



Independent Auditor's Report

To,
The Members of Advanced Enzytech Solutions Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Advanced Enzytech Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers financial control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting



accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit for the year ended on that date.

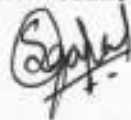
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, statement of profit and loss, and cash flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure "B" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. All the pending litigations, if any are reported in the financial statement, which may impact the financial position of the company.



- 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.

For Desai Associates
Chartered Accountants
FRN: 102286W



Shree Gopal Didwaniya
Partner
Membership No.: 139202
Place: Mumbai
Date: 21/06/2016



Annexure A to the Auditors' Report

The annexure referred to in our Independent Auditors' Report to the members of the company in the financial statements for the year ended 31st March 2016, we report that:

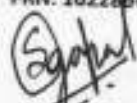
- i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies noticed during the year on such verification.
- c) The company does not have any immovable properties. Thus, paragraph 3 (i) (c) of the order is not applicable to the company.
- ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- iii) In our opinion and according to 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'). Thus, paragraph 3 (iii) of the order is not applicable to the company.
- iv) The company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The company has complied with the provisions of section 186 of the act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186.
- v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the act and the rules framed there under.
- vi) According to the information and explanations provided to us, the Company is not required to have cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act.
- 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, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31, March 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
- vii) The company does not have borrowing from financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (vii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The company have not paid or provided managerial remuneration during the year. Thus, paragraph 3 (xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and The companies Act, 2013.
- xiv) According to the information and explanations give 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
- 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Desai Associates
Chartered Accountants
FRN. 102286W



Shree Gopal Didwaniya
Partner
Membership No.: 139202
Place: Mumbai
Date: 21/06/2016



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Advanced Enzytech Solutions Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies; the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Desai Associates
Chartered Accountants
FRN. 102286W



Shree Gopal Didwaniya
Partner

Membership No.: 139202

Place: Mumbai

Date: 21/06/2016



ADVANCED ENZYTECH SOLUTIONS LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

		In Rupees	
	Note	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	700,000	700,000
Reserves & Surplus	4	31,062,691	24,737,157
		<u>31,762,691</u>	<u>25,437,157</u>
Current Liabilities			
Trade Payables	5	-	-
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to others		22,528,588	28,470,290
Other Current Liabilities	6	4,383,159	4,395,556
Short Term Provisions	7	-	248,000
		<u>26,911,747</u>	<u>33,113,846</u>
TOTAL		<u><u>58,674,438</u></u>	<u><u>58,551,003</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	290,476	226,022
Deferred Tax Assets (Net)	9	347,866	76,874
Long-Term Loans & Advances	10	145,350	145,350
		783,692	448,246
Current Assets			
Inventories	11	8,440,361	5,754,666
Trade Receivables	12	40,151,228	44,582,574
Cash & Bank Balances	13	351,162	321,537
Short-Term Loans & Advances	14	8,876,434	7,379,571
Other Current Assets	15	71,560	64,407
		<u>57,890,745</u>	<u>58,102,755</u>
TOTAL		<u><u>58,674,438</u></u>	<u><u>58,551,003</u></u>
See accompanying notes forming part of the financial statements			
1-24			

In terms of our report attached of even date

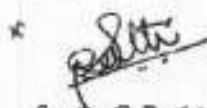
For DESAI ASSOCIATES
Chartered Accountants
FRN: 102286W



Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : June 21, 2016



For and on behalf of the board of directors of
Advanced Enzytech Solutions Ltd



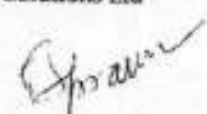


Savita C. Rath
Director
DIN: 00365717
Place : Thane
Date : June 21, 2016



Beni Prasad Rauka
Director
DIN: 00295213

ADVANCED ENZYTECH SOLUTIONS LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED ON MARCH 31, 2016

