries)	58.01	3,243.26	72.12	649.44	19.47	15.55	67.83	664.99
Advanced Enzymes (Malaysia) Sdn. Bhd.	(0.02)	(0.99)	(0.70)	(6.31)	(0.68)	(0.54)	(0.70)	(6.85)
Advanced Enzymes Europe B.V. (including its subsidiaries)	1.54	86.29	(14.65)	(131.89)	86.98	69.47	(6.37)	(62.42)
Total eliminations/ adjustments	(15.61)	(872.92)	(6.24)	(56.22)	(3.47)	(2.77)	(6.22)	(61.01)
Share of Non- controlling interest	(4.04)	(225.98)	(3.89)	(35.01)	(1.26)	(1.01)	(3.47)	(34.00)
Total	100.00	5,590.81	100.00	900.55	100.00	79.87	100.00	980.42

The above amounts/percentage of net assets and net profit or loss in respect of Advanced Enzyme Technologies Limited and its subsidiaries are determined based on the amount of the respective entities included in Consolidated Financial Statements before elimination of inter company transactions.

Note 47 Acquisiton of Evoxx Technologies GmbH

Evoxx Technologies GmbH was established in the year 2006 with registered address as Alfred-Nobel-Str. 10, 40789 Monheim am Rhein, Germany with the objective of having focus on development and production of industrial enzymes and development of oligosaccharides and polysaccharides (complex carbohydrates) to be used primarily in food applicants. Evoxx also develops and produces enzymes and fine chemicals for chemical and pharmceutical industries. It offers a catalog of enzymes, as well as tailor-made biocatalysts for specific industrial applications.

On 15 August 2017, the Company acquired 100% stake Evoxx Technologies Limited through wholly owned subsidiary, Advanced Enzymes Europe BV for a total upfront consideration of ₹ 494.47 million approved by the Board of Directors in its meeting held on 1 July 2017. The Company has funded the acquisition through internal accruals.

In terms of the financial performance commencing from 15th August, 2017 till 31st March, 2018, Evoxx Technologies GmbH's revenue was ₹ 111.12 Million, and loss after tax was ₹ 123.97 Million. If the acquisition had occurred on April 01, 2017, the revenue and loss for the full year ended would have been ₹ 177.79 million and ₹ 198.35 million respectively based on the amounts extrapolated by the management.

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred, share of Non- Controlling interest and goodwill:

Description	Amount
Property, plant and Equipment	60.22
Identifiable intangible assets	29.22
-Developed technology	255.68
-Customer relationships	78.62
-Trade name	25.63
Inventories	30.69
Other assets	54.17
Other liabilities	(169.24)
Deferred tax liability	(109.45)
Total net assets	**255.54**
Purchase Consideration	**494.47**
Goodwill	**238.93**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	The fair market value is assessed on cost approach method by deducting depreciation computed by straight line method. from the replacement cost of the machinery assessed by application of Whole sale Index numbers.
Intangible assets	Discounted cash flow technique
Inventories	The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Goodwill

The goodwill is attributable mainly to the developed technology, customer relationships and trade name. None of the goodwill recognised is expected to be deductible for income tax purposes.

Note 48 Acquisiton of Advanced Enzymes (Malaysia) Sdn. Bhd.

Advanced Enzymes (Malaysia) Sdn. Bhd. formerly known as Palm Techno Ventures Enzyme Sdn Bhd ("PTVE"), Malaysia was established in the year 2016 with registered address as E-7-3, (7th Floor), Block - E, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia having focus on supplying and providing enzyme based solutions with primary focus initially on enzymatic solutions for extraction of palm oil from palm furits.

On 3 July 2017, the Company completed its acquisition of Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM") formerly known as Palm Techno Ventures Enzyme Sdn Bhd ("PTVE"), Malaysia by way of an investment of 200,000 Malaysian Ringitt (RM), equivalent to ₹ 3.14 Million, in 200,000 ordinary shares of RM 1.00 each of PTVE i.e. 80% of the paid-up share capital of PTVE. On 13 March 2018, the Company purchased 150,000 ordinary shares of RM 1.00 each of AEM by way of rights issue, equivalent to ₹ 2.60 Million, i.e. 87.50% of the paid-up share capital of AEM. On 30 March 2018, the Company acquired balance 12.50% of the share capital of AEM by way of an investment of 50,000 Malaysian

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Ringitt (RM), equivalent to ₹ 0.87 Million, in 50,000 ordinary shares of RM 1.00 each, thereby making it a wholly owned subsidiary.

In terms of the financial performance commencing from 3rd July, 2017 till 31st March, 2018, Acquisiton of Advanced Enzymes (Malaysia) Sdn. Bhd.'s revenue was nil, and loss after tax was ₹ 6.31 Million. If the acquisition had occurred on April 01, 2017, the revenue and profit for the full year ended would have been nil and ₹ 8.41 million respectively based on the amounts extrapolated by the management.

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred, share of Non- Controlling interest and goodwill:

Description	Amount
Total net assets	2.76
Share of NCI in total net assets	0.55
Purchase Consideration	3.13
Goodwill	0.93

Note 49 Acquisition of Biomedic Labs, LLC, USA

On 3 October 2017, the Company acquired certain assets and liabilities of Biomedic Labs, LLC, USA for a purchase consideration of USD 750,000. The Company has accounted for goodwill of USD 630,000 equivalent to ₹ 40.98 million on consolidation.
Details of purchase consideration, net assets acquired and goodwill are as follows

Particulars	Amount
Cash paid	32.73
Amounts payable	16.11
Total consideration	**48.84**

Particulars	Amount
Fair value of the tangible assets acquired- Inventories	1.44
Identifiable intangible assets acquired- Website domain	6.42
Total identifiable net assets acquired	**7.86**

Calculation of goodwill

Particlars	Amount
Total consideration	48.84
Less: net identifiable assets acquired	7.86
Goodwill	**40.98**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	Discounted cash flow technique
Inventories	The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Note 50 Non controlling interest

Financial information of subsidiaries that have material non-controlling interests is provided below :

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Advanced Bio-Agro Tech Limited	India	**60.00%**	60.00%	**40.00%**	40.00%
JC Biotech Private Limited	India	**70.00%**	70.00%	**30.00%**	30.00%

The following table summarises information relating to each of the Group's subsidiary, before any inter-company eliminations

I. Summarised statement of profit or loss

(a) Advanced Bio-Agro Tech Limited

	31 March 2019	31 March 2018
Total Revenue	**395.39**	422.22
Profit for the year	**55.02**	54.37
Other Comprehensive Income	**0.38**	0.09
Profit allocated to non-controlling interests	**22.16**	21.78
OCI allocated to non-controlling interests	**0.15**	0.04
Dividends paid to non-controlling interests	**12.60**	19.20

(b) JC Biotech Private Limited

	31 March 2019	31 March 2018
Total Revenue	**488.83**	404.82
Profit for the year	**98.18**	61.41
Other Comprehensive Income	**(2.34)**	3.19
Ind AS adjustments	**(11.37)**	(19.60)
Profit allocated to non-controlling interests	**25.34**	13.50
OCI allocated to non-controlling interests	**(0.70)**	0.96
Dividends paid to non-controlling interests	**-**	-

II. Summarised balance sheet

(a) Advanced Bio-Agro Tech Limited

	31 March 2019	31 March 2018
Non-current liabilities	**-**	-
Current liabilities	**41.21**	45.26
	41.21	45.26
Non-current assets	**31.51**	33.60
Current assets	**152.56**	137.74
	184.07	171.35
Net assets	**142.86**	126.09
Net assets attributable to non-controlling interest	**57.14**	50.44

(b) JC Biotech Private Limited

	31 March 2019	31 March 2018
Non-current liabilities	**59.07**	93.27
Current liabilities	**114.58**	129.10
	173.65	222.37
Non-current assets	**429.14**	400.32
Current assets	**152.61**	127.05
	581.75	527.37
Net assets	**408.10**	305.00
Ind AS adjustments	**266.84**	280.16
Net assets attributable to non-controlling interest	**202.48**	175.55

III. Summarised cash flow information

(a) Advanced Bio-Agro Tech Limited

	31 March 2019	31 March 2018
Cash flows from(used in) in operating activities	**30.63**	22.03
Cash flows from(used in) in invetsing activities	**0.67**	(0.13)
Cash flows from(used in) in financing activities	**(16.10)**	(22.05)
Net increase /(decrease) in cash and cash equivalents	**15.20**	(0.15)

(b) JC Biotech Private Limited

	31 March 2019	31 March 2018
Cash flows from(used in) in operating activities	**36.54**	0.64
Cash flows from(used in) in invetsing activities	**(16.44)**	(2.69)
Cash flows from(used in) in financing activities	**(18.72)**	(0.75)
Net increase /(decrease) in cash and cash equivalents	**1.38**	(2.80)

