

Financial Highlights

ANNUAL REPORT 2012-13

FINANCIAL HIGHLIGHTS ON CONSOLIDATED BASIS

(Rupees in Millions)

Financial Results Summary	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Net sales	2,204	1,717	1,166	1137	848	614
EBIDTA	943	657	263	243	179	115
Depreciation	74	55	50	51	47	33
EBIT	869	602	213	192	132	82
Finance charge	96	122	23	31	39	18
Profit before tax	773	479	190	160	93	64
Tax	264	135	21	39	20	12
Profit after tax including minority	509	344	169	121	72	52
PAT	498	338	167	115	70	51
Paid up capital-equity	218	207	207	207	104	104
Reserves & surplus	1,416	761	425	271	272	214
Shareholders' fund	1,634	968	645	479	375	317
Minority interest	25	16	13	11	4	2
Long term borrowings	1,167	1,394	370	108	132	157
Working capital finance	306	359	268	205	144	180
Short term unsecured borrowings	23	20	5	8	11	3
Total debt	1,496	1,773	643	321	287	340
Current liabilities	673	668	174	215	204	186
Fixed assets (net)	1,158	496	512	539	515	513
Intangible assets (net)	-	1	2	3	5	1
Goodwill on acquisition	1,710	1,547	-	-	-	-
Current assets	938	768	615	506	381	353
Net worth	1,634	968	633	479	375	317
Total outside liabilities - TOL	2,194	2,457	829	547	495	528
Growth Indicators						
Net sales	28%	47%	3%	34%	38%	0%
EBIDTA	44%	150%	8%	36%	56%	-10%
EBIT	44%	182%	11%	45%	61%	-18%
PAT	48%	102%	45%	64%	38%	-19%
Key Operating Ratios						
EBITDA margin	43%	38%	23%	21%	21%	19%
EBIT margin	39%	35%	18%	17%	16%	13%
PAT margin	23%	20%	14%	11%	9%	8%
Financial Leverage						
Debt/Equity	0.90	1.80	1.00	0.66	0.76	1.07
Interest coverage	9.09	4.92	9.27	6.13	3.36	4.56
Debt/EBTDA	1.77	3.32	2.68	1.52	2.05	3.51
Return Ratios						
RoE	31%	35%	26%	25%	19%	16%
ROCE	28%	22%	22%	24%	20%	12%
Other ratios						
Turnover to fixed assets	1.36	1.16	0.78	0.77	0.57	0.41
TOL to net worth ratio	1.34	2.54	1.31	1.14	1.32	1.67
Book Value per share (₹)	75	47	31	23*	36	31

*Due to issue of bonus shares in the ratio 1:1

BOARD OF DIRECTORS

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

CFO & COMPANY SECRETARY

Beni Prasad Rauka

REGISTERED OFFICE

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

R&D CENTRES

1. 106, Dhanlaxmi Industrial Estate, Old Agra Road, Thane (W) 400 601
2. Plot no. A-61, Main Road No. 27, Wagle Industrial Estate, Thane (W) 400 604
3. A-135, Road No. 23, Wagle Industrial Estate, Thane (W) 400 604
4. 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.
Yes Bank Ltd.
DBS Bank Ltd.
Indusind Bank Ltd.

AUDITORS

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

COST AUDITORS

Shilpa & Co.

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 Bio Proteins Limited
Advanced Enzyme Far East Limited, Hong Kong
Advanced Enzymes USA, USA
Cal India Foods International, USA
Advanced Supplementary Technologies Corporation, USA
Advanced Enzymes Europe B.V., Netherlands

DIRECTORS' REPORT

The Directors have pleasure in presenting their Twenty Fourth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

	Year ended 31.03.2013 (Rs. in Millions)	Year ended 31.03.2012 (Rs. in Millions)
Profit before depreciation, interest, Extra ordinary item & tax	427.4	339.0
(Less):		
Depreciation	69.6	52.1
Interest / Finance charges	37.8	37.0
Loss of goods in transits	-	1.5
	<u>107.4</u>	<u>90.6</u>
Profit before tax	320.0	248.4
Less/(Add): Provision for taxation		
Current tax	68.1	51.5
Deferred tax	68.0	(5.9)
MAT Credit entitlement	(50.3)	(5.0)
	<u>85.8</u>	<u>40.6</u>
Profit after tax	234.2	207.6
Balance brought forward	579.0	395.5
Profit available for appropriation	813.2	603.1
Out of which Director have appropriated as follows		
Proposed dividend (including tax on dividend)	38.2	24.1
Transfer to General Reserve	11.7	-
Balance in Profit and loss account carried to Balance sheet	763.3	579.0

CONSOLIDATED FINANCIAL RESULTS

	Year ended 31.03.2013 (Rs. in Millions)	Year ended 31.03.2012 (Rs. in Millions)
Profit before depreciation, interest, Extra-ordinary item & tax	943.1	654.6
(Less):		
Depreciation	74.3	54.9
Interest / Finance charges	95.5	122.4
Loss of goods in transits	-	1.5
	<u>169.8</u>	<u>178.8</u>
Profit before tax	773.3	475.8
Less/(Add): Provision for taxation		
Current tax	250.5	142.1
Deferred tax	64.3	(2.1)
MAT Credit entitlement	(50.3)	(5.0)
(Excess)/short provision for last year	-	(0.1)
	<u>264.5</u>	<u>134.9</u>
Profit after tax	508.8	340.9

DIVIDEND

Your Directors recommend payment of dividend @ 15 % for FY 13, amounting to Rs. 32.6 million, which is 50% higher than FY 12.

During the year 2012-13, unclaimed dividend of Rs. 8,640/- pertaining to financial year 2004-05, 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.

REVIEW OF OPERATIONS

On consolidated basis, total net sales for FY 2013 was Rs. 2204 million as against Rs. 1717 million during FY 2012, registering a growth of 28% in total sales.

On standalone basis, your Company posted total net sales of Rs. 1417 million as compared to Rs. 1130 million during FY 2012 and registered a growth of 25.4% as compared to 1.46 % during FY 2012.

The Company's exports have gone up to Rs 581 million during FY 2013 from Rs. 522 million as compared to FY 2012.

During the year commercial production of fermentation facility set up at SEZ Plant, Pithampur - Indore, commenced.

Your Company had received a Private Equity investment of Rs. 300 million at premium of Rs. 280 per share.

On consolidated basis, EBIDTA margin was about 43 % during FY 2013 as against 38% during FY 2012, recording a growth of 44% and PAT margin has increased to 23% during FY 2013 as against 20 % during FY 2012 registering a growth of 48%.

The Company on standalone basis recorded a growth of 35.5 % in its EBIDTA margin and 12.9 % in its PAT margin during the FY 2013 as compared to its FY 2012. This could happen due to more prudent marketing strategies and of improved product mix.

AWARDS AND RECOGNITION

Your Company was one of the recipients of the fastest growing mid-sized business award organized by Inc. India in year 2013. The company was also awarded the Most Innovative Exporter Award organized by Dun & Bradstreet for 2012.

FUTURE OUTLOOK

During the year "Advanced Enzymes U.S.A", a wholly owned subsidiary of the Company, acquired Advanced Supplementary Technologies Corporation ('AST Enzymes'). The Company earlier acquired the business of Cal India Foods International doing business as Specialty Enzymes & Biotechnologies (SEB) in previous financial year 2011-12; with these acquisitions the Company had got a 100% subsidiary in USA with its step down subsidiaries. As a result of the recent acquisition of SEB and AST Enzymes, both based in California, United States, our customer base has substantially increased enabling us to directly cater to the various clients in North American market. In Fiscal 2013, the North American and the European market account for about 51 % of our total sales.

Additionally, we seek to enhance our presence in the European market, for which we have already set-up a subsidiary in Netherlands viz., Advanced Enzyme Europe B.V., and have also started hiring sales and marketing personnel to better serve to European customers.

Your Company has submitted its Draft Red Herring Prospectus (DRHP) to SEBI on 28th March 2013 for its maiden IPO, the same can be downloaded from website of the Company and also available at SEBI website.

DIRECTORS' RESPONSIBILITY STATEMENT

In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

We 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 at 31st March 2013 and of the profit of the Company for the year ended on that date.

We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

We have prepared the accompanying Financial Statements of the Company on a going concern basis.

BANKING

The Company has working capital arrangement from CITI Bank N.A., HDFC Bank Ltd & Yes Bank. The Company do have financing arrangement in the form of term loan from Indusind Bank and credit facility in the form of External Commercial Borrowing DBS Bank raised for financing the capital expenditure incurred at SEZ, Indore plant. The DBS bank has also sanctioned a working capital facility of Rs. 5 Crores.

DIRECTORS

The Board of Directors of the Company comprises 9 Directors including 3 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.

Mr. K.V. Ramakrishna (Nominee of Private Equity Investors) has been inducted as Non-Executive and Non-Independent Director on the Board with effect from 18th August 2012 and appointed as an additional Director of the Company. As per the provisions of the Companies Act, 1956, additional director hold office only up to the date of the ensuing Annual General Meeting and can be appointed as regular director. Notice under Section 257 of the Companies Act, 1956 have been received proposing candidature of Mr. K.V. Ramakrishna for the office of Director of the Company.

Mr. Mukund M. Kabra & Mrs. Savita C. Rathi, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

EMPLOYEES

Your directors place on record their appreciation of the contribution made by all the employees.

Particulars of the employees of the Company who were in receipt of remuneration in excess of the limits of Rs.60 lacs, if employed through out the financial year or Rs.5 lac per month if employed for the part of the financial year as prescribed by the Department of Company Affairs under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 amended by Companies (Particulars of Employees) Amendment Rules 2002 further amended by Companies (Particulars of Employees) Amendment Rules 2011(vide MCA Notification number G.S.R 289(E) dated 31st March 2011) is given in the Annexure II (Part IV)

AUDITORS REPORT AND REAPPOINTMENT

The observations made by the Auditors in their report are appropriately dealt in the schedule of notes forming part of the accounts for the year which are self explanatory and hence do not require any further explanations.

M/s Walker, Chandio & Co., Chartered Accountants retire at the ensuing Annual General Meeting and offer themselves for reappointment.

The company has appointed M/s. Shilpa Parkhi Cost Accountants as Cost Auditors of our company to conduct cost audit of the said division for the year ending 31 March 2014. The Cost Audit report and Compliance Report for the year ended March 31, 2012 in XBRL reporting was filed on January 23, 2013 and February 28, 2013 respectively. Findings of the cost auditor have been satisfactory.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has eight subsidiaries included two step-down subsidiaries viz. Advanced Enzymes USA , Cal India Food International, Advanced Supplementary Technologies Corporation, Advanced Enzymes Europe B.V. , Advanced Enzyme Far East Limited , Advanced Bio-Agro Tech Limited, Advanced EnzyTech Solutions Limited and Advanced Bio-Proteins Solutions Limited and within the meaning of Section 4 of the Companies Act 1956.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of the MCA General Circular 2/2011 dated 8th February 2011 under Section 212 (8) of the Companies Act , 1956, copy of Balance Sheets, Statement of Profit and Loss, reports of the Board of Directors and Auditors' Report of the subsidiaries have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any investor of the Company or subsidiary companies and shall be kept for inspection by any investor at the Registered Office of the Company. However, as directed by the Central Government the financial data of the subsidiaries have been furnished under Financial Information of Subsidiary Companies forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 specified in the Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements presented by the Company includes financial information of its Subsidiaries. The statement pursuant to Section 212 of the Companies Act, 1956 forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, the Consolidated Audited Financial Statements and Cash Flow Statement are provided in the Annual Report.

FIXED DEPOSIT

The Company has complied with the requirements prescribed under the Companies (Acceptance of Deposits) Rules 1975. The Company does not have any overdue or unclaimed deposit as on the date of this Report.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure "II" (Part I, II and III) and forms part of this report.

AUDIT COMMITTEE

The members of the audit committee are Mr. Kedar Desai, (Chairman), Mr. C. L. Rathi, Mr. R.T. Mehta and Mr. K.V. Ramakrishna, (Members). During the year under review, the Audit Committee has reconstituted and Mr. K.V. Ramakrishna was inducted as a member of the Audit Committee.

The audit committee met four times during the year to review financial reporting system, internal control systems and control procedures and ensuring compliance with the regulatory guidelines.

RESEARCH AND DEVELOPMENT

R&D expenditure which is Rs. 98.8 million for the current year and constitute 6.98% of net sales of the Company as against Rs. 75.9 million incurred during the previous year (6.72% of net sales).

INTELLECTUAL PROPERTY (IPR)

The Company has focussed and accelerated the IPR work on a number of products. The Company has already obtained nine registered patents for commercial use till this year and six patent applications are pending under various stage of grant.

Your Company has over 100 registered trademarks and five registered copyrights and has applied for additional 22 trademarks for registration as well as five registered copyrights and has applied for one additional copyright for registration.

SOCIAL RESPONSIBLE CORPORATE CITIZEN

Your Company has been consistently working on providing eco safe solution and side effect free health care besides providing social support and relief consistently either directly or through one of the biggest NGO (Art of Living which operates under different segments in serving the mankind all over the world).

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 previous year and accordingly no more options were available for grant. Hence no vesting of any option and its exercise.

ENTERPRISE RESOURCE PLANNING (ERP)

SAP Business One Solution Software implemented by the Company is providing desired results and complete integration of data.

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 participants viz NSDL as well as CDSL and allotted ISIN Number INE 837H01012. 19,711,620 shares constituting about 90.6% of total shares have been demated till 31st March 2013.

SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited, Mumbai was appointed as a Registrar to the issue for the purposed Initial Public Offering of the Company and on account of administrative ease in operations and to provide better services to the shareholders, the Company has also appointed M/s. Link Intime India Private Limited, Mumbai as share transfer agent (R&T Agent) in place of M/s System Support Services. 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 where detailed information of the Company and its products are provided.

ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the support received by the Company from Citi Bank N.A, HDFC Bank, Yes Bank, DBS Bank, Indusind Bank 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, 6th July 2013

(Kedar Desai)
Chairman

(C.L.Rathi)
Managing Director

ANNEXURE "I" TO THE DIRECTOR'S REPORT

Name of the subsidiary	Advanced Bio-Agro Tech Limited	Advanced EnzyTech Solutions Limited	Advanced Bio Proteins Limited	Advanced Enzyme Far East Limited (Hong Kong)	Advanced Enzymes Europe B.V. (Netherlands)	Advanced Enzymes USA*
Extent of Holding	60% (60%)	100.00% (85.71%)	100% (100%)	100% (100%)	100% (Nil)	100% (100%)
Date of incorporation	09.11.2004	01.09.2008	20.07.2010	11.03.2009	05.06.2012	01.11.2010
Accounting year	From 01.04.2012 to 31.03.2013	From 01.04.2012 to 31.03.2013	From 01.04.2012 to 31.03.2013	From 01.04.2012 to 31.03.2013	From 05.06.2012 to 31.03.2013	From 01.04.2012 to 31.03.2013
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	Nil	Nil
(b) Not dealt with or provided for in the accounts of the holding Company	Rs. 15,566,147	Rs. 39,31,902	Rs. (16,322)	Rs. 29,31,458	Rs. (60,72,109)	Rs. 238,875,497
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	NA	Nil
(b) Not dealt with or provided for in the accounts of the holding Company	Rs. 41,16,105	Rs. 33,39,473	Rs. (26,503)	Rs. (40,68,452)	Rs. NA	Rs. 154,894,691

* Consolidated including step down subsidiary Cal India Foods International doing business as SEB acquired on 4th April 2011 and Advanced Supplementary Technologies Corporation (AST) acquired on 31st October 2012.

