



## 2014 - 2015 ANNUAL REPORT



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# Financial Highlights

## ANNUAL REPORT 2014-15

FINANCIAL HIGHLIGHT ON CONSOLIDATED BASIS						(Rupees in Millions)
<b>A) Financial Results Summary</b>						
	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	
Net sales	2,231	2,394	2,204	1,717	1,166	
EBIDTA	931	1,031	943	657	263	
Depreciation	90	100	74	55	50	
EBIT	841	931	869	602	213	
Finance Charge	93	132	96	122	23	
Profit before tax & exceptional items	748	799	773	479	190	
Exceptional items	-	514	-	-	-	
Profit before tax	748	284	773	479	190	
Tax	230	74	264	135	21	
Profit after tax incl minority	518	210	509	344	169	
PAT	510	197	498	338	167	
Paid up capital-Equity	218	218	218	207	207	
Reserves & surplus	1,902	1,457	1,416	761	425	
Shareholders' Fund	2,120	1,674	1,634	968	633	
Minority interest	45	36	24	16	13	
Long term borrowings	540	879	1,167	1,394	370	
Working capital finance	226	361	306	359	268	
Short term unsecured borrowings	11	30	22	20	5	
Total Debt	777	1,270	1,496	1,773	643	
Current liabilities	1,071	935	691	668	174	
Tangible assets (net)	1,111	1,149	1,158	496	512	
Intangible assets (net)	38	-	-	1	2	
Goodwill on acquisition	1,710	1,710	1,710	1,547	-	
Current assets	1,041	920	937	768	615	
Net worth	2,120	1,674	1,634	968	633	
Total outside liabilities - TOL	1,892	2,242	2,210	2,457	829	
<b>Growth Indicators</b>						
Net Sales	*-7%	9%	28%	47%	3%	
EBIDTA	** -10%	9%	44%	150%	8%	
EBIT	** -10%	7%	44%	182%	11%	
PAT	158%	-60%	48%	102%	45%	
<b>Key Operating Ratio</b>						
EBITDA Margin	42%	43%	43%	38%	23%	
EBIT Margin	38%	39%	39%	35%	18%	
PAT Margin	23%	9%	23%	20%	14%	
<b>Financial Leverage</b>						
Debt/Equity	0.36	0.74	0.90	1.80	1.00	
Interest Coverage	9.08	7.05	9.09	4.92	9.27	
Debt/EBDAT	0.93	1.41	1.76	3.32	2.68	
<b>Return Ratios</b>						
RoE (PAT/Shareholders' Fund)	24%	12%	30%	35%	26%	
ROCE (EBIT+ Shareholders' Fund + Total Debt)	29%	32%	28%	22%	17%	
<b>Other Ratios</b>						
Turnover to Fixed Assets	1.29	1.40	1.36	1.16	0.78	
TOL to Net Worth Ratio	0.89	1.34	1.35	2.54	1.31	
Book Value per share (Rs.)	97	77	75	47	31	

\* 4% increase on previous year if sales is taken net of exceptional sales return during FY 2014

\*\* 5% increase in EBIDTA and 4% increase in EBIT on previous year if gross profit margin on exceptional amount of sales return during FY 2014 is adjusted to the extent of gross margin

**BOARD OF DIRECTORS**

Mr. Kedar Desai	Chairman
Mr. C. L. Rathi	Managing Director
Mrs. S. C. Rathi	Whole Time Director
Mr. M. M. Kabra	Whole Time Director
Mr. V. L. Rathi	Director
Mr. R.T. Mehta	Director
Mr. Pradip Shah	Director
Mr. K. V. Ramakrishna	Director

**CHIEF FINANCIAL OFFICER**

Mr. Beni Prasad Rauka

**DEPUTY COMPANY SECRETARY**

Mr. Sunil Kumar Sharma

**REGISTERED OFFICE**

Sun-Magnetica, A Wing, 5th Floor, Near LIC Service Road, Louis Wadi, Thane(W) 400 604

**R&D CENTRES**

1. Plot no. A-161, Main Road No. 27, Wagle Industrial Estate, Thane (W) 400 604
2. A-135, Road No. 23, Wagle Industrial Estate, Thane (W) 400 604
3. A-61, M.I.D.C. Area, Sinnar, Nasik 422 103

**PLANTS**

1. A-61/62, M.I.D.C. Area, Sinnar, Nasik - 422 103. Maharashtra
2. SORL, H-17, M.I.D.C, Satpur Area, Nasik, Maharashtra
3. Survey No.30, Pali, Vasind, Shahpur, Thane, Maharashtra
4. Plot No. B-5-13, SEZ, Pithampur, Dhar, Madhya Pradesh

**BANKERS**

Citi Bank N.A.  
HDFC Bank Ltd.  
Kotak Mahindra Bank Ltd.  
DBS Bank Ltd.  
Indusind Bank Ltd.