		In Rupees	
	Note	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations (Gross)	16	112,678,260	124,139,395
Less:- Excise Duty		13,050,519	13,924,726
Revenue from operations (Net)		99,627,741	110,214,669
Other income	17	72,617	- 145,679
Total Revenue		99,700,358	110,360,348
EXPENSES			
Cost of materials consumed	18	79,530,785	82,405,443
Changes in Inventory	19	(2,387,284)	1,238,981
Employee benefits expense	20	7,071,861	5,724,995
Finance costs	21	195,257	194,493
Depreciation & Amortisation expense	22	104,831	212,178
Other expenses	23	6,280,101	6,611,034
Total Expenses		90,795,551	96,387,124
PROFIT BEFORE TAX		8,904,808	13,973,224
Tax expense			
Current tax		2,860,000	4,548,000
Deferred tax		(270,991)	(16,764)
Income Tax for earlier years		(9,735)	247,991
		2,579,274	4,779,227
PROFIT FOR THE YEAR		6,325,534	9,193,997
Earnings per equity share:			
Basic & diluted	24 (A)	90.36	131.34
See accompanying notes forming part of the financial statements	1-24		
<p>In terms of our report attached of even date For DESAI ASSOCIATES Chartered Accountants FRN: 102286W</p> <p style="text-align: center;"></p> <p>Shree Gopal Didwania Partner M. No.: 139202 Place : Mumbai Date : June 21, 2016</p>			
<p>For and on behalf of the board of directors of Advanced Enzytech Solutions Ltd</p> <p style="text-align: center;">   </p> <p>Savita C. Rathi Director DIN: 00365717 Place : Thane Date : June 21, 2016</p> <p>Beni Prasad Rauka Director DIN: 00295213</p>			

ADVANCED ENZYTECH SOLUTIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

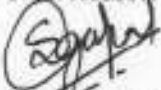
	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	8,904,808	13,973,224
Adjustment for :		
Depreciation	104,831	212,178
Interest	192,295	193,032
Interest & Dividend Income	-	(96,122)
	297,126	309,088
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	9,201,934	14,282,312
(Increase) in Trade Receivables, Short / Long Term Loans & Advances, Other Non-Current / Current Assets	2,927,330	(2,084,845)
Decrease / (increase) in Inventories	(2,685,695)	1,384,958
Increase in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions	(6,202,099)	(11,341,943)
	(5,960,464)	(12,041,830)
CASH GENERATED FROM OPERATIONS	3,241,470	2,240,482
Direct Taxes paid	(2,890,265)	(4,253,441)
NET CASH FROM OPERATING ACTIVITIES	391,205	(2,012,959)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets, Capital Work in Progress & Capital Advances	(169,285)	(55,003)
Interest & Dividend income	-	96,122
NET CASH USED IN INVESTING ACTIVITIES	(169,285)	41,119
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / proceeds from Borrowings (Net)	-	-
Interest paid	(192,295)	(193,032)
NET CASH FROM FINANCING ACTIVITIES	(192,295)	(193,032)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	29,625	(2,164,872)
CASH AND CASH EQUIVALENTS AS AT 31.03.2015	321,537	2,486,409
CASH AND CASH EQUIVALENTS AS AT 31.03.2016	351,162	321,537

In terms of our report attached of even date

For DESAI ASSOCIATES

Chartered Accountants

FRN: 102286W



Shree Gopal Didwaniya

Partner

M. No.: 139202

Place : Mumbai

Date : June 21, 2016



For and on behalf of the board of directors of
Advanced Enzytech Solutions Ltd



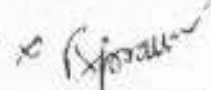
Savita C. Rathi

Director

DIN: 00365717

Place : Thane

Date : June 21, 2016



Beni Prasad Rauka

Director

DIN: 00295213

ADVANCED ENZYTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 1 : NATURE OF OPERATIONS

Advanced Enzytech Solutions Limited was incorporated on 1st September 2008 and is primarily engaged in business of industrial enzymes and auxiliaries.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The Financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. All 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 the schedule III to the Companies Act, 2013.

Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

Revenue Recognition

Sale of goods are recognised upon passage of title to the customers which generally coincides with their delivery.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use.

Depreciation

Depreciation on Fixed Assets has been provided on Written Down Value Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 on prorata basis from the date of additions and/or disposal. Fixed Assets costing individually less than Rs. 5,000 are expensed out fully in the year of purchase.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

ADVANCED ENZYTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES (Contd)

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

Inventory

(i) Inventory is valued as follows:

Stores, Spares, Packing Materials, Raw Materials, Finished Goods and Stock in Process - at lower of cost and net realisable value.