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Note 51 Goodwill and other intangibles
Impairment testing of Goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Particulars	31 March 2019	31 March 2018
Advanced Enzymes USA, Inc.	**2,342.97**	2,203.17
JC Biotech Private Limited	**123.65**	123.65
Advanced Enzymes Europe B.V.	**246.32**	255.58
Advanced Enzymes (Malaysia) Sdn. Bhd.	**0.93**	0.93
Advanced Enzytech Solutions Limited	**0.87**	0.87
	2,714.74	2,584.20

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	31 March 2019	31 March 2018
Discount rate	**8% - 14%**	8% - 14%
Terminal value growth rate	**5%**	5%
Sales growth rate	**8% - 20%**	8% - 10%

The discount rate was post tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on past performance duly adjusted with new sales mix as envisaged by the management.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

Note 52 Financial instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 March 2019	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	**7**	**0.62**	**-**	**-**	**0.62**	**-**	**-**	**-**	**-**
Long-term loans	**8**	**-**	**-**	**21.81**	**21.81**	**-**	**-**	**-**	**-**
Other non-current financial assets	**9**	**-**	**-**	**0.04**	**0.04**	**-**	**-**	**-**	**-**
Current investments	**12**	**1,109.85**	**-**	**-**	**1,109.85**	**1,109.85**	**-**	**-**	**1,109.85**
Trade receivables	**13**	**-**	**-**	**587.27**	**587.27**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**14**	**-**	**-**	**230.62**	**230.62**	**-**	**-**	**-**	**-**
Other bank balances	**15**	**-**	**-**	**3.50**	**3.50**	**-**	**-**	**-**	**-**
Short-term loans	**16**	**-**	**-**	**1.29**	**1.29**	**-**	**-**	**-**	**-**
Other current financial assets	**17**	**-**	**-**	**22.42**	**22.42**	**-**	**-**	**-**	**-**
		1,110.47	**-**	**866.95**	**1,977.42**	**1,109.85**	**-**	**-**	**1,109.85**
Financial liabilities									
Long-term borrowings	**22**	**-**	**-**	**70.48**	**70.48**	**-**	**-**	**-**	**-**
Short-term borrowings	**24**	**-**	**-**	**213.45**	**213.45**	**-**	**-**	**-**	**-**
Trade payables	**25**	**-**	**-**	**96.85**	**96.85**	**-**	**-**	**-**	**-**
Other Current financial liabilities	**26**	**-**	**-**	**233.06**	**233.06**	**-**	**-**	**-**	**-**
		-	**-**	**613.84**	**613.84**	**-**	**-**	**-**	**-**

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

31 March 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	7	0.62	-	-	0.62	-	-	-	-
Long-term loans	8	-	-	22.43	22.43	-	-	-	-
Other non-current financial assets	9	-	-	0.04	0.04	-	-	-	-
Current investments	12	0.04	-	-	0.04	0.04	-	-	0.04
Trade receivables	13	-	-	585.94	585.94	-	-	-	-
Cash and cash equivalents	14	-	-	611.28	611.28	-	-	-	-
Other bank balances	15	-	-	2.91	2.91	-	-	-	-
Short-term loans	16	-	-	20.94	20.94	-	-	-	-
Other current financial assets	17	-	-	42.88	42.88	-	-	-	-
		0.66	-	1,286.42	1,287.08	0.04	-	-	0.04
Financial liabilities									
Long-term borrowings	22			198.35	198.35	-	-	-	-
Short-term borrowings	24	-	-	378.06	378.06	-	-	-	-
Trade payables	25	-	-	174.73	174.73	-	-	-	-
Other Current financial liabilities	26	-	-	227.53	227.53	-	-	-	-
		-	-	978.67	978.67	-	-	-	-

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Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non-current financial assets measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

There is no concentration of risk for trade receivables.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2019		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	428.06	0.26%	1.11
0-90 days	152.91	0.56%	0.86
90-180 days	3.03	22.96%	0.70
180-270 days	0.39	55.80%	0.22
270-360 days	4.91	47.39%	2.33
More than 360 days	13.25	75.93%	10.06
	602.55		**15.28**

	31-Mar-18		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	338.48	0.23%	0.80
0-90 days	229.75	0.31%	0.71
90-180 days	11.99	2.88%	0.35
180-270 days	2.35	15.69%	0.37
270-360 days	2.08	38.78%	0.81
More than 360 days	22.04	80.37%	17.71
	606.69		20.75

Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2017	33.19
Impairment loss recognised	1.51
Less: Amounts written back	13.95
Balance as at 31 March 2018	**20.75**
Impairment loss recognised	1.39
Less: Amounts written back	6.86
Balance as at 31 March 2019	**15.28**

The impairment loss is related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 230.62 million at 31 March 2019 (31 March 2018: ₹ 611.28 million). The cash and cash equivalents are held with bank and as money market deposits.

Derivatives

The derivatives are entered into with bank and financial institution counterparties with good credit ratings.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit which carry no/low mark-to-market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

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31 March 2019	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long-term borrowings	**70.48**	**70.48**	**-**	**68.22**	**2.26**	**-**
Interest payable on borrowings	**-**	**8.47**	**4.76**	**3.69**	**0.02**	**-**
Short-term borrowings	**213.45**	**213.45**	**213.45**	**-**	**-**	**-**
Trade payables	**96.85**	**96.85**	**96.85**	**-**	**-**	**-**
Other financial liabilities	**233.06**	**233.06**	**233.06**	**-**	**-**	**-**

31 March 2018	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Long-term borrowings	198.35	198.35	-	167.05	31.30	-
Interest payable on borrowings	-	15.45	8.77	6.52	0.16	-
Short-term borrowings	378.06	378.06	378.06	-	-	-
Trade payables	174.73	174.73	174.73	-	-	-
Other financial liabilities	227.53	227.53	227.53	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

₹ in Million

	31 March 2019	31 March 2019	31 March 2019
	USD	EURO	Others
Financial assets			
Cash and cash equivalents	**0.11**	**0.01**	**0.03**
Trade and other receivables	**4.07**	**5.62**	**-**
	4.18	**5.63**	**0.03**
Financial liabilities			
Trade and other payables	**9.11**	**1.06**	**-**

	31 March 2019 USD	31 March 2019 EURO	31 March 2019 Others
Loans	**98.37**	**-**	**-**
	107.48	**1.06**	**-**
Net exposure	**(103.30)**	**4.57**	**0.03**

	31 March 2018 USD	31 March 2018 EURO	31 March 2018 Others
Financial assets			
Cash and cash equivalents	0.08	0.09	0.21
Trade and other receivables	10.54	0.15	-
	10.62	0.24	0.21
Financial liabilities			
Loans	58.34	-	-
Trade payables	46.66	0.96	-
	105.00	0.96	-
Net exposure	(94.38)	(0.72)	0.21

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Rs	Profit or loss	
	Strengthening	Weakening
31 March 2019		
1% movement		
USD	**(1.03)**	**1.03**
EUR	**0.05**	**(0.05)**
Others#	**0.00**	**(0.00)**
	(0.98)	**0.98**

Effect in Rs	Profit or loss	
	Strengthening	Weakening
31-Mar-18		
1% movement		
USD	(0.94)	0.94
EUR	(0.01)	0.01
Others#	0.00	(0.00)
	(0.95)	0.95

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

Particulars	As at 31 March 2019 USD in million	As at 31 March 2018 USD in million
Forward contracts used for hedging Receivables	0.15	0.57
	0.15	0.57

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial liabilities - measured at amortised cost		
Vehicle Loan	4.37	9.22
Working capital demand loan	-	115.00
Loan from others	37.67	56.04
Floating-rate instruments		
Financial liabilities - measured at amortised cost		
Term loan from banks	70.22	145.69
From banks in foreign currency	98.37	58.34
From banks in rupees	115.51	248.68
Total	**326.14**	632.97

* Deferred Sales Tax scheme is not included above since it does not bear any interest.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31 March 2019		
Variable-rate loan instruments	**(0.71)**	**0.71**
Cash flow sensitivity (net)	**(0.71)**	**0.71**
31 March 2018		
Variable-rate loan instruments	(1.54)	1.54
Cash flow sensitivity (net)	(1.54)	1.54

Note 53 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	31 March 2019	31 March 2018
Non-current borrowings	**70.48**	198.35
Current borrowings	**213.45**	378.06
Current maturity of long term debt	**66.34**	91.25
Gross debt	**350.27**	667.66
Less - Cash and cash equivalents	**230.62**	611.28
Less - Other bank deposits	**3.50**	2.91
Adjusted net debt	**116.16**	53.47
Total equity	**6,788.45**	5,590.81
Adjusted net debt to equity ratio	**2%**	1%