**AUDITORS**

Walker, Chandio & Co.  
Chartered Accountants  
16th Floor, Tower II, Indiabulls Finance Center,  
S. B. Marg, Elphinstone (W), Mumbai 400 013

**SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai 400 078

**SUBSIDIARIES**

Advanced Bio-Agro Tech Limited  
Advanced EnzyTech Solutions Limited  
Advanced Enzymes USA, USA  
Cal India Foods International, USA  
Advanced Supplementary Technologies Corporation, USA  
Enzyme Innovation Inc., USA  
Dynamic Enzymes Inc., USA

## DIRECTORS' REPORT

The Directors are delighted present their Twenty Sixth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March 2015.

### FINANCIAL RESULTS

	<b>Year ended 31.03.2015 (Rs. in million)</b>	<b>Year ended 31.03.2014 (Rs. in million)</b>
Profit before depreciation, interest, Exceptional item & tax	<b>350.1</b>	394.5
(Less):		
Depreciation	<b>79.8</b>	92.3
Interest / Finance charges	<b>46.6</b>	82.8
Exceptional Item	<b>-</b>	120.6
	<b>126.4</b>	295.7
Profit before tax	<b>223.7</b>	98.8
Less/(Add): Provision for taxation		
Current tax	<b>46.1</b>	18.4
Deferred tax	<b>3.8</b>	12.7
MAT Credit entitlement	<b>(19.1)</b>	(18.4)
	<b>30.8</b>	12.7
Profit after tax	<b>192.9</b>	86.1
Balance brought forward	<b>837.1</b>	763.3
	<b>1030.0</b>	849.4
Less: Reversal of carrying amount of tangible fixed assets due to transitional provision as per Companies Act, 2013 (Refer note 12 of standalone financial)	<b>3.0</b>	-
Add: Reversal of differed tax on carrying amount of tangible assets due to transitional provision as per Companies Act, 2013 (Refer note 8 of standalone financial)	<b>1.0</b>	-
Profit available for appropriation	<b>1028.0</b>	849.4
<b>Appropriations</b>		
Proposed dividend (including tax on dividend)	<b>12.1</b>	12.3
Transfer to General Reserve		
Balance Carried to Balance Sheet	<b>1015.9</b>	837.1

### CONSOLIDATED FINANCIAL RESULTS

	<b>Year ended 31.03.2015 (Rs. in million)</b>	<b>Year ended 31.03.2014 (Rs. in million)</b>
Profit before depreciation, interest, extra-ordinary item & tax	<b>930.8</b>	1030.6
(Less):		
Depreciation	<b>90.2</b>	99.8
Interest / Finance charges	<b>92.6</b>	131.9
Exceptional Item	<b>-</b>	514.3
Total	<b>182.8</b>	746.0
Profit before tax	<b>748.0</b>	284.6
Less/(Add): Provision for taxation		
Current tax	<b>201.6</b>	165.2
Deferred tax	<b>47.0</b>	(74.4)
MAT Credit entitlement	<b>(19.1)</b>	(18.4)
(Excess)/short provision for last years	<b>0.5</b>	-
Total	<b>230.0</b>	74.5
Profit after tax	<b>518.0</b>	210.1

## **DIVIDEND**

Your Directors recommend payment of dividend @ 5% for FY 15, amounting to Rs.10.88 Million subject to approval of Shareholders in the ensuing Annual General Meeting of the Company.

During the year 2014-15, unclaimed dividend of Rs 35,340/- pertaining to financial year 2006-07, was transferred to the Investor Education and Protection Fund, as required under the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

## **RESERVES**

No amount is proposed for transfer to the General Reserve Account during the financial year 2015.