(ii) Cost of Raw Materials, Stores, Spares and Packing Materials is determined on weighted average basis. Cost of Finished Goods is determined on FIFO..

Customs Duty and Excise Duty

Customs Duty and Excise Duty have been accounted for on the basis of both payments made in respect of goods cleared as well as provision made for goods lying in bonded warehouse. Such provision is included in the valuation of closing stocks of respective materials and goods.

Retirement & other employee benefits

Short term employee benefits are accounted in the period during which the services have been rendered.

The Company contributes on a defined contribution basis to Employee's Provident Fund towards post employment benefits, all of which are administered by the Regional Provident Fund authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss. The Gratuity liability is funded through a trust with the Life Insurance Corporation of India.

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end, which is calculated using projected unit credit method and charged to the Statement of Profit and Loss. The Leave encashment liability is funded through a trust with the Life Insurance Corporation of India.

ADVANCED ENZYTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES (Contd)

Income Taxes

Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 3: SHARE CAPITAL

	In Rupees	
	March 31, 2016	March 31, 2015
Authorised		
1,00,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Subscribed and Fully Paid-up		
70,000 Equity Shares of Rs. 10/- each	700,000	700,000
	<u>700,000</u>	<u>700,000</u>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year:

Equity Shares:

	March 31, 2016		March 31, 2015	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	70,000	700,000	70,000	700,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>70,000</u>	<u>700,000</u>	<u>70,000</u>	<u>700,000</u>

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) All the above, 70,000 equity shares of Rs.10/- each are held by the holding company, Advanced Enzyme Technologies Limited, and its nominees.

(d) Shareholders holding more than 5 percent of the equity shares

	March 31, 2016	March 31, 2015
Name of Shareholder	No. of Shares held	No. of Shares held
Advanced Enzyme Technologies Ltd and its nominees	70,000	70,000

NOTE 4: RESERVES AND SURPLUS

	In Rupees	
	March 31, 2016	March 31, 2015
Surplus in the statement of profit and loss		
Balance as per last financial statement	24,737,157	15,579,742
Profit for the year	6,325,534	9,193,997
(-) Reversal of Fixed Assets (Refer note 8)	-	(54,154)
(+) Deferred tax liability reversed on account of transitional provision (Refer note 8 & note 10)	-	17,570
	<u>31,062,691</u>	<u>24,737,157</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 5 : TRADE PAYABLES

	In Rupees	
	March 31, 2016	March 31, 2015
Trade payables (including acceptance)		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to others	22,528,588	28,470,290
	<u>22,528,588</u>	<u>28,470,290</u>

The Company has no information about the suppliers regarding their status under the Micro, Small and Medium enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

NOTE 6 : OTHER CURRENT LIABILITIES

	In Rupees	
	March 31, 2016	March 31, 2015
Deposit/ Advance from customers	2,324,068	2,755,553
Statutory dues payable to Government Authorities	131,038	80,001
Other payables:		
Liabilities for expenses	1,092,679	930,484
Employees dues payable	835,374	629,518
	<u>4,383,159</u>	<u>4,395,556</u>

NOTE 7 : SHORT-TERM PROVISIONS

	In Rupees	
	March 31, 2016	March 31, 2015
Provision for taxation (net of advance tax)	-	248,000
	<u>-</u>	<u>248,000</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
NOTE 8 : Tangible Assets

Gross block	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Total
Balance as at 1 April 2014	113,275	61,517	17,500	687,870	880,162
Additions	-	8,300	-	46,703	55,003
Disposals	-	-	-	-	-
Balance as at 31 March 2015	113,275	69,817	17,500	734,573	935,165
Additions	17,552	86,400	-	65,333	169,285
Disposals	-	-	-	-	-
Balance as at 31 March 2016	130,827	156,217	17,500	799,906	1,104,450
Accumulated depreciation and amortisation					
Balance as at 1 April 2014	14,737	23,300	8,437	396,337	442,811
Depreciation and amortisation	7,579	29,367	2,676	172,556	212,178
Additional depreciation on account of transition (Refer note 1 below)	-	-	-	54,154	54,154
Balance as at 31 March 2015	22,316	52,667	11,113	623,047	709,143
Depreciation and amortisation	7,954	13,080	1,886	81,911	104,831
Prior period	-	-	-	-	-
Balance as at 31 March 2016	30,270	65,747	12,999	704,958	813,974
Net block					
Balance as at 31 March 2015	90,959	17,150	6,387	111,526	226,022
Balance as at 31 March 2016	100,557	90,470	4,501	94,948	290,476