ANNEXURE "II" TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March 2013.

I. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

The Company had continued with the measures already taken but with better experience and versatility and concentrated more to get better results. Measures taken include:

- By repair and overhauling electrical equipment's etc.
- Reduction of Boiler pressure, de-rating the boiler and maintaining fuel filters.
- Modification of process parameters to reduce steam consumption.

(b) Impact of measures taken:

The measures taken have resulted in optimizing use of available resources.

Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in Schedule.

FORM A

		Year Ended March 2013	Year Ended March 2012
A) Power and Fuel Consumption			
1. Electricity			
a. Purchased from M.S.E.B.			
Total Units	Kwh	9,690,242	7,132,155
Total Amount	Rs.	60,975,961	45,181,022
Average rate per Kwh.	Rs.	6.29	6.33
b. Own Generation			
(Through Diesel)			
Total Units	Kwh	215,257	292,955
High Speed Diesel Oil			
Quantity	Ltrs	47,835	65,101
Amount	Rs.	2,252,165	2,830,182
Average Rate per Ltr	Rs.	47.08	43.47
Average Rate per Kwh.	Rs.	10.46	9.66
2. Furnace Oil & Diesel (for steam generation)			
Quantity		2,581,602	2,221,384
Total Amount		104,825,289	81,081,436
Average Rate per Ltr.		40.60	36.50

(B) Consumption per Tone of production

(Total production **2410.11 MT** (Last Year 2433.37 MT))

	Year Ended 31 March 2013		Year Ended 31 March 2012	
	Unit (kwh)	Amount	Unit (kwh)	Amount
1. Electricity				
Purchased	9,690,242	60,975,961	6,700,783	41,516,239
Own Generation	215,258	2,252,165	272,705	2,671,738
TOTAL	9,905,500	63,228,126	6,973,488	44,187,977
Average per tone of production	4,110	26,235	2,754	17,063
2. Steam				
Through Furnace Oil & Diesel	34,851,627	104,825,289	27,923,000	75,367,188
TOTAL	34,851,627	104,825,289	27,923,000	75,367,188
Average per tone of Production	14,461	43,494	11,476	30,977

N.B. There are no separate standards available for each category since the product range consists of various products with different consumption.

FORM B

II. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

A. RESEARCH & DEVELOPMENT

1. Specific areas in which R & D carried out by the company
 - Yield optimization.
 - Up-gradation of production processes:
 - Enzyme profile changes achieved to meet application demands.
 - Improvement done on new formulations and processes developed in Grain, Oilseed, Fruit & Vegetable processing based on plant scale trails.
 - Several new mutants of our existing bank of microbial cultures were screened for new enzymes and improved fermentation efficiencies.
 - New laboratory at Thane is set up to understand and characterize enzymes. This is to help existing business and support regulatory requirements.

2. Benefits derived as result of above R & D
 - Improved quality and efficiency at application level.
 - Cost reduction in fermentation and downstream process.
 - Better acceptability of products.
 - Higher yield and production.
 - New technologies, such as Lipases & proteases from different fungal sources, have been developed and scaled up.

3. Expenditure on R&D:	(Rs. in millions)	(Rs. in millions)
	<u>2012-13</u>	<u>2011-12</u>
(a) Capital	<u>16.6</u>	<u>11.4</u>
(b) Recurring	<u>82.3</u>	<u>64.5</u>
(c) Total	<u>98.8</u>	<u>75.9</u>
(d) Total R&D expenditure as a % of net sales of the Company	<u>6.98%</u>	<u>6.72%</u>

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation
 - Development of enzyme production technologies: Successfully developed new mutants of Hemicellulase and Pectinase have been developed.
 - Technical personnel got trained and exposed to acquire state of the art technologies.
 - Collaborative research carried out with various institutions to develop and upgrade technologies.

2. Benefits derived as a result of the above efforts: The improvement and up-gradation of existing technologies led to the cost reduction of raw materials, better utilization of manufacturing facility and improved per person output. Energy efficiencies were improved in most production segment and also enable the Company to expand its geographical reach.

3. Imported technology:

a. Technology imported	: Technology for manufacture of enzymes.
b. Year of Import	: 2008-09
c. Has the technology been Fully absorbed	: No.
d. If not fully absorbed areas where this has not taken place, reasons therefore and Future Plan	: The technology could not be absorbed. The Company will work on assimilating in consultation with the provider.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is contained in Note no. "33 to 35" of notes to the financial statements, of additional information, annexed thereto.

IV. PARTICULARS OF THE EMPLOYEES PURSUANT TO SECTION 217(2A) & (b)(ii) OF THE COMPANIES ACT, 1956

Name	Designation	Age	Qualifications	Experience	Date of Appointment	Gross Remuneration (Rs.)	Last Employment
Mr. C. L. Rathi	Managing Director	58	B.Tech (Hons) Chemical Engg. DBM	35 YRS.	30.11.1992	10,114,527	Self Employment - Prop-SORL.
Previous Year	----do----	57	----do----	34YRS.	----do----	(7,316,962)	----do----
Mr. M.M. Kabra	Director (Operations)	41	BE.(Chemical), Master of Science	14 YRS.	01.09.2004	8,900,483	Arun & Co.
Previous Year	----do----	40	----do----	13 YRS.	----do----	(7,186,759)	----do----

V. EMPLOYEE STOCK OPTION

The information on Employee Stock Option Scheme is as follows:

The Company has so far granted 100000 option equivalents to 100000 equity shares of the Company commencing from year 2002-03. Vesting of option granted was spread over a period of four years in the ratio of 10%, 20%, 30% & 40%. Option granted during the year 2002-03 to 2004-05 already vested and exercised including option lapsed and granted subsequently during 2006-07 and 2009-10 .There are no employee stock option pending for grant, vesting and exercise as on 31st March 2013, accordingly no information is furnished.

By Order of the Board of Directors

Thane, 6th July 2013

(Kedar Desai)
Chairman

(C. L. Rathi)
Managing Director

AUDITORS' REPORT

To the Members of Advanced Enzyme Technologies Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Advanced Enzyme Technologies Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation 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 principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - e. on the basis of written representations received from the directors, as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No: F-42423
Place: Mumbai
Date: 18 June 2013

Annexure to the Independent Auditors' Report of even date to the members of Advanced Enzyme Technologies Limited, on the financial statements for the year ended 31 March 2013.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (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 program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has taken unsecured loans from seven parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 22,996,000 and the year-end balance is Rs. 20,496,000.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount and the interest is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/services 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 cost records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	787,715	Assessment year 2005-06	Commissioner, Appeals
Income Tax Act, 1961	Income tax	2,106,979	Assessment year 2009-10	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax	94,156,580	Assessment year 2010-11	Commissioner, Appeals
Central Excise Act, 1944	Excise duty	312,809	Financial year 2006-07	CESTAT

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank during the year. The Company did not have any dues payable to financial institutions or outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.

- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiook & Co**
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No: F-42423

Place: Mumbai
Date: 18 June 2013

BALANCE SHEET AS AT 31 MARCH, 2013

	Note no.	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
Equity and liabilities			
Shareholders' funds			
Share capital	5	217,656,000	207,312,000
Reserves and surplus	6	1,088,541,223	602,839,940
		1,306,197,223	810,151,940
Non-current liabilities			
Long-term borrowings	7	269,352,928	343,563,681
Deferred tax liabilities (net)	8	132,190,350	64,181,286
		401,543,278	407,744,967
Current liabilities			
Short-term borrowings	7	234,670,298	328,228,351
Trade payables	10	177,904,994	172,339,788
Other current liabilities	11	156,154,817	144,070,871
Short-term provisions	9	54,706,532	55,962,529
		623,436,641	700,601,539
Total		2,331,177,142	1,918,498,446
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	1,137,780,116	475,374,868
Intangible assets	13	166,300	634,598
Capital work-in-progress		526,850	591,499,232
Non-current investments	14	279,624,237	137,202,002
Long-term loans and advances	15	120,286,122	120,495,000
Other non-current assets	16	10,915,011	885,741
		1,549,298,636	1,326,091,441
Current assets			
Inventories	17	356,297,956	198,214,255
Trade receivables	18	335,001,911	282,126,275
Cash and bank balances	19	19,204,710	33,416,379
Short-term loans and advances	15	71,373,929	78,650,096
		781,878,506	592,407,005
Total		2,331,177,142	1,918,498,446

Notes 1 to 43 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For Walker, Chandio & Co.
Chartered Accountants

For Advanced Enzyme Technologies Limited

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, Date: 18 June 2013

Thane, Date: 18 June 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

	Note no.	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Revenue			
Revenue from operations (gross)	21	1,501,307,190	1,187,182,875
Less : Excise duty		84,940,091	57,670,385
Revenue from operations (net)		1,416,367,099	1,129,512,490
Other income	22	21,140,563	35,751,943
Total revenue		1,437,507,662	1,165,264,433
Expenses			
Cost of materials consumed	23	512,681,478	395,469,546
Changes in inventories of finished goods and work-in-progress	24	(85,408,572)	(38,566,456)
Employee benefit expenses	25	152,690,664	126,426,007
Finance costs	26	37,775,160	36,985,677
Depreciation and amortisation expense	27	69,554,151	52,079,244
Other expenses	28	430,186,796	342,915,910
Prior period items	29	-	236,789
Total expenses		1,117,479,677	915,546,717
Profit before exceptional and extraordinary items and tax		320,027,985	249,717,716
Extraordinary items			
Loss of goods in transit	30	-	1,506,609
Profit before tax		320,027,984	248,211,107
Tax expense			
Current tax		68,094,000	51,520,000
MAT credit entitlement		(50,326,666)	(5,000,000)
Deferred tax		68,009,063	(5,882,000)
		85,776,398	40,638,000
Profit after tax		234,251,587	207,573,107
Earnings per equity share			
Including extra-ordinary items	31		
Basic		10.99	10.01
Diluted		10.99	10.01
Excluding extra-ordinary items			
Basic		10.99	10.09
Diluted		10.99	10.09

Notes 1 to 43 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker, Chandio & Co.
Chartered Accountants

For Advanced Enzyme Technologies Limited

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, Date: 18 June 2013

Thane, Date: 18 June 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Cash flows from operating activities		
Profit before extraordinary items and tax	320,027,985	248,211,107
Extraordinary items	-	(1,506,609)
Insurance claim received	-	1,506,609
Profit before extraordinary items and tax	320,027,985	248,211,107
Adjustments for non-cash transactions		
Depreciation and amortisation expense	69,554,151	52,079,244
Loss on impairment	-	5,053,792
(Profit)/ Loss on sale of fixed assets	-	157,157
Investments written off	8,771,566	-
Allowances for bad and doubtful trade receivables (net of write offs)	1,296,000	1,654,990
Bad and doubtful trade receivables written off	56,080	851,614
Excess provision written back	(310,548)	(1,057,899)
Sundry balances written back	(103,726)	(9,342,607)
Sundry balances written off	1,580,139	5,403,328
Unrealised foreign exchange (gain) / loss	(179,662)	(1,710,554)
	400,691,985	301,300,172
Items considered separately		
Interest income	(8,008,387)	(14,084,282)
Interest expenses	33,928,502	32,159,644
Operating profit before working capital changes	426,612,100	319,375,534
Increase / (decrease) in short term liabilities and provisions	3,908,102	(2,436,301)
Increase / (decrease) in trade payables	5,435,196	82,612,561
(Increase) / decrease in inventories	(158,083,701)	(34,952,335)
(Increase) in trade receivables	(52,372,400)	(61,082,128)
(Increase) / decrease in short term loans and advances	7,338,160	(26,005,785)
(Increase) / decrease in long term loans and advances	29,491,160	7,245,661
(Increase) in other non-current assets	(9,913,718)	-
Cash generated from operating activities	252,414,899	284,757,207
Income taxes paid	(71,444,256)	(31,064,696)
Net cash generated from operating activities	180,970,643	253,692,511
Cash flows from investing activities		
Purchase of tangible assets	(134,204,125)	(316,408,484)
Proceeds from sale of tangible assets	-	57,500
Purchase of non-current investments	(151,193,801)	(88,460,000)
Interest received	7,799,650	9,934,887
Deposits with maturity more than 3 months but less than 12 months	(2,321,948)	613,863
Bank deposits with maturity of more than 12 months	(115,552)	(865,741)
Net cash (used in) / generated from investing activities	(280,035,776)	(395,127,975)
Cash flows from financing activities		
Proceeds from issue of share capital	299,976,000	-
(Repayment of)/ proceeds from long term borrowings	(65,996,178)	61,721,322
Proceeds from short term borrowings	(93,558,055)	58,868,911
Interest paid	(33,928,502)	(32,159,644)
Dividends paid (including dividend tax)	(23,961,749)	(12,099,807)
Net cash (used in) / generated from financing activities	82,531,516	76,330,782
Net (decrease) / increase in cash and cash equivalents	(16,533,617)	(65,104,682)
Cash and cash equivalents as at the beginning of the period	32,984,744	98,089,426
Cash and cash equivalents as at the end of the period*	16,451,127	32,984,744
* Reconciliation of cash and cash equivalents		
Cash in hand	433,094	777,431
Balance with scheduled banks :		
Current account	7,918,389	29,003,324
Fixed deposit account	7,618,105	2,855,186
Other bank balance	481,539	348,803
Deposits with maturity more than 3 months but less than 12 months	2,753,583	431,635
	19,204,710	33,416,379
Less: Deposits with maturity more than 3 months but less than 12 months	2,753,583	431,635
	16,451,127	32,984,744

Notes to the cash flow statement

- The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'cash flow statement' as notified by Central Government under the Companies Act, 1956.
- Cash and cash equivalents as at year end includes fixed deposits of Rs. 2,763,105 (31 March 2012 Rs. 4,172,562) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975.

Notes 1 to 43 form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner
Mumbai, Date: 18 June 2013

Kedar Desai **C. L. Rathi** **B. P. Rauka**
Chairman Managing Director CFO & Company Secretary
Thane, Date: 18 June 2013

Notes to the financial statements for the year ended 31 March, 2013

1 Background of the Company

Advanced Enzyme Technologies Limited ('the Company') was incorporated on 15 March 1989. The Company is engaged in the business of manufacturing and sales of enzymes.

2 Basis of preparation of financial statements

The financial statements which have been prepared and presented under the historical cost convention on the accrual basis of accounting are in accordance with the requirements of the Companies Act, 1956 ('the Act') and comply to all material aspects with the applicable Accounting Standards prescribed by the Central Government in accordance with the Companies (Accounting Standard) Rules, 2006, to the extent applicable.

3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect 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 financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

4 Significant accounting policies:

a. Revenue Recognition

- i. Revenue is recognised 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 sale of products is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer/agent and no effective ownership is retained. Sales are inclusive of excise duty and net of sales tax and discounts.
- iii. Export incentives received pursuant to the Duty Drawback Scheme are accounted for, on an accrual basis, to the extent it is probable that realisation is certain.
- iv. Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Fixed assets, Depreciation and Amortisation

- i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.
- iv. Depreciation on fixed assets other than plant and equipments has been provided on Written Down Value Method and on plant and equipments on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.
- vi. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years.