Note 54 Contingent liabilities and commitments

	As at 31 March 2019	As at 31 March 2018
a) Contingent liabilities		
Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset Rs 74.60 million (31 March 2018: ₹ 52.48 million).	**154.35**	102.85
Pertains to excise duty and service tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 18 'Other current assets'.	**26.94**	26.94
Letter of comfort issued by the Parent company towards the credit facilities sanctioned by bankers of subsidiary aggregating to Rs 201 million	**113.61**	156.65
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.	**-**	-
	294.90	286.44
In respect of above contingent liabilities, it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the same.		
b) Commitments		
Estimated amount of commitments remaining to be executed		
-Capital (net of advances)	**18.00**	34.06
	18.00	34.06
	312.90	320.50

Note 55 Research and development

The Group has incurred the following expenditure on research and development activities:

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue expenditure		
Laboratory expenses and consumables	**10.54**	9.79
Employee benefit expenses	**51.50**	48.40
Legal and professional charges	**6.64**	5.06
Technical services	**6.55**	11.95

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

	Year ended 31 March 2019	Year ended 31 March 2018
Electricity	**9.83**	9.15
Rent, rates and taxes	**7.73**	4.50
Repairs and maintenance	**5.77**	4.30
Travelling and conveyance expenses	**2.72**	2.11
Other expenses	**5.65**	2.55
	106.93	97.81
Less: Other non-operating income	**-**	-
	106.93	97.81
Capital expenditure		
Plant and equipment	**5.35**	5.19
Furniture and fixture	**-**	0.01
Office equipment	**0.20**	0.15
Computer and data processing equipments	**0.48**	0.44
Vehicles	**-**	2.47
	6.03	8.26

This information also complies with the terms of the recognition granted upto 31 March 2019 to the Company's In- House Research and Development Activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/2159/2016 dated 4 July 2016. This includes information of JC Biotech Private Limited, In-House Research Development Activities of this subsidiary are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Note 56 Corporate Social Responsibility

As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed for the Parent Company and its subsidiaries (Advanced Bio Agro Tech Limited and JC Biotech Private Limited). All the companies had spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by all the three companies during the year 2018-19 ₹ 9.02 million (31 March 2018: ₹ 7.08 million for Parent Company and Advanced Bio Agro Tech Limited).

(b) Amount spent by all the three companies during the year on purpose other than construction/ acquisition of assets is ₹ 9.52 million (31 March 2018: ₹ 6.84 million by Parent Company and Advanced Bio Agro Tech Limited).

Note 57 Compensatory payment to Managing director for loss of office

During the current year, pursuant to Section 202 of the Companies Act, 2013 and other applicable provisions, the Board of Directors on recommendation of Nomination and Remuneration Committee approved compensation of ₹ 21.8 million for loss of office to Mr. Chandrakumar L. Rathi, former Managing Director.

Note 58 Formation of new subsidiary Advanced Enzymes Europe B. V.

On 11 July 2017, the Company has incorporated a wholly owned subsidiary; Advanced Enzymes Europe B.V. in Amsterdam, Netherlands registered with Chamber of Commerce having a paid up share capital of Euro 2 million, equivalent to ₹ 149.85 Million.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2019
(₹ in Millions)

Note 59 Proposed Dividend

The Board of Directors recommended a final dividend for the financial year 2018-19 of ₹ 0.60 (31 March 2018: ₹ 0.50) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

Note 60 Specified Bank Notes Disclosure

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these consolidated financial statements since the requirement does not pertain to financial year ended 31 March 2019.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294

Kedar Desai
Director
DIN : 00322581

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni. P. Rauka
Chief Financial Officer
Membership No: 39980

Place: Thane
Date: 24 May 2019

FORM NO. 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/associate companies/joint ventures

FINANCIAL YEAR 2018-19
Part "A"- Subsidiaries

(₹ in Million except % shareholding & exchange rate)

Sr. No.	1	2	3	4	5	6
Names of subsidiaries	Advanced Bio-Agro Tech Limited	Advanced Enzytech Solutions Limited	JC Biotech Private Limited	Advanced Enzymes USA	Advanced Enzymes (Malaysia) Sdn Bhd	Advanced Enzymes Europe B.V.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	USD [1 USD = INR 69.17]	MYR [1 MYR= INR 16.95]	EUR [1 EUR= INR 77.70]
Share capital	1.00	0.70	207.11	285.83	8.38	149.85
Reserves & Surplus	141.86	43.95	200.99	3964.10	(12.57)	(212.16)
Total Assets	184.07	52.11	581.75	4401.22	2.34	708.66
Total Liabilities	41.21	7.46	173.65	151.29	6.53	770.97
Investments	0.04	-	-	1109.81	-	-
Turnover	395.39	94.69	488.83	2128.18	-	166.74
Profit Before Taxation	76.61	7.03	146.43	1122.45	(4.78)	(129.45)
Less: Provision for taxation	21.59	1.80	48.18	299.61	-	(8.99)
Profit after taxation	55.02	5.23	98.25	822.84	(4.78)	(120.46)
Proposed Dividend	13.50	-	-	-	-	-
Extent (%) of shareholding	60%	100%	70%	100%	100%	100%

1. The financials of Advanced Enzymes, USA are consolidated financials and includes financials of four step down subsidiaries of the Company viz. Cal-India Foods International, Advanced Supplementary Technologies Corporation, USA, Dynamic Enzymes Inc., USA and Enzyme Innovation Inc.
2. The financials of Advanced Enzymes Europe B.V. ("AEE") are consolidated financials and includes financials of evoxx technologies GmbH, step down subsidiary of the Company.
3. Names of the Subsidiaries which are yet to commence the operations: NIL during financial year 2018-19
4. Names of the Subsidiaries which have been sold or liquidated during the year: NIL during financial year 2018-19
5. The figures for foreign subsidiaries are arrived on the basis of exchange rate as on March 31, 2019:

Exchange Rate on March 31, 2019:	Average Exchange Rate for financial year 2018-19:
1USD = INR 69.17	1USD = INR 69.89
1MYR = INR 16.95	1MYR = INR 16.89
1EUR = INR 77.70	1EUR = INR 80.93

Part 'B': Associates & Joint Ventures - NIL

For and on behalf of the Board of Directors of Advanced Enzyme Technologies Limited

Mukund Kabra	**Kedar Desai**	**Beni P. Rauka**	**Sanjay Basantani**
Whole-time Director	**Director**	**Chief Financial Officer**	**Company Secretary**
DIN : 00148294	DIN : 00322581	Membership No: 039980	Membership No: 19637
Date : May 24, 2019	Date : May 24, 2019	Date : May 24, 2019	Date : May 24, 2019
Place : Thane	Place : Thane	Place : Thane	Place : Thane

NOTES

Advanced Enzyme Technologies Limited



NAVIGATE US

For more information about the Advanced Enzyme Group, please visit our website:

www.advancedenzymes.com



advanced enzymes
Where ENZYME is Life

Advanced Enzyme Technologies Limited

CIN: L24200MH1989PLC051018

'A' Wing, 5th floor, Sun Magnetica, LIC Service Road, Louiswadi, Thane (W) - 400 604, India.

Tel: +91 22 4170 3200 | Fax: +91 22 2583 5159, Email: info@advancedenzymes.com

www.advancedenzymes.com

Content, Concept & Design at SANCIAL (info@s-ancial.com)

ADVANCED ENZYME TECHNOLOGIES LIMITED
CIN: L24200MH1989PLC0510108
Registered Office : A Wing, 5th Floor, Sun Magnetica, Near LIC Service Road, Louiswadi,
Thane (W) – 400 604, Maharashtra, India
Website : www.advancedenzymes.com; **Email:** info@advancedenzymes.com
Phone: +91-22-41703200 Fax: +91-22-25835159

NOTICE

NOTICE is hereby given that the **Thirtieth Annual General Meeting ("AGM")** of the Members of **ADVANCED ENZYME TECHNOLOGIES LIMITED** will be held on **Thursday, August 08, 2019 at 3:30 P.M.** at Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Thane (West) - 400604, Maharashtra, India, to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt:

(a) the Audited Financial Statements (Standalone) of the Company for the Financial Year ended March 31, 2019 together with the Auditors' report thereon and the report of the Board of Directors of the Company.

(b) the Audited Financial Statements (Consolidated) of the Company for the Financial Year ended March 31, 2019 together with the Auditors' report thereon.

2. To declare final Dividend (Rs. 0.60/- per Equity Share) on Equity Shares of Rs. 2/- each, for the Financial Year ended March 31, 2019.

3. To re-appoint Mrs. Savita Rathi (DIN: 00365717), who retires by rotation and being eligible, offers herself for re-appointment as a Director.

Special Business:

4. To consider & expressly resolve not to fill-up the vacancy in case the re-appointment of the Director as per above Item No. 3 of the AGM Notice is not approved

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any modification(s) or re-enactment thereof), the Members of the Company hereby expressly resolve not to fill-up the vacancy as may be caused due to non-appointment of retiring Director under Item No. 3 of the Notice convening 30th Annual General Meeting of the Company (i.e. Item No. 3 not passed by the Members of the Company)."