Note 1:

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1 April 2014 and has adjusted an amount of Rs. 54,154/- against the opening Surplus

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 9 : DEFERRED TAX ASSETS (NET)

In Rupees

March 31, 2016 March 31, 2015

The breakup of Deferred Tax Assets:

Arising on account of timing difference in:

- Depreciation	6,750	16,284
- Accrued Expenses allowable on Actual Payments	341,115	43,020
- Assets reversed on account of transitional provision	-	17,570
Deferred Tax Assets (Net)	<u>347,866</u>	<u>76,874</u>

NOTE 10 : LONG TERM LOANS & ADVANCES

In Rupees

March 31, 2016 March 31, 2015

Unsecured, Considered Good

Deposits	145,350	145,350
	<u>145,350</u>	<u>145,350</u>

NOTE 11 : INVENTORIES

In Rupees

March 31, 2016 March 31, 2015

(As taken, valued and certified by management)

At lower of cost and net realisable value

Finished goods	8,440,361	5,754,666
	<u>8,440,361</u>	<u>5,754,666</u>

NOTE 12 : TRADE RECEIVABLES

In Rupees

March 31, 2016 March 31, 2015

Unsecured, Considered Good

Outstanding for a period exceeding six months from the date they are due for payment	7,649,910	5,115,968
Others	32,501,318	39,466,606
	<u>40,151,228</u>	<u>44,582,574</u>

Balance of trade receivables are subject to confirmatio/reconciliation, however the management is certain of recovery of all the debtors including debtors outstanding for more than six months.

NOTE 13 : CASH & BANK BALANCES

In Rupees

March 31, 2016 March 31, 2015

Cash & Cash equivalents:

Balances with banks;		
In Current Accounts	324,664	294,986
Cash on hand	26,498	26,551
	<u>351,162</u>	<u>321,537</u>

NOTE 14 : SHORT TERM LOANS & ADVANCES

In Rupees

March 31, 2016 March 31, 2015

Unsecured, Considered Good

Loan to Employees	-	16,000
Advances Recoverable in cash or in kind	8,060,625	6,751,485
Receivables from Govrnment Authorities	815,809	612,086
	<u>8,876,434</u>	<u>7,379,571</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 15 : OTHER CURRENT ASSETS

	In Rupees	
	March 31, 2016	March 31, 2015
Unsecured, Considered Good		
Prepaid Expenses	71,560	64,407
	<u>71,560</u>	<u>64,407</u>

NOTE 16 : REVENUE FROM OPERATIONS

	In Rupees	
	March 31, 2016	March 31, 2015
Sales:		
Finished Goods (Bio-chemicals)	112,678,260	124,139,395
	<u>112,678,260</u>	<u>124,139,395</u>

NOTE 17 : OTHER INCOME

	In Rupees	
	March 31, 2016	March 31, 2015
<u>Interest:</u>		
- from customers	-	96,122
on IT refund	-	22,297
Sundry balances written back (net)	-	24,547
Other non operating income	72,617	2,713
	<u>72,617</u>	<u>145,679</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 18 : COST OF MATERIALS CONSUMED

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Cost of materials consumed		
Opening Stock	-	-
Add: Purchases (Industrial Enzymes)	79,530,785	82,405,443
	79,530,785	82,405,443
Less: Closing Stock	-	-
	<u>79,530,785</u>	<u>82,405,443</u>

NOTE 19 : CHANGES IN INVENTORY

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Closing Stock:		
Finished Goods*	8,440,361	5,754,666
Less: Opening Stock:		
Finished Goods*	5,754,666	7,139,624
Differential Excise Duty on Opening and Closing stock of Finished Goods	298,411	(145,977)
* Industrial Enzymes	<u>(2,387,284)</u>	<u>1,238,981</u>

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages, Bonus, and Allowances	6,744,048	5,446,683
Company's Contribution to Provident, Gratuity and Other Funds	292,999	245,155
Welfare Expenses	34,814	33,157
	<u>7,071,861</u>	<u>5,724,995</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 20 : EMPLOYEE BENEFITS EXPENSE Contd

(a) Employee Benefits

a. During the year, the company has recognised the following in the Statement of Profit & Loss.