- vii. Intangible Assets are amortised on a straight line basis over a period of four years.
- viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Investments

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

d. Foreign currency transactions

- i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- 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 year in which they arise.

e. Derivative instruments

- i. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.
- ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the statement of Profit and Loss.

f. Impairment of assets

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified by the Central Government under the Companies Act, 1956, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of Profit and Loss or against revaluation surplus where applicable.

g. Inventories

- i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.
- ii. Cost of raw materials, stores, spares 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 and other related costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits

- i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- ii. Defined Contribution Plans
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 recognised as an expense in the period in which the employee renders services.
Superannuation benefits, a defined contribution plan, have 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.

iii. "Defined Benefit Plans "

The Company's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the statement of Profit and Loss.

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the balance sheet date.

i. Income Taxes

Current tax

"Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961."

Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. 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 recognised as an expense in the statement of Profit and Loss.

Preliminary Expenses

Preliminary Expenses are written off over a period of five years

k. 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 recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits 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. 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.

m. Leases

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss.

	Number	As at 31 March 2013 Rupees	Number	As at 31 March 2012 Rupees
5 Share capital				
Authorised				
Equity shares of Rs. 10 each	35,000,000	350,000,000	35,000,000	350,000,000
	<u>35,000,000</u>	<u>350,000,000</u>	<u>35,000,000</u>	<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	21,765,600	217,656,000	20,731,200	207,312,000
Total	<u>21,765,600</u>	<u>217,656,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	20,731,200	207,312,000	20,731,200	207,312,000
Add : Issued during the year	<u>1,034,400</u>	<u>10,344,000</u>	-	-
Balance at the end of the year	<u>21,765,600</u>	<u>217,656,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares				
	Number	% of holding	Number	% of holding
Equity shares of Rs. 10 each				
Mr. Vasant L. Rathi	8,880,900	40.80%	8,942,800	43.14%
Chandrakant Rathi Finance & Investment Company Private Limited	3,621,200	16.64%	3,621,200	17.47%
Atharva Capital Ventures Private Limited	2,492,940	11.45%	2,522,940	12.17%
Mrs. Prabha V. Rathi	<u>1,283,600</u>	<u>5.90%</u>	<u>1,283,600</u>	<u>6.19%</u>
	<u>16,278,640</u>	<u>74.79%</u>	<u>16,370,540</u>	<u>78.97%</u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares				
During the financial year 2009-10, the Company has issued 10,365,600 equity shares of Rs. 10 each as bonus shares in the ratio of 1:1. Other than above mentioned shares, the Company has not issued any shares without payment being received in cash nor there has been any buy-back of shares in the current year and preceding five years.				
d) Terms/Rights attached to shares				
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividends, 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.				

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
6 Reserves and surplus		
Capital reserves	3,000,000	3,000,000
Securities premium reserve		
Balance at the beginning of the year	-	-
Add : Additions made during the year	289,632,000	-
Less : Deletions made during the year	-	-
Balance at the end of the year	<u>289,632,000</u>	<u>-</u>
General reserve	20,824,428	20,824,428
Balance at the beginning of the year		
Add : Additions made during the year	11,712,579	-
Balance at the end of the year	<u>32,537,007</u>	<u>20,824,428</u>
Surplus in the Statement of profit and loss		
Balance at the beginning of the year	579,015,512	395,536,724
Add : Transferred from Statement of profit and loss	234,251,586	207,573,107
Less : Proposed dividend	32,648,400	20,731,200
Less : Tax on dividends distributed during the year	5,533,904	3,363,119
Less : Transfer to general reserve	11,712,579	-
Balance at the end of the year	<u>763,372,216</u>	<u>579,015,512</u>
	<u>1,088,541,223</u>	<u>602,839,940</u>

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
7 Borrowings				
Secured				
Term loans				
From banks	181,167,900	-	264,204,250	-
Vehicle loans	4,033,608	-	6,272,586	-
Loans repayable on demand				
From banks	-	233,775,398	-	308,451,227
	<u>185,201,508</u>	<u>233,775,398</u>	<u>270,476,836</u>	<u>308,451,227</u>
Unsecured				
Fixed deposits				
From directors	10,211,000	-	1,365,000	8,846,000
From relatives of directors/ Entities	8,900,000	-	2,300,000	9,100,000
From other shareholders	2,150,000	300,000	2,150,000	7,50,000
From others	1,165,000	350,000	680,000	835,000
Deferred sales tax payment liabilities	61,725,420	-	66,591,845	-
Loans from related parties	-	244,900	-	246,124
	<u>84,151,420</u>	<u>894,900</u>	<u>73,086,845</u>	<u>19,777,124</u>
Total borrowings	<u>269,352,928</u>	<u>234,670,298</u>	<u>343,563,681</u>	<u>328,228,351</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by Managing director				
Term loans				
From banks	181,167,900	-	264,204,250	-
Loans repayable on demand				
From banks	-	233,775,398	-	308,451,227
b) Details of security for each type of borrowings				
(a) Term loans from banks are secured by equitable mortgage of all the immovable properties and a charge on plant and equipments, movable assets including spares etc., save and except specified fixed assets exclusively charged in hire purchase agreement and also save and except book debts and stocks for securing working capital facilities. The mortgage and charge referred above will rank pari passu in favour of banks who have granted term loans and working capital facilities.				
(b) Loans repayable on demand from Banks (Working Capital loans) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, and book debts.				
(c) Vehicle loans availed from two banks and a financial institute are secured by exclusive charge on vehicles as specified in their respective loan agreements.				

c) Terms of repayment of term loans and other loans			In Rupees
Term loan from banks	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
11.25%	20,000,000	18,000,000	-
6.75%	81,583,950	163,167,900	-
Vehicle Loan	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
9.01%	187,261	151,901	-
9.25%	445,887	691,256	-
9.74%	133,685	226,499	-
9.96%	880,246	1,749,786	-
10.35%	439,280	930,967	-
10.50%	106,987	139,807	-
12.50%	45,625	143,392	-
Fixed deposits	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
9.50%	350,000	150,000	-
10.50%	300,000	605,000	-
11.00%	-	21,671,000	-
Deferred sales tax payment liabilities	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
	4,767,078	28,801,819	32,923,601
* Has been disclosed under note 11			
		As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
8 Deferred tax liabilities (net)			
Deferred tax liabilities			
Timing difference on carrying amounts of tangible and intangible assets	135,587,277	66,054,395	
Deferred tax assets			
Provision for employee benefits	1,774,696	1,658,210	
Others	1,622,231	214,899	
	132,190,350	64,181,286	

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
9 Provisions				
Provisions for employee benefits				
Leave encashment (Also, refer note (b) below)	-	983,572	-	1,660,901
Bonus	-	4,237,659	-	3,449,934
Proposed dividend to equity shareholders	-	32,648,400	-	20,731,200
Dividend tax	-	5,533,904	-	3,363,119
Provision for taxation (net of advance tax)	-	11,302,997	-	26,757,375
	-	<u>54,706,532</u>	-	<u>55,962,529</u>
a) Details with respect to proposed dividend				
Dividends proposed to				
Equity shareholders	-	32,648,400	-	20,731,200
Proposed dividend per share				
Equity shareholders	-	1.50	-	1.00
b) Employee benefits				
The Company has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this 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 upto a maximum limit of Rs. 1,000,000.				
The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.				
Change in projected benefit obligation				
Projected benefit obligation at the beginning of the year/period	13,301,669	-	10,881,851	-
Service cost	1,292,135	-	1,115,642	-
Interest cost	1,116,663	-	924,957	-
Actuarial loss	776,656	-	1,062,092	-
Benefits paid	(328,918)	-	(682,873)	-
Projected benefit obligation at the end of the year	<u>16,158,205</u>	-	<u>13,301,669</u>	-
Change in plan assets				
Fair value of plan assets at the beginning of the year	13,923,097	-	12,195,457	-
Expected return on plan assets	1,351,946	-	1,121,836	-
Actuarial gain	84,613	-	67,034	-
Employer contributions	1,713,978	-	1,221,643	-
Benefits paid	(328,918)	-	(682,873)	-
Fair value of plan assets at the end of the year	<u>16,744,716</u>	-	<u>13,923,097</u>	-
Reconciliation of present value of obligation on the fair value of plan assets				
Present value of projected benefit obligation at the end of the year/period	16,158,205	-	13,301,669	-
Funded status of the plans	16,744,716	-	13,923,097	-
Liability / (asset) recognised in the balance sheet	<u>(586,511)</u>	-	<u>(621,428)</u>	-

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
Net cost recognised in statement of Profit and Loss				
Service cost	1,292,135	-	1,115,642	-
Interest cost	1,116,663	-	924,957	-
Expected returns/ (loss) on plan assets	(1,351,946)	-	(1,121,836)	-
Recognized net actuarial loss	692,043	-	995,058	-
Net gratuity costs	1,748,895	-	1,913,821	-
Note:				
The gratuity expenses have been recognized under note 25				
Reconciliation of expected return and actual return on plan assets				
Expected return on plan assets	1,351,946	-	1,121,836	-
Actuarial gain on plan assets	84,613	-	67,034	-
Actual return on plan assets	1,436,559	-	1,188,870	-
Assumptions used				
Discount rate	8.20%	-	8.50%	-
Rate of return on plan assets	9.25%	-	9.00%	-
Salary Escalation	7.00%	-	7.00%	-
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.				
Leave encashment				
Present value of obligation at the year end/period	5,394,970	983,572	4,467,872	1,660,901
Plan assets (100% in Advanced Group of Company's Employees Leave Encashment Scheme with LIC)	6,227,314	-	4,530,299	-
Net (asset) / liability	(832,344)	983,572	(62,427)	1,660,901

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
10 Trade payables		
Dues to micro and small enterprises (Also refer note below)	5,016,635	5,477,575
Dues to others	172,888,359	166,862,213
	<u>177,904,994</u>	<u>172,339,788</u>

Note:

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 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2013 has been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

11 Other current liabilities

Current maturities of long term debt	101,583,950	94,297,250
Current maturities of vehicle loans	2,238,971	2,279,810
Unpaid dividends (Also refer note below)	480,116	347,546
Provident fund	888,813	758,836
E.S.I.C.	19,089	10,755
Other Statutory dues	10,008,383	5458039
Advances and deposits from customers	7,234,588	9,334,608
Interest on fixed deposits	546,450	-
Other payables	33,154,457	31,584,027
	<u>156,154,817</u>	<u>144,070,871</u>

Note:

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 8,640 (31 March 2012 Rs. 14,550)

12 Tangible assets

Gross block	Land Freehold	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer	Rupees Total
Balance as at 01 April 2011	7,373,031	22,650,988	164,234,167	582,051,428	19,666,492	23,064,510	16,215,559	952,390	15,956,885	852,165,450
Additions	6,176,600	-	-	16,522,874	1,536,027	311,733	621,327	-	1,389,506	26,558,067
Disposals	-	-	-	-	452,911	-	7,850	-	210,745	671,506
Other adjustments	-	-	-	-	-	-	-	-	-	-
Reversals of impairment of assets	79,050	-	18,145	11,091,778	-	1,449,382	1,085,021	-	5,969,905	19,693,281
Balance as at 31 March 2012	13,470,581	22,650,988	164,216,022	587,482,524	20,749,608	21,926,861	15,744,015	952,390	11,165,741	858,358,730
Additions	-	-	132,673,162	586,086,248	7,547,961	-	2,986,656	-	2,029,627	731,323,654
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Reversals of impairment of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	13,470,581	22,650,988	296,889,184	1,173,568,772	28,297,569	21,926,861	18,730,671	952,390	13,195,368	1,589,682,384
Accumulated depreciation and amortisation										
Balance as at 01 April 2011	-	2,720,740	65,588,538	243,390,528	8,763,902	8,203,045	5,544,346	66,365	12,843,175	347,120,639
Depreciation and amortisation	-	548,319	9,864,562	30,826,942	2,118,069	3,886,003	1,542,174	426,130	1,565,763	50,777,962
Prior period	-	181,598	-	-	-	-	-	-	-	181,598
Reversal on disposal of assets	-	-	-	-	270,753	-	5,157	-	180,938	456,848
Reversal on impairment of assets	-	-	10,769	6,867,981	-	1,433,370	654,120	-	5,673,249	14,639,489
Balance as at 31 March 2012	-	3,450,657	75,442,331	267,349,489	10,611,218	10,655,678	6,427,243	492,495	8,554,751	382,983,862
Depreciation and amortisation	-	512,000	15,633,862	43,678,862	2,692,738	2,918,109	1,529,310	424,966	1,528,559	68,918,406
Prior period	-	-	-	-	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Reversal on impairment of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	-	3,962,657	91,076,193	311,028,351	13,303,956	13,573,787	7,956,553	917,461	10,083,310	451,902,268
Impairment loss										
Impairment charge for the year ended 31 March 2012	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792
Impairment charge for the year ended 31 March 2013	-	-	-	-	-	-	-	-	-	-
Net block										
Balance as at 31 March 2012	13,470,581	19,200,331	88,773,691	320,133,035	10,138,390	11,271,183	9,316,772	459,895	2,610,990	475,374,868
Balance as at 31 March 2013	13,470,581	18,688,331	205,812,991	862,540,421	14,993,613	8,353,074	10,774,118	34,929	3,112,058	1,137,780,116

13 Intangible assets	Computer Software	Technical know-how	Rupees Total
Gross block			
Balance as at 01 April 2011	2,072,500	5,205,128	7,277,628
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2012	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>
Additions	167,447	-	167,447
Disposals	-	-	-
Balance as at 31 March 2013	<u>2,239,947</u>	<u>5,205,128</u>	<u>7,445,075</u>
Accumulated amortisation			
Balance as at 01 April 2011	2,072,500	3,269,248	5,341,748
Amortisation	-	1,301,282	1,301,282
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2012	<u>2,072,500</u>	<u>4,570,530</u>	<u>6,643,030</u>
Amortisation	1,147	634,598	635,745
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2013	<u>2,073,647</u>	<u>5,205,128</u>	<u>7,278,775</u>
Net block			
Balance as at 31 March 2012	-	634,598	634,598
Balance as at 31 March 2013	<u>166,300</u>	<u>-</u>	<u>166,300</u>

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
14 Non-current investments				
(Valued at cost unless stated otherwise)				
Investments in equity instruments				
In subsidiaries				
60,000 Equity shares (31 March 2012 - 60,000) of Rs.10 each fully paid up of Advanced Bio-Agro Tech Limited.	600,000	-	600,000	-
70,000 Equity shares (31 March 2012 - 60,000) of Rs.10 each fully paid up of Advanced EnzyTech Solutions Limited.	1,570,000	-	600,000	-
1,402,000 Equity shares (31 March 2012 - 200,000) of HKD.1 each fully paid up of Advanced Enzymes Far East Limited	9,472,035	-	1,304,000	-
50,000 Equity shares (31 March 2012 - 50,000) of Rs.10 each fully paid up of Advanced Bio-Pro Solutions Limited	500,000	-	500,000	-
5600 Equity shares (31 March 2012 - 3,000) of USD 1,000 each of Advanced Enzymes, USA	270,425,000	-	133,580,000	-
7500 Equity Shares of 10 Euro fully paid up of Advanced Enzyme Europe B.V., Nitherland	5,210,766	-	-	-
	<u>287,777,801</u>	-	<u>136,584,000</u>	-
Less: Provision for diminution	8,771,566	-	-	-
	<u>279,006,235</u>	-	<u>136,584,000</u>	-
Other investments				
19,100 Equity shares (31 March 2012 - 19,100) of Rs.10 each fully paid up of Advanced Vital Enzymes Limited.	568,022	-	568,022	-
1,666 Equity shares (31 March 2012 - 1,666) of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	-	49,980	-	49,980
	<u>279,574,257</u>	<u>49,980</u>	<u>137,152,022</u>	<u>49,980</u>
Aggregate amount of unquoted investments	288,345,823	49,980	137,152,022	49,980
Provision for diminution in value of investments	8,771,566	-	-	-