5. To approve Related Party Transactions with Advanced Bio-Agro Tech Limited

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 188(1) (a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to enter into any contract / arrangement / transactions with 'Advanced Bio-Agro Tech Limited' (an Indian subsidiary of the Company), for a period from October 1, 2019 to September 30, 2020 as per the details provided in the Explanatory Statement attached to this Notice, and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company with Advanced Bio-Agro Tech Limited.

RESOLVED FURTHER THAT the Board of Directors and / or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubts that may arise and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard."

6. To approve Related Party Transactions with JC Biotech Private Limited

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 188 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to enter into any contract / arrangement / transactions with 'JC Biotech Private Limited' (an Indian subsidiary of the Company), for a period from October 1, 2019 to September 30, 2020, as per the details provided in the Explanatory Statement attached to this Notice, and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company with JC Biotech Private Limited.

RESOLVED FURTHER THAT the Board of Directors and / or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubts that may arise and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard."

7. To approve remuneration payable to Mrs. Mangala Kabra, General Manager (Related Party)

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to pay remuneration not exceeding such sum as detailed in the Explanatory Statement attached to this notice for a period commencing from April 1, 2019 to March 31, 2022 to Mrs. Mangala Kabra, relative of two Directors of Company, holding an office or place of profit presently as General Manager of the Company, with liberty to the Board of Directors or any Committee thereof to vary, amend or revise the remuneration and the terms and conditions of the appointment in accordance with the provisions of the Act within the limits specified herein, as may be agreed between the Board of Directors of the Company and Mrs. Mangala Kabra.

RESOLVED FURTHER THAT the Board of Directors and / or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubts that may arise and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard."

8. To approve the payment of Commission to the Non-Executive Directors for a term of five financial years commencing from April 01, 2019

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 ("Act"), the corresponding rules framed thereunder, and any other applicable provisions of the Act and read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to pay a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Act for that Financial Year, to all or any of the Non-Executive Directors in proportion to the number of meetings of the Board / Committees thereto attended by the respective Non-Executive Director(s) during the relevant Financial Year, or in such other manner as may be decided and directed by the Board of Directors of the Company on a financial year basis, for a period of five financial years commencing from April 01, 2019 and extending up to March 31, 2024."

9. To approve re-appointment of Mr. Kedar Desai (DIN: 00322581) as an Independent Director 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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, Schedule IV thereto, corresponding rules framed thereunder, the applicable provisions of Secretarial Standard-2 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the explanatory statement annexed to the Notice of 30th Annual General Meeting of the Company, and in furtherance to the recommendations of the Nomination and Remuneration Committee and the Board of the Company, consent of the Members of the Company be and is hereby accorded to approve the re-appointment of Mr. Kedar Desai (DIN: 00322581) as an Independent Director of the Company to hold the office for a second term of five years effective from April 01, 2019 to March 31, 2024, in respect of whom the Company has received a Notice in writing from a member under Section 160 of the Act, signifying the intention to propose the candidature of Mr. Kedar Desai for the office of Director."

10. To approve appointment of Ms. Rasika Rathi (DIN: 08300682) as a Non-Executive Director of the Company

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and 160 of Companies Act, 2013, corresponding rules framed thereunder ("Act") and such other provisions as may be applicable, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), the explanatory statement annexed to the Notice of 30th Annual General Meeting of the Company, and in furtherance to the recommendations of the Nomination and

Remuneration Committee and the Board of the Company, consent of the Members of the Company be and is hereby accorded to appoint Ms. Rasika Rathi (DIN: 08300682), who was appointed as an Additional Director (Non-Executive) with effect from January 08, 2019 as a Non-Executive Director on the Board of the Company with immediate effect, liable to retire by rotation, in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, signifying the intention to propose the candidature of Ms. Rasika Rathi for the office of Director."

11. To approve appointment of Mr. Vilas Murlidhar Aurangabadkar (DIN: 08225986) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 160 of Companies Act, 2013, Schedule IV thereto, corresponding rules framed thereunder and such other provisions as may be applicable ("Act"), read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force), the explanatory statement annexed to the Notice of 30th Annual General Meeting of the Company, and in furtherance to the recommendations of the Nomination and Remuneration Committee and the Board of the Company, consent of the Members of the Company be and is hereby accorded to approve the appointment of Mr. Vilas Murlidhar Aurangabadkar (DIN: 08225986), who was appointed as an Additional Director (Independent) with effect from January 08, 2019 as an Independent Director on the Board of the Company to hold office from January 08, 2019 to January 07, 2024, in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Vilas Murlidhar Aurangabadkar for the office of Director."

12. To approve appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) as an Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 160 of Companies Act, 2013, Schedule IV thereto, corresponding rules framed thereunder and such other provisions as may be applicable ("Act"), read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the explanatory statement annexed to the Notice of 30th Annual General Meeting of the Company, and in furtherance to the recommendations of the Nomination and Remuneration Committee and the Board of the Company, consent of the members of the Company be and is hereby accorded to approve the appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980), who was appointed as an Additional Director (Independent) with effect from February 09, 2019 as an Independent Director on the Board of the Company to hold office from February 09, 2019 to February 08, 2024, in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Vinodkumar Hiralal Jajoo for the office of Director."

By Order of the Board
For Advanced Enzyme Technologies Limited

Sanjay Basantani
Company Secretary and Head – Legal
Membership No.: 19637

Place : Thane
Date : July 02, 2019

Registered Office:
Sun Magnetica, A Wing,
5th Floor, Louiswadi, Near LIC Service Road,
Thane (W) - 400 604, Maharashtra, India

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (**"Act"**), Secretarial Standard on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXY SUBMITTED ON BEHALF OF ANY COMPANY, SOCIETY, ENTITY ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/ AUTHORITY LETTER, AS APPLICABLE.**

3. In order to be effective, the Proxy form, as annexed to this Notice, should be deposited at the Registered Office of the Company duly completed, stamped and signed not later than forty-eight (48) hours before the scheduled time for commencement of the AGM. Blank or incomplete, unstamped or inadequately stamped and undated proxies will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid.

4. All the relevant documents referred in the Notice shall be available for inspection by the Members at the Registered Office of the Company on all working days except Saturdays between 11:00 A.M. to 1:00 P.M. upto the date of 30th Annual General Meeting.

5. Every Member entitled to vote at the AGM of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four (24) hours before the time fixed for the commencement of the AGM. However a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be provided to the Company.

6. The Register of Members and Share Transfer Books of the Company will remain closed from August 03, 2019 (Saturday) to August 08, 2019 (Thursday) (both days inclusive), for the purpose of payment of final Dividend, if declared at the AGM.

7. Subject to the provisions of the Act, the final Equity Dividend as recommended by the Board of Directors, if declared at the AGM will be paid on or after August 09, 2019 to those Members whose names appear: (a) in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before 2nd day of August 2019 and (b) as beneficial owners as at the end of business hours of 2nd day of August 2019 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Shares held in Dematerialised form.

8. Members are requested to note the following:

a) Members holding shares in physical form are requested to intimate any change in their address, name, bank details, ECS Mandates, nominations, Power of attorney, etc. to the Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Kindly quote the ledger folio number in all your correspondence.

b) Members holding shares in dematerialized form are requested to intimate any change in their address, name, bank details, ECS mandates, nominations, Power of attorney, etc. to their respective DPs only. Kindly quote client ID and DP ID numbers in all your correspondence.

9. The 30th Annual Report along with Notice of the AGM, 'remote e-voting procedure', Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository, unless any Member has requested for a physical copy of the same. The same has also been uploaded on the website of the Company, i.e. www.advancedenzymes.com. Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent / respective Depository Participants.

10. Members are requested to note that as per Section 124 of the Companies Act, 2013, Dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund of the Government. Unclaimed Dividends as per details given in the table below and are due to be transferred to the 'Investor Education and Protection Fund' on the dates mentioned hereinafter:

Financial Year	Type of Dividend	Date of Declaration	Due date for transfer to IEPF	Indicative date of transfer to IEPF
2011-12	Final Dividend	July 17, 2012	August 22, 2019	September 20, 2019
2012-13	Final Dividend	August 1, 2013	September 6, 2020	October 05, 2020
2013-14	Final Dividend	August 12, 2014	September 17, 2021	October 16, 2021
2014-15	Final Dividend	September 1, 2015	October 7, 2022	November 05, 2022
2015-16	Interim Dividend	March 26, 2016	May 01, 2023	May 30, 2023
2016-17	Final Dividend	September 11, 2017	October 17, 2024	November 16, 2024
2017-18	Final Dividend	September 14, 2018	October 20, 2025	November 19, 2025

Note: Those Members who have not, so far, encashed these Dividend warrants or any subsequent Dividend warrants may claim or approach our Registrar and Transfer Agents viz. Link Intime India Private Limited or the Company for payment thereof. Members are hereby informed that the Unclaimed Dividend amount shall be transferred by the Company to IEPF within the period of thirty (30) days from the aforementioned Due date(s) or such other period as may be specified under the Companies Act, 2013 and rules made thereunder, from time to time and no claims will be entertained by the Company for any unclaimed Dividend transferred to IEPF. The details of unclaimed Dividends and its due dates for transfer to IEPF are available on the website of the Company: www.advancedenzymes.com/investors/shareholder-information.