## **REVIEW OF OPERATIONS & FINANCIAL PERFORMANCE**

The Company successfully returned to its growth path in a span of one year having faced turbulent time during FY 14. It achieved consolidated net sale of Rs. 2231 Million during FY 15 as against net sale of Rs 2151 Million (net of exceptional item -goods return of Rs 244 Million) registering a growth of about 3.70%. EBIDTA was at Rs. 906 Million (41%) during FY 2015 as compared to Rs. 1011 Million (42%) during FY 2014.

Profit before exceptional items and tax stood at Rs. 748 Million as against Rs. 799 Million in the previous year. Profit after tax stood at Rs. 518 Million as against Rs. 210 Million (due to loss on account of exceptional item of Rs. 514 Million) during FY 2014.

On standalone basis, a total net sale of the Company was at Rs. 1259 million during FY 2015 as against net sale of Rs 1259 Million (net of exceptional item -goods return of Rs 98 Million).

The topline remained flat during FY 2015, although domestic sale has increased by 4% , domestic sales was at Rs. 877 million during FY 2015 compared to Rs 844 million during FY 2014 however exports were lower by 6% and stood at Rs. 456 Million during FY 2015 as against Rs. 488 Million (net of exceptional item -goods return of Rs 98 Million ) during FY 2014.

EBIDTA on standalone was at Rs 337 Million (about 27%) Profit before exceptional items and tax stood at Rs.224 Million as against Rs 219 Million in the previous year. Profit after tax stood at Rs. 193 Million as against Rs.86 Million (due to loss on account of exceptional item of Rs 121 Million) during FY 2014.

The Company has changed accounting policy, attention is drawn to the note no. 43 of the standalone financial and note no. 41 of the consolidated financial statement to the annual report.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. There was also no change in the nature of business of the Company during the financial year ended 31st March, 2015.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statement of the Company prepared in accordance with applicable Accounting Standards AS-21 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 is provided in the Annual Report.

## **SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

As on 31st March, 2015, Company has seven subsidiary Companies, three being direct subsidiaries Advanced Enzymes USA, USA, Advanced Bio-Agro Tech Limited, India and Advanced EnzyTech Solutions Limited, India and 4 step-down subsidiaries of Advanced Enzymes USA, viz., Cal India Food International (doing business as Specialty Biochemical and Enzymes (SEB), Advanced Supplementary Technologies Corporation (AST), USA, Enzyme Innovation Inc, USA, Dynamic Enzymes Inc, USA.

During the year, Advanced Enzymes Europe B.V. based at Netherlands, wholly owned subsidiary of the Company got dissolved and ceased to be the subsidiary.

Two new subsidiaries viz. Enzyme Innovation Inc. (subsidiary of Cal India Food International-SEB) and Dynamic Enzymes Inc. (subsidiary of Advanced Enzymes USA) were incorporated at US during the year.

A report on the performance and financial position of each of the subsidiaries as per the Companies Act, 2013 is provided as 'Annexure A' to the consolidated financial statement and hence not repeated here for the sake of brevity.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, 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) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **RISK MANAGEMENT**

Your Company understands controlling risks through a formal programme is necessary for the well-being of the Company. To this end, the Board of Directors, in its meeting held on 25th March, 2015, has adopted a formal Risk Management policy for the Company, whereby, risks are broadly categorized into Strategic, Operational, Compliance, and Financial & Reporting Risks. The Policy initially has outlined the broad base parameters of identification, assessment, monitoring and mitigation of various risks which are keys to business objectives. The Audit Committee of the Board has entrusted with the responsibility to oversee the functioning of the Risk Management Policy.

The Company has initiated the process of improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Particulars of related party transactions in form AOC-2 given as '**Annexure B**'. Your Directors also draw attention of the members to Note no. 33 of the standalone financial and Note no. 37 of consolidated financial statement to the Annual Report which sets out related party disclosures.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The vision of Advanced Group's CSR activities, to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods, has been formally codified with the constitution of a dedicated Corporate Social Responsibility Committee of the Board on 9th June 2014 by the Board of Directors of the Company.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. The CSR Policy may be accessed on the Company website at the link: <http://www.advancedenzymes.com/policies.aspx>

The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as '**Annexure-C**' to this Report in the prescribed format.