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
15 Loans and advances				
Capital advances				
Secured, considered good				
Unsecured, considered good	1,732,998	-	8,047,590	-
Doubtful	1,296,000	-	-	-
	<u>3,028,998</u>	-	<u>8,047,590</u>	-
Allowances for bad and doubtful advances	(1,296,000)	-	-	-
	<u>1,732,998</u>	-	<u>8,047,590</u>	-
Security deposits				
Unsecured, considered good	12,924,332	1,470,490	11,766,703	1,600,000
Loans and advances to related parties				
Unsecured, considered good	21,750,935	7,320,296	57,394,830	44,233,142
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	286,381	-	625,548
Advances recoverable in Cash or in kind or for value to be received	25,064,445	52,073,904	21,365,339	25,522,089
Advance income tax (net of provisions)	58,813,412	3,577,987	21,920,538	2,248,318
Balance with excise authorities	-	6,644,871	-	4,420,999
	<u>83,877,857</u>	<u>62,583,143</u>	<u>43,285,877</u>	<u>32,816,954</u>
	<u>120,286,122</u>	<u>71,373,929</u>	<u>120,495,000</u>	<u>78,650,096</u>
			As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
16 Other non-current assets				
Non-current bank balances (Refer note 19)			1,001,293	885,741
Fund Raising Expenses			9,913,718	-
			<u>10,915,011</u>	<u>885,741</u>
17 Inventories (valued at cost or lower of net realisable value)				
Raw materials including goods-in-transit of Rs. 29,386,789 (31 March 2012 Rs. 4,118,619)			173,587,039	100,867,115
Work-in-progress			144,325,773	53,265,686
Finished goods			20,582,130	27,322,223
Stores and spares			17,803,014	16,759,231
			<u>356,297,956</u>	<u>198,214,255</u>

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
18 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	2,082,761	18,202,509
Doubtful	1,725,743	2,429,330
	3,808,504	20,631,839
Less : Allowances for bad and doubtful debts	1,725,743	2,429,330
	2,082,761	18,202,509
Other debts		
Secured, considered good	126,989	175,000
Unsecured considered good	332,792,161	263,748,766
	332,919,150	263,923,766
	335,001,911	282,126,275
	As at 31 March 2013	As at 31 March 2012
	Current Rupees	Non-current Rupees
	As at 31 March 2013	As at 31 March 2012
	Current Rupees	Non-current Rupees
19 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	433,094	-
Balances with banks		
in current accounts	7,918,389	-
in deposit account (with maturity upto three months)	7,618,105	-
	15,969,588	-
Other bank balances		
Unpaid dividend account	481,539	-
Deposits with maturity more than three months but less than twelve months	2,753,583	-
Bank deposits with maturity of more than twelve months	-	1,001,293
	3,235,122	1,001,293
Less : Amounts disclosed as Other non-current assets (Refer note 16)	-	1,001,293
Total	19,204,710	-
Note:		
Cash and cash equivalents as at year end includes fixed deposits of Rs. 2,763,105 (31 March 2012 Rs. 4,172,562) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975.		
	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
20 Contingent liabilities and commitments		
Claims against the company not acknowledged as debt	97,400,749	2,745,762
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,069,062	6,024,916
	102,469,811	8,770,678

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
21 Revenue		
Revenue from operations		
Sale of goods		
Export	592,891,133	521,962,400
Domestic	<u>908,416,057</u>	<u>665,220,475</u>
	<u>1,501,307,190</u>	<u>1,187,182,875</u>
Revenue from operations (Gross)	<u>1,501,307,190</u>	<u>1,187,182,875</u>
Less : Excise duty	<u>84,940,091</u>	<u>57,670,385</u>
Revenue from operations (Net)	<u><u>1,416,367,099</u></u>	<u><u>1,129,512,490</u></u>
Details of product sold		
Manufactured goods		
Enzymes	1,196,477,951	1,026,148,556
Animal feed supplement	150,454,810	96,331,356
Micro organisms	9,884,657	5,007,260
Others	<u>59,549,681</u>	<u>2,025,318</u>
	<u><u>1,416,367,099</u></u>	<u><u>1,129,512,490</u></u>
22 Other income		
Interest income	8,008,387	14,084,282
Export incentives	4,814,365	6,240,315
Excess provision no longer required written back	310,548	1,057,899
Net gain/ (loss) on foreign currency transactions and translations	-	273,447
Other non-operating income	<u>8,007,263</u>	<u>14,096,000</u>
	<u><u>21,140,563</u></u>	<u><u>35,751,943</u></u>
23 Cost of materials consumed (Also refer note 38)		
Opening stock		
Raw materials and components	100,867,115	102,505,318
Add: Purchases during the period		
Raw materials and components	585,401,402	393,831,343
Less: Closing stock		
Raw materials and components	<u>173,587,039</u>	<u>100,867,115</u>
	<u><u>512,681,478</u></u>	<u><u>395,469,546</u></u>
Details of raw materials and components		
Consumption details		
Agricultural produce	30,110,450	33,508,585
Dairy products	72,543,860	42,406,834
Crude enzymes	66,610,902	82,841,018
Others	<u>343,416,266</u>	<u>236,713,109</u>
	<u><u>512,681,478</u></u>	<u><u>395,469,546</u></u>

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
24 Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	27,322,223	10,618,281
Work-in-progress	<u>53,265,686</u>	<u>31,465,651</u>
	80,587,909	42,083,932
Closing stock		
Finished goods	20,582,130	27,322,223
Work-in-progress	<u>144,325,773</u>	<u>53,265,686</u>
	164,907,903	80,587,909
Differential Excise duty on stocks	<u>(1,088,578)</u>	<u>(62,479)</u>
	(85,408,572)	(38,566,456)
25 Employee benefits expense		
Salaries, wages and bonus	133,009,081	108,745,691
Contribution to gratuity, provident fund and other funds	9,141,725	9,032,434
Staff welfare expenses	<u>10,539,858</u>	<u>8,647,882</u>
	152,690,664	126,426,007
26 Finance costs		
Interest expenses	33,928,502	32,159,644
Bank charges	3,785,754	3,044,168
Net loss/ (gain) on foreign currency transactions and translations	<u>60,904</u>	<u>1,781,865</u>
	37,775,160	36,985,677
27 Depreciation and amortisation expense		
Depreciation of tangible assets (Also refer note 12)	68,918,406	50,777,962
Amortisation of intangible assets (Also refer note 13)	<u>635,745</u>	<u>1,301,282</u>
	69,554,151	52,079,244
28 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts (Also refer note 38)	49,542,047	35,261,065
Consumption of packing materials	20,297,071	15,651,325
Power and fuel	152,085,020	125,154,137
Carriage inward and freight	19,662,092	12,637,933
Water charges	1,823,858	1,493,755
Excise duty	9,735,296	4,792,367
Laboratory expenses	6,234,359	2,933,978
Repairs and maintenance		
Buildings	5,252,304	4,630,439
Plant and equipment	7,848,339	5,848,933
Other manufacturing expenses	<u>82,459</u>	<u>101,971</u>
	272,562,845	208,505,903

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Selling and distribution expenses		
Travel, conveyance and car hire	12,837,402	9,312,967
Commission	7,932,446	10,367,579
Discount on sales	554,131	2,067,980
Sales promotion and advertisement	3,385,655	2,142,383
Freight outward and forwarding	16,545,956	16,569,747
Other selling and distribution expenses	10,536,905	9,872,595
	<u>51,792,495</u>	<u>50,333,251</u>
Administrative and general expenses		
Rent	4,544,876	4,510,800
Rates and taxes	2,120,333	1,862,580
Repairs and maintenance		
Others	4,979,987	5,262,608
Insurance	2,940,052	2,694,144
Printing and stationary	1,387,595	1,509,334
Communication expenses	4,612,090	4,942,101
Directors' sitting fees	375,000	155,000
Legal and professional charges	47,133,054	33,684,605
Payments to auditors (Also refer note 39)	1,660,295	1,000,000
Research and Development expenses	71,209	-
Provision for doubtful debts / Advances	1,296,000	1,654,990
Bad debts (net of provision of doubtful debts Rs. 393,039 (31 March 2012 Rs.711,804)	56,080	851,614
Donation	4,220,673	5,838,154
Loss on sale of assets	-	157,157
Investments written off	-	-
Loss on impairment (Also refer note 12)	-	5,053,792
Net loss on foreign currency transactions and translations	6,115,751	-
Provision for diminution in values of shares	8,771,566	-
Commuting expenses	4,919,950	3,815,666
Miscellaneous expenses	10,627,445	11,084,211
	<u>105,831,456</u>	<u>84,076,756</u>
	<u>430,186,796</u>	<u>342,915,910</u>
29 Prior period items		
Prior period income consists of Sales tax deferral liability	-	(1,036,897)
<p>The Company has received sales tax assessment order for the year 2003-04 during the financial year 2010-11 wherein the liability determined by the authorities was reduced by Rs 1,036,897. The effect of the same has been taken in the current year.</p>		
Prior period expense consists of		
Interest expenses	-	152,513
Depreciation	-	181,598
Legal and professional charges	-	125,000
Miscellaneous expenses	-	814,575
	<u>-</u>	<u>236,789</u>

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
30 Extraordinary items		
During the year a carrier carrying the sale consignment of the Company met with a road accident. The resultant loss due to this event was Rs.1,506,609 which was recovered through the insurance claim.		
Loss of goods in transit	-	1,506,609
	<u>-</u>	<u>1,506,609</u>
31 Earnings per share		
The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:		
a) Computation of profit for computing basic and diluted earning per share		
Net profit after tax for the year	234,251,587	207,573,107
Net profit after tax for the year without extra-ordinary items	234,251,587	209,079,716
b) Computation of weighted average number of shares for		
Basic earnings per share	21,312,094	20,731,200
Diluted earnings per share	21,312,094	20,731,200
c) Nominal value of shares	10	10
d) Computation		
Including extra-ordinary items		
Basic	10.99	10.01
Diluted	10.99	10.01
Excluding extra-ordinary items		
Basic	10.99	10.09
Diluted	10.99	10.09
32 Segment reporting		
The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.		
By geographical segments		
Segment Revenue		
India	823,475,966	607,550,090
Exports	592,891,133	521,962,400
Total	<u>1,416,367,099</u>	<u>1,129,512,490</u>
Segment Assets		
India	2,188,374,498	1,802,866,359
Exports	142,802,644	115,632,087
Total	<u>2,331,177,142</u>	<u>1,918,498,446</u>

33 Related parties

a) Names of related parties

I Subsidiaries

Advanced Bio-Agro Tech Limited

Advanced EnzyTech Solutions Limited

Advanced Bio Proteins Limited

Advanced Enzyme Far East Limited

Advanced Enzyme Europe B.V.

Advanced Enzymes, USA

Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes, USA w.e.f. 4 April 2011)

Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes, USA w.e.f. 1 November 2012)

II Key Management Personnel (KMP)

Mr. Vasant L. Rathi

Mr. Chandrakant L. Rathi

Mrs. Savita C. Rathi

Mr. Mukund M. Kabra

Mr. Piyush C. Rathi

Relatives of KMP :

Mrs. Radhika Pujara

Mrs. Prabha V. Rathi

Mr. Kishore L. Rathi

Mrs. Mangala M. Kabra

Mrs. Divya P. Rathi

Mrs. Gitanjali M. Kabra

III Other Related Parties (companies in which either of the directors or their relatives have significant influence)

Atharva Capital Ventures Private Limited

Chandrakant Rathi Financial & Investment Company Private Limited

Advanced Vital Enzymes Limited

Advanced Supplementary Technologies Corporation (Up to 31 October 2012)

Rathi Properties LLC

C. L. Rathi HUF

b) Transactions with related parties

The following transactions were carried out with the related parties mentioned in A above, in the ordinary course of business.

In Rupees

Transactions during the period	Subsidiaries		KMP & Relatives		Other Related parties	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 Purchases of Goods						
Advanced EnzyTech Solutions Limited	-	426,244	-	-	-	-
Advanced Enzyme Far East Limited	11,092,460	-	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	-	-
Cal India Foods International	42,236,747	5,955,583	-	-	-	-
	53,329,207	6,381,827	-	-	-	-
2 Sale of Goods						
Advanced EnzyTech Solutions Limited	86,837,911	65,005,443	-	-	-	-
Advanced Enzyme Far East Limited		10,959,867	-	-	-	-
Advanced Bio-Agro Tech Limited	147,426,637	91,216,457	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	22,383,085	18,666,440
Cal India Foods International	282,459,443	239,316,575	-	-	-	-
	516,723,991	406,498,342	-	-	22,383,085	18,666,440
3 Commission Paid						
Advanced EnzyTech Solutions Limited	-	200,345	-	-	-	-
Advanced Enzyme Far East Limited	-	-	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	-	-
		200,345				
4 Remuneration to Directors & their Relatives						
Mr. Chandrakant. L. Rathi	-	-	8,358,510	5,772,104	-	-
Mrs. Savita. C. Rathi	-	-	2,943,983	2,334,847	-	-
Mr. Mukund Kabra	-	-	7,729,805	6,156,853	-	-
Mr. Kishore.L. Rathi	-	-	1,668,739	1,534,826	-	-
Mrs. Mangala M. Kabra	-	-	1,774,167	1,723,970	-	-
Mr. Piyush Rathi	-	-	3,115,381	2,424,702	-	-
			25,590,585	19,947,302	-	-
Commission to directors *						
Mr. Vasant L. Rathi	-	-	2,341,356	2,059,811	-	-
Mr. Chandrakant L. Rathi	-	-	1,756,017	1,544,858	-	-
Mr. Mukund Kabra	-	-	1,170,678	1,029,906	-	-
* included in Employee benefit expense	-	-	5,268,051	4,634,575	-	-
5 Interest received						
Advanced Vital Enzymes Limited	-	-	-	-	4,896,865	3,928,999
Advanced Enzyme Technologies Limited - USA	2,166,767	5,905,002	-	-	-	-
	2,166,767	5,905,002	-	-	4,896,865	3,928,999
6 Interest on Fixed Deposits						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	423,485	507,486
Atharva Capital Ventures Private Limited	-	-	-	-	216,414	355,729
C. L. Rathi HUF	-	-	-	-	268,000	272,014
Mr. Vasant. L. Rathi	-	-	1,125,182	1,197,363	-	-
Mrs. Prabha V. Rathi	-	-	45,144	46,494	-	-
Mrs. Radhika Pujara	-	-	250,845	283,145	-	-
Mrs. Divya Rathi	-	-	117,150	117,471	-	-
Mr. Piyush Rathi	-	-	5,500	8,062	-	-
			1,543,821	1,652,535	907,899	1,135,229
7 Advances / Loan Paid (Net)						
Advanced EnzyTech Solutions Limited	46,960	(3,908,402)	-	-	-	-
Advanced Enzyme Far East Limited	(1,605,493)	796,885	-	-	-	-
Advanced Bio-Agro Tech Limited	(134,668)	134,668	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	(40,169,640)	(10,681,204)
Advanced Enzymes, USA	(30,693,900)	30,693,900	-	-	-	-
Advanced Bio-Pro Solutions Limited	1,224	(246,124)	-	-	-	-
	(32,385,877)	27,470,927	-	-	(40,169,640)	(10,681,204)

