

# 2013 - 2014 ANNUAL REPORT

*Welcome to The world of better business*

ANIMAL HEALTHCARE  
AND NUTRITION



INDUSTRIAL PROCESSING



HUMAN HEALTHCARE



BIOLOGICAL



FOOD PROCESSING



BIO-FUELS



# Financial Highlights

ANNUAL REPORT 2013-14							
FINANCIAL HIGHLIGHT ON CONSOLIDATED BASIS							(Rupees in Millions)
A) Financial Results Summary	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Net sales	2,394	2,204	1,717	1,166	1137	848	614
EBIDTA	1,031	943	657	263	243	179	115
Depreciation	100	74	55	50	51	47	33
EBIT	931	869	602	213	192	132	82
Finance Charge	132	96	122	23	31	39	18
Profit before tax & exceptional items	799	773	479	190	160	93	64
Exceptional items	514	-	-	-	-	-	-
Profit before tax	284	773	479	190	160	93	64
Tax	74	264	135	21	39	20	12
Profit after tax incl minority	210	509	344	169	121	72	52
PAT	197	498	338	167	115	70	51
Paid up capital-Equity	218	218	207	207	207	104	104
Reserves & surplus	1,457	1,416	761	425	271	272	214
Shareholders' Fund	1,674	1,634	968	1,291	479	375	317
Minority interest	36	24	16	13	11	4	2
Long term borrowings	879	1,167	1,394	370	108	132	157
Working capital finance	361	306	359	268	205	144	180
Short term unsecured borrowings	30	22	20	5	8	11	3
Total Debt	1,270	1,496	1,773	643	321	287	340
Current liabilities	935	691	668	174	215	204	186
Tangible assets (net)	1,149	1,158	496	512	539	515	513
Intangible assets (net)	-	-	1	2	3	5	1
Goodwill on acquisition	1,710	1,710	1,547	-	-	-	-
Current assets	920	937	768	615	506	381	353
Net worth	1,674	1,634	968	633	479	375	317
Total outside liabilities - TOL	2,242	2,210	2,457	829	547	495	528
<b>Growth Indicators</b>							
Net Sales	39%	28%	47%	3%	34%	38%	0%
EBIDTA	57%	44%	150%	8%	36%	56%	-10%
EBIT	55%	44%	182%	11%	45%	61%	-18%
PAT	-42%	48%	102%	45%	64%	38%	-19%
<b>Key Operating Ratio</b>							
EBITDA Margin	43%	43%	38%	23%	21%	21%	19%
EBIT Margin	39%	39%	35%	18%	17%	16%	13%
PAT Margin	9%	23%	20%	14%	10%	8%	8%
<b>Financial Leverage</b>							
Debt/Equity	0.74	0.90	1.80	1.00	0.66	0.76	1.07
Interest Coverage	7.05	9.09	4.92	9.27	6.13	3.36	4.56
Debt/EBITDA	1.41	1.76	3.32	2.68	1.52	2.05	3.51
<b>Return Ratios</b>							
RoE	12%	31%	35%	26%	25%	19%	16%
ROCE	32%	28%	22%	17%	24%	20%	12%
<b>Other Ratios</b>							
Turnover to Fixed Assets	1.40	1.36	1.16	0.78	0.77	0.57	0.41
TOL to Net Worth Ratio	1.34	1.35	2.54	1.31	1.14	1.32	1.67
Book Value per share (Rs.)	77	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
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. Plot no. A-161, Main Road No. 27, Wagle Industrial Estate, Thane (W) 400 604
2. A-135, Road No. 23, Wagle Industrial Estate, Thane (W) 400 604
3. A-61, M.I.D.C. Area, Sinnar, Nasik 422 103

## **PLANTS**

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

## **BANKERS**

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

## **AUDITORS**

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

## **COST AUDITORS**

Shipa & 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 Enzymes USA, USA  
Cal India Foods International, USA  
Advanced Supplementary Technologies Corporation, USA  
Advanced Enzymes Europe B.V., Netherlands

## DIRECTORS' REPORT

The Directors are delighted to present their Twenty Fifth Annual Report together with the audited statement of accounts of the Company for the year ended 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS

	<b>Year ended 31.03.2014 (Rs. in Millions)</b>	<b>Year ended 31.03.2013 (Rs. in Millions)</b>
Profit before depreciation, interest, exceptional items & tax	<b>394.5</b>	427.4
(Less):		
Depreciation	<b>92.3</b>	69.6
Interest / Finance charges	<b>82.8</b>	37.8
Exceptional items	<b>120.6</b>	-
	<b>295.7</b>	107.4
Profit before tax	<b>98.8</b>	320.0
Less/(Add): Provision for taxation		
Current tax	<b>18.4</b>	68.1
Deferred tax	<b>12.7</b>	68.0
MAT credit entitlement	<b>(18.4)</b>	(50.3)
	<b>12.7</b>	85.8
Profit after tax	<b>86.1</b>	234.2
Balance brought forward	<b>763.3</b>	579.0
Profit available for appropriation	<b>849.4</b>	813.2
Out of which Directors have appropriated as follows		
Proposed dividend (including tax on dividend)	<b>12.3</b>	38.2
Transfer to General Reserve	-	11.7
Balance in Profit and loss account carried to Balance sheet	<b>837.1</b>	763.3

### CONSOLIDATED FINANCIAL RESULTS

	<b>Year ended 31.03.2014 (Rs. in Millions)</b>	<b>Year ended 31.03.2013 (Rs. in Millions)</b>
Profit before depreciation, interest, exceptional items & tax	<b>1030.6</b>	943.1
(Less):		
Depreciation	<b>99.8</b>	74.3
Interest / Finance charges	<b>131.9</b>	95.5
Exceptional items	<b>514.3</b>	-
Total	<b>746.0</b>	169.8
Profit before tax	<b>284.6</b>	773.3
Less/(Add): Provision for taxation		
Current tax	<b>165.2</b>	250.5
Deferred tax	<b>(72.4)</b>	64.3
MAT credit entitlement	<b>(18.4)</b>	(50.3)
Total	<b>74.5</b>	264.5
Profit after tax	<b>210.1</b>	508.8

## **DIVIDEND**

Your Directors recommend payment of dividend @ 5% for FY 14, amounting to Rs. 10.88 Million.

During the year 2013-14, unclaimed dividend of Rs. 29,596/- pertaining to financial year 2005-06, 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 & FINANCIAL PERFORMANCE**

The Company continued to be leader amongst the integrated enzyme manufacturing companies from India with consolidated net sale of Rs. 2394 million during the current year as against Rs. 2204 million during previous year, a growth of 8.6%. EBIDTA margin was at Rs. 1011 Million (42%) during FY 2014 as compared to Rs. 907 Million (41%) during FY 2013, a growth of about 13%.

Profit before exceptional items and tax stood at Rs. 799 Million as against Rs. 773 Million in the previous year. Profit after tax stood at Rs. 210 Million as against Rs. 509 Million during the previous year.

The fall in profit is attributed to foreign exchange impact due to depreciation of rupee against major currencies of about Rs. 35 Million and exceptional items charged in respect of one time inventory write off, settlement of claims including provision thereof and certain expenses related to recall, aggregating to Rs. 514 Million, due to the unprecedented event as described hereinafter.

During the second half of the year, some of the lots of products exported by the Company to USA, Japan and EU reported to have potential contamination with trace amounts of the antibiotic Chloramphenicol. Accordingly, Specialty Enzyme and Biochemicals (SEB), who has done, voluntarily recall of those specific lots of enzyme products and the Company also got goods returned back from some its overseas customers in EU, Japan and USA.

On standalone basis, a total net sale of the Company was at Rs. 1358 million during FY 2014 as compared to Rs. 1416 million during FY 2013. The fall in sale during the year is due to lower domestic sales Rs. 772 Million as against Rs. 824 Million during FY 2013, mainly due to strategic decision for going slow on non-core low margin products.

The Company's exports was at Rs. 586 million during FY 2014 from Rs. 593 million as compared to FY 2013 as export during second half of the year suffered due to the unprecedented event as mentioned above.

## **AWARDS AND RECOGNITION**

Your Company during FY 2014, in second consecutive year, is one of the recipients of the fastest growing mid-sized business award by "Inc. India". The company is also awarded Pharmexcil Patent Award 2012-13 for its outstanding contribution to India's Pharmaceutical industry during the year 2012-13 (Biotechnology-Certificate of Appreciation).

## **FUTURE OUTLOOK**

The global enzyme demand has increased at 8.5% annual pace from \$3.8 billion in 2005 to \$5.8 billion in 2010, helped in large part by the rapid increase in global energy prices, which made enzyme-related processes and products more cost effective, and facilitated the legislation of a rapid expansion of the fuel ethanol market. Additionally, the expanding middle class population in the rapidly growing developing countries contributed to robust gains in food and beverage enzymes, and the quick adoption of several enzyme-containing pharmaceuticals also supported growth.

Demand for enzymes is forecast to increase 6.8 per cent per year to \$8.0 billion in 2015, aided by rapid growth in key markets, as well as the introduction of new, higher-value products. This will include both new versions of existing products such as amylases and proteases that have been optimized for specific applications, and new enzyme types whose potential has yet to be fully explored.

Other enzymes will also offer some of the best opportunities for growth through 2015, helped by strong increases in phytase enzymes for animal feed applications, the market development of sulfatases and other enzymes for enzyme replacement therapy, and continued expansion of the biocatalyst market. Carbohydrases will continue to represent the largest single category of enzymes, supported by the large fuel ethanol and starch processing markets, as well as applications in food and beverages, textiles and pharmaceuticals. Proteases, the second largest enzyme category, will continue to lose market share as the cleaning product, dairy and leather markets have reached maturity and competitive pricing pressures remain strong.

The Company has been growing at 23% in last five years and it has consolidated its position in the enzyme market and it expects to improve its growth. The Company's continued focussed on integration from R&D to market, new version of some of its enzyme products and biocatalyst, will certainly help the Company to gain market share.

## **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 2014 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, Yes Bank and DBS Bank. The Company do have term loan from Indusind Bank and External Commercial Borrowing from DBS Bank.

## **DIRECTORS**

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

Mr. Pavari Kumar Gupta, Member of the Board, resigned from the Board of the Company effective from September 24th 2013. The Board thanks him for his insights that have helped the Company immensely.