### **DIRECTORS**

The Board of Directors of the Company comprises 8 Directors including 2 Independent Directors, of which the Chairman of the Board is a Non-Executive and Independent Director and the Board comprises qualified individuals possessing the skills, experience and expertise necessary to guide the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Chandrakant L. Rathi and Mrs. Savita C. Rathi, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Board has approved the re-appointment of Mr. C.L. Rathi as Managing Director for a term of five years and seeks the support of shareholders to confirming the re-appointment.

### **AUDITORS REPORT AND REAPPOINTMENT**

M/s Walker, Chandiook & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Cost Audit report for the year ended March 31, 2014 in XBRL reporting was filed on September 23, 2014. Findings of the cost auditor have been satisfactory.

Although the appointment of M/s. Shilpa & Co., Cost Accountants as Cost Auditors of the Company for the Financial Year 2014-15 was made in Board Meeting held on 9th June 2014, as per Final (Cost Records and Audit) Rules, 2014 Cost Audit is not applicable on the Company.

#### **CSR COMMITTEE**

The CSR Committee comprises Mr. Kedar Desai –Chairman (Non-executive- Independent Director), Mr. R.T. Mehta (Non-Executive Independent Director) and Mr. K.V. Ramakrishna (Non-Executive Non- Independent Director) as other members.

#### **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company, comprises 4 (Four) Members, two of them being Independent Directors. Mr. Kedar Desai an Independent Director is the Chairperson of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

#### **VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Companies Act, 2013, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee met twice during the year. The Company's Policy framed by the Board, on the recommendation of the Nomination & Remuneration Committee relating to selection of Directors, determining Directors independence, payment of remuneration to Directors, Key Managerial Personnel and other employees and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in '**Annexure-D**' and forms part of this Report.

#### **MEETINGS OF THE BOARD**

During the financial year 2014-2015, the Board of Directors of the Company, met 4 (Four) times on 9th June, 2014, 19th September, 2014, 26th December, 2014 and 25th March, 2015.

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

During the financial year ended 31st March, 2015, no Loan u/s 186 of the Companies Act, 2013 was made by the Company. The particulars of loans, guarantees and investment have been disclosed under the Note no. 14 and 15 in the standalone financial statement.

#### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company in Form MGT-9 is annexed herewith as '**Annexure-E**' to this Report.

#### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in '**Annexure-F**' (Part I to IV) and forms part of this report.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

#### **FIXED DEPOSIT**

The Company has complied with the requirements prescribed under the provision of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014. The Company has neither accepted nor renewed any deposits during the year under review and repaid all the outstanding fixed deposits during the year. There was no deposit remaining unpaid or unclaimed as at the end of the year 31st March, 2015.

#### **RESEARCH AND DEVELOPMENT**

R&D expenditure which is Rs. 95.2 million (including Capital expenditure of RS 3.9 million for the current year and constitute 7.56% of net sales of the Company as against Rs 120.7 million (including capital expenditure of Rs 28.1 million) incurred

during the previous year (8.89% of net sales).

#### **INTELLECTUAL PROPERTY (IPR)**

The Company has focused and accelerated the IPR work on a number of products. The Company has nine registered patent, over 100 registered trademarks and five registered copy rights as well. Some patent applications are under various stage of grant. During the year the Company has submitted product dossiers for the purpose of registration under European Food Safety Authority (EFSA), which is mandatory requirement for export of food enzymes, food flavorings and additives to European Countries. The entire exercise has created great impact on understanding the strength of the Company and resulted in enriching its intellectual property.

#### **EMPLOYEES STOCK OPTION PLAN**

The stock option issued by the Company under ESOP Scheme of the Company already has been granted, vested and exercised during the earlier years and accordingly no more options were available for grant. Hence no vesting of any option and its exercise.

#### **DEMAT OF SHARES CONNECTIVITY WITH CDSL AND NSDL**

Shareholders can get their physical shares demated through their depository participants. The Company has an arrangement with both depository participates viz NSDL as well as CDSL and allotted ISIN Number INE 837H01012. 19,871,300 shares constituting about 91.3% of total shares have been demated till 31st March 2015.

#### **SHARE TRANSFER AGENT.**

M/s. Link Intime India Private Limited, Mumbai who acts as share transfer agent (R&T Agent). Shareholders can directly send their transfer request and other related correspondence in this regard to R&T Agent at their address given on the first page.

#### **WEBSITE OF THE COMPANY**

Website of the Company is [www.advancedenzymes.com](http://www.advancedenzymes.com) where detailed information of the Company Management and its products are provided and in addition to this all statutory information are also provided.