Section 124(6) of Companies Act, 2013 also provides that all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF. The Company has intimated through letter to the concerned Shareholders regarding their Equity Shares due for transfer during 2019. Details are also available on the Company's website (www.advancedenzymes.com). The concerned Shareholders are requested to claim the same latest by August 22, 2019 to avoid transfer of shares to IEPF Account.

No claim shall lie against the Company after the shares are transferred to IEPF. Upon transfer the Shareholders can claim these Equity Shares from the IEPF Authority by following the requisite procedure, the details of which are also available at www.iepf.gov.in. Hence, it is in the Members' interest to claim any uncashed Dividends and for future, opt for Electronic Credit of Dividend, so that Dividends paid by the Company are credited to the Member's account on time.

11. Members desiring to seek further information or clarification on the Annual financial statements or operations of the Company at the meeting are requested to send their queries to the Company Secretary at the Registered office of the Company, so as to reach the Company atleast one week in advance of the date of AGM so that the necessary information can be kept ready.

12. Members/Proxies are requested to bring their copy of the Annual Report and Attendance slip duly filled in and hand over the Attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting venue.

13. Corporate Members intending to send their authorized representative to attend meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.

14. Members holding Shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.

15. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 amended vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form with the depositories. Hence, the Shareholders holding Equity Shares of the Company in physical form are requested to take action to dematerialize the same promptly.

16. The brief profile and other requisite details of the Directors recommended for appointment/ reappointment at the AGM under Item No. 3, 9, 10, 11 and 12 of the Notice, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), is furnished on page no. 14 of the AGM Notice.

17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM.

18. A route map showing directions to reach the venue of the 30th Annual General Meeting of the Company is provided along with Attendance Slip and forms integral part of this Notice.

19. Voting through electronic means:

    The Company is pleased to provide remote e-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 30th Annual General Meeting of the Company dated July 02, 2019 (**"Notice"**). The details and instructions for remote e-voting are furnished in point no. 20 of the AGM Notice. These details form an integral part of the Notice.

20. The instructions for Shareholders / Members voting electronically are as under:

i. The e-voting period begins on August 04, 2019 (Sunday) at 9:00 A.M. (IST) and ends on August 07, 2019 (Wednesday) at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Cut-Off Date) of August 02, 2019 (Friday), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The Members should log on to the e-voting website (www.evotingindia.com)

iii. Click on Shareholders/ Members.

iv. Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as physical Shareholders) • Members who have not updated their PAN with the Company /Depository Participants are requested to enter the sequence number which is printed on covering letter to Annual Report and AGM Notice, under the "Password/ PAN" field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN of ADVANCED ENZYME TECHNOLOGIES LIMITED on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed.

If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xviii. Members can also cast their vote using CDSLs mobile app 'm-Voting' available for android based mobiles, the m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non - Individual Shareholders and Custodians.

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In addition, any query/ grievance with respect to the voting by electronic means may please be addressed to Link Intime India Private Limited, Registrar and Transfer Agents of the Company at rnt.helpdesk@linkintime.co.in or Tel No.: +91-22-49186000 or Mr. Sanjay Basantani, Company Secretary at sanjay@advancedenzymes.com or Tel No.: +91-22-41703200.

Other Instructions:

a. The voting rights of the Members shall be in proportion of the shares held by them in paid-up Equity Share Capital of the Company as on the Cut-Off Date. A person who is not the Member as on Cut-Off Date should treat this notice for information purpose only.

b. Mr. Shiv Hari Jalan (C.P. No. 4226), Practicing Company Secretary, has been appointed as the Scrutinizer to Scrutinize the E-Voting process (Including the Poll at the Annual General Meeting) in a fair and transparent manner.

c. The Scrutinizer shall, within a period not exceeding two days from the conclusion of the e-voting period and after conclusion of AGM, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and a Scrutinizer's Report of the votes cast in the favor or against, if any, shall be submitted to the Chairman of the AGM of the Company. The result would be declared and displayed at the Registered Office of the Company, intimated to CDSL and Stock Exchanges where the Company's securities are listed and displayed along with the Scrutinizer's report on the Company's website, (www.advancedenzymes.com) and CDSLs' website (www.evotingindia.com). Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of 30th AGM i.e. August 08, 2019.

d. Member who have not voted electronically on the resolution(s) mentioned in the Notice, and are present at AGM, shall be provided voting facility by Poll Paper at the AGM.

e. Member can opt for only one mode of voting i.e. either through electronically or through Physical Ballot form / Poll Paper. If a Member cast his/her vote by both modes, than voting done electronically shall prevail and the vote by physical form(s) shall be treated as invalid. The result declared along with Scrutinizer's report shall be placed on the Company's website, www.advancedenzymes.com, and on the website of the CDSL, www.evotingindia.com within two days of the passing of the resolutions at the 30th AGM of the Company and shall be communicated to the Stock Exchanges where the shares of the Company are listed.

f. The details of dispatch of Notice to the Members will be published in at least one (1) English and one (1) vernacular language newspaper circulating in Maharashtra.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

Pursuant to Section 152(7)(a) of the Companies Act, 2013, if the vacancy of the retiring director is not filled-up and the (Annual General) Meeting ["AGM"] has not expressly resolved not to fill the vacancy, the AGM shall stand adjourned to the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

Item No. 4 of the AGM Notice is provided as an abundant precautionary measure to save the resources of your Company, in case the re-appointment of Director at Item No. 3 of the AGM Notice is dis-approved and not passed by the Members, as per voting results.

The Board recommends the resolution set out at Item No. 4 to be passed as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution.

Item No. 5

The Company markets its Enzyme based products for Animal Nutrition and Feed through its one of the subsidiaries, Advanced Bio Agro-Tech Limited (CIN U24100MH2004PLC149464), having its registered office at A Wing, 5th Floor, Sun Magnetica, L.I.C. Service Road, Louiswadi, Thane (West) - 400604, Maharashtra, India (hereinafter referred to as **"ABTL"**). The Company holds 60% shareholding in ABTL.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) and re-enactment for the time being in force) (**"Act"**), approval of the Members of the Company is required for the Related Party Transactions on account of the sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company or Rs. 100 Crores, whichever is lower only if the transaction is either not in ordinary course or not at arm's length basis i.e. the Act provides for an exemption from obtaining the approval of the Members of the Company, in case such transactions are entered into the ordinary course of business and at arm's length basis. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (**"SEBI Listing Regulations"**), the Company is required to obtain the approval of the Members in case such Related Party Transactions are material in nature. As per the SEBI Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The proposed transaction of the Company with ABTL may exceed the limits prescribed under the SEBI Listing Regulations.

The proposed transaction of the Company with ABTL is in ordinary course of business and shall be on arms' length basis. However, there may be some transactions which can be done in the interest of the Company. Hence, *inter alia* in view of the aforementioned SEBI Listing Regulations, approval of the Members of the Company for the proposed transactions with ABTL is being obtained.

The disclosures and particulars of related party contracts, arrangements or transactions as required to be given under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Name of the Related Party	Advanced Bio-Agro Tech Limited (**"ABTL"**)
Names of Directors or Key Managerial Personnel who is related	The following personnel of the Company viz. Mr. Mukund Kabra, Whole-Time Director, Mr. Beni Prasad Rauka, Chief Financial Officer (KMP) of the Company are the Directors on the Board of Advanced Bio-Agro Tech Limited i.e. as Nominees representing the interest of Advanced Enzyme Technologies Limited (Holding Company).
Nature of Relationship	The Company is holding 60% Equity Shareholding in Advanced Bio-Agro Tech Limited and the above mentioned personnel are holding shares of ABTL as nominee(s) of the Holding Company.
Material terms of the contract / arrangement / transactions	Sale and/or Purchase of Goods in the ordinary course of business not exceeding the monetary value (and during the period) mentioned below.
Monetary value and period of approval	Not Exceeding ₹ 600 Million for a period from October 01, 2019 to September 30, 2020
Any other information relevant or important for the Members to take the decision on the proposed resolution	This Related Party Transaction with the Subsidiary Company is in the Ordinary Course of Business and shall be at arm's length basis, still there may be some transactions which can be done in the interest of the Company.

The Board recommends the resolution set out at Item No. 5 to be passed as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution, except as mentioned above.