Mr. Vasant Rathi & Mr. Pradip Bhailal Shah 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 & Co., Cost Accountants as Cost Auditors of our company to conduct cost audit of the said division for the year ending 31 March 2015. The Cost Audit report for the year ended March 31, 2013 in XBRL reporting was filed on September 26, 2013. Findings of the cost auditor have been satisfactory.

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

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

During the year, Advanced Enzyme Far East Limited, wholly owned subsidiary of the Company got dissolved and the Company has made disinvestment form Advanced Bio-Proteins Limited.

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.

## **PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956**

As per Section 212 of Companies Act, 1956, Company is required to attach the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiaries. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011 dated February 8, 2011, exempted companies from complying with section 212, provided such companies publish the audited consolidated financial statement in the Annual Report. The Company has published the audited consolidated financial statement for the fiscal 2014 and same forms part of the Annual Report. Accordingly, this financial statement does not contain the financial statements of the subsidiaries. The Statement pursuant to section 212 of the Companies Act, 1956, highlighting the summary of the financial performance of the subsidiaries is annexed to this 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).

The audit committee met twice 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.120.7 (including Capital expenditure of Rs. 28.1 million) for the current year and constitute 8.90% of net sales of the Company as against Rs. 98.9 million (including capital expenditure of Rs. 16.6 Million) incurred during the previous year, 6.98% of net sales.

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

The Company has focussed and accelerated the IPR work on a number of products. The Company having nine registered patent, over 100 registered trademarks and five registered copy rights as well. Some patent applications are under various stage of grant.

#### **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 participates viz NSDL as well as CDSL and allotted ISIN Number INE 837H01012. 197,485,520 shares constituting about 90.73% of total shares have been demated till 31st March 2014.

#### **SHARE TRANSFER AGENT**

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

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

Website of the Company is [www.advancedenzymes.com](http://www.advancedenzymes.com) where detailed information of the Company 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, 16th June 2014

**(Kedar Desai)**  
Chairman

**(C.L.Rathi)**  
Managing Director

**ANNEXURE "I" TO THE DIRECTOR'S REPORT**

<b>Name of the subsidiary</b>	<b>Advanced Bio-Agro Tech Limited</b>	<b>Advanced EnzyTech Solutions Limited</b>	<b>Advanced Enzymes Europe B.V. (Netherlands)</b>	<b>Advanced Enzymes USA* (U.S.A.)</b>
Extent of Holding	60% (60%)	100% (100%)	100% (100%)	100% (100%)
Date of incorporation	09.11.2004	01.09.2008	05.06.2012	01.11.2010
Accounting year	From 01.04.2013 to 31.03.2014	From 01.04.2013 to 31.03.2014	From 01.04.2013 to 31.03.2014	From 01.04.2013 to 31.03.2014
Net aggregate of profit /(loss) for current period of the subsidiary so far it concerns the members of the holding Company				
(a) Dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil	Nil
(b) Not dealt with Or provided for in the accounts of the holding Company	Rs. 21,830,615	Rs. 69,44,518	Rs. (76,86,655)	Rs. 94,024,589
Net aggregate of profit /(loss) for previous financial years of the subsidiary so far it concerns the members of the holding Company				
(a) Dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil	Nil
(b) Not dealt with or provided for in the accounts of the holding Company	Rs. 15,566,147	Rs. 39,31,902	Rs. (60,72,109)	Rs. 238,875,497

\* 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 Oct 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 2014.

### 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

		<u>Year Ended March 2014</u>	<u>Year Ended March 2013</u>
<b>A) Power and Fuel Consumption</b>			
<b>1. Electricity</b>			
<b>a. Purchased from M.S.E.B.</b>			
Total Units	Kwh	8580707	9690242
Total Amount	Rs.	49,553,594	60,975,961
Average rate per Kwh.	Rs.	5.78	6.29
<b>b. Own Generation (Through Diesel)</b>			
Total Units	Kwh	172570	215257
High Speed Diesel Oil Quantity	Ltrs	38349	47835
Amount	Rs.	2,187,947	2,252,165
Average Rate per Ltr	Rs.	57.05	47.08
Average Rate per Kwh.	Rs.	12.68	10.46
<b>2. Furnace Oil &amp; Diesel (for steam generation)</b>			
Quantity		1997710	2581602
Total Amount		82,100,118	104,825,289
Average Rate per Ltr.		41.10	40.60

### (B) Consumption per Tone of production

(Total production 2671.83 MT (Last Year 2410.11 MT))

	<u>Year Ended 31 March 2014</u>		<u>Year Ended 31 March 2013</u>	
	Unit (kwh)	Amount	Unit (kwh)	Amount
<b>1. Electricity</b>				
Purchased	8,580,707	49,553,594	9,690,242	60,975,961
Own Generation	172,571	2,187,947	215,258	2,252,165
<b>TOTAL</b>	<b>8,753,278</b>	<b>51,741,541</b>	<b>9,905,500</b>	<b>63,228,126</b>
Average per tone of production	3,276	19,366	4,110	26,235
<b>2. Steam</b>				
Through Furnace Oil & Diesel	26,969,085	82,100,118	34,851,627	104,825,289
<b>TOTAL</b>	<b>26,969,085</b>	<b>82,100,118</b>	<b>34,851,627</b>	<b>104,825,289</b>
Average per tone of Production	10,094	30,728	14,461	43,494

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
  - Fermentation process improvement to optimize production yields.
  - Optimization of raw material consumption to reduce production cost.
  - Generation of new mutant strains with improved production efficiency.
  - Characterization of the enzymes to help existing business and support regulatory requirements.
  - 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.
  
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 fungal Lipases production, have been developed and scaled up.

3. Expenditure on R&D:	<b>(Rs. in millions)</b>	<b>(Rs. in millions)</b>
	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>
(a) Capital	<u><b>28.1</b></u>	<u><b>16.6</b></u>
(b) Recurring	<u><b>92.6</b></u>	<u><b>82.3</b></u>
(c) Total	<u><b>120.7</b></u>	<u><b>98.8</b></u>
(d) Total R&D expenditure as a % of net sales of the Company	<b>8.90%</b>	<b>6.98%</b>

**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 bacterial proteases.
  - 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	59	B.Tech (Hons) Chemical Engg. DBM	36 YRS.	30.11.1992	9,479,334*	Self Employment - Prop-SORL.
Previous Year	----do----	58	----do----	35YRS.	----do----	(10,114,527)	----do----
Mr. M.M. Kabra	Director (Operations)	42	BE.(Chemical), Master of Science	15 YRS.	01.09.2004	8,363,792*	Arun & Co.
Previous Year	----do----	41	----do----	14 YRS.	----do----	(8,900,483)	----do----

\*Both the employees are whole time directors of the Company and have waived their entitlement to commission on net profit for the financial year 2013-14. Previous year figures includes commission of Rs. 1,756,017/- and Rs. 1,170,678/- provided to Mr. C.L. Rathi and Mr. Mukund Kabra, respectively.

**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 2014, accordingly no information is furnished.

**By Order of the Board of Directors**

Thane, 16th June 2014

**(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 2014, 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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 qualified audit opinion.

#### Basis for Qualified Opinion

6. As stated in Note 42(a) to the financial statements, the Company has paid Rs. 9.32 million as managerial remuneration, in excess of the allowable limits under Companies Act, 1956, for the year ended 31 March 2014, without the previous approval of Central Government. The Company is in the process of seeking the necessary approval in this regard. Pending such approval, no adjustments have been made to the accompanying financial statements.
7. As stated in Note 42(b) to the financial statements, the Company has paid Rs. 0.97 million as remuneration to a person holding office or place of profit, in excess of the allowable limits under Companies Act, 1956, for the year ended 31 March 2014. The Company has applied to the Central Government to seek approval of the remuneration paid, which is currently awaited. Pending the final outcome of the Company's application, no adjustments have been made to the accompanying financial statements in this regard.

#### Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, 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 2014;
  - 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**

9. 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.
10. 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. Except for the effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For Walker Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm Registration No.: 001076N

per **Khushroo B. Panthaky**  
Partner  
Membership No.: F-42423  
Place: Mumbai  
Date: 9 June 2014

**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 2014.**

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) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in 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 granted unsecured loans to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 27.68 million and the year-end balance is Rs. 21.75 million.
  - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
  - (c) In respect of loans granted, receipt of the principal amount and the interest is regular.
  - (d) There is no overdue amount in respect of loans granted to such companies.
  - (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. 29.35 million and the year-end balance is Rs. 0.41 million.
  - (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 from six parties, repayment of the principal amount and the interest is regular and in respect of loan taken from one party, the principal amount is not due for repayment currently; however, the payment of 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. 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) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at 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 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) 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, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount Paid Under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.40	-	Assessment year 2004-05	Bombay High Court
Income Tax Act, 1961	Income tax	0.79	-	Assessment year 2005-06	Commissioner, Appeals
Income Tax Act, 1961	Income tax	162.86	4.00	Assessment year 2010-11	Commissioner, Appeals
Income Tax Act, 1961	Income tax	57.38	-	Assessment year 2011-12	Commissioner, Appeals

- (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 or financial institution during the year. The Company did not have any 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 LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm Registration No.: 001076N

per **Khushroo B. Panthaky**  
Partner  
Membership No.: F-42423  
Place: Mumbai  
Date: 9 June 2014

## BALANCE SHEET AS AT 31 MARCH, 2014

	Note no.	As at 31 March 2014 Rs. in million	As at 31 March 2013 Rs. in million
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	5	217.66	217.66
Reserves and surplus	6	1,162.31	1,088.53
		<b>1,379.97</b>	<b>1,306.19</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	155.00	269.34
Deferred tax liabilities (net)	8	144.86	132.19
		<b>299.86</b>	<b>401.53</b>
<b>Current liabilities</b>			
Short-term borrowings	7	317.39	234.02
Trade payables	10	91.67	177.91
Other current liabilities	11	165.95	156.80
Short-term provisions	9	25.90	72.18
		<b>600.91</b>	<b>640.91</b>
<b>Total</b>		<b>2,280.74</b>	<b>2,348.63</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	1,099.14	1,137.79
Intangible assets	13	0.13	0.17
Capital work-in-progress		5.02	0.51
Non-current investments	14	280.20	279.63
Long-term loans and advances	15	76.63	65.38
Other non-current assets	16	93.14	84.61
		<b>1,554.26</b>	<b>1,568.09</b>
<b>Current assets</b>			
Inventories	17	366.87	356.30
Trade receivables	18	286.75	335.00
Cash and bank balances	19	18.41	19.20
Short-term loans and advances	15	54.45	70.04
		<b>726.48</b>	<b>780.54</b>
<b>Total</b>		<b>2,280.74</b>	<b>2,348.63</b>