(i) Defined contribution plans:

In Rupees

31/03/2016 31/03/2015

Employer's contribution to Provident Fund*

292,999 245,155

* included in "contribution to Provident, Gratuity & Other funds"

(ii) Defined benefit plans:

Gratuity#

Leave encashment#

Funded

Funded

31/03/2016

31/03/2015

31/03/2016

31/03/2015

Service Cost

67,379

33,683

32,808

27,323

Interest Cost

9,821

6,458

5,553

3,943

Expected return on plan assets

(26,637)

(23,525)

(9,331)

(7,193)

Net Actuarial (Gain) / Loss

32,053

16,639

21,179

94,135

Expenses deducted from the fund

1,761

1,455

668

42

Net Cost

84,377

34,710

50,877

118,250

included in "Salaries, Wages, Bonus & Allowances"

b. Amount recognised in the Balance Sheet

Present value of defined benefit obligation

234,077

127,520

114,148

73,171

Fair value of plan assets

(302,763)

(270,306)

(100,522)

(91,037)

Net asset / (liability) as at 31st March, 2016 recognised in the Balance Sheet

68,686

142,786

(13,626)

17,866

c. Balance Sheet reconciliation

Opening net asset / (liability)

142,785

167,343

(17,866)

(38,879)

Expenses as above

84,377

34,710

50,877

118,250

Employers contribution

10,277

10,152

(2,371)

(1,331)

Benefits paid

-

-

(17,014)

(95,906)

Closing net asset / (liability) recognised in the Balance Sheet

68,685

142,785

(13,626)

17,866

d. Change in defined benefit obligation

Present value of obligation as at 1st April, 15

127,520

71,568

73,171

43,332

Service Cost

67,379

33,683

32,808

27,323

Interest Cost

9,821

6,458

5,553

3,943

Actuarial (Gain) / Loss

29,357

15,812

19,630

94,479

Benefits paid

-

-

(17,014)

(95,906)

Present value of obligation as at 31st March, 2016

234,077

127,520

114,148

73,171

e. Change in fair value of plan assets

Fair value of plan assets as at 1st April, 15

270,306

238,911

91,037

82,211

Expenses deducted from the fund

(1,761)

(1,455)

(668)

(42)

Expected return on plan assets

26,637

23,525

9,331

7,193

Contribution by employer

10,277

10,152

(1,549)

1,331

Actuarial Gain / (Loss)

(2,696)

(827)

2,371

344

Benefits paid

-

-

-

-

Fair value of plan assets as at 31st March, 2016

302,763

270,306

100,522

91,037

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 20 : EMPLOYEE BENEFITS EXPENSE Contd

f. The principal actuarial assumptions	<u>31/03/2016</u>	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/03/2013</u>
Discount rate	8.05%	7.75%	9.10%	8.20%
Expected Rate of return on Plan Asset	8.05%	8.75%	8.75%	9.25%
Salary escalation rate:	7.00%	7.00%	7.00%	7.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

g. Investment details of plan assets

Policy with L.I.C. of India	100%	100%	100%	100%
Total	100%	100%	100%	100%

h. Amounts for the current and previous periods are as follows:

Gratuity	<u>31/03/2016</u>	<u>31/03/2015</u>	<u>31/03/2014</u>	<u>31/03/2013</u>
Defined Benefit Obligation	234,077	127,520	71,130	31,082
Plan Assets	(302,763)	(270,306)	(202,175)	(138,953)
(Surplus) / Deficit	<u>(68,686)</u>	<u>(142,786)</u>	<u>(131,045)</u>	<u>107,871</u>

	Gratuity		Leave encashment	
Experience adjustments on plan liabilities	29,357	15,812	19,630	94,479
Experience adjustments on plan assets	2,696	827	1,549	(344)