Item No. 6

The Company markets its enzyme based products for Pharma Sector through one of its subsidiaries, JC Biotech Private Limited (CIN U65993TG1991PTC013624), having its registered office at Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, India (hereinafter referred to as **"JCB"**). The Company holds 70% shareholding in JCB.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications and re-enactment for the time being in force) (**"Act"**), approval of the Members of the Company is required for the Related Party Transactions on account of the sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company or ₹ 100 Crores, whichever is lower only if the transaction is either not in Ordinary Course or not at arm's length basis i.e. the Act provides for an exemption from obtaining the approval of the Members of the Company, in case such transactions are entered into the Ordinary Course of Business and at arm's length basis. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (**"SEBI Listing Regulations"**), approval of the Members of the Company is required in case of material Related Party Transactions.

The proposed transaction of the Company with JCB may exceed the limits prescribed under the SEBI Listing Regulations for material Related Party Transactions. The proposed transaction of the Company with JCB is in ordinary course of business and on arms' length basis. However, there may be some transactions which can be done in the interest of the Company. Hence in view of the aforementioned SEBI Listing Regulations and as good corporate governance, approval of the Members of the Company for the proposed transactions, with JCB is being obtained.

All the prescribed disclosures / particulars of contracts / arrangements / transactions as required to be given under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Name of the Related Party	JC Biotech Private Limited (**"JCB"**)
Name of Directors or Key Managerial Personnel who is related	The following personnel of the Company viz. Mr. Mukund Kabra, Whole-time Director, and Mr. Beni P Rauka, Chief Financial Officer (KMP) of the Company are the Directors on the Board of JC Biotech Private Limited, i.e. as Nominees representing the interest of Advanced Enzyme Technologies Limited (Holding Company). Mr. Kedar Desai and Mr. Pramod Kasat are common Independent Directors.
Nature of Relationship	The Company is holding 70% Equity Shares in JC Biotech Private Limited
Material terms of the contract / arrangement / transactions	Sale and/or Purchase of Goods in the ordinary course of business not exceeding the monetary value (and during the period) mentioned below.
Monetary value and period of approval	Not Exceeding ₹ 650 Million for a period from October 01, 2019 to September 30, 2020
Any other information relevant or important for the Members to take the decision on the proposed resolution	This Related Party Transaction with the Subsidiary Company is in the Ordinary Course of Business and at arm's length basis, still there may be some transactions which can be done in the interest of the Company.

The Board recommends the resolution set out at Item No. 6 to be passed as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution, except as mentioned above.

Item No. 7:

Mrs. Mangala Kabra, aged 67 years, is General Manager of the Company and has been associated with the Company since October, 1993.

Mrs. Mangala Kabra is a related party within the definition of Section 2(76) of the Companies Act 2013 (**"Act"**), as she is relative of Director(s) of the Company. Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended), appointment of any related party to any office or place of profit in the Company, its Subsidiary Company or Associate Company at a monthly remuneration exceeding ₹ 250,000/- requires prior approval by way of special resolution of the Company. In view of the aforementioned provisions of the Act and rules made thereunder and that monthly remuneration of Mrs. Kabra would be in excess of ₹ 2,50,000/- per month, approval of Members is

sought for her appointment in and payment of remuneration to her by the Company as proposed in the resolution under this item of business.

In order to adequately compensate the General Manager and taking into account the size and operations of the business of the Company, the Board of Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee and subject to the consent of the Members of the Company, has approved the (i) monthly basic salary of ₹ 79,400/- for the Financial Year 2019-20 (**"FY20"**) with annual increment not exceeding 15% as may be approved by the Board of Directors of the Company; (ii) Other components of the Salary as linked to the Basic Salary shall be proportionately increased; and (iii) total remuneration not exceeding ₹ 31.90 Lakhs (excluding leave encashment) for the FY20 including but not limited to all the allowances; Bonus (equivalent to one month Basic Salary) and perquisites as per policy of the Company, subject to annual increment every year as mentioned aforesaid.

The requisite disclosures required under the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Name of the Related Party	Mrs. Mangala Kabra
Name of Directors or Key Managerial Personnel who is related	The following personnel of the Company are Relatives of Mrs. Mangala Kabra viz. Mr. Vasant Rathi, Chairman and Non-Executive Director and Mr. Mukund Kabra, Whole-time Director are related to Mrs. Mangala Kabra. In addition, Mrs. Rasika Rathi, Director is related to Mr. Vasant Rathi
Nature of Relationship	Mrs. Mangala Kabra is sister of Mr. Vasant Rathi, Chairman and Non-Executive Director. Also Mrs. Mangala Kabra is mother of Mr. Mukund Kabra, Whole-Time Director of the Company. Mrs. Rasika Rathi is daughter of Mr. Vasant Rathi.
Material terms of the contract / arrangement / transactions	As mentioned in Explanatory Statement No. 7
Monetary value and period of approval	As mentioned in Explanatory Statement No. 7

The Board recommends the resolution set out at Item No. 7 to be passed as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution, except as mentioned above.

Item No. 8:

The Members of the Company, at the Annual General Meeting held on August 12, 2014 had approved the payment of Commission to the Non-Executive Directors of the Company upto a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of Companies Act, 2013 for a period of five years commencing from payment of commission for the period from the financial year 2013-14 to financial year 2018-19 ("FY19").

Pursuant to the provisions of Section 197 of Companies Act, 2013, remuneration by way of Commission can be paid to the Non-Executive Directors of the Company subject to the limits prescribed therein.

Accordingly, a fresh approval of the Members is sought for payment of Commission to the Non-Executive Directors (including Independent Directors) of the Company for a period of five (5) years commencing from payment of commission for the financial year 2019-20 ("FY20") to financial year 2023-24 ("FY24"). The Commission is proposed to be paid to all or any of the Non-Executive Directors including Independent Directors in proportion to the number of meetings of the Board and/or Committees thereto attended by the respective Non-Executive Director(s) during the relevant financial year, or in such other manner as may be decided by the Board of Directors of the Company on a financial year basis.

The Board recommends the resolution set out at Item No. 8 to be passed as an **Ordinary Resolution**.

Except the Non-Executive Directors of the Company, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution.

Item No. 9

The Members at their meeting held on August 12, 2014 approved the appointment of Mr. Kedar Desai as an Independent Director for a term of five (5) years w.e.f April 01, 2014 to hold office till March 31, 2019. In accordance with the provisions of Companies Act, 2013, an Independent Director can hold the office for a maximum of two (2) tenures of five (5) years each. However, it is

further prescribed that such re-appointment for a second term of five (5) years shall be subject to passing of a Special Resolution by the Members of the Company.

Further, the Secretarial Standards-2 on General Meetings also prescribes that in case of re-appointment of Independent Director, a performance evaluation report or a summary thereof shall be included in the Explanatory Statement.

Pursuant to the provisions of the Board Evaluation Policy, a structured performance evaluation exercise was carried out for the Independent Directors including Mr. Kedar Desai. The said evaluation was based on various parameters such as participation and contribution at the Board and Committee meetings, understanding of the governance, regulatory, financial, fiduciary and ethical requirements of the Board and Committees, standards of ethics and integrity, ability to exercise objective independent judgment in the best interests of the Company and its stakeholders. Post evaluation of performance of Mr. Kedar Desai by every other Director, numeric value (**"score"**) assigned to each objective answer on the scale of 1 to 5, for all the statements in the respective questionnaire were summed and averaged respectively, wherein scale/average of '1' indicates 'Critical'; '2' – 'Weak'; '3' – 'Fair'; '4' – 'Satisfactory' and '5' – 'Strong'. The said average score of Mr. Kedar Desai for all the parameters was remarkable '4.50' and above. The Board appreciated his valuable contribution to the Company during his first term as an Independent Director of the Company.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 (**"Act"**) proposing the re-appointment of Mr. Kedar Desai as an Independent Director of the Company to hold office from April 01, 2019 to March 31, 2024. Mr. Kedar Desai has submitted declarations as required pursuant to Section 149(7) of the Act, stating that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) [**"SEBI Listing Regulations"**]. Further, he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Board is of the opinion that he fulfills the conditions as specified in the Act and rules made thereunder, for his appointment and that Mr. Desai is independent of the management. Further having regards to his qualifications, knowledge, expertise and experience, re-appointment of Mr. Kedar Desai as an Independent Director will be in the best interest of the Company.

A copy of appointment letter, declaration of eligibility under the Act and SEBI Listing Regulations received from him and other documents are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11:00 A.M. and 1:00 P.M. upto the date of 30th Annual General Meeting. Brief profile and other requisite details of Mr. Kedar Desai as required under the SEBI Listing Regulations and Secretarial Standards-2 on General Meetings is provided on page no. 14 of this Notice.

The Board recommends the resolution set out in Item No. 9 to be passed as a **Special Resolution**.

Except Mr. Kedar Desai, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise.