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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner

**C. L. Rathi**  
 Managing Director

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

Mumbai, Date: 9 June 2014

Thane, Date: 9 June 2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

	Note no.	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Revenue</b>			
Revenue from operations (gross)	21	1,430.79	1,501.31
Less : Excise duty		73.15	84.94
Revenue from operations (net)		1,357.64	1,416.37
Other income	22	19.64	21.14
<b>Total revenue</b>		<b>1,377.28</b>	<b>1,437.51</b>
<b>Expenses</b>			
Cost of materials consumed	23	434.53	512.68
Changes in inventories of finished goods and work-in-progress	24	(65.96)	(85.41)
Employee benefit expenses	25	179.58	152.69
Finance costs	26	82.84	37.78
Depreciation and amortisation expense	27	92.32	69.56
Other expenses	28	434.63	430.20
<b>Total expenses</b>		<b>1,157.94</b>	<b>1,117.50</b>
<b>Profit before exceptional items and tax</b>		<b>219.34</b>	<b>320.01</b>
Exceptional items	29	120.57	-
<b>Profit before tax</b>		<b>98.77</b>	<b>320.01</b>
<b>Tax expense</b>			
Current tax		18.36	68.09
MAT credit entitlement		(18.36)	(50.33)
Deferred tax charge		12.67	68.01
		12.67	85.77
<b>Profit after tax</b>		<b>86.10</b>	<b>234.24</b>
<b>Earnings per share</b>	30		
Basic		3.96	10.99
Diluted		3.96	10.99

**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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner

**C. L. Rathi**  
 Managing Director

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

Mumbai, Date: 9 June 2014

Thane, Date: 9 June 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	98.77	320.01
<b>Adjustments for non-cash transactions</b>		
Depreciation and amortisation expense	92.32	69.56
Loss on sale of fixed assets	0.51	-
(Profit) on sale of investments (net)	(0.38)	-
Investments written off	-	8.77
Allowances for (net of write offs)		
- bad and doubtful trade receivables	-	1.30
Bad and doubtful trade receivables written off	14.80	0.06
Excess provision written back	(9.40)	(0.31)
Sundry balances written back/off	3.60	1.48
Unrealised foreign exchange (gain)	(14.77)	(0.18)
	<b>185.45</b>	<b>400.69</b>
<b>Items considered separately</b>		
Interest income	(4.40)	(8.01)
Interest expenses	43.74	33.93
Dividend income	(2.40)	(2.40)
<b>Operating profit before working capital changes</b>	<b>222.39</b>	<b>424.21</b>
Increase / (decrease) in short term liabilities and provisions	(11.55)	3.91
Increase / (decrease) in trade payables	(86.70)	5.44
(Increase) in inventories	(10.57)	(158.08)
(Increase) / decrease in trade receivables	40.79	(52.37)
(Increase) / decrease in short term loans and advances	13.08	7.34
(Increase) / decrease in long term loans and advances	5.10	29.49
(Increase) / decrease in other non-current assets	9.91	(9.91)
<b>Cash generated from operating activities</b>	<b>182.45</b>	<b>250.03</b>
Income taxes paid	(54.56)	(71.44)
<b>Net cash generated from operating activities</b>	<b>127.89</b>	<b>178.59</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(60.67)	(134.04)
Proceeds from sale of tangible assets	0.40	-
Purchase of intangible assets	-	(0.17)
Purchase of non-current investments	(1.77)	(151.19)
Proceeds from sale of non-current investments	1.58	-
Interest received	3.31	7.80
Dividends received	2.40	2.40
Deposits with maturity more than 3 months but less than 12 months	(0.74)	(2.32)
Bank deposits with maturity of more than 12 months	(0.08)	(0.12)
<b>Net cash (used in) investing activities</b>	<b>(55.57)</b>	<b>(277.64)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	299.98
(Repayment of) long term borrowings	(75.62)	(66.00)
(Repayment of) / Proceeds from short term borrowings	83.38	(93.57)
Interest paid	(43.74)	(33.93)
Dividends paid (including dividend tax)	(37.87)	(23.96)
<b>Net cash (used in) / generated from financing activities</b>	<b>(73.85)</b>	<b>82.52</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1.53)</b>	<b>(16.53)</b>
Cash and cash equivalents as at the beginning of the period	16.45	32.98
<b>Cash and cash equivalents as at the end of the period *</b>	<b>14.92</b>	<b>16.45</b>
<b>* Reconciliation of cash and cash equivalents</b>		
Cash in hand	0.57	0.43
Balance with scheduled banks :		
Current account	5.36	7.92
Fixed deposit account	8.20	7.62
Unclaimed dividend account	0.79	0.48
Deposits with maturity more than 3 months but less than 12 months	3.49	2.75
	<b>18.41</b>	<b>19.20</b>
Less: Deposits with maturity more than 3 months but less than 12 months	3.49	2.75
	<b>14.92</b>	<b>16.45</b>

**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.

**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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner  
 Mumbai, Date: 9 June 2014

**C. L. Rathi**  
 Managing Director  
 Thane, Date: 9 June 2014

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

## Summary of significant accounting policies and other explanatory information

### 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 notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

### 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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 and on plant and equipments on Straight Line Method with reference to managements assessment of the depreciation rates or at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.
- 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 market-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, 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.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

**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.

**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 in million	As at 31 March 2014 Rs. in million	Number in million	As at 31 March 2013 Rs. in million
<b>5 Share capital</b>				
<b>Authorised</b>				
Equity shares of Rs.10 each	35.00	350.00	35.00	350.00
	<u>35.00</u>	<u>350.00</u>	35.00	350.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 each	21.77	217.66	21.77	217.66
<b>Total</b>	<u>21.77</u>	<u>217.66</u>	<u>21.77</u>	<u>217.66</u>
<b>a) Reconciliation of Equity share capital</b>				
Balance at the beginning of the year	21.77	217.66	20.73	207.31
Add : Issued during the year	-	-	1.04	10.35
Balance at the end of the year	<u>21.77</u>	<u>217.66</u>	<u>21.77</u>	<u>217.66</u>
<b>Shareholding structure</b>				
<b>b) Shareholders holding more than 5% of the shares</b>				
	<u>Number</u>	<u>% of holding</u>	<u>Number</u>	<u>% of holding</u>
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8.28	38.05%	8.88	40.80%
Chandrakant Rathi Finance & Investment Company Private Limited	3.63	16.66%	3.62	16.64%
Atharva Capital Ventures Private Limited	2.49	11.45%	2.49	11.45%
Mrs. Prabha V. Rathi	0.38	1.76%	1.28	5.90%
Vasant and Prabha Rathi Generation Trust	1.50	6.89%	-	-
	<u>16.28</u>	<u>74.81%</u>	<u>16.27</u>	<u>74.79%</u>
<b>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</b>				
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.				
<b>d) Terms/rights attached to shares</b>				
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.				

	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>6 Reserves and surplus</b>		
<b>Capital reserves</b>	<b>3.00</b>	<b>3.00</b>
<b>Securities premium reserve</b>		
Balance at the beginning of the year	<b>289.63</b>	-
Add : Additions made during the year	<u>-</u>	<u>289.63</u>
Balance at the end of the year	<u><b>289.63</b></u>	<u><b>289.63</b></u>
<b>General reserve</b>		
Balance at the beginning of the year	<b>32.53</b>	20.82
Add : Additions made during the year	<u>-</u>	<u>11.71</u>
Balance at the end of the year	<u><b>32.53</b></u>	<u><b>32.53</b></u>
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	<b>763.37</b>	579.02
Add : Transferred from Statement of profit and loss	<b>86.10</b>	234.24
Less : Proposed dividend	<b>10.88</b>	32.65
Less : Tax on dividends distributed during the year	<b>1.44</b>	5.53
Less : Transfer to general reserve	<u>-</u>	<u>11.71</u>
Balance at the end of the year	<u><b>837.15</b></u>	<u><b>763.37</b></u>
	<u><b>1,162.31</b></u>	<u><b>1,088.53</b></u>

	As at 31 March 2014		As at 31 March 2013	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
<b>7 Borrowings</b>				
<b>Secured</b>				
Term loans				
From banks	92.15	-	181.17	-
Vehicle loans	3.20	-	4.03	-
Loans repayable on demand				
From banks	-	317.39	-	233.78
	<u>95.35</u>	<u>317.39</u>	<u>185.20</u>	<u>233.78</u>
<b>Unsecured</b>				
Fixed deposits				
From directors	-	-	10.21	-
From relatives of directors/ Entities in which directors are interested	-	-	8.90	-
From other shareholders	-	-	2.15	-
From others	-	-	1.16	-
Deferred sales tax payment liabilities	59.65	-	61.72	-
Loans from related parties	-	-	-	0.24
	<u>59.65</u>	<u>-</u>	<u>84.14</u>	<u>0.24</u>
<b>Total borrowings</b>	<u>155.00</u>	<u>317.39</u>	<u>269.34</u>	<u>234.02</u>
<b>a) Details of guarantee for each type of borrowings</b>				
<b>Guaranteed by Managing director</b>				
Term loans				
From banks	92.15	-	181.17	-
Loans repayable on demand				
From banks	-	317.39	-	233.78
<b>b) Details of security for each type of borrowings</b>				
(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 three banks and two financial institutes are secured by exclusive charge on vehicles as specified in their respective loan agreements.				