In Rupees

Transactions during the period	Subsidiaries		KMP & Relatives		Other Related parties	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
8 Investment in Subsidiaries						
Advanced EnzyTech Solutions Limited	970,000	-	-	-	-	-
Advanced Enzyme Far East Limited	8,168,036	-	-	-	-	-
Advanced Bio-Pro Solutions Limited	-	-	-	-	-	-
Advanced Enzyme Technologies Limited.-USA	136,845,000	88,460,000	-	-	-	-
Advanced Enzyme Europe B.V.	5,210,766	-	-	-	-	-
	151,193,802	88,460,000	-	-	-	-
9 Deposits Received/ (Repaid)						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	(800,000)	-
Atharva Capital Ventures Private Limited	-	-	-	-	(1,475,000)	-
Mr. V. L. Rathi	-	-	-	-	-	-
Mrs. Prabha V. Rathi	-	-	-	-	-	-
Mrs Radhika Pujara	-	-	(225,000)	150,000	-	-
Mr. Piyush Rathi	-	-	(225,000)	150,000	(2,275,000)	-
c) Balances at the period/year ended						
Outstanding Balances						
a. Fixed Deposits						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	3,600,000	4,400,000
Atharva Capital Ventures Private Limited	-	-	-	-	1,500,000	2,975,000
C. L. Rathi HUF	-	-	-	-	2,450,000	2,450,000
Mr. V. L. Rathi	-	-	10,211,000	10,211,000	-	-
Mrs. Prabha V. Rathi	-	-	410,000	410,000	-	-
Mrs Radhika Pujara	-	-	2,275,000	2,500,000	-	-
Mrs. Divya Rathi	-	-	1,065,000	1,065,000	-	-
Mr. Piyush Rathi	-	-	50,000	50,000	-	-
			14,011,000	14,236,000	7,550,000	9,825,000
b. Investment in Subsidiaries						
Advanced EnzyTech Solutions Limited	1,570,000	600,000	-	-	-	-
Advanced Enzyme Far East Limited **	700,470	1,304,000	-	-	-	-
Advanced Bio-Agro Tech Limited	600,000	600,000	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	568,022	568,022
Advanced Bio-Pro Solutions Limited	500,000	500,000	-	-	-	-
Advanced Enzymes, USA	270,425,000	133,580,000	-	-	-	-
Advanced Enzyme Europe B.V.	5,210,766	-	-	-	-	-
	279,006,236	136,584,000	-	-	568,022	568,022
c. Accounts Receivable						
Advanced EnzyTech Solutions Limited	34,812,218	24,603,414	-	-	-	-
Advanced Enzyme Far East Limited	-	19,907,870	-	-	-	-
Advanced Bio-Agro Tech Limited	17,467,829	9,992,672	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	10,610,513	14,754,204
Cal India Foods International	87,150,151	57,624,983	-	-	-	-
	139,430,198	112,128,939	-	-	-	14,754,204
d. Accounts Payable						
Cal India Foods International	14,915,178	-	-	-	-	-
	14,915,178	-	-	-	-	-
e. Advances Paid						
Advanced EnzyTech Solutions Limited	75,394	28,434	-	-	-	-
Advanced Enzyme Far East Limited ^ ^	-	1,605,493	-	-	-	-
Advanced Bio-Agro Tech Limited	-	134,668	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	52,715,839	69,090,043
Advanced Bio-Pro Solutions Limited	-	-	-	-	-	-
Advanced Enzymes, USA	6,278,157	36,972,056	-	-	-	-
Advanced Enzyme Europe B.V.	75,434	-	-	-	-	-
	6,428,985	38,740,651	-	-	52,715,839	69,090,043
f. Advances Received						
Advanced Bio-Pro Solutions Limited	244,900	246,124	-	-	-	-
g. Commission Payable						
Mr. V. L. Rathi	-	-	1,979,617	1,741,570	-	-
Mr. C. L. Rathi	-	-	1,580,415	1,390,372	-	-
Mr. M.M.Kabra	-	-	1,053,610	926,915	-	-
	-	-	4,613,642	4,058,857	-	-

** In the current year, the Company has recognised Rs. 8,771,565 as a provision for diminution in the value of investment. The figure appearing in the above table is net of such provision. No amount except for the above, has been provided as doubtful debts or advances / written off or written back in the period/year in respect of debts due from / to above related parties.

34 Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	Outstanding as at 31 March 2013
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of USD 6,000,000.	Rs. 26,783,983 (31 March 2012 Rs.44,008,824)
Forward Contract	Rs. 30,540,800 equivalent to USD 500,000 and EURO 30,000 (31 March 2012 - Nil)

b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Outstanding as at 31 March 2013
External commercial borrowings	USD 45,00,000 equivalent to Rs. 244,751,850 (31 March 2012 USD 6,000,000 equivalent to Rs. 306,939,000)
Buyer's Credit	USD 153,532 equivalent to Rs. 83,50,485 (31 March 2012 - Nil)
Trade payables for imports	Rs. 40,198,540 (equivalent to USD 725,447 and EURO 10,600) (31 March 2012 Rs.14,767,856 equivalent to USD 271,978 and Euro 12,502)
Trade receivables for exports	Rs. 107,456,520 (equivalent to USD 1,623,378 , Euro 238,504 and CAD 48,200) (31 March 2012 Rs.108,029,764 equivalent to USD 1,992,886 and Euro 88,977)
Loans and Advances	Rs. 6,065,396 (equivalent to USD 110,131 and EURO 1,085) (31 March 2012 Rs.32,299,393 equivalent to USD 600,000 and HKD 265,195)

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
35 Earnings in foreign currency on accrual basis		
Export value of goods on FOB basis	580,606,830	508,771,644
Other income	2,166,767	
Non operating income	4,628,986	4,158,315
36 Expenditure in foreign currency on accrual basis		
Travelling and conveyance	2,581,189	2,203,039
Interest and Finance Charges	19,192,742	19,087,854
Legal and professional fees	23,537,349	17,453,423
Sales promotion and advertisement	3,046,141	3,003,276
Commission	3,519,326	5,309,351
Salary	560,712	
Others	207,584	14,712
	52,645,043	47,071,655
37 Value of imports on CIF basis		
Raw materials	206,199,008	116,974,768
Components and spare parts	26,340,475	13,948,396
Capital goods	5,710,765	18,878,325
38 Imported and indigenous consumption		
Raw materials and components		
Imported		
Amount	160,738,762	129,855,617
Percentage	31%	33%
Indigeneous		
Amount	351,942,716	265,613,989
Percentage	69%	67%
Total		
Amount	512,681,478	395,469,546
Percentage	100%	100%
Stores and spares		
Imported		
Amount	26,340,475	14,491,939
Percentage	53%	41%
Indigeneous		
Amount	23,201,572	20,769,126
Percentage	47%	59%
Total		
Amount	49,542,047	35,261,065
Percentage	100%	100%

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
39 Payments to auditors		
As auditor		
Statutory audit	<u>1,235,960</u>	<u>1,000,000</u>
	1,235,960	1,000,000
In other capacity		
Other services		
In relation to filing of draft red herring prospectus*	1,230,528	-
Certification work	<u>296,068</u>	-
	1,526,596	-
Reimbursement of expenses	<u>128,267</u>	-
Total	<u>2,890,823</u>	<u>1,000,000</u>

*The amount has been included in fund raising expenses under note no. 16

40 Dividend remitted in foreign currency

	2011-12	2010-11
Period to which is relates		
Number of non - resident shareholders	3	3
Number of equity shares held on which dividend was due	10,179,600	10,179,600
Amount remitted	10,179,600	5,089,800

41 Capitalisation of expenditure

The company has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

Salaries, wages and bonus	8,147,913	9,536,125
Power and fuel	21,061,655	8,937,174
Carriage inward and freight	-	805,538
Water charges	1,006,169	807,843
Rates and taxes	-	603,750
Legal and professional fees	-	747,350
Travel, conveyance and car hire	271,022	806,918
Miscellaneous expenses	454,363	885,339
Finance costs	<u>35,927,240</u>	<u>60,825,434</u>
	66,868,362	83,955,471
Less: Interest income	-	2,529,685
	<u>66,868,362</u>	<u>81,425,786</u>

The borrowing costs capitalised during the year ended 31 March 2013 was Rs.17,483,614 (31 March 2012 was Rs.22,072,512). The Company capitalised this borrowing cost in the capital work in progress (CWIP).

The Central Government vide notification dated 31 March 2009 had amended Accounting Standard (AS-11) - The effects of changes in Exchange Rates notified under the Company's (Accounting Standard) Rules, 2006, further amended by its notification dated 11 May 2011. Accordingly, the Company had exercised the option stated in paragraph 46 of AS 11 retrospectively from 01 April 2007. Consequently, the Company had recognised the Exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable capital assets, which are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
42 Research and development		
The Company has incurred the following revenue expenditure on research and development activities during the year/period :		
Laboratory expenses and consumables	8,608,768	6,429,664
Employee benefit expenses	24,470,235	22,500,984
Legal and professional charges	30,232,741	21,006,643
Electricity	6,887,614	5,108,142
Rent rates and taxes	4,347,577	4,350,026
Repairs and maintenance	4,659,400	3,200,235
Travelling and conveyance expenses	1,059,399	792,367
Other expenses	2,070,724	1,147,548
Depreciation	8,566,832	6,816,932
	<u>90,903,290</u>	<u>71,352,541</u>

This information also complies with the terms of the recognition granted upto 31 March 2016 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/2159/2012 dated 23 July 2012.

The above includes expenditure incurred by the Company on in house research and development at two of R&D premises. The Company has applied to the concerned department for recognition u/s. 35(2AB) vide their letter dated.

43 Previous year comparatives

The previous year figures have been regrouped and reclassified wherever necessary to make them comparable with the current year figures.

For Walker, Chandio & Co.
Chartered Accountants

For Advanced Enzyme Technologies Limited

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, Date: 18 June 2013

Thane, Date: 18 June 2013

AUDITORS' REPORT

To the Board of Directors of Advanced Enzyme Technologies Limited

1. We have audited the accompanying consolidated financial statements of Advanced Enzyme Technologies Limited, ("the Company") and its subsidiaries, (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 the financial statements of the subsidiaries, as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
 - ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 1,632,251,683 as at 31 March 2013; total revenues (after eliminating intra-group transactions) of Rs. 802,714,911 and net cash flows aggregating to Rs. (1,801,725) for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandok & Co**
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No: F-42423
Place: Mumbai
Date: 6 July 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

	Note no.	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
Equity and liabilities			
Shareholders' funds			
Share capital	6	217,656,000	207,312,000
Reserves and surplus	7	1,416,176,905	760,929,121
		1,633,832,905	968,241,121
Minority interest	8	25,456,897	15,851,369
Non-current liabilities			
Long-term borrowings	9	1,167,190,803	1,393,873,317
Deferred tax liabilities (net)	10	132,404,820	67,904,310
		1,299,595,623	1,461,777,627
Current liabilities			
Short-term borrowings	9	328,631,159	379,301,895
Trade payables	12	169,979,997	183,060,320
Other current liabilities	13	436,256,964	422,920,524
Short-term provisions	11	66,554,694	62,292,075
		1,001,422,814	1,047,574,814
Total		3,960,308,239	3,493,444,931
Assets			
Non-current assets			
Fixed assets			
Tangible assets	14	1,158,482,468	496,300,445
Intangible assets	15	166,300	634,598
Goodwill on acquisition		1,709,529,686	1,547,177,186
Capital work-in-progress		20,949,893	602,316,644
Non-current investments	16	618,002	618,002
Long-term loans and advances	17	121,666,502	77,917,978
Other non-current assets	18	10,921,392	885,741
		3,022,334,243	2,725,850,594
Current assets			
Inventories	19	445,863,189	290,758,078
Trade receivables	20	388,076,100	323,447,141
Cash and bank balances	21	36,959,746	52,973,140
Short-term loans and advances	17	66,821,267	100,390,405
Other current assets	22	253,694	25,573
		937,973,996	767,594,337
Total		3,960,308,239	3,493,444,931

Notes 1 to 41 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 6 July 2013

Thane, 6 July 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

	Note no.	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Revenue			
Revenue from operations (gross)	24	2,303,724,638	1,783,972,805
Less : Excise duty		99,540,009	66,569,078
Revenue from operations (net)		2,204,184,629	1,717,403,727
Other income	25	36,037,945	32,628,175
Total revenue		2,240,222,574	1,750,031,902
Expenses			
Cost of materials consumed	26	595,396,391	514,947,025
Changes in inventories of finished goods and work-in-progress and stock-in-trade	27	(84,073,439)	(36,766,598)
Employee benefit expenses	28	268,538,584	201,326,662
Finance costs	29	95,542,303	122,380,919
Depreciation and amortisation expense	30	74,299,697	54,975,108
Other expenses	31	517,289,450	415,654,940
Prior period items	32	-	236,789
Total expenses		1,466,992,986	1,272,754,845
Profit before extraordinary items and tax		773,229,588	477,277,057
Extraordinary items			
Loss of goods in transit	33	-	1,506,609
Profit before tax		773,229,588	475,770,448
Tax expense			
Current tax		250,542,207	142,097,483
MAT credit entitlement		(50,326,665)	(5,000,000)
Deferred tax		64,258,374	(2,139,910)
(Excess)/ short provision for last years		(8,254)	(34,496)
		264,465,662	134,923,077
Profit after tax		508,763,926	340,847,370
Less: Share of Minority interest		10,575,528	3,300,649
Profit after tax and allocation of minority interest		498,188,398	337,546,721
Earnings per equity share	34		
Including extra-ordinary items			
Basic		23.38	16.28
Diluted		23.38	16.28
Excluding extra-ordinary items			
Basic		23.38	16.35
Diluted		23.38	16.35

Notes 1 to 41 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 6 July 2013

Thane, 6 July 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Cash flows from operating activities		
Profit before tax	773,229,588	475,770,448
Extraordinary items	-	(1,506,609)
Insurance claim received	-	1,506,609
Profit before exceptional and extraordinary items and tax	773,229,588	475,770,448
Adjustments for non-cash transactions		
Depreciation and amortisation expense	74,299,697	54,975,108
Other adjustments to tangible assets	-	5,053,792
(Profit)/ Loss on sale of fixed assets	-	157,157
Preliminary expenses written off	-	20,054
Pre-operative Expenses written off	-	17,642
Allowances for bad and doubtful trade receivables	120,835	1,654,990
Bad and doubtful advances / deposits written off	1,296,000	1,709,239
Excess provision written back	(310,548)	(1,344,389)
Sundry balances written back/ off	1,476,413	(3,939,280)
Unrealised foreign exchange gain / (loss)	(179,662)	(1,551,696)
	849,932,323	532,523,065
Items considered separately		
Interest income	(19,381,955)	(8,548,973)
Interest expenses	95,542,303	117,083,465
	926,092,671	641,057,557
Operating profit before working capital changes	(41,087,264)	352,629,643
Increase / (decrease) in short term liabilities and provisions	(13,210,333)	105,620,789
Increase / (decrease) in trade payables	(155,105,112)	(112,080,160)
(Increase) / decrease in inventories	(64,190,478)	(99,956,405)
(Increase) / decrease in trade receivables	13,326,597	905,672
(Increase) / decrease in short term loans and advances	(228,121)	-
(Increase) / decrease in other current assets	9,935,326	120,275,500
(Increase) / decrease in long term loans and advances	(10,151,203)	-
(Increase) / decrease in other non-current assets	665,382,084	1,008,452,596
Cash generated from operating activities	(254,144,797)	(124,780,324)
Income taxes paid	411,237,287	883,672,272
Net cash generated from operating activities		
Cash flows from investing activities		
Purchase of tangible assets	(150,013,668)	(2,004,283,824)
Proceeds from sale of tangible assets	-	57,500
Purchase of Intangible assets	(162,352,500)	-
Deposits with maturity more than 3 months but less than 12 months	(2,321,948)	613,863
Bank deposits with maturity of more than 12 months	115,552	(865,741)
Interest received	19,381,955	4,399,578
Net cash (used in) in investing activities	(295,190,609)	(2,000,078,624)
Cash flows from financing activities		
Proceeds from issue of share capital / Share application Money	299,976,000	-
Proceeds from long term borrowings	(169,561,618)	1,023,787,883
Purchase of Minority Interest	(970,000)	-
Proceeds from short term borrowings	-	104,814,195
Repayment of short term borrowings	(50,670,736)	-
Interest paid / Received	(95,542,303)	(117,083,465)
Dividends paid (including dividend tax)	(28,641,549)	(12,099,807)
Net cash generated from financing activities	(45,410,207)	999,418,806
Net increase / (decrease) in cash and cash equivalents	70,636,470	(116,987,545)
Cash and cash equivalents as at the beginning of the period	52,541,505	147,740,252
Effect of exchange rate changes (Foreign currency translation reserve)	(88,971,813)	21,788,798
Cash and cash equivalents as at the end of the period	34,206,161	52,541,505
* Reconciliation of cash and cash equivalents		
Cash in hand	500,333	822,208
Balance with scheduled banks:		
Current account	25,606,186	48,515,308
Fixed deposit account	7,618,105	2,855,186
Other bank balance	481,539	348,803
Deposits with maturity more than 3 months but less than 12 months	2,753,583	431,635
	36,959,746	52,973,140
Less: Deposits with maturity more than 3 months but less than 12 months	(2,753,583)	(431,635)
	34,206,163	52,541,505

Notes to the cash flow statement

- The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as notified by Central Government under the Companies Act, 1956.
- Cash and cash equivalents as at year end includes fixed deposits of Rs. 2,763,105 (31 March 2012 Rs. 4,172,562) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975.