Item no. 10

Ms. Rasika Rathi (DIN: 08300682) was appointed as an Additional Director (Non-Executive) by the Board of Directors at its meeting held on January 08, 2019, to hold the office upto the conclusion of this Annual General Meeting and is eligible for the appointment as a Director of the Company, liable to retire by rotation. Ms. Rasika Rathi is a Promoter Group member and Relative (daughter) of Mr. Vasant Rathi (Promoter Chairman)

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 (**"Act"**) proposing the candidature of Ms. Rasika Rathi as a Non-Executive Director of the Company.

Ms. Rasika Rathi has submitted the declaration as required that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Further having regard to his qualification, knowledge and experience, appointment of Ms. Rasika Rathi as a Non-Executive Director will be in the best interest of the Company.

Brief profile and other requisite details of Ms. Rasika Rathi as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is provided on page no. 14 of this Notice.

The Board recommends the resolution set out in Item No. 10 to be passed as an **Ordinary Resolution**.

Except Ms. Rasika Rathi and otherwise mentioned above, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise.

Item Nos. 11 and 12:

Mr. Vilas Murlidhar Aurangabadkar (DIN: 08225986) and Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) were appointed as an Additional Directors (Independent) by the Board of Directors at its meetings held on January 08, 2019 and February 09, 2019 respectively for a term of five (5) years each subject to approval of the Members of the Company and are eligible for the appointment as Directors of the Company.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 (**"Act"**) proposing the candidatures of Mr. Vilas Murlidhar Aurangabadkar and Mr. Vinodkumar Hiralal Jajoo as an Independent Director of the Company. Mr. Vilas Murlidhar Aurangabadkar and Mr. Vinodkumar Hiralal Jajoo have individually submitted declarations as required pursuant to Section 149(7) of the Companies Act, 2013 (**"Act"**), stating that they meet the criteria of independence as provided in sub section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended) [**"SEBI Listing Regulations"**]. Further, they are not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Board is of the opinion that they fulfil the conditions as specified in the Act and rules made thereunder, for their appointments and that Mr. Aurangabadkar and Mr. Jajoo are independent of the management. Further having regard to their qualifications, knowledge, expertise and experience, appointments of Mr. Vilas Murlidhar Aurangabadkar and Mr. Vinodkumar Hiralal Jajoo as Independent Directors will be in the best interest of the Company.

A copy of appointment letter, declaration of eligibility under the Act and SEBI Listing Regulations received from them and other relevant documents are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11:00 A.M. and 1:00 P.M. upto the date of 30th Annual General Meeting.

Brief profile and other requisite details of Mr. Vilas Murlidhar Aurangabadkar and Mr. Vinodkumar Hiralal Jajoo as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided on page no. 14 of this Notice.

The Board recommends the resolutions set out in Item No. 11 and 12 to be passed as **Ordinary Resolutions**.

Except Mr. Vilas Murlidhar Aurangabadkar and Mr. Vinodkumar Hiralal Jajoo (in their respective resolutions only), none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in resolution nos. 11 and 12.

By Order of the Board
For Advanced Enzyme Technologies Limited

Sanjay Basantani
Company Secretary and Head – Legal
Membership No.: 19637

Place : Thane
Date : July 02, 2019

Registered Office:
Sun Magnetica, A Wing,
5th Floor, Louiswadi, Near LIC Service Road,
Thane (W) - 400 604, Maharashtra, India

Information on Directors being appointed/re appointed as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards-2 on General Meetings:

Names of Directors	Mrs. Savita Rathi	Mr. Kedar Desai	Ms. Rasika Rathi	Mr. Vilas M. Aurangabadkar	Mr. Vinodkumar H. Jajoo
Date of Birth/ Age	February 26, 1961 (58 years)	August 17, 1971 (47 years)	December 01, 1982 (36 years)	July 23, 1949 (69 years)	November 21, 1964 (54 years)
Experience/ Expertise in Specific Functional Area	Over 28 years of experience in enzyme industry and is associated with the Company since incorporation.	Over 21 years of experience in the field of Law. He was associated with Messrs Kanga & Co. from the year 1997 to 2007, out of which during the period 2004 to 2007, he was a partner at Messrs Kanga & Co. Subsequently, he has been associated as a Partner at M/s. Desai Desai Carrimjee and Mulla, Advocates and Solicitors.	Over 14 years of rich experience in the fields of Law and enzymes and presently associated as Vice President, General Counsel and Secretary at US subsidiary and Director of the European subsidiary. She was, in past, associated with Allen & Overy LLP in New York USA as an Associate – Tax and Litigation. She is also associated as Director of the Company's subsidiaries in US viz., Enzyme Innovation, Inc., Dynamic Enzymes, Inc., Advanced Suppementary Technologies Corporation. She has also founded a Non-profit National Information Centre in California USA to disseminate information about pulmonary fibrosis, conduct research and search for alternative therapies	Around 6 years in Manufacturing industry; teaching experience of around 37 years including about 25 years as educationalist (Principal of pharmacy colleges). Also Co-ordinator of various professional institutions.	In Direct-Indirect Tax Practice since last 30 years. Vast experience in all types of Audit and Taxation Work.
Terms and Conditions of Appointment	Re-appointment, as liable to retire by rotation. Existing tenure as Whole-Time Director: 5 years effective from January 01, 2016 Basic Salary: In the range of ₹ 140,000/- per month with an annual increment not exceeding 30% of the previous year basic Other allowances, perquisites, contribution to PF, leave encashment and other terms and conditions as set out into agreement dated December 28, 2015 entered between Mrs. Savita Rathi and the Company and the Resolution with explanatory statement passed in the Extra-Ordinary General Meeting held on December 23, 2015	As per Resolution No. 9 read with the explanatory statement	As per Resolution No. 10 read with the explanatory statement	As per Resolution No. 11 read with the explanatory statement	As per Resolution No. 12 read with the explanatory statement
Details of Remuneration	As per details provided in Corporate Governance report which forms part of the Annual Report (2018-19), which is circulated alongwith this AGM Notice and hosted on the website of the Company.	Sitting fees and commission as per the limits specified under the Companies Act, 2013 and as approved by the Shareholders of the Company from time to time.	Commission as per the limits specified under the Companies Act, 2013 and as approved by the Shareholders of the Company from time to time. She is also paid remuneration from US subsidiary as per the approval of the Shareholders of the Company in its meeting held on September 15, 2016, which is ₹ 10.41 Million for FY19 (₹ 8.90 Million for FY18)	Sitting fees and commission as per the limits specified under the Companies Act, 2013 and as approved by the Shareholders of the Company from time to time.	Sitting fees and commission as per the limits specified under the Companies Act, 2013 and as approved by the Shareholders of the Company from time to time.
Date of First Appointment	First Director since incorporation – March 15, 1989	August 27, 2010	January 08, 2019	January 08, 2019	February 09, 2019
Qualification	Bachelor's degree in Commerce	LLB, Solicitor from Bombay Incorporated Law Society	B.A. Economics from University of California, Berkeley, Juris Doctorate in Law from University of Michigan	DBM, MMS (Master in Management Sciences), B. Pharm, M. Pharm	M.com, Chartered Accountant
Shareholding in the Company (As on March 31, 2019)	3,71,500 Equity Shares of ₹ 2/- each	2,000 Equity Shares of ₹ 2/- each	25,65,000 Equity Shares of ₹ 2/- each	NIL	NIL

No. of Board Meeting attended during the Financial Year	Eligible: 8 Attended: 7	Eligible: 8 Attended: 8	Eligible: 2 Attended: 1 by video conference and other by tele conference	Eligible: 2 Attended: 2	Eligible: 1 Attended: 1
Relative of any other Director / Manager and other KMP	Not Applicable	Not Applicable	Ms. Rasika Rathi is the daughter of Mr. Vasant Rathi, Chairman of the Company	Not Applicable	Not Applicable
List of outside Directorship held as on March 31, 2019 (excluding foreign companies)	1. Advanced Enzytech Solutions Limited (wholly owned subsidiary) 2. Chandrakant Rathi Innovations and Projects Private Limited 3. Advanced Vital Enzymes Private Limited 4. Atharva Clean Energy Private Limited 5. Ashtavakra Properties Private Limited 6. Hastamalaka Properties Private Limited 7. Trotakacharya Properties Private Limited 8. Partner in Atharva Green Ecotech LLP	1. Autotech-Sirmax India Private Limited 2. Chowgule Industries Private Limited 3. Angre Port Private Limited 4. JC Biotech Private Limited 5. Axis Mutual Fund Trustee Limited 6. Financial Planning Corporation (India) Private Limited (vacated office on March 31, 2019)	NIL	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	Member of Stakeholders' Relationship Committee	Chairman of Audit Committee as well as Stakeholders' Relationship Committee	NIL	NIL	NIL
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director **a) Audit Committee** **b) Stakeholders' Relationship Committee**	NIL	JC Biotech Private Limited (subsidiary of the Company): i. Audit Committee – Member	NIL	NIL	NIL

Note: Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, only two Committees viz. Audit Committee and Stakeholders' Relationship Committee have been considered.