<b>c) Terms of repayment of term loans and other loans</b>		<b>Rs. in million</b>		
<b>Term loan from banks</b>				
Interest rate	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
11.25%	20.00	2.00	-	
6.75%	90.15	90.15	-	
<b>Vehicle Loan</b>				
Interest rate	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
9.01%	0.13	0.02	-	
9.25%	0.49	0.20	-	
9.74%	0.15	0.08	-	
9.96%	0.97	0.78	-	
10.35%	0.49	0.44	-	
10.50%	0.12	0.02	-	
10.59%	0.18	0.84	-	
10.83%	0.17	0.26	-	
11.60%	0.11	0.47	-	
12.50%	0.05	0.09	-	
<b>Fixed deposits</b>				
Interest rate	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
9.50%	0.15	-	-	
10.50%	1.02	-	-	
11.00%	11.02	-	-	
<b>Deferred sales tax payment liabilities</b>	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
	5.48	33.33	26.32	
* Has been disclosed under note 11 as current maturities				
		<b>As at</b>	<b>As at</b>	
		<b>31 March 2014</b>	<b>31 March 2013</b>	
		<b>Rs. in million</b>	<b>Rs. in million</b>	
<b>8 Deferred tax liabilities (net)</b>				
<b>Deferred tax liabilities</b>				
Timing difference on carrying amounts of tangible and intangible assets		<b>148.50</b>	135.59	
<b>Deferred tax assets</b>				
Provision for employee benefits		<b>2.13</b>	1.77	
Others		<b>1.51</b>	1.63	
		<b>144.86</b>	<b>132.19</b>	

	As at 31 March 2014		As at 31 March 2013	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
<b>9 Provisions</b>				
Provisions for employee benefits				
Leave encashment (Also, refer note (b) below)	-	1.60	-	0.98
Bonus	-	4.68	-	4.24
Proposed dividend to equity shareholders	-	10.88	-	32.65
Dividend tax	-	1.44	-	5.53
Provision for taxation (net of advance tax)	-	7.30	-	28.78
	<u>-</u>	<u>25.90</u>	<u>-</u>	<u>72.18</u>
<b>a) Details with respect to proposed dividend</b>				
Dividends proposed to				
Equity shareholders		10.88		32.65
Proposed dividend per share				
Equity shareholders (in Rs.)		0.50		1.50
<b>b) Employee benefits</b>				
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.				
<b>Change in projected benefit obligation</b>		<b>Rs. in million</b>		<b>Rs. in million</b>
Projected benefit obligation at the beginning of the year/period		16.16		13.30
Service cost		1.46		1.29
Interest cost		1.32		1.12
Actuarial loss/ (gain)		(0.51)		0.78
Benefits paid		(0.14)		(0.33)
Projected benefit obligation at the end of the year		<u>18.29</u>		<u>16.16</u>
<b>Change in plan assets</b>				
Fair value of plan assets at the beginning of the year		16.73		13.92
Expected return on plan assets		1.63		1.35
Actuarial gain		0.13		0.08
Employer contributions		3.96		1.71
Benefits paid		(0.14)		(0.33)
Fair value of plan assets at the end of the year		<u>22.31</u>		<u>16.73</u>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>				
Present value of projected benefit obligation at the end of the year/period		18.29		16.16
Funded status of the plans		22.31		16.73
Liability / (asset) recognised in the Balance sheet		<u>(4.02)</u>		<u>(0.57)</u>

	<b>As at 31 March 2014 Rs. in million</b>		<b>As at 31 March 2013 Rs. in million</b>	
<b>Net cost recognised in statement of profit and loss</b>				
Service cost	<b>1.46</b>		1.29	
Interest cost	<b>1.32</b>		1.12	
Expected returns/ (loss) on plan assets	<b>(1.63)</b>		(1.35)	
Recognized net actuarial loss/ (gain)	<b>(0.64)</b>		0.69	
<b>Net gratuity costs</b>	<b><u>0.51</u></b>		<b><u>1.75</u></b>	
<b>Note:</b>				
The gratuity expenses have been recognized under note 25				
<b>Reconciliation of expected return and actual return on plan assets</b>				
Expected return on plan assets	<b>1.63</b>		1.35	
Actuarial gain on plan assets	<b>0.13</b>		0.08	
<b>Actual return on plan assets</b>	<b><u>1.76</u></b>		<b><u>1.43</u></b>	
<b>Assumptions used</b>				
Discount rate	9.10%	-	8.20%	-
Rate of return on plan assets	8.75%	-	9.25%	-
Salary Escalation	7.00%	-	7.00%	-
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.				
	<b>As at 31 March 2014</b>		<b>As at 31 March 2013</b>	
	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>
	<b>Rs. in million</b>	<b>Rs. in million</b>	<b>Rs. in million</b>	<b>Rs. in million</b>
<b>Leave encashment</b>				
Present value of obligation at the year end/period	<b>6.96</b>	<b>1.60</b>	5.39	0.98
Plan Plan assets (100% in Advanced Group of Company's Employees Leave Encashment Scheme with LIC)	<b>7.71</b>	-	6.23	-
<b>Net (asset) / liability</b>	<b><u>(0.75)</u></b>	<b><u>1.60</u></b>	<b><u>(0.84)</u></b>	<b><u>0.98</u></b>

	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>10 Trade payables</b>		
Dues to micro and small enterprises (Also refer note below)	1.55	5.02
Dues to others	<u>90.12</u>	<u>172.89</u>
	<u><b>91.67</b></u>	<u><b>177.91</b></u>
<b>Note:</b>		
<p>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 2014 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.</p>		
<b>11 Other current liabilities</b>		
Current maturities of long term debt	110.15	101.58
Current maturities of vehicle loans	2.86	2.24
Current maturities of fixed deposits		
- From directors	10.21	-
- From relatives of directors/ Entities in which the directors are interested	0.41	-
- From other shareholders	1.44	0.30
- From others	0.13	0.35
Unclaimed dividends (Also refer note below)	0.79	0.48
Provident fund	0.94	0.89
Employees' state Insurance scheme contribution	0.01	0.02
Other statutory dues	10.63	10.01
Advances and deposits from customers	3.36	7.23
Interest on fixed deposits	-	0.55
Other payables	<u>25.02</u>	<u>33.15</u>
	<u><b>165.95</b></u>	<u><b>156.80</b></u>
<b>Note:</b>		
<p>The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 0.03 million (31 March 2013 Rs. 0.01 million)</p>		

12 Tangible assets	Rs. in million									
	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer	Total
<b>Gross block</b>										
Balance as at 01 April 2012	13.47	22.65	164.22	587.48	20.75	21.93	15.74	0.95	11.17	858.36
Additions	-	-	122.16	586.09	7.55	-	2.99	10.51	2.03	731.33
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	13.47	22.65	286.38	1,173.57	28.30	21.93	18.73	11.46	13.20	1,589.69
Additions	-	-	0.85	42.23	3.43	3.41	2.68	0.18	1.76	54.53
Disposals	-	-	-	0.85	-	-	-	-	0.45	1.30
<b>Balance as at 31 March 2014</b>	<b>13.47</b>	<b>22.65</b>	<b>287.23</b>	<b>1,214.95</b>	<b>31.73</b>	<b>25.34</b>	<b>21.41</b>	<b>11.64</b>	<b>14.51</b>	<b>1,642.93</b>
<b>Accumulated depreciation and amortisation</b>										
Balance as at 01 April 2012	-	3.45	75.44	267.35	10.61	10.66	6.43	0.49	8.55	382.98
Depreciation and amortisation	-	0.51	14.99	43.68	2.69	2.92	1.53	1.07	1.53	68.92
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	-	3.96	90.43	311.03	13.30	13.58	7.96	1.56	10.08	451.90
Depreciation and amortisation	-	0.51	19.62	60.27	3.09	2.49	1.76	3.09	1.45	92.28
Reversal on disposal of assets	-	-	-	0.22	-	-	-	-	0.17	0.39
<b>Balance as at 31 March 2014</b>	<b>-</b>	<b>4.47</b>	<b>110.05</b>	<b>371.08</b>	<b>16.39</b>	<b>16.07</b>	<b>9.72</b>	<b>4.65</b>	<b>11.36</b>	<b>543.79</b>
<b>Net block</b>										
Balance as at 31 March 2013	13.47	18.69	195.95	862.54	15.00	8.35	10.77	9.90	3.12	1,137.79
<b>Balance as at 31 March 2014</b>	<b>13.47</b>	<b>18.18</b>	<b>177.18</b>	<b>843.87</b>	<b>15.34</b>	<b>9.27</b>	<b>11.69</b>	<b>7.00</b>	<b>3.15</b>	<b>1,099.14</b>

<b>13 Intangible assets</b>				<b>Rs. in million</b>
<b>Gross block</b>	<b>Computer software</b>	<b>Technical know-how</b>	<b>Total</b>	
Balance as at 01 April 2012	2.07	5.21	7.28	
Additions	0.17	-	0.17	
Disposals	-	-	-	
<b>Balance as at 31 March 2013</b>	<b>2.24</b>	<b>5.21</b>	<b>7.45</b>	
Additions	-	-	-	
Disposals	-	-	-	
<b>Balance as at 31 March 2014</b>	<b>2.24</b>	<b>5.21</b>	<b>7.45</b>	
<b>Accumulated amortisation</b>				
Balance as at 01 April 2012	2.07	4.57	6.64	
Amortisation	0.00	0.64	0.64	
<b>Balance as at 31 March 2013</b>	<b>2.07</b>	<b>5.21</b>	<b>7.28</b>	
Amortisation	0.04	-	0.04	
<b>Balance as at 31 March 2014</b>	<b>2.11</b>	<b>5.21</b>	<b>7.32</b>	
<b>Net block</b>				
Balance as at 31 March 2013	0.17	-	0.17	
<b>Balance as at 31 March 2014</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>	