This is the cash flow statement referred to in our report of even date

For Walker, Chandio & Co.
 Chartered Accountants

 per **Khushroo B. Panthaky**
 Partner
 Mumbai, 6 July 2013

For and on behalf of the Board
Kedar Desai **C. L. Rathi** **B. P. Rauka**
 Chairman Managing Director CFO & Company Secretary
 Thane, 6 July 2013

Notes to the consolidated financial statements for the year ended 31 March 2013

Significant accounting policies

1 Background

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 manufacture and sales of biotechnology products.

2 Principles of Consolidation

The consolidated financial statements (CFS) relates to Advanced Enzyme Technologies Limited (the Company) and its subsidiary companies (collectively called "the Group"). Subsidiary companies have been consolidated as per Accounting Standard on Accounting for Consolidated Financial Statements (AS-21) notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis;

- a The financial statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of the items like assets, liabilities, income and expenses.
- b The excess/deficit (as on the date of acquisition) of the Company's investment cost over the subsidiaries network is recognised as goodwill/capital reserve.
- c Minorities' interest in the net profit / loss of the consolidated subsidiary companies for the year / period is identified and adjusted against income in order to arrive at the net income attributable to shareholders of the Company. Minorities' interest in the net assets of consolidated subsidiary companies is identified and presented separately in the Consolidated Financial Statements.
- d Foreign subsidiary - Revenue items have been consolidated at the average rate of foreign exchange prevailing during the year/period. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate. Exchange differences arising on monetary and non-monetary items that in substance forms part of the company's net investments in non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve.
- e The CFS have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. The impact of change in accounting policies, if not material, has been ignored.
- f The CFS are prepared after fully eliminating intra group balances, intra group transactions and unrealised profits from the intra group transactions.
- g Subsidiary Companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- h The Subsidiary Companies considered in the Consolidated Financial Statements are as follows:

Name of the Company	Country of origin	% age voting power held at 31 March13	% age voting power held at 31 March12
i. Advanced Bio-Agro Tech Ltd	India	60.00%	60.00%
ii. Advanced EnzyTech Solutions Ltd	India	100.00%	85.71%
iii. Advanced Bio Proteins Ltd	India	100.00%	100.00%
iv. Advanced Enzyme Far East Limited	Hong Kong	100.00%	100.00%
v. Advanced Enzymes, USA	USA	100.00%	100.00%
vi. Cal India Food International (Wholly owned subsidiary of Advanced Enzymes USA)	USA	100.00%	100.00%
vii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA)	USA	100.00%	-
viii. Advanced Enzymes Europe B.V.	Netherlands	100.00%	-

3 Basis of preparation of financial statements

The financial statements which have been prepared and presented under the historical cost convention on the accrual basis of accounting, are in accordance with the requirements of the Companies Act, 1956 ('the Act') and comply to all material aspects with the applicable Accounting Standards prescribed by the Central Government in accordance with the Companies (Accounting Standard) Rules, 2006, to the extent applicable.

4 Use of estimates

The preparation of Consolidated Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect 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 financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

5 Significant accounting policies:

a. Revenue Recognition

- i. Revenue is recognised 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 sale of products is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer/agent and no effective ownership is retained. Sales are inclusive of excise duty and net of sales tax and discounts.
- iii. Export incentives received pursuant to the Duty Drawback Scheme are accounted for, on an accrual basis, to the extent it is probable that realisation is certain.
- iv. Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Fixed assets, Depreciation and Amortisation

- i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.
- iv. Depreciation on fixed assets other than plant & equipments has been provided on Written Down Value Method and on plant & equipments on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.
- vi. Depreciation on assets not owned by the Group is provided over the period of the economic life of the assets estimated at five years.
- vii. Intangible Assets are amortised on a straight line basis over a period of four years.
- viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Investments

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

d. Foreign currency transactions

- i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- 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 year in which they arise.

e. Derivative instruments

- i. The Group limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into forward exchange contracts, where the counter party is a bank.
- ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the Statement of Profit and Loss.

f. Impairment of assets

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified by the Central Government under the Companies Act, 1956, the carrying amounts of the Group's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of Profit and Loss or against revaluation surplus where applicable.

g. Inventories

- i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.
- ii. Cost of raw materials, stores, spares 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 and other related direct costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits

- i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- ii. Defined Contribution Plans
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 recognised as an expense in the period in which the employee renders services.
Superannuation benefits, a defined contribution plan, have 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.
- iii. "Defined Benefit Plans "
The Group's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the Statement of Profit and Loss.

The Group provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year/period, based upon which the group contributes to the scheme with LIC. The Group also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the Balance Sheet date.

In case of one of the subsidiary, Cal India Food International has a discretionary profit sharing plan and 401(k) matching plan covering substantially all of eligible employees of that company. Profit sharing is funded through annual contributions to the plan.

i. Income Taxes

Current tax

Current income tax expense comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. 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 recognised as an expense in the statement of Profit and Loss.

k. 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 recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and Contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits 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. 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.

m. Leases

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss.

	As at 31 March 2013		As at 31 March 2012	
	Number	Rupees	Number	Rupees
6 Share capital				
Authorised				
Equity shares of Rs.10 each	<u>35,000,000</u>	<u>350,000,000</u>	<u>35,000,000</u>	<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	<u>21,765,600</u>	<u>217,656,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	20,731,200	207,312,000	20,731,200	207,312,000
Add : Issued during the year / period	<u>1,034,400</u>	<u>10,344,000</u>	-	-
Balance at the end of the year	<u>21,765,600</u>	<u>217,656,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares				
	Number	% of holding	Number	% of holding
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8,880,900	40.80%	8,942,800	43.14%
Chandrakant Rathi Finance & Investment Company Private Limited	3,621,200	16.64%	3,621,200	17.47%
Atharva Capital Ventures Private Limited	2,492,940	11.45%	2,522,940	12.17%
Mrs. Prabha V. Rathi	1,283,600	5.90%	1,283,600	6.19%
	<u>16,278,640</u>	<u>74.79%</u>	<u>16,370,540</u>	<u>78.97%</u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares				
During the financial year 2009-10, the Company has issued 10,365,600 equity shares of Rs.10 each as bonus shares in the ratio of 1:1. Other than above mentioned shares, the Company has not issued any shares without payment being received in cash nor there has been any buy-back of shares in the current year and preceding five years.				
d) Terms / Rights attached to shares				
The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. Dividends, if any, propose by the Board of Directors is subject to approval by the shareholder. All share rank pari passu on repayment of capital in the event of liquidation.				

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
7 Reserves and surplus		
Capital reserve	3,000,000	3,000,000
Securities premium reserve		
Balance at the beginning of the year	-	-
Add : Additions made during the year	289,632,000	-
Less : Deletions made during the year	-	-
Balance at the end of the year	<u>289,632,000</u>	-
General reserve	20,824,428	20,824,428
Balance at the beginning of the year		
Add : Additions made during the year	14,306,937	-
Less : Deletions made during the year	-	-
Balance at the end of the year	<u>35,131,365</u>	<u>20,824,428</u>
Foreign currency translation reserve		
Balance at the beginning of the year	22,279,416	289,033
Add / (Less): Addition / (Deletion) made during the year	(89,710,510)	21,990,383
Balance at the end of the year	<u>(67,431,094)</u>	<u>22,279,416</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	714,825,277	401,372,875
Add : Transferred from Statement of Profit and Loss	498,188,398	337,546,721
Less : Proposed dividend / Interim dividend	(36,648,400)	20,731,200
Less : Tax on dividends distributed during the year	(6,213,704)	3,363,119
Less : Transfer to general reserve	(14,306,937)	-
Balance at the end of the year	<u>1,155,844,634</u>	<u>714,825,277</u>
	<u>1,416,176,905</u>	<u>760,929,121</u>
8 Minority Interest		
Balance at the beginning of the year / period	15,851,369	12,550,720
Add: Allocation of Profit during the year /period	10,575,528	3,300,649
Less: Minority Interest no longer payable	(970,000)	-
	<u>25,456,897</u>	<u>15,851,369</u>

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
9 Borrowings				
Secured				
Term loans				
From banks	181,167,900	70,706,090	264,204,250	-
From related parties	896,584,496	-	1,050,282,327	-
Loans repayable on demand				
From banks	-	235,519,349	-	358,899,738
Vehicle loans	5,286,987	-	6,299,895	-
	<u>1,083,039,383</u>	<u>306,225,439</u>	<u>1,320,786,472</u>	<u>358,899,738</u>
Unsecured				
Fixed deposits				
From directors	10,211,000	-	1,365,000	8,846,000
From relatives of directors/Companies in which the directors are interested	8,900,000	300,000	2,300,000	8,035,000
From other shareholders	2,150,000	-	2,150,000	1,940,000
From others	1,165,000	350,000	680,000	710,000
Deferred sales tax payment liabilities	61,725,420	-	66,591,845	-
Loans from other	-	21,755,720	-	-
Loans from related parties	-	-	-	871,157
	<u>84,151,420</u>	<u>22,405,720</u>	<u>73,086,845</u>	<u>20,402,157</u>
Total borrowings	<u>1,167,190,803</u>	<u>328,631,159</u>	<u>1,393,873,317</u>	<u>379,301,895</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by directors				
Term loans				
From banks	181,167,900	-	264,204,250	-
Loans repayable on demand				
From banks	-	233,775,398	-	358,584,597
Guaranteed by other				
Loans repayable on demand	-	-	-	-
From banks	-	1,743,951	-	315,141
b) Details of security for each type of borrowings				
(a) Long term loans from banks are secured by equitable mortgage of all the immovable properties and a charge on plant and equipments, movable assets including spares etc., save and except specified fixed assets exclusively charged in hire purchase agreement and also save and except book debts and stocks for securing working capital facilities. The mortgage and charge referred to will rank pari passu in favour of banks who have granted term loans & working capital facilities.				
(b) Short term loan from bank is borrowed at an interest rate of index plus 0.5 % and is secured against specified property held by Rathi Family Trust in which a director is trustee and is guaranteed by Advanced Enzymes, USA.				
(c) Loans repayable on demand from banks (Working Capital loans) are secured as under:				
1. By hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares and book debts.				
2. Negative lien on land and building situated at Gat no. 551, Mauje Musalgaon, Nasik.				
3. Charge on plant and machinery as and when procured at Gat no. 551, Mauje Musalgaon, Nasik.				
(d) Vehicle loans availed from two banks and a financial institute are secured by exclusive charge on vehicles as specified in their respective loan agreements.				
(e) Term loans from related parties are secured by pledge of 2,000 equity shares of Cal India Food International and 1,000 shares of Advanced Supplementary Technology Corporation.				

c) Terms of repayment of term loans and other loans		Rupees	
Term loan	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years
From banks			
Interest rate			
11.25%	20,000,000	18,000,000	-
6.75%	81,583,950	163,167,900	-
From related parties			
Interest rate			
4.50%	29,573,055	23,057,261	-
3.50%	214,279,686	873,527,235	-
Fixed deposits	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years
Interest rate			
9.50%	350,000	150,000	-
10.50%	300,000	605,000	-
11.00%	-	21,671,000	-
Vehicle loans	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years
Interest rate			
9.01%	187,261	151,901	-
9.25%	445,887	691,256	-
9.74%	133,685	226,499	-
9.96%	880,246	1,749,786	-
10.35%	439,280	930,967	-
10.50%	106,987	139,807	-
12.50%	45,625	143,392	-
11.25%	27,307	1,253,379	-
Deferred sales tax payment liabilities	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years
	4,767,078	28,801,819	32,923,601
* Has been disclosed under note 13			
10 Deferred tax liabilities (net)			
Deferred tax liabilities			
Timing difference on carrying amounts of tangible and intangible assets		136,128,126	69,823,453
Total		136,128,126	69,823,453
Deferred tax assets			
Unabsorbed depreciation		-	19,696
Carry forward losses		19,449	12,150
Provision for employee benefits		1,804,986	1,658,210
Others		1,898,871	229,087
Total		3,723,306	1,919,143
Net deferred tax liability		132,404,820	67,904,310

	As at 31 March 2013 Rupees		As at 31 March 2012 Rupees	
11 Provisions	Long term	Short term	Long term	Short term
Provisions for employee benefits				
Leave encashment	-	1,506,863	-	2,121,311
Gratuity	-	285,387	-	276,207
Bonus	-	4,237,659	-	3,449,934
Others	-	904,668	-	5,116,929
Proposed dividend to equity shareholders	-	32,648,400	-	20,731,200
Dividend tax	-	5,533,904	-	3,363,119
Provision for taxation (net of advance tax)	-	14,639,150	-	27,233,375
Provision for sales return	-	6,798,663	-	-
	<u>-</u>	<u>66,554,694</u>	<u>-</u>	<u>62,292,075</u>
a) Details with respect to proposed dividend				
Dividends proposed to				
Equity shareholders	-	32,648,400	-	20,731,200
Proposed dividend per share				
Equity shareholders	-	1.50	-	1.00
12 Trade payables				
Dues to micro and small enterprises (Also refer note below)		5,052,028		5,512,968
Dues to others		164,927,969		177,547,352
		<u>169,979,997</u>		<u>183,060,320</u>
Note:				
<p>The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2013 has been made in the financials statements based on information received and available with the Group. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.</p>				
13 Other current liabilities				
Current maturities of long term debt		345,436,691		288,363,167
Current maturities of vehicle loans		2,266,278		2,279,810
Unpaid dividends (Refer note below)		480,116		347,546
Provident fund		997,106		835,779
Other Statutory dues		14,288,168		5,708,118
Advances and deposits from customers		13,334,588		15,648,997
Interest accrued on borrowings		931,599		-
Other payables		58,522,418		109,737,107
		<u>436,256,964</u>		<u>422,920,524</u>
Note:				
<p>The amount due and paid during the year to "Investor Education and Protection Fund" is Rs.8,640 (31 March 2012 Rs.14,550)</p>				