#### **BANKING**

The Company has working capital arrangement from CITI Bank N.A., HDFC Bank, Kotak Mahindra Bank and DBS Bank. The Company also have the External Commercial Borrowing from DBS Bank.

#### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

#### **ACKNOWLEDGMENTS**

Your Directors acknowledge with gratitude the support received by the Company from Citi Bank N.A, HDFC Bank, DBS Bank, Kotak Mahindra Bank, Indusind Bank and Yes Bank and Government Agencies and organizations. 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.

**By Order of the Board of Directors**

Thane, 30th June 2015

**(Kedar Desai)**  
Chairman  
DIN: 00322581

**(C.L.Rathi)**  
Managing Director  
DIN: 00365691



**ANNEXURE “A” TO THE DIRECTOR’S REPORT**
**(Rs. in million)**

<b>Name of the subsidiary</b>	<b>Advanced Bio-Agro Tech Limited</b>	<b>Advanced EnzyTech Solutions Limited</b>	<b>Advanced Enzymes Europe B.V.** (Netherlands)</b>	<b>Advanced Enzymes USA* (U.S.A.)</b>
Extent of Holding	60% (60%)	100% (100%)	100% (100%)	100% (100%)
Date of incorporation	09.11.2004	01.09.2008	05.06.2012	01.11.2010
Accounting year	From 01.04.2014 to 31.03.2015	From 01.04.2014 to 31.03.2015	From 01.04.2014 to 26.12.2014	From 01.04.2014 to 31.03.2015
Net aggregate of profit /(loss) for current period of the subsidiary so far it concerns the members of the holding Company				
(a) Dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil	Nil
(b) Not dealt with Or provided for in the accounts of the holding Company	21.36	9.19	(3.01)	306.57
Net aggregate of profit /(loss) for previous financial years of the subsidiary so far it concerns the members of the holding Company				
(a) Dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil	Nil
(b) Not dealt with or provided for in the accounts of the holding Company	21.83	6.94	(7.69)	94.02

\* Consolidated including step down subsidiaries of the Company viz. Cal India Foods International doing business as SEB acquired on 4th April 2011, Advanced Supplementary Technologies Corporation (AST) acquired on 31st Oct 2012, Enzyme Innovation, Inc. constituted on 3rd April 2014, and Dynamic Enzymes, Inc. Incorporated on 25th February 2015.

\*\* The Company was dissolved on 26th December 2014.

## ANNEXURE “B” TO THE DIRECTOR’S REPORT

### 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: **N/A**
  - (a) Name(s) of the related party and nature of relationship : **N/A**
  - (b) Nature of contracts/arrangements/transactions: **N/A**
  - (c) Duration of the contracts / arrangements/transactions: **N/A**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N/A**
  - (e) Justification for entering into such contracts or arrangements or transactions: **N/A**
  - (f) Date of approval by the Board: **N/A**
  - (g) Amount paid as advances, if any: : **N/A**
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N/A**

2. Details of material contracts or arrangement or transactions at arm’s length basis

All the transactions with the related parties during the financial year 2014-15 as set out below has been carried out at arm’s length basis and by the prior approval of the Board of Directors in their meeting held on 09.06.2014 and subsequently by the shareholders on 12.08.2014 in compliance with the requirements of Section 188 of the Companies Act, 2013.

Name of Related Party	Nature of Related Party	Transaction Defined under Section 188 (Rs. in million)			
		Sales/ Purchases of Goods	Availing or rendering of any services;/ Leasing of property	Remuneration/ Commission	Interest on borrowings
Advanced Bio-Agro Tech Limited	Subsidiary (Holding 60% stake by the Company)	213.76	-	-	-
Advanced EnzyTech Limited	Subsidiary (Holding 100% stake by the Company)	80.25	-	-	-
Advanced Enzymes USA	Subsidiary (Holding 100% stake by the Company)	Sal. 306.72 Pur. 22.39	-	-	-
Advanced Vital Enzymes Private Limited	Private Ltd. Company in which Directors are interested(Holding 0.4% stake by the Company)	Sal. 10.42 Pur. 0.53	-	-	1.93
Mr. Piyush C. Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the Company)	-	-	3.75	-
Mrs. Mangla M Kabra	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the Company)	-	-	2.03	-