	As at 31 March 2014		As at 31 March 2013	
	Trade	Others	Trade	Others
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
<b>14 Non-current investments</b>				
<b>(Valued at cost unless stated otherwise)</b>				
<b>Investments in equity instruments</b>				
<b>In subsidiaries</b>				
60,000 Equity shares (31 March 2013 - 60,000) of Rs.10 each fully paid up of Advanced Bio-Agro Tech Limited	0.60	-	0.60	-
70,000 Equity shares (31 March 2013 - 70,000) of Rs.10 each fully paid up of Advanced EnzyTech Solutions Limited	1.57	-	1.57	-
Nil Equity shares (31 March 2013 - 1,402,000) of HKD. 1 each fully paid up of Advanced Enzyme Fareast Limited	-	-	9.47	-
Nil Equity shares (31 March 2013 - 50,000) of Rs.10 each fully paid up of Advanced Bio-Pro Solutions Limited	-	-	0.50	-
5,600 Equity shares (31 March 2013 - 5,600) of USD 1,000 each fully paid up of Advanced Enzymes USA, Inc.	270.43	-	270.43	-
10,000 Equity shares (31 March 2013 - 7,500) of Euro 10 each fully paid up of Advanced Enzyme Europe B.V.	6.98	-	5.21	-
	<u>279.58</u>	<u>-</u>	<u>287.78</u>	<u>-</u>
Less: Provision for diminution	-	-	8.77	-
	<u>279.58</u>	<u>-</u>	<u>279.01</u>	<u>-</u>
<b>Other investments</b>				
19,100 Equity shares (31 March 2013 - 19,100) of Rs.10 each fully paid up of Advanced Vital Enzymes Private Limited	0.57	-	0.57	-
1,666 Equity shares (31 March 2013 - 1,666) of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	-	0.05	-	0.05
	<u>280.15</u>	<u>0.05</u>	<u>279.58</u>	<u>0.05</u>
Aggregate amount of unquoted investments	280.15	0.05	288.35	0.05
Provision for diminution in value of investments	-	-	8.77	-

	As at 31 March 2014		As at 31 March 2013	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
<b>15 Loans and advances</b>				
Capital advances				
Unsecured, considered good	3.35	-	1.73	-
Doubtful	1.30	-	1.30	-
	<u>4.65</u>	<u>-</u>	<u>3.03</u>	<u>-</u>
Allowances for bad and doubtful advances	(1.30)	-	(1.30)	-
	<u>3.35</u>	<u>-</u>	<u>1.73</u>	<u>-</u>
<b>Security deposits</b>				
Unsecured, considered good	12.58	-	12.92	1.47
<b>Loans and advances to related parties</b>				
Unsecured, considered good **	15.20	8.70	21.75	7.32
<b>Other loans and advances</b> (Unsecured, considered good)				
Loan to employees	-	0.30	-	0.29
Advances recoverable in cash or in kind or for value to be received	26.85	38.92	25.06	52.07
Advance income tax (net of provisions)	18.65	2.25	3.92	2.25
Balance with excise authorities	-	4.28	-	6.64
	<u>45.50</u>	<u>45.75</u>	<u>28.98</u>	<u>61.25</u>
	<u>76.63</u>	<u>54.45</u>	<u>65.38</u>	<u>70.04</u>
** Includes amounts due by Private company in which directors are interested	15.20	8.70	21.75	7.24
			<u>As at 31 March 2014 Rs. in million</u>	<u>As at 31 March 2013 Rs. in million</u>
<b>16 Other non-current assets</b>				
Non-current bank balances (Refer note 19)			1.08	1.00
MAT credit entitlement			92.06	73.70
Fund raising expenses			11.23	9.91
Less : Amount written off			(11.23)	-
			<u>93.14</u>	<u>84.61</u>
<b>17 Inventories (valued at lower of cost and net realisable value)</b>				
Raw materials (including goods-in-transit of Rs. 9.96) (31 March 2013 Rs. 29.39)			105.23	173.59
Work-in-progress			181.51	144.33
Finished goods			48.36	20.58
Stores and spares			31.77	17.80
			<u>366.87</u>	<u>356.30</u>



	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>18 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	3.66	2.08
Doubtful	<u>1.70</u>	<u>1.73</u>
	<b>5.36</b>	<b>3.81</b>
Less : Allowances for bad and doubtful debts	<u>1.70</u>	<u>1.73</u>
	<b>3.66</b>	<b>2.08</b>
Other debts		
Secured, considered good	0.15	0.13
Unsecured considered good **	<u>282.94</u>	<u>332.79</u>
	<b>283.09</b>	<b>332.92</b>
	<u>286.75</u>	<u>335.00</u>
**Includes amounts due by Private company in which directors are interested	<b>8.51</b>	<b>10.61</b>
	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
	<b>Current</b>	<b>Current</b>
	<b>Non-current</b>	<b>Non-current</b>
	<b>Rs. in million</b>	<b>Rs. in million</b>
<b>19 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.57	-
Balances with banks		
in current accounts	5.36	-
in deposit account (with maturity upto three months)	<u>8.20</u>	<u>7.62</u>
	<b>14.13</b>	<b>15.97</b>
<b>Other bank balances</b>		
Unpaid dividend account	0.79	-
Deposits with maturity more than three months but less than twelve months	3.49	-
Bank deposits with maturity of more than twelve months	<u>-</u>	<u>1.00</u>
	<b>4.28</b>	<b>3.23</b>
Less : Amounts disclosed as Other non-current assets (Refer note 16)	<u>-</u>	<u>1.00</u>
Total	<b>18.41</b>	<b>19.20</b>
	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>20 Contingent liabilities and commitments</b>		
Claims against the company not acknowledged as debt	221.43	97.40
Estimated amount of capital and other commitments remaining to be executed	<u>88.44</u>	<u>5.07</u>
	<b>309.87</b>	<b>102.47</b>

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>21 Revenue</b>		
<b>Revenue from operations</b>		
Sale of goods		
Export	585.85	592.89
Domestic	<u>844.94</u>	<u>908.42</u>
<b>Revenue from operations (Gross)</b>	<u>1,430.79</u>	<u>1,501.31</u>
Less : Excise duty	73.15	84.94
<b>Revenue from operations (Net)</b>	<u><u>1,357.64</u></u>	<u><u>1,416.37</u></u>
<b>Details of product sold</b>		
<b>Manufactured goods</b>		
Enzymes	1,152.55	1,196.48
Animal feed supplement	173.31	150.45
Micro organisms	15.97	9.88
Others	<u>15.80</u>	<u>59.56</u>
	<u><u>1,357.64</u></u>	<u><u>1,416.37</u></u>
<b>22 Other income</b>		
Interest income	4.40	8.01
Export incentives	2.71	4.81
Excess provision no longer required written back	9.40	0.31
Other non-operating income	3.13	8.01
	<u>19.64</u>	<u>21.14</u>
<b>23 Cost of materials consumed (Also refer note 37)</b>		
Opening stock		
Raw materials and components (including goods in transit)	<u>173.59</u>	<u>100.87</u>
	173.59	100.87
Add: Purchases during the period		
Raw materials and components	<u>366.17</u>	<u>585.40</u>
	366.17	585.40
Less: Closing stock		
Raw materials and components (including goods in transit)	<u>105.23</u>	<u>173.59</u>
	105.23	173.59
	<u><u>434.53</u></u>	<u><u>512.68</u></u>
<b>Details of raw materials and components</b>		
<b>Consumption details</b>		
Agricultural produce	20.82	30.11
Dairy products	42.05	72.54
Crude enzymes	64.95	66.61
Others	<u>306.71</u>	<u>343.42</u>
	<u><u>434.53</u></u>	<u><u>512.68</u></u>

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>24 Changes in inventories of finished goods and work-in-progress</b>		
Opening stock		
Finished goods	20.58	27.32
Work-in-progress	144.33	53.27
	<u>164.91</u>	<u>80.59</u>
Closing stock		
Finished goods	48.36	20.58
Work-in-progress	181.51	144.33
	<u>229.87</u>	<u>164.91</u>
Differential excise duty on stocks	(1.00)	(1.09)
	<u>(65.96)</u>	<u>(85.41)</u>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus (including managerial remuneration)	160.24	133.01
Contribution to gratuity, provident fund and other funds	9.41	9.14
Staff welfare expenses	9.93	10.54
	<u>179.58</u>	<u>152.69</u>
<b>26 Finance costs</b>		
Interest expenses	43.74	33.93
Bank charges	4.05	3.79
Net loss/ (gain) on foreign currency transactions and translations	35.05	0.06
	<u>82.84</u>	<u>37.78</u>
<b>27 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also refer note 12)	92.28	68.92
Amortisation of intangible assets (Also refer note 13)	0.04	0.64
	<u>92.32</u>	<u>69.56</u>
<b>28 Other expenses</b>		
<b>Manufacturing expenses</b>		
Consumption of stores and spare parts (Also refer note 37)	29.97	49.54
Consumption of packing materials	24.24	20.30
Power and fuel	142.96	152.09
Carriage inward and freight	15.56	19.66
Water charges	2.47	1.82
Excise duty	5.47	9.74
Laboratory expenses	6.31	6.23
Repairs and maintenance		
Buildings	3.96	5.25
Plant and equipment	6.22	7.85
Other manufacturing expenses	0.11	0.08
	<u>237.27</u>	<u>272.56</u>

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Selling and distribution expenses</b>		
Travel, conveyance and car hire	14.64	12.84
Commission	12.93	7.93
Discount on sales	0.65	0.55
Sales promotion and advertisement	3.21	3.39
Freight outward and forwarding	20.02	16.55
Other selling and distribution expenses	14.26	10.54
	<u>65.71</u>	<u>51.80</u>
<b>Administrative and general expenses</b>		
Rent	5.04	4.54
Rates and taxes	6.12	2.12
Repairs and maintenance		
Others	5.75	4.98
Insurance	4.02	2.94
Printing and stationary	1.48	1.39
Communication expenses	4.81	4.61
Directors' sitting fees	0.28	0.38
Legal and professional charges	53.31	47.13
Payments to auditors (Also refer note 38)	1.40	1.66
Research and Development expenses	0.01	0.07
Provision for doubtful debts / Advances	-	1.30
Bad debts (net of provision of doubtful debts Rs. Nil (31 March 2013 - Rs.0.39)	1.03	0.06
Donation	4.62	4.22
Loss on sale of assets	0.51	-
Loss on sale of investments	0.05	-
Investments written off	8.34	-
Fund raising expenses written off	11.23	-
Net loss on foreign currency transactions and translations	4.25	6.12
Provision for diminution in values of shares and advances made to Advanced Enzyme Fareast Limited	-	8.77
Commuting expenses	5.13	4.92
Miscellaneous expenses	14.27	10.63
	<u>131.65</u>	<u>105.84</u>
	<u>434.63</u>	<u>430.20</u>
<b>29 Exceptional items</b>		
Some of the lots of products of enzyme exported by the Company were reported to have potential contamination. During the second half of the year, the Company's subsidiary in USA has done voluntarily recall of those specific lots and the Company also got goods returned back from some of its overseas customers including its subsidiary in USA. Accordingly, the Company had to charge a one time inventory write off, settle claims of some of the customers and incur certain expenses related to recall.		
Following expenses represents consequential cost on account of product recall:		
Sales return	98.16	-
Write offs	13.76	-
Other related expenses	8.65	-
	<u>120.57</u>	<u>-</u>

Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
---	---

### 30 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) Profit for computing basic and diluted earning per share**

Net profit after tax for the year	<b>86.10</b>	234.24
-----------------------------------	--------------	--------

**b) Computation of weighted average number of shares (in million)**

Basic earnings per share	<b>21.77</b>	21.31
Diluted earnings per share	<b>21.77</b>	21.31

**c) Nominal value of shares (in Rs.)**

<b>10.00</b>	10.00
--------------	-------

**d) Computation**

Basic (in Rs.)	<b>3.96</b>	10.99
Diluted (in Rs.)	<b>3.96</b>	10.99

### 31 Segment reporting

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

**By geographical segments**

	As at 31 March 2014 Rs. in million	As at 31 March 2013 Rs. in million
<b>Segment revenue</b>		
India	<b>771.79</b>	823.48
Exports	<b>585.85</b>	592.89
<b>Total</b>	<b>1,357.64</b>	1,416.37
<b>Segment assets</b>		
India	<b>1,886.34</b>	1,929.49
Exports	<b>394.40</b>	419.14
<b>Total</b>	<b>2,280.74</b>	2,348.63

**32 Related parties**

**a) Names of related parties**

**I Subsidiaries**

Advanced Bio-Agro Tech Limited  
Advanced EnzyTech Solutions Limited  
Advanced Bio Proteins Limited (up to 20 November 2013)  
Advanced Enzyme Fareast Limited (up to 03 January 2014)  
Advanced Enzyme Europe B.V.  
Advanced Enzymes USA, Inc.  
Cal India Foods International (subsidiary of Advanced Enzymes USA, Inc.)  
Advanced Supplementary Technologies Corporation (subsidiary of Advanced Enzymes USA, Inc.)

**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  
Mr. Beni P. Rauka  
Mr. Dipak Roda

**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 Finance and Investment Company Private Limited  
C.L. Rathi HUF (Hindu Undivided Family)  
Advanced Vital Enzymes Private Limited  
Rathi Properties LLC  
Mukund M Kabra HUF  
Vasant and Prabha Rathi Generation Trust  
Shri Lakshminarayanan Rathi Bahuuddeshiya Seva Sanstha

**b) Transactions with related parties**

Rs. in million

Transactions during the year	Subsidiaries		KMP & Relatives		Other Related parties	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>1 Purchases of goods</b>						
Advanced Enzyme Fareast Limited	-	11.09	-	-	-	-
Cal India Foods International	4.15	42.24	-	-	-	-
	4.15	53.33	-	-	-	-
<b>2 Sale of goods</b>						
Advanced EnzyTech Solutions Limited	88.50	86.84	-	-	-	-
Advanced Bio-Agro Tech Limited	178.25	147.43	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	15.61	22.38
Cal India Foods International	297.21	282.46	-	-	-	-
	563.96	516.73	-	-	15.61	22.38
<b>3 Commission paid</b>						
Advanced Enzyme Europe B.V.	2.61	-	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	0.17	-
	2.61	-	-	-	0.17	-
<b>4 Remuneration to KMP and relatives</b>						
Mr. Chandrakant. L. Rathi	-	-	9.48	8.36	-	-
Mrs. Savita. C. Rathi	-	-	3.50	2.94	-	-
Mr. Mukund Kabra	-	-	8.36	7.73	-	-
Mr. Kishore.L. Rathi	-	-	1.90	1.67	-	-
Mrs. Mangala M. Kabra	-	-	2.10	1.77	-	-
Mr. Piyush Rathi	-	-	3.97	3.12	-	-
Mr. Beni P. Rauka	-	-	3.74	3.13	-	-
Mr. Dipak Roda	-	-	4.12	3.01	-	-
	-	-	37.17	31.73	-	-
<b>Commission to directors *</b>						
Mr. Vasant L. Rathi	-	-	-	2.34	-	-
Mr. Chandrakant L. Rathi	-	-	-	1.76	-	-
Mr. Mukund Kabra	-	-	-	1.17	-	-
* included in Employee benefit expense	-	-	-	5.27	-	-
<b>5 Interest received</b>						
Advanced Vital Enzymes Private Limited	-	-	-	-	2.55	4.90
Advanced Enzymes USA, Inc.	-	2.17	-	-	-	-
	-	2.17	-	-	2.55	4.90
<b>6 Interest on fixed deposits</b>						
Chandrakant Rathi Finance and Investment Company Private Limited	-	-	-	-	0.20	0.42
Atharva Capital Ventures Private Limited	-	-	-	-	0.08	0.22
C.L. Rathi HUF (Hindu Undivided Family)	-	-	-	-	0.13	0.27
Mr. Vasant. L. Rathi	-	-	1.12	1.13	-	-
Mrs. Prabha V. Rathi	-	-	0.05	0.05	-	-
Mrs. Radhika Pujara	-	-	0.15	0.25	-	-
Mrs. Divya P. Rathi	-	-	0.06	0.12	-	-
Mr. Piyush Rathi	-	-	0.00	0.01	-	-
	-	-	1.38	1.56	0.41	0.91
<b>7 Advances / Loan paid (net)</b>						
Advanced EnzyTech Solutions Limited	(0.08)	0.05	-	-	-	-
Advanced Enzyme Fareast Limited	-	(1.61)	-	-	-	-
Advanced Bio-Agro Tech Limited	-	(0.13)	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	(7.17)	(40.17)
Advanced Enzymes USA, Inc.	-	(30.69)	-	-	-	-
Advanced Bio-Pro Solutions Limited	0.24	0.00	-	-	-	-
Advanced Enzyme Europe B.V.	1.77	-	-	-	-	-
	1.93	(32.38)	-	-	(7.17)	(40.17)
<b>8 Investment in subsidiaries</b>						
Advanced EnzyTech Solutions Limited	-	0.97	-	-	-	-
Advanced Enzyme Fareast Limited	(1.13)	8.17	-	-	-	-
Advanced Bio-Pro Solutions Limited	(0.45)	-	-	-	-	-
Advanced Enzymes USA, Inc.	-	136.85	-	-	-	-
Advanced Enzyme Europe B.V.	1.77	5.21	-	-	-	-
	0.19	151.20	-	-	-	-
<b>9 Dividend income</b>						
Advanced Bio-Agro Tech Limited	2.40	2.40	-	-	-	-
	2.40	2.40	-	-	-	-

Rs. in million

Transactions during the year	Subsidiaries		KMP & Relatives		Other Related parties	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>10 Deposits received/ (repaid) (net)</b>						
Chandrakant Rathi Finance and Investment Company Private Limited	-	-	-	-	(3.60)	(0.80)
Atharva Capital Ventures Private Limited	-	-	-	-	(1.50)	(1.48)
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	-	-	(2.45)	-
Mr. V. L. Rathi	-	-	-	-	-	-
Mrs. Prabha V. Rathi	-	-	-	-	-	-
Mrs. Radhika Pujara	-	-	(2.28)	(0.23)	-	-
Mr. Piyush Rathi	-	-	(0.05)	-	-	-
Mrs. Divya P. Rathi	-	-	(1.07)	-	-	-
	-	-	(3.40)	(0.23)	(7.55)	(2.28)
<b>c) Balances at the year ended</b>						
<b>Outstanding Balances</b>						
<b>a. Fixed deposits</b>						
Chandrakant Rathi Finance and Investment Company Private Limited	-	-	-	-	-	3.60
Atharva Capital Ventures Private Limited	-	-	-	-	-	1.50
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	-	-	-	2.45
Mr. V. L. Rathi	-	-	10.21	10.21	-	-
Mrs. Prabha V. Rathi	-	-	0.41	0.41	-	-
Mrs. Radhika Pujara	-	-	-	2.28	-	-
Mrs. Divya P. Rathi	-	-	-	1.07	-	-
Mr. Piyush Rathi	-	-	-	0.05	-	-
	-	-	10.62	14.02	-	7.55
<b>b. Investment in subsidiaries and other related parties</b>						
Advanced EnzyTech Solutions Limited	1.57	1.57	-	-	-	-
Advanced Enzyme Fareast Limited	-	0.70	-	-	-	-
Advanced Bio-Agro Tech Limited	0.60	0.60	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	0.57	0.57
Advanced Bio-Pro Solutions Limited	-	0.50	-	-	-	-
Advanced Enzymes USA, Inc.	270.43	270.43	-	-	-	-
Advanced Enzyme Europe B.V.	6.98	5.21	-	-	-	-
	279.58	279.01	-	-	0.57	0.57
<b>c. Accounts receivable</b>						
Advanced EnzyTech Solutions Limited	36.78	34.81	-	-	-	-
Advanced Bio-Agro Tech Limited	12.55	17.47	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	8.51	10.61
Cal India Foods International	88.79	87.15	-	-	-	-
	138.12	139.43	-	-	8.51	10.61
<b>d. Accounts payable</b>						
Cal India Foods International	-	14.92	-	-	-	-
	-	14.92	-	-	-	-
<b>e. Advances paid</b>						
Advanced EnzyTech Solutions Limited	-	0.08	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	21.75	52.72
Advanced Enzymes USA, Inc.	6.94	6.28	-	-	-	-
Advanced Enzyme Europe B.V.	2.15	0.08	-	-	-	-
	9.09	6.44	-	-	21.75	52.72
<b>f. Advances received</b>						
Advanced Bio-Pro Solutions Limited	-	0.24	-	-	-	-
	-	0.24	-	-	-	-
<b>g. Other payables</b>						
Advanced Enzymes USA, Inc.	1.37	-	-	-	-	-
	1.37	-	-	-	-	-
<b>h. Commission payable</b>						
Mr. Vasant L Rathi	-	-	-	1.98	-	-
Mr. Chandrakant L. Rathi	-	-	-	1.58	-	-
Mr. Mukund M. Kabra	-	-	-	1.05	-	-
	-	-	-	4.61	-	-



**33 Derivative instruments and unhedged foreign currency exposure**
**a) Derivatives outstanding as at the balance sheet date**