14 Tangible assets

Gross block	Land Freehold	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer	Rupees Total
Balance as at 01 April 2011	8,819,344	22,650,988	168,778,916	582,103,208	19,982,068	23,777,389	16,738,123	952,390	16,989,323	860,791,749
Additions	6,176,600	-	-	23,285,870	10,602,852	311,733	628,215	1,023,130	1,558,144	43,586,544
Disposals	-	-	-	-	452,911	-	7,850	-	210,745	671,506
Reversal of impairment of assets	79,050	-	18,145	11,091,778	-	1,449,382	1,085,021	-	5,969,905	19,693,281
Balance as at 31st March 2012	14,916,894	22,650,988	168,760,771	594,297,300	30,132,009	22,639,740	16,273,467	1,975,520	12,366,817	884,013,506
Additions	-	-	132,673,162	586,390,140	9,503,122	847,717	3,359,611	1,282,698	2,286,281	736,342,731
Balance as at 31st March 2013	14,916,894	22,650,988	301,433,933	1,180,687,440	39,635,131	23,487,457	19,633,078	3,258,218	14,653,098	1,620,356,237
Accumulated depreciation and amortisation										
Balance as at 01 April 2011	-	2,720,740	66,413,939	243,391,073	8,863,265	8,495,910	5,675,507	66,365	13,327,175	348,953,974
Depreciation and amortisation	-	548,319	10,236,496	31,845,432	3,178,544	3,994,745	1,603,506	450,439	1,816,345	53,673,826
Reversal on disposal of assets	-	-	-	-	270,753	-	5,157	-	180,938	456,848
Prior period	-	181,598	-	-	-	-	-	-	-	181,598
Reversal of impairment of assets	-	-	10,769	6,867,981	-	1,433,370	654,120	-	5,673,249	14,639,489
Balance as at 31st March 2012	-	3,450,657	76,639,666	288,368,524	11,771,056	11,057,285	6,619,736	516,804	9,289,333	387,713,061
Depreciation and amortisation	-	512,000	15,968,604	45,220,984	5,149,871	3,017,338	1,613,955	424,966	1,756,234	73,663,953
Balance as at 31st March 2013	-	3,962,657	92,608,270	313,589,508	16,920,927	14,074,623	8,233,691	941,770	11,045,567	461,377,013
Impairment loss										
Impairment charge for the year ended 31st March 2012	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792
Other Adjustment										
Foreign Currency Translation Reserve	-	-	-	288,482	436,071	-	-	(1,221,308)	-	(496,755)
Net block										
Balance as at 31 March 2012	14,916,894	19,200,331	92,121,105	325,928,776	18,360,953	11,582,455	9,653,731	1,458,716	3,077,484	496,300,445
Balance as at 31 March 2013	14,916,894	18,688,331	208,825,663	867,386,414	23,150,275	9,412,834	11,399,387	1,095,140	3,607,531	1,158,482,468

15 Intangible assets	Computer Software	Technical know-how	Rupees Total
Gross block			
Balance as at 1 April 2011	2,072,500	5,205,128	7,277,628
Balance as at 31 March 2012	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>
Additions	167,447	-	1,67,447
Balance as at 31 March 2013	<u>2,239,947</u>	<u>5,205,128</u>	<u>74,45,075</u>
Accumulated amortisation			
Balance as at 1 April 2011	2,072,500	3,269,248	5,341,748
Amortisation	-	<u>1,301,282</u>	<u>1,301,282</u>
Balance as at 31 March 2012	<u>2,072,500</u>	<u>4,570,530</u>	<u>6,643,030</u>
Amortisation	1,147	634,598	6,35,745
Balance as at 31 March 2013	<u>2,073,647</u>	<u>5,205,128</u>	<u>7,278,775</u>
Net block			
Balance as at 31 March 2012	-	634,598	634,598
Balance as at 31 March 2013	<u>166,300</u>	<u>-</u>	<u>166,300</u>

	As at 31 March 2013		As at 31 March 2012	
	Trade Rupees	Others Rupees	Trade Rupees	Others Rupees
16 Non-current investments				
(Valued at cost unless stated otherwise)				
Other investments				
19,100 Equity shares of Rs.10 each fully paid up of Advanced Vital Enzymes Ltd.	568,022	-	568,022	-
1,666 Equity Shares of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Ltd.	-	49,980	-	49,980
	<u>568,022</u>	<u>49,980</u>	<u>568,022</u>	<u>49,980</u>
Aggregate amount of unquoted investments	<u>568,022</u>	<u>49,980</u>	<u>568,022</u>	<u>49,980</u>

	As at 31 March 2013		As at 31 March 2012	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
17 Loans and advances				
Capital advances				
Unsecured, considered good	2,918,028	-	8,047,590	-
Doubtful	1,296,000	-	-	-
	<u>4,214,028</u>	-	<u>8,047,590</u>	-
Allowances for bad and doubtful advances	1,296,000	-	-	-
	<u>2,918,028</u>	-	<u>8,047,590</u>	-
Security deposits				
Unsecured, considered good	13,119,682	1,470,490	11,791,703	1,970,350
Loans and advances to related parties				
Unsecured, considered good	21,750,935	7,169,468	57,394,830	11,695,213
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	326,381	-	685,548
Advances recoverable in Cash or in kind or for value to be received	25,064,445	37,940,153	683,855	50,688,919
Advance income tax (net of provisions)	58,813,412	13,251,969	-	30,722,097
Balance with excise authorities	-	6,662,806	-	4,628,279
	<u>83,877,857</u>	<u>58,181,309</u>	<u>683,855</u>	<u>86,724,843</u>
	<u>121,666,502</u>	<u>66,821,267</u>	<u>77,917,978</u>	<u>100,390,405</u>
			As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
18 Other non-current assets				
Non-current bank balances (Refer note 21)			1,001,293	885,741
Others			6,381	-
Fund Raising Expenses (to be adjusted against the further addition in securities premium account in accordance with Section 78 of the Companies Act, 1956.)			9,913,718	-
			<u>10,921,392</u>	<u>885,741</u>
19 Inventories (valued at cost or lower of net realisable value)				
Raw materials			225,733,109	169,783,972
Work-in-progress			159,685,229	53,265,686
Finished goods			40,250,090	29,133,469
Traded goods			1,512,894	21,436,540
Stores and spares			18,681,867	17,138,411
			<u>445,863,189</u>	<u>290,758,078</u>
20 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good			8,873,887	12,737,602
Doubtful			1,898,243	2,601,830
			<u>10,772,130</u>	<u>15,339,432</u>
Less : Allowances for bad and doubtful debts			1,898,243	2,601,830
			<u>8,873,887</u>	<u>12,737,602</u>
Other debts				
Secured, considered good			126,989	175,000
Unsecured considered good			379,075,224	310,534,539
			<u>379,202,213</u>	<u>310,709,539</u>
			<u>388,076,100</u>	<u>323,447,141</u>

	Current Rupees	As at 31 March 2013 Non-current Rupees	Current Rupees	As at 31 March 2012 Non-current Rupees
21 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	500,333	-	822,208	-
Balances with banks				
in current accounts	25,606,186	-	48,515,308	-
in deposit account (with maturity upto 3 months)	7,618,105	-	2,855,186	-
	<u>33,724,624</u>	<u>-</u>	<u>52,192,702</u>	<u>-</u>
Other bank balances				
Unpaid dividend account	481,539	-	348,803	-
Deposits with maturity more than 3 months but less than 12 months	2,753,583	-	431,635	-
Bank deposits with maturity of more than 12 months	-	1,001,293	-	885,741
	<u>3,235,122</u>	<u>1,001,293</u>	<u>780,438</u>	<u>885,741</u>
Less : Amounts disclosed as Other non-current assets (Refer note 18)	-	1,001,293	-	885,741
	<u>36,959,746</u>	<u>-</u>	<u>52,973,140</u>	<u>-</u>

Note :

The above Cash and bank balances includes Rs. 2,763,105 (31 March 2012 - Rs.4,172,562) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
22 Other current assets		
Unamortised expense	6,386	25,573
Other current assets	247,308	-
	<u>253,694</u>	<u>25,573</u>
23 Contingent liabilities and commitments		
Claims against the group not acknowledged as debt	97,400,749	3,145,762
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,069,062	6,024,916
	<u>102,469,811</u>	<u>9,170,678</u>

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
24 Revenue		
Revenue from operations		
Sale of goods		
Export	1,290,270,327	1,067,156,405
Domestic	1,013,454,311	716,816,400
Revenue from operations (Gross)	<u>2,303,724,638</u>	<u>1,783,972,805</u>
Less : Excise duty	99,540,009	66,569,078
Revenue from operations (Net)	<u>2,204,184,629</u>	<u>1,717,403,727</u>
Details of products sold		
Manufactured goods		
Enzymes	1,905,321,332	699,212,821
Animal feed supplement	150,454,810	5,114,899
Micro organisms	9,884,657	5,007,260
Others	59,549,682	2,025,318
	<u>2,125,210,481</u>	<u>711,360,298</u>
Traded goods		
Enzymes	1,202,877	874,031,844
Animal feed supplement	77,771,271	129,170,033
Others	-	2,841,552
	<u>78,974,148</u>	<u>1,006,043,429</u>
	<u>2,204,184,629</u>	<u>1,717,403,727</u>
25 Other income		
Interest income	19,381,955	8,548,973
Export incentives	4,890,274	6,273,694
Excess provision no longer required written back	310,548	1,344,389
Net gain / (loss) on foreign currency transactions and translations	254,662	353,082
Other non-operating income	11,200,506	16,108,037
	<u>36,037,945</u>	<u>32,628,175</u>
26 Cost of materials consumed		
Opening stock		
Raw materials and components	169,783,972	104,636,959
Add : Purchases during the year		
Raw materials and components	651,397,173	490,130,993
Add : Share in subsidiary stock acquired during the year		
Raw materials and components	-	89,963,045
Less : Closing stock		
Raw materials and components	225,784,754	169,783,972
	<u>595,396,391</u>	<u>514,947,025</u>

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
27 Changes in inventories of finished goods and work-in-progress and traded goods		
Opening stock		
Manufactured goods	47,141,341	4,796,041
Work-in-progress	53,265,686	31,465,651
Traded goods	3,428,667	19,106,597
	<u>103,835,694</u>	<u>55,368,289</u>
Closing stock		
Manufactured goods	40,965,433	29,133,469
Work-in-progress	144,325,773	53,265,686
Traded goods	1,512,894	21,436,540
	<u>186,804,100</u>	<u>103,835,696</u>
Share in subsidiary stock acquired during the year		
Finished goods	-	11,494,128
Differential Excise duty on stocks	<u>(1,105,033)</u>	<u>206,680</u>
	<u>(84,073,439)</u>	<u>(36,766,598)</u>
28 Employee benefits expense		
Salaries, wages and bonus	240,226,461	170,899,033
Contribution to gratuity, provident fund and other funds	16,389,787	18,752,206
Staff welfare expenses	11,922,336	11,675,423
	<u>268,538,584</u>	<u>201,326,662</u>
29 Finance costs		
Interest expenses	90,414,788	117,083,465
Bank charges	5,066,611	3,720,112
Net loss on foreign currency transactions and translations	60,904	1,577,342
	<u>95,542,303</u>	<u>122,380,919</u>
30 Depreciation and amortisation expense		
Depreciation of tangible assets (Also refer note 14)	73,663,952	53,673,826
Amortisation of intangible assets (Also refer note 15)	635,745	1,301,282
	<u>74,299,697</u>	<u>54,975,108</u>
31 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts	49,542,047	37,653,434
Consumption of packing materials	20,474,686	15,731,663
Power and fuel	154,563,939	125,183,315
Carriage inward and freight	24,179,308	15,783,389
Water charges	1,823,858	1,493,755
Excise duty	9,735,296	4,792,367
Laboratory expenses	11,295,523	5,901,347
Repairs and maintenance		
Buildings	5,252,304	4,658,938
Plant and equipment	7,848,339	5,848,933
Other manufacturing expenses	3,611,622	3,101,814
Selling and distribution expenses		
Travel, conveyance and car hire	33,306,005	26,759,333
Commission	9,035,267	10,898,325
Discount on sales	2,219,852	2,896,855
Sales promotion and advertisement	11,097,271	7,784,735
Freight outward and forwarding	21,518,011	21,958,578
Other selling and distribution expenses	10,699,123	9,872,595

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
Administrative and general expenses		
Rent	14,036,457	11,897,044
Rates and taxes	3,711,125	3,843,027
Repairs and maintenance		
Others	6,889,742	6,579,317
Insurance	6,876,443	5,446,846
Printing and Stationary	1,737,161	2,091,894
Communication Expenses	6,565,238	6,758,001
Directors' sitting fees	375,000	155,000
Legal and professional charges	65,505,041	45,155,791
Payments to auditors (Also refer note 38)	1,660,295	1,751,707
Provision for doubtful debts	1,296,000	1,654,990
Bad debts	120,835	1,418,831
Research and Development expenses	71,209	-
Donation	6,519,462	6,320,734
Loss on sale of assets	-	157,157
Loss on impairment (Also, Refer note 14)	-	5,053,792
Net loss on foreign currency transactions and translations	5,462,726	490,828
Miscellaneous expenses	20,260,265	16,560,605
	<u>517,289,450</u>	<u>415,654,940</u>
32 Prior period items		
Prior period income consists of		
Sales tax deferral liability	-	(1,036,897)
The Company has received sales tax assessment order for the year 2003-04 wherein the liability determined by the authorities was reduced by Rs 10,36,897. The same was received in the financial year 2010-11. However the effect of the same has been taken in the current year and hence is a prior period income		
Prior period expense consists of		
Interest expenses	-	152,513
Legal and professional charges	-	125,000
Depreciation	-	181,598
Miscellaneous expenses	-	814,575
	<u>-</u>	<u>236,789</u>
33 Extraordinary items		
During the year on one occasion the goods sold by the company were damaged as the carrier met with a road accident. The resultant loss was Rs.15,06,609. The insurance claim was received for this amount.		
Loss of goods in transit	-	1,506,609
	<u>-</u>	<u>1,506,609</u>

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
34 Earning per share		
<p>The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:</p>		
a) Computation of profit for computing basic and diluted earning per share		
Net profit after tax for the year	498,188,398	337,546,721
Net profit after tax for the year without extra-ordinary items	498,188,398	339,053,330
b) Computation of weighted average number of shares for		
Basic earnings per share	21,312,094	20,731,200
Diluted earnings per share	21,312,094	20,731,200
c) Nominal value of shares		
	10.00	10.00
d) Computation		
Including extra-ordinary items		
Basic	23.38	16.28
Diluted	23.38	16.28
Excluding extra-ordinary items		
Basic	23.38	16.35
Diluted	23.38	16.35
35 Segments reporting		
By geographical segment		
Segment revenue		
Particulars		
India	913,914,302	650,247,322
Outside India	1,290,270,327	1,067,156,405
Total	<u>2,204,184,629</u>	<u>1,717,403,727</u>
Segment assets		
Particulars		
India	1,952,397,354	1,652,549,931
Outside India	2,007,910,885	1,840,895,000
Total	<u>3,960,308,239</u>	<u>3,493,444,931</u>

36 Related parties
a) Names of related parties
I Key Management Personnel (KMP)

Mr. Vasant L. Rathi
 Mr. Chandrakant L. Rathi
 Mrs. Savita C. Rathi
 Mr. Mukund M. Kabra
 Mr. Piyush C. Rathi

Relatives of KMP :

Mrs. Radhika Pujara
 Mrs. Prabha V. Rathi
 Ms. Rachana Rathi
 Ms. Rasika Rathi
 Ms. Reshma Rathi
 Mr. Kishore L. Rathi
 Mrs. Mangala M. Kabra
 Mrs. Divya P. Rathi
 Mrs. Gitanjali M. Kabra

II Other Related Parties (companies in which either of the KMPs or their relatives have significant influence)

Atharva Capital Ventures Private Limited
 Chandrakant Rathi Financial & Investment Company Private Limited
 Advanced Vital Enzymes Limited
 Advanced Supplementary Technologies Corporation (Upto 31 October 2012)
 C.L. Rathi H.U.F. (Hindu Undivided Family)
 Rathi Properties LLC

b) Transactions with related parties

The following transactions were carried out with the related parties mentioned in A above, in the ordinary course of business.