NOTES:

ADVANCED ENZYME TECHNOLOGIES LIMITED
CIN: L24200MH1989PLC0510108
Registered Office : A Wing, 5th Floor, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane (W) – 400 604, Maharashtra, India
Website : www.advancedenzymes.com; **Email:** info@advancedenzymes.com
Phone: +91-22-41703200 Fax: +91-22-25835159

FORM NO MGT-11
PROXY FORM
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :
Registered Address :
E mail ID :
Folio No./Client ID :
DP ID :

I/We, being the holder(s) of _____ Shares of the above named company, hereby appoint:

(1) Name.....

Address .....

Email Id .....

Signature....., or failing him .....

(2) Name.....

Address .....

Email Id .....

Signature....., or failing him .....

(3) Name.....

Address .....

Email Id .....

Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Thursday, August 08, 2019 at 03:30 p.m. at Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louis Wadi Police Chowki, Thane (W) – 400604, Maharashtra, India and at any adjournment thereof in respect of such resolution as is indicated below:

Sr. No.	Resolutions	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt: (a) the Audited Financial Statements (Standalone) of the Company for the Financial Year ended March 31, 2019 together with the Auditors' report thereon and the report of the Board of Directors of the Company. (b) the Audited Financial Statements (Consolidated) of the Company for the Financial Year ended March 31, 2019 together with the Auditors' report thereon.		
2.	To declare final Dividend (₹ 0.60/- per Equity Share) on Equity Shares of ₹ 2/- each, for the Financial Year ended March 31, 2019		
3.	To re-appoint Mrs. Savita Rathi (DIN: 00365717), who retires by rotation and being eligible, offers herself for re-appointment as a Director.		
Special Business			
4.	To consider and expressly resolve not to fill-up the vacancy in case the re-appointment of the Director as per above Item No. 3 of the AGM Notice is not approved.		
5.	To approve Related Party Transactions with Advanced Bio-Agro Tech Limited.		
6.	To approve Related Party Transactions with JC Biotech Private Limited.		
7.	To approve remuneration payable to Mrs. Mangala Kabra, General Manager (Related Party).		
8.	To approve the payment of Commission to the Non-Executive Directors for a term of five financial years commencing from April 01, 2019.		
9.	To approve re-appointment of Mr. Kedar Desai (DIN: 00322581) as an Independent Director of the Company.		
10.	To approve appointment of Ms. Rasika Rathi (DIN: 08300682) as a Non-Executive Director of the Company.		
11.	To approve appointment of Mr. Vilas Murlidhar Aurangabadkar (DIN: 08225986) as an Independent Director of the Company.		
12.	To approve appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) as an Independent Director of the Company.		

Signed this ..... day of..... 2019

Affix Revenue Stamp ₹ 1/-

Signature of Shareholder : _____

Signature of Proxy Holder(s) :_____

Notes:

1. This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. It is optional to indicate your preference. If you leave the for / against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

3. Members are requested to note that a person can act as proxy on behalf of not more than 50 members and holding in the aggregate of not more than ten percent of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such person shall not act as a proxy for any other member. Proxy submitted on behalf of any company, society, entity etc. must be supported by an appropriate resolution/ authority letter, as applicable.

ADVANCED ENZYME TECHNOLOGIES LIMITED
CIN: L24200MH1989PLC0510108
Registered Office : A Wing, 5th Floor, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane (W) – 400 604, Maharashtra, India
Website : www.advancedenzymes.com; **Email:** info@advancedenzymes.com
Phone: +91-22-41703200 Fax: +91-22-25835159

ATTENDANCE SLIP

THIRTIETH (30TH) ANNUAL GENERAL MEETING OF THE COMPANY ON THURSDAY, AUGUST 08, 2019 AT 03:30 P.M.

Folio No. / DP ID & Client ID	
No. of shares held	

I/We certify that I/We am/are a registered member / proxy for the registered member of the Company. I/We hereby record my presence at the 30th Annual General Meeting of the Company ("AGM") at Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louis Wadi Police Chowki, Thane (West) – 400604, Maharashtra, India on Thursday, August 08, 2019 at 03:30 p.m.

_____
Member's/ Proxy's name in **BLOCK** Letters

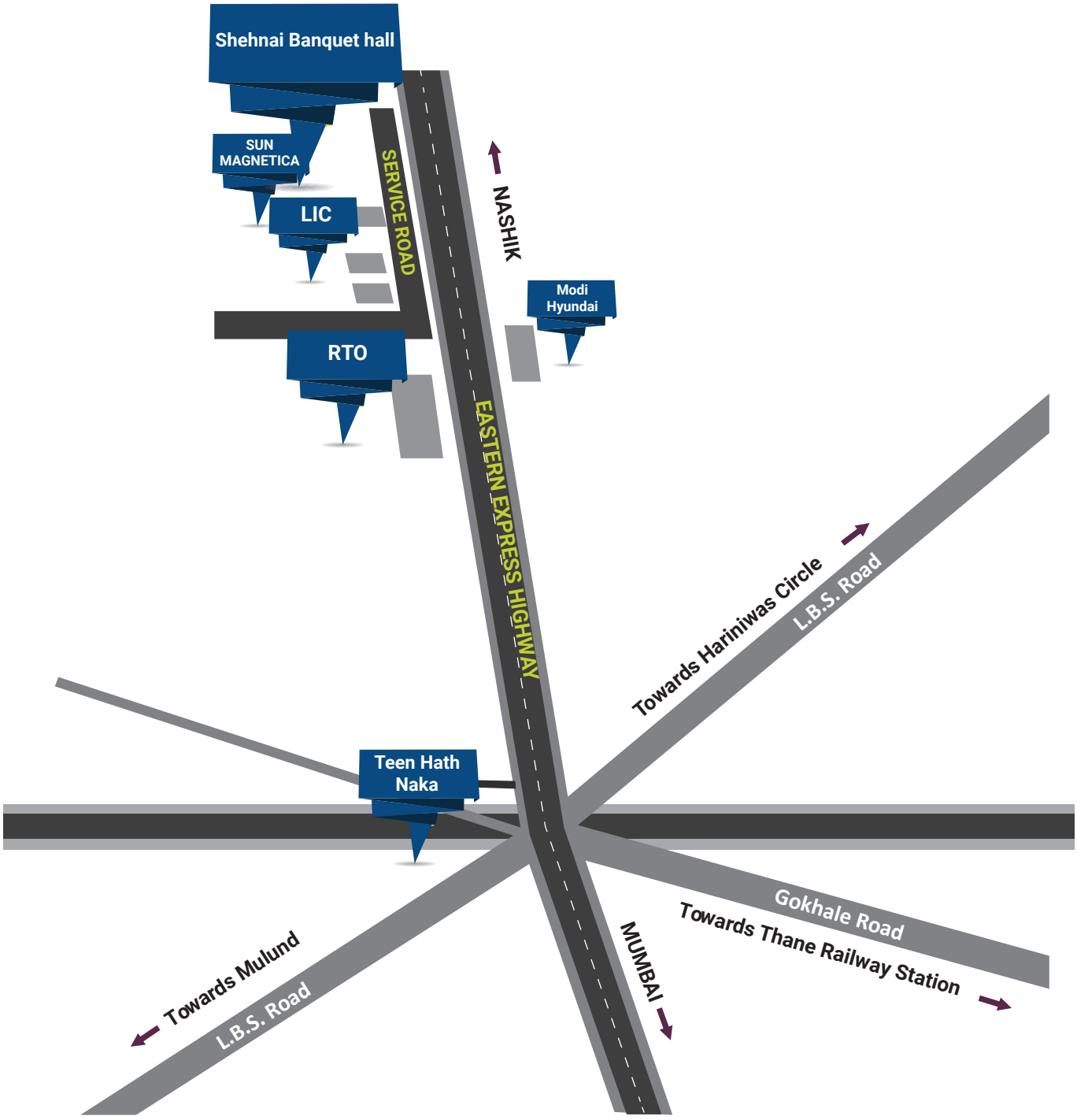
Member's /Proxy's Signature

Note: Please fill the attendance slip and hand it over at the ENTRANCE. Kindly refer next page for AGM venue route map. Please read the following details including remote e-voting instructions provided in the notice convening 30th AGM ("AGM Notice").

The remote e-voting facility will be available during the following period:

Commencement of e-voting	**End of e-voting**
August 04, 2019 (Sunday) at 09:00 a.m. IST	August 07, 2019 (Wednesday) at 05:00 p.m. IST

Route Map for 30th AGM VENUE



Shehnai Banquet Hall, Shahid Mangal Pandey Road, Louiswadi, Opposite Louiswadi Police Chowki, Thane (W) - 400 604