NOTE 21 : FINANCE COSTS

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Interest on deposit from customers	192,295	193,032
Bank Charges	2,962	1,461
	<u>195,257</u>	<u>194,493</u>

NOTE 22 : DEPRECIATION & AMORTISATION EXPENSE

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on tangible assets	104,831	212,178
	<u>104,831</u>	<u>212,178</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 23 : OTHER EXPENSES

	In Rupees	
	Year ended March 31, 2016	Year ended March 31, 2015
Packing Materials consumed	142,710	152,182
Electricity	46,581	43,686
Repairs and Renewals:		
Buildings	34,200	-
Other Assets	64,923	95,411
Insurance	64,479	91,683
Rent	605,630	581,400
Rates and Taxes	3,241	13,824
Printing and Stationery	12,885	55,204
Travelling & Conveyance	1,248,321	1,161,609
Communication Expenses	158,071	132,845
Legal & Professional Charges	2,054,181	2,196,074
Auditors' Remuneration:		
Statutory Audit fee	45,000	35,000
Donation	-	25,000
Discount on Sale	112,140	44,889
Sales Promotion and Advertisement	907,910	855,228
Freight and Forwarding (Net)	604,744	880,229
Miscellaneous Expenses	175,085	246,770
	<u>6,280,101</u>	<u>6,611,034</u>

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 24 : OTHER ADDITIONAL NOTES / INFORMATION

		(In Rupees)
	<u>Year ended</u> <u>March 31, 2016</u>	<u>Year ended</u> <u>March 31,</u> <u>2015</u>
A Earnings Per Share:		
Profit after taxation and refund of income tax.	6,325,534	9,193,997
Number of Equity Shares (Face Value Rs. 10/-)	70,000	70,000
Earning Per Share in Rupees - Basic & diluted	90.36	131.34

B Related Party Disclosure:

a) Parties which significantly influence / are influenced by the company (either individually or with others) -

I Holding Company

Advanced Enzyme Technologies Limited

II Fellow Subsidiaries

Advanced Bio- Agro Tech Limited

Advanced Enzymes, USA

Cal India Food International, USA

Advanced Supplementary Technologies Corporation, USA

Dynamic Enzymes Inc., USA

Enzyme Innovation Inc., USA

Enzyfuel Innovation Inc., USA

Advanced Enzymes Europe B.V. (up to 26 December 2014)

III Other Related Parties (Companies in which directors or their relatives are interested)

Advanced Vital Enzymes Private Ltd.

b) Nature of transactions with Holding company:

		(In Rupees)
	<u>Year ended</u> <u>March 31, 2016</u>	<u>Year ended</u> <u>March 31,</u> <u>2015</u>
Purchases of materials	79,014,775	80,249,319
	<u>Year ended</u> <u>March 31, 2016</u>	<u>Year ended</u> <u>March 31,</u> <u>2015</u>
Trade payable	22,257,201	28,194,939
No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.		

C Segment Information:

The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.

ADVANCED ENZYTECH SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 24: OTHER ADDITIONAL NOTES / INFORMATION Contd

D Expenditure in Foreign Currency:

Travelling

In Rupees	
2015-16	2014-15
76,848	36,807

E The Company has taken office premises under operating lease. This is not non- cancellable and is for 60 months and is renewable by mutual consent on mutually agreeable terms. Lease payments amounting to Rs.605,630/- (Rs.581,400/-) are recognised in the Statement of Profit & Loss under the head "Rent Account".

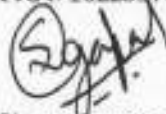
F The entire raw material consumption includes only indigenous purchase.

G Previous Year figures have been regrouped/ reclassified, wherever necessary.

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

In terms of our report attached of even date

For DESAI ASSOCIATES
Chartered Accountants
FRN: 102284W



Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : June 21, 2016



**For and on behalf of the board of directors of
Advanced Enzytech Solutions Ltd**

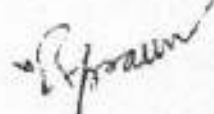


Savita C. Rath
Director

DIN: 00365717

Place : Thane

Date : June 21, 2016



Beni Prasad Rauka
Director

DIN: 00295213