Particulars	Outstanding as at 31 March 2014 **
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of USD 6,000,000.	Rs. 13,645,639 (31 March 2013 - Rs. 26,783,983)
Forward Contract	Rs. 16,977,625 equivalent to USD 220,000 and EURO 50,000 (31 March 2013 - Rs. 30,540,800 equivalent to USD 500,000 and EURO 30,000)

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

Particulars	Outstanding as at 31 March 2014 **
External commercial borrowings	USD 3,000,000 equivalent to Rs. 180,299,400 (31 March 2013 USD 45,00,000 equivalent to Rs. 244,751,850)
Loans repayable on demand	NIL (31 March 2013 - USD 153,532 equivalent to Rs. 83,50,485 )
Trade payables for imports	Rs. 15,737,390 (equivalent to USD 247,290 and EURO 10,600) (31 March 2013 Rs.40,198,540 equivalent to USD 725,447 and EURO 10,600)
Trade receivables for exports	Rs. 104,828,588 (equivalent to USD 1,642,278 and Euro 74,210) (31 March 2013 Rs.107,456,520 equivalent to USD 1,623,378, Euro 238,504 and CAD 48,200)
Loans and advances	Rs. 12,165,190 (equivalent to USD 135,972 and Euro 48,464) (31 March 2013 Rs.6,065,396 equivalent to USD 110,131 and EURO 1,085 )
Advances from customers	Rs. 753,313 (equivalent to USD 6,239 and Euro 4,582) (31 March 2013 Rs. Nil )
Other payables	Rs. 1,365,990 (equivalent to USD 22,729) (31 March 2013 Rs. Nil )

\*\* The figures appearing above are in Rupees and has not been presented in million for better presentation purpose

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>34 Earnings in foreign currency on accrual basis</b>		
Export value of goods on FOB basis	563.84	580.61
Other income	-	2.17
Non operating income	<u>0.68</u>	<u>7.50</u>
	<u>564.52</u>	<u>590.27</u>
<b>35 Expenditure in foreign currency on accrual basis</b>		
Travelling and conveyance	3.03	2.58
Interest and Finance Charges	17.02	19.19
Legal and professional fees	27.57	23.54
Sales promotion and advertisement	2.09	3.05
Commission	7.13	3.52
Salary	0.89	0.56
Others	<u>0.97</u>	<u>0.21</u>
	<u>58.70</u>	<u>52.65</u>
<b>36 Value of imports on CIF basis</b>		
Raw materials	107.79	206.20
Components and spare parts	26.49	26.34
Capital goods	<u>13.88</u>	<u>5.71</u>
	<u>148.16</u>	<u>238.25</u>
<b>37 Imported and indigenous consumption</b>		
<b>Raw materials and components</b>		
Imported		
Amount	161.84	179.47
Percentage	37%	35%
Indigenous		
Amount	272.69	333.21
Percentage	63%	65%
<b>Total</b>		
<b>Amount</b>	<b>434.53</b>	<b>512.68</b>
<b>Percentage</b>	<b>100%</b>	<b>100%</b>
<b>Stores and spares</b>		
Imported		
Amount	18.51	27.29
Percentage	62%	55%
Indigenous		
Amount	11.46	22.25
Percentage	38%	45%
<b>Total</b>		
<b>Amount</b>	<b>29.97</b>	<b>49.54</b>
<b>Percentage</b>	<b>100%</b>	<b>100%</b>

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>38 Payments to auditors</b>		
<b>As auditor</b>		
Statutory audit	1.18	1.24
	<u>1.18</u>	<u>1.24</u>
<b>In other capacity</b>		
Other services		
In relation to filing of draft red herring prospectus*	0.74	1.23
Certification work	0.15	0.30
	<u>0.89</u>	<u>1.53</u>
Reimbursement of expenses	0.07	0.12
<b>Total</b>	<u><u>2.14</u></u>	<u><u>2.89</u></u>

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

**39 Dividend remitted in foreign currency**

	2012-13	2011-12
Period to which is relates		
Number of non - resident shareholders	4	3
Number of equity shares held on which dividend was due	10.52	10.18
Amount remitted	15.77	10.18

**40 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	-	8.15
Power and fuel	-	21.06
Water charges	-	1.01
Travel, conveyance and car hire	-	0.27
Miscellaneous expenses	-	0.45
Finance costs	-	35.93
	<u>-</u>	<u>66.87</u>

The borrowing costs capitalised during the year ended 31 March 2014 is Rs.Nil (31 March 2013 - Rs.17.48 million). 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 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
---	---

#### 41 Research and development

The Company has incurred the following revenue expenditure on research and development activities during the year:

Laboratory expenses and consumables	8.95	8.61
Employee benefit expenses	28.04	24.47
Legal and professional charges	35.79	30.23
Electricity	7.45	6.89
Rent, rates and taxes	4.81	4.35
Repair and maintenance	3.86	4.66
Travelling and conveyance expenses	0.88	1.06
Other expenses	2.81	2.07
Depreciation	11.65	8.57
	<b>104.24</b>	<b>90.91</b>

The Company has incurred the following capital expenditure on research and development activities during the year:

Plant and equipments	26.69	7.37
Furniture and fixtures	0.45	6.40
Office equipment	0.59	1.80
Computer	0.39	1.07
Leasehold improvements	0.18	10.51
	<b>28.30</b>	<b>27.15</b>

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 and 14 January 2014.

#### 42 Remuneration to directors and their relatives

- a) During the year, payment made on account of managerial remuneration in excess of the allowable limits under Companies Act, 1956 works out to Rs. 9.32 million. The Company is in the process of seeking the necessary approvals in this regard.
- b) During the year, Company has paid Rs. 0.97 million in excess of the allowable limits under Companies Act, 1956, to a person holding office or place of profit in the Company. The Company has applied to the Central Government vide application dated 24 September 2013 for seeking the necessary approval in this regard, which is currently awaited.

#### 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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner

**C. L. Rathi**  
 Managing Director

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

Mumbai, Date: 9 June 2014

Thane, Date: 9 June 2014

## **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 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 2014;
  - 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.

### **Emphasis of Matter**

7. We draw attention to note 40(a) to the financial statements with respect to the managerial remuneration amounting to Rs. 9.32 million paid in excess of the allowable limits under Companies Act, 1956, for the year ended 31 March 2014, without the previous approval of Central Government. The Company is in the process of seeking the necessary approval in this regard. Pending such approval, no adjustments have been made to the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.

### **Other Matter**

8. 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. 2,207.24 million as at 31 March 2014; total revenues (after eliminating intra-group transactions) of Rs. 1,644.94 million and net cash flows aggregating to Rs. (9.69) million 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 Chandiook & Co LLP**  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm Registration No.: 001076N

per **Khushroo B. Panthaky**  
Partner  
Membership No: F-42423  
Place: Mumbai  
Date: 16 June 2014

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014

	Note no.	As at 31 March 2014 Rs. in million	As at 31 March 2013 Rs. in million
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	6	217.66	217.66
Reserves and surplus	7	1,456.66	1,416.14
		<b>1,674.32</b>	1,633.80
<b>Minority interest</b>	8	<b>36.27</b>	23.59
<b>Non-current liabilities</b>			
Long-term borrowings	9	879.15	1,167.20
Deferred tax liabilities (net)	10	144.87	132.73
		<b>1,024.02</b>	1,299.93
<b>Current liabilities</b>			
Short-term borrowings	9	390.69	327.99
Trade payables	12	104.85	169.98
Other current liabilities	13	596.96	436.91
Short-term provisions	11	233.63	84.04
		<b>1,326.13</b>	1,018.92
<b>Total</b>		<b>4,060.74</b>	3,976.24
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	14	1,149.28	1,158.49
Intangible assets	15	0.13	0.17
Goodwill on consolidation		1,710.40	1,707.66
Capital work-in-progress		23.97	20.96
Non-current investments	16	0.62	0.62
Deferred tax assets (net)	17	84.81	0.32
Long-term loans and advances	18	77.99	66.77
Other non-current assets	19	93.14	84.62
		<b>3,140.34</b>	3,039.61
<b>Current assets</b>			
Inventories	20	499.34	445.86
Trade receivables	21	323.76	388.08
Cash and bank balances	22	26.48	36.96
Short-term loans and advances	18	70.19	65.47
Other current assets	23	0.63	0.26
		<b>920.40</b>	936.63
<b>Total</b>		<b>4,060.74</b>	3,976.24

**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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner

**C. L. Rathi**  
 Managing Director

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

Mumbai, Date: 16 June 2014

Thane, Date: 9 June 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014**

	Note no.	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Revenue</b>			
Revenue from operations (gross)	25	<b>2481.96</b>	2303.72
Less : Excise duty		<b>87.46</b>	99.54
Revenue from operations (net)		<b>2394.50</b>	2204.18
Other income	26	<b>19.28</b>	36.03
<b>Total revenue</b>		<b>2413.78</b>	2240.21
<b>Expenses</b>			
Cost of materials consumed	27	<b>578.56</b>	595.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	<b>(107.99)</b>	(84.08)
Employee benefits expenses	29	<b>327.52</b>	268.54
Finance costs	30	<b>131.93</b>	95.54
Depreciation and amortisation expense	31	<b>99.82</b>	74.30
Other expenses	32	<b>585.11</b>	517.32
<b>Total expenses</b>		<b>1614.95</b>	1467.02
<b>Profit before exceptional items and tax</b>		<b>798.83</b>	773.19
Exceptional items	33	<b>514.31</b>	-
<b>Profit before tax</b>		<b>284.52</b>	773.19
<b>Tax expense</b>			
Current tax		<b>165.23</b>	250.54
MAT credit entitlement		<b>(18.36)</b>	(50.33)
Deferred tax (credit)/ Charge		<b>(72.40)</b>	64.26
(Excess)/ short provision for last years		-	(0.01)
		<b>74.47</b>	264.46
<b>Profit after tax</b>		<b>210.05</b>	508.73
Less: Share of Minority interest		<b>12.68</b>	10.58
<b>Profit after tax and allocation of minority interest</b>		<b>197.37</b>	498.15
<b>Earnings per equity share</b>	34		
Basic		<b>9.07</b>	23.37
Diluted		<b>9.07</b>	23.37