In Rupees

Transactions during the period	KMP & Relatives		Other Related parties	
	2012-13	2011-12	2012-13	2011-12
1 Sale of Goods				
Advanced Supplementary Technologies Corporation	-	-	37,012,367	51,046,351
Advanced Vital Enzymes Limited	-	-	22,383,085	18,666,440
			59,395,452	69,712,791
2 Rent Paid				
Rathi Properties LLC	-	-	7,251,229	6,384,892
Prabha Rathi	-	59,932	-	-
Vasant Rathi	1,225,151	-	-	-
	1,225,151	59,932	7,251,229	6,384,892
3 Remuneration to Directors & their Relatives *				
Mr. Chandrakant L. Rathi	8,358,510	5,772,104	-	-
Mr. Vasant L. Rathi	17,405,648	-	-	-
Mrs. Savita C. Rathi	2,943,983	2,334,847	-	-
Mr. Mukund Kabra	7,729,805	6,156,853	-	-
Mr. Kishore L. Rathi	1,668,739	1,534,826	-	-
Mrs. Mangala M. Kabra	1,774,167	1,723,970	-	-
Mr. Piyush Rathi	3,115,381	2,424,702	-	-
Mrs. Prabha V. Rathi	10,617,978	9,349,428	-	-
Ms. Reshama V. Rathi	3,161,315	2,560,593	-	-
Ms Rachana Rathi	1,383,269	-	-	-
	58,158,795	31,857,323	-	-
Commission to directors *				
Mr. Vasant L. Rathi	2,341,356	2,059,811	-	-
Mr. Chandrakant L. Rathi	1,756,017	1,544,858	-	-
Mr. Mukund Kabra	1,170,678	1,029,906	-	-
* included in Employee benefit expense	5,268,051	4,634,575	-	-
4 Interest received				
Advanced Vital Enzymes Limited	-	-	4,896,865	7,594,304
			4,896,865	7,594,304
5 Interest paid on borrowings				
Mr. Vasant L. Rathi	37,068,885	75,923,398	-	-
Ms. Rachana Rathi	616,823	2,502,962	-	-
Ms. Rasika Rathi	616,823	2,502,962	-	-
Ms. Reshma Rathi	616,823	2,502,962	-	-
Rathi Property, LLC	-	-	1,812,570	-
	38,919,354	83,432,284	1,812,570	-
6 Interest paid on fixed deposits				
Chandrakant Rathi Finance & Investment Private Limited	-	-	423,485	507,486
Atharva Capital Ventures Private Limited	-	-	216,414	355,729
C. L. Rathi H.U.F. (Hindu Undivided Family)	-	-	268,000	272,014
Mr. Vasant L. Rathi	1,125,182	1,197,363	-	-

In Rupees

Transactions during the period	KMP & Relatives		Other Related parties	
	2012-13	2011-12	2012-13	2011-12
Mrs. Prabha V. Rathi	45,144	46,494	-	-
Mrs. Radhika Pujara	250,845	283,145	-	-
Mrs. Divya P. Rathi	117,150	117,471	-	-
Mr. Piyush Rathi	5,500	8,062	-	-
	1,543,821	1,652,535	907,899	1,135,299
7 Advances received / Paid (Net)				
Mr. Vasant L. Rathi	935,985,464	1,133,228,009	-	-
Ms. Rachana Rathi	16,153,622	37,330,445	-	-
Ms. Rasika Rathi	16,153,622	37,330,445	-	-
Ms. Reshma Rathi	16,153,622	37,330,445	-	-
Advanced Vital Enzymes Limited	-	-	(40,169,640)	(10,681,204)
Rathi Properties, LLC	-	-	163,167,900	-
	984,446,330	1,245,219,344	122,998,260	(10,681,204)
8 Deposits received/ (repaid)				
Chandrakant Rathi Finance & Investment Private Limited	-	-	(800,000)	-
Atharva Capital Ventures Private Limited	-	-	(1,475,000)	-
Ms Radhika Pujara	(225,000)	150,000	-	-
	(225,000)	150,000	(2,275,000)	-
9 Purchase of Shares				
Mr. Vasant L. Rathi	31,875,208	1,293,575,010	-	-
Ms. Rachana Rathi	45,296,348	42,645,330	-	-
Ms. Rasika Rathi	45,296,348	42,645,330	-	-
Ms. Reshma Rathi	45,296,348	42,645,330	-	-
	167,764,252	1,421,511,000	-	-
c) Balances at the year ended				
Outstanding balances				
a. Fixed deposits				
Chandrakant Rathi Finance & Investment Private Limited	-	-	3,600,000	4,400,000
Atharva Capital Ventures Private Limited	-	-	1,500,000	2,975,000
C. L. Rathi H.U.F. (Hindu Undivided Family)	-	-	2,450,000	2,450,000
Mr. Vasant L. Rathi	10,211,000	10,211,000	-	-
Mrs. Prabha V. Rathi	410,000	410,000	-	-
Mrs. Radhika Pujara	2,275,000	2,500,000	-	-
Mrs. Divya P. Rathi	1,065,000	1,065,000	-	-
Mr. Piyush Rathi	50,000	50,000	-	-
	14,011,000	14,236,000	7,550,000	9,825,000
b. Investment				
Advanced Vital Enzymes Limited	-	-	568,022	568,022
	-	-	568,022	568,022
c. Trade receivable				
Advanced Supplementary Technologies Corporation	-	-	-	297,629
Advanced Vital Enzymes Limited	-	-	10,610,513	14,754,204
	-	-	10,610,513	15,051,833
d. Trade payable				
Rathi Properties, LLC	-	-	9,210,641	567,707
	-	-	9,210,641	567,707
e. Advances paid				
Advanced Vital Enzymes Limited	-	-	52,715,839	69,090,043
	-	-	52,715,839	69,090,043
f. Loan received				
Mr. Vasant L. Rathi	934,621,815	1,133,228,009	-	-
Ms. Rachana Rathi	14,215,840	37,330,445	-	-
Ms. Rasika Rathi	14,215,840	37,330,445	-	-
Ms. Reshma Rathi	14,215,840	37,330,445	-	-
Rathi Properties, LLC	-	-	163,167,900	-
	977,269,335	1,245,219,344	163,167,900	-
g. Commission Payable				
Mr. Vasant L. Rathi	1,979,617	1,741,570	-	-
Mr. Chandrakant L. Rathi	1,580,415	1,390,372	-	-
Mr. Mukund M Kabara	1,053,610	926,915	-	-
	4,613,642	4,058,857	-	-
h. Interest Payble				
Mr. Vasant L. Rathi	73,154	-	-	-
Ms. Rachana Rathi	103,992	-	-	-
Ms. Rasika Rathi	103,992	-	-	-
Ms. Reshma Rathi	103,992	-	-	-
	385,130	-	-	-

No amount has been provided as doubtful debts or advances / written off or written back in the period in respect of debts due from / to above related parties.

	Year ended 31 March 2013 Rupees	Year ended 31 March 2012 Rupees
37 Disclosures in respect of non-cancellable operating leases		
Payable not later than one year	7,242,990	10,971,480
Payable later than one year not later than five years	19,918,224	33,595,302
Payable later than five years	-	7,296,000
Total	<u><u>27,161,214</u></u>	<u><u>51,862,782</u></u>
38 Payments to auditors (excluding service tax)		
As auditor		
Statutory audit	1,235,960	1,751,707
In other capacity		
Other services		
In relation to filing of draft red herring prospectus*	1,230,528	-
Certification work	<u>296,068</u>	-
	<u>1,526,596</u>	-
Reimbursement of expenses	<u>128,267</u>	-
	<u><u>2,890,823</u></u>	<u><u>1,751,707</u></u>

* The amount has been included in fund raising expenses under note no. 16.

39 Capitalisation of expenditure

The group has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the group.

	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
Salaries, wages and bonus	8,147,913	9,536,125
Power and fuel	21,061,655	8,937,174
Carriage inward and freight	-	805,538
Water charges	1,006,169	807,843
Rates and taxes	-	603,750
Legal and professional fees	-	747,350
Travel, conveyance and car hire	271,022	806,918
Miscellaneous expenses	454,363	885,339
Finance costs	35,927,240	60,825,434
	66,868,362	83,955,471
Less: Interest income	-	2,529,685
	66,868,362	81,425,786

The borrowing costs capitalised during the year ended 31 March 2013 was Rs.17,483,614 (31 March 2012 was Rs.22,072,512). The Company capitalised borrowing cost in the capital work in progress (CWIP).

The Central Government vide notification dated 31 March 2009 had amended Accounting Standard (AS-11) - The effects of changes in Exchange Rates notified under the Company's (Accounting Standard) Rules, 2006, further amended by its notification dated 11 May 2011. Accordingly, the Company had exercised the option stated in paragraph 46 of AS 11 retrospectively from 1 April 2007. Consequently, the Company had recognised the exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable capital assets, which are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

40 Advanced Enzyme Europe B.V., is incorporated in Netherlands, on 5 June 2012 and the 100% equity is held by Advanced Enzyme Technologies Limited. Advanced Enzymes, USA has acquired 100% stake in Advanced Supplementary Technologies Corporation, on 31 October 2012. Hence, Consolidated Financial statement includes figure of Advanced Enzyme Europe B.V. and Advanced Supplementary Technologies Corporation for the period of 5 June 2012 to 31 March 2013 and 1 November 2012 to 31 March 2013.

41 Previous year/ period comparatives

The previous year figures have been regrouped and reclassified wherever necessary to make them comparable with the current year figures.

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

Kedar Desai
Chairman

C. L. Rathi
Managing Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 6 July 2013

Thane, 6 July 2013

The Central Government vide notification dated February 8, 2011 granted general exemption u/s.212(8) of the Companies Act, 1956.

The Company being eligible, has availed the exemption granted as per the above notification. The Board of Directors of the Company has given consent to avail the exemption granted under the above notification with regard to consolidation of accounts of subsidiaries and not attaching their balance sheets. Accordingly, information required to be disclosed as per the said notification is given below.

	Advanced Bio-Agro Tech Ltd	Advanced EnzyTech Solutions Ltd	Advanced Enzymes Far East Ltd	Advanced Bio Proteins Ltd	Advanced Enzymes, USA	Advanced Enzymes Europe B.V.,
Share Capital	1,000,000	700,000	***9,472,035	500,000	#270,425,000	^^^5,210,766
Reserves & Surplus	57,962,443	8,635,224	(8,337,321)	(43,491)	326,087,863	(6,021,859)
Total assets (including investments)	92,597,056	55,203,193	*1,148,197	450,543	##1,971,719,664	^147,817
Total liabilities	33,911,253	45,888,259	13,483	13,483	-	^958,910
Investments	-	-	-	-	^1,709,529,685	-
Turnover	225,197,908	104,951,176	**12,143,238	-	###1,015,513,363	-
Profit before taxation	38,616,948	5,685,232	**2,931,458	(23,621)	###403,145,360	^(6,072,109)
Provision for taxation	12,673,370	1,753,330	-	(7,299)	###164,269,862	-
Profit after taxation	25,943,578	3,931,902	**2,931,458	(16,322)	###238,875,498	^(6,072,109)
Proposed dividend	4,000,000	-	-	-	-	-

* Rate as on 31/03/2013 = Rs.6.99

** Avg Rate for F.Y. 2012-13 = Rs.7.01

*** Rate on Investment made i.e. 11/03/2009 = Rs.6.320010

**** Rate on further Investment made i.e. 31/10/2012 = Rs.6.952991

#

Exchange Rate on 01/01/2011 = Rs.45.12

Exchange Rate on 06/04/2011 = Rs.44.23

Exchange Rate on 11/12/2013 = Rs.52.63

Exchange Rate on 31/03/2013 = Rs.54.3893

Avg Exchange rate for F.Y. 2012-13 = Rs.54.4512

^ Includes amount invested in step subsidiaries

^^ Specialty Enzyme Bio-Chemicals & AST Enzymes

^

Exchange Rate on 31/03/2013 = Rs.69.54

^^ Avg Exchange Rate for F.Y. 2012-13 = Rs.70.07

^^^ Exchange Rate on 09/05/2012 = Rs.69.4005

Exchange Rate on 31/10/2012 = Rs.70.1495

Achievements



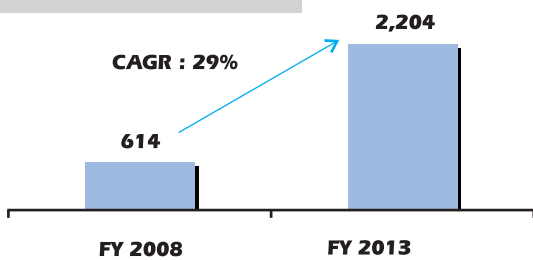
Advanced Enzymes is ranked amongst the top 500 of India's fastest-growing mid-sized companies' list for 2012 by Inc. India. Piyush Rathi, Chief Marketing Officer (center) receives the award on behalf of Advanced Enzymes during the award ceremony held on March 23, 2013 at New Delhi.

Advanced Enzymes bags First Runner Up as 'Most Innovative Exporter' at ECGC - D&B Indian Exporters' Excellence Awards 2012. Sandeep Bijamwar, Business Head - Healthcare API, receives the award on behalf of Advanced Enzymes on November 24, 2012 at Mumbai.

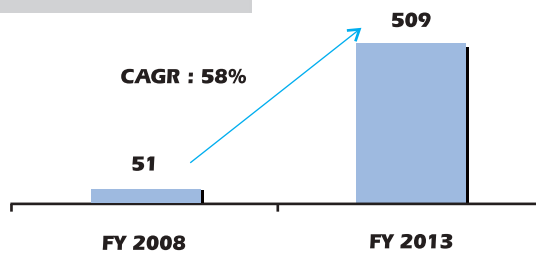


* in ₹ million

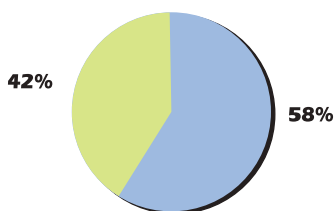
Consolidated Revenue



Consolidated PAT

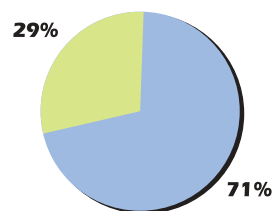


Revenue Breakup FY 2013



■ International Market ■ Domestic Market

Revenue Breakup FY 2013



■ HealthCare & Nutrition ■ Bio-Processing

Key Business Parameters