**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 Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**

**Khushroo B. Panthaky**  
 Partner

**C. L. Rathi**  
 Managing Director

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary

Mumbai, Date: 16 June 2014

Thane, Date: 9 June 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014**

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Profit before tax</b>	<b>284.52</b>	773.19
<b>Adjustments for non-cash transactions</b>		
Depreciation and amortisation expense	99.82	74.30
Loss on sale of fixed assets	0.51	-
Allowances for bad and doubtful trade receivables	-	0.12
Bad and doubtful advances / deposits written off	1.08	1.30
Excess provision written back	(9.40)	(0.31)
Sundry balances written back/ off	3.60	1.48
Unrealised foreign exchange (gain)	(14.77)	(0.18)
	<b>365.36</b>	<b>849.90</b>
<b>Items considered separately</b>		
Interest income	(5.92)	(19.38)
Interest expenses	131.93	95.54
	<b>491.37</b>	<b>926.06</b>
<b>Operating profit before working capital changes</b>		
Increase / (decrease) in short term liabilities and provisions	309.39	(41.05)
Increase / (decrease) in trade payables	(65.59)	(13.21)
(Increase) in inventories	(53.47)	(155.11)
(Increase) / decrease in trade receivables	70.58	(64.19)
Decrease / (increase) in short term loans and advances	(17.43)	13.33
(Increase) in other current assets	(0.38)	(0.23)
Decrease in long term loans and advances	5.12	9.94
(Increase) / decrease in other non-current assets	9.92	(10.15)
<b>Cash generated from operating activities</b>	<b>749.51</b>	<b>665.39</b>
Income taxes paid	(193.84)	(254.15)
<b>Net cash generated from operating activities</b>	<b>555.67</b>	<b>411.24</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(95.94)	(150.01)
Proceeds from sale of tangible assets	0.40	-
Purchase of intangible assets	-	(162.35)
Deposits with maturity more than 3 months but less than 12 months	(0.74)	(2.32)
Bank deposits with maturity of more than 12 months	(0.08)	0.12
Interest received	5.92	19.38
<b>Net cash (used in) in investing activities</b>	<b>(90.44)</b>	<b>(295.18)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	299.98
(Repayment) from long term borrowings	(222.01)	(169.57)
Purchase of minority interest	-	(0.97)
Proceeds from short term borrowings	62.71	-
Repayment of short term borrowings	-	(50.68)
Interest paid	(131.93)	(95.54)
Dividends paid (including dividend tax)	(40.15)	(28.64)
<b>Net cash (used in) in financing activities</b>	<b>(331.38)</b>	<b>(45.42)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>133.85</b>	<b>70.64</b>
Cash and cash equivalents as at the beginning of the year	34.21	52.54
Effect of exchange rate changes (Foreign currency translation reserve)	(145.07)	(88.97)
<b>Cash and cash equivalents as at the end of the year</b>	<b>22.99</b>	<b>34.21</b>
<b>* Reconciliation of cash and cash equivalents</b>		
Cash in hand	0.65	0.50
Balance with scheduled banks :		
Current account	13.35	25.61
Fixed deposit account	8.20	7.62
Unclaimed dividend account	0.79	0.48
Deposits with maturity more than 3 months but less than 12 months	3.49	2.75
	<b>26.48</b>	<b>36.96</b>
Less: Deposits with maturity more than 3 months but less than 12 months	3.49	2.75
	<b>22.99</b>	<b>34.21</b>

**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.

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

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

**For Walker Chandlok & Co LLP**  
 (formerly Walker, Chandlok & Co)  
 Chartered Accountants

**For Advanced Enzyme Technologies Limited**
**Khushroo B. Panthaky**  
 Partner  
 Mumbai, Date: 16 June 2014

**C. L. Rathi**  
 Managing Director  
 Thane, Date: 9 June 2014

**Kedar Desai**  
 Director

**B. P. Rauka**  
 Company Secretary



**Summary of significant accounting policies and other explanatory information**
**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 under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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. The Company does not amortize goodwill but instead tests good will for impairment at least annually. The fair value of the reporting unit is first compared to its carrying value. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the implied fair value of the reporting unit's goodwill is compared with the carrying value of the reporting unit's goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then an impairment loss equal to the difference is recorded.
- c Minorities' interest in the net profit / loss of the consolidated subsidiary companies for the year 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. 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 March14	% age voting power held at 31 March13
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. Advanced Enzy Tech Solutions Limited	India	100.00%	100.00%
iii. Advanced Bio Pro Solutions Limited	India	-	100.00%
iv. Advanced Enzyme Far East Limited	Hong Kong	-	100.00%
v. Advanced Enzymes USA, Inc.	USA	100.00%	100.00%
vi. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
vii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
viii. Advanced Enzymes Europe B.V.	Netherland	100.00%	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 notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

### **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 borrowing 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 lease 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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 and on plant and equipments on Straight Line Method with reference to managements assessment of the depreciation rates or at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.
- 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.
- ix. Tangible assets of subsidiaries incorporated in USA are depreciated over the estimated useful life of the assets using the straight-line method.

The estimated useful lives of assets are as follows:

Equipment	5 years
Computer equipment and software	3 years
Furniture and fixtures	5 years

- x. Intangible assets of subsidiaries incorporated in USA are amortized over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to fair value as required".

The estimated useful lives of the amortizable intangible assets are as follows:

Customer relationship	10 years
Trade name	10 years
Developed technology	10 years

**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, 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 recognised 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 Group contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is 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.

Contributions to defined contribution plans apart from the above two plans are charged to Statement of Profit and Loss in the period in which they accrue.

**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.

**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 balancesheet 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.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

**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 2014		As at 31 March 2013	
	No in million	Rs in million	No in million	Rs in million
<b>6 Share capital</b>				
<b>Authorised</b>				
Equity shares of Rs.10 each	35.00	350.00	35.00	350.00
	<u>35.00</u>	<u>350.00</u>	<u>35.00</u>	<u>350.00</u>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 each	21.77	217.66	21.77	217.66
<b>Total</b>	<u>21.77</u>	<u>217.66</u>	<u>21.77</u>	<u>217.66</u>
<b>a) Reconciliation of Equity share capital</b>				
Balance at the beginning of the year	21.77	217.66	20.73	207.31
Add : Issued during the year / period	-	-	1.04	10.35
Balance at the end of the year	<u>21.77</u>	<u>217.66</u>	<u>21.77</u>	<u>217.66</u>
<b>Shareholding structure</b>				
<b>b) Shareholders holding more than 5% of the shares</b>				
	<u>No in million</u>	<u>% of holding</u>	<u>No in million</u>	<u>% of holding</u>
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8.28	38.05%	8.88	40.80%
Chandrakant Rathi Finance & Investment Company Private Limited	3.63	16.66%	3.62	16.64%
Atharva Capital Ventures Private Limited	2.49	11.45%	2.49	11.45%
Mrs. Prabha V. Rathi	0.38	1.76%	1.28	5.90%
Vasant and Prabha Rathi Generation Trust	1.50	6.89%	-	-
	<u>16.28</u>	<u>74.81%</u>	<u>16.28</u>	<u>74.79%</u>
<b>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</b>				
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.				
<b>d) Terms / rights attached to shares</b>				
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 shares rank pari passu on repayment of capital in the event of liquidation.				

	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>7 Reserves and surplus</b>		
<b>Capital reserves</b>	<b>3.00</b>	<b>3.00</b>
<b>Securities premium reserve</b>		
Balance at the beginning of the year	<b>289.63</b>	-
Add : Additions made during the year	<b>-</b>	<b>289.63</b>
Balance at the end of the year	<b>289.63</b>	<b>289.63</b>
<b>General reserve</b>		
Balance at the beginning of the year	<b>35.13</b>	20.82
Add : Additions made during the year	<b>3.64</b>	14.31
Balance at the end of the year	<b>38.77</b>	<b>35.13</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	<b>(67.43)</b>	22.28
Less : Deletions made during the year	<b>(142.25)</b>	<b>(89.71)</b>
Balance at the end of the year	<b>(209.68)</b>	<b>(67.43)</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	<b>1,155.81</b>	714.83
Add : Transferred from Statement of Profit and Loss	<b>197.37</b>	498.15
Less : Interim dividend/proposed dividend	<b>(12.48)</b>	<b>(36.65)</b>
Less : Tax on dividends distributed during the year	<b>(2.12)</b>	<b>(6.21)</b>
Less : Transfer to general reserve	<b>(3.64)</b>	<b>(14.31)</b>
Balance at the end of the year	<b>1,334.94</b>	<b>1,155.81</b>
	<b>1,456.66</b>	<b>1,416.14</b>
<b>8 Minority Interest</b>		
Balance at the beginning of the year	<b>23.59</b>	15.85
Add: Allocation of Profit during the year	<b>12.68</b>	10.58
Less: Minority Interest no longer payable	<b>-</b>	<b>2.84</b>
	<b>36.27</b>	<b>23.59</b>

	As at 31 March 2014		As at 31 March 2013	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
<b>9 Borrowings</b>				
<b>Secured</b>				
<b>Term loans</b>				
From banks	92.15	42.07	181.17	70.71
From related parties	720.04	-	896.58	-
<b>Loans repayable on demand</b>				
From banks	-	318.65	-	235.52
<b>Vehicle loans</b>	7.32	-	5.29	-
	<u>819.51</u>	<u>360.72</u>	<u>1,083.04</u>	<u>306.23</u>
<b>Unsecured</b>				
<b>Fixed deposits</b>				
From directors	-	-	10.21	-
From relatives of directors/Companies in which the directors are interested	-	-	8.90	-
From other shareholders	-	-	2.15	-
From others	-	-	1.17	-
Deferred sales tax payment liabilities	59.64	-	61.73	-
Loans from others	-	29.97	-	21.76
	<u>59.64</u>	<u>29.97</u>	<u>84.16</u>	<u>21.76</u>
<b>Total borrowings</b>	<u>879.15</u>	<u>390.69</u>	<u>1,167.20</u>	<u>327.99</u>
<b>a) Details of guarantee for each type of borrowings</b>				
<b>Guaranteed by director</b>				
<b>Term loans</b>				
From banks	92.15	-	181.17	-
<b>Loans repayable on demand</b>				
From banks	-	317.39	-	233.78
<b>Guaranteed by director</b>				
<b>Loans repayable on demand</b>				
From banks	-	1.27	-	1.74
<b>b) Details of security for each type of borrowings</b>				
(i) 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.				
(ii) 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.				
(iii) 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.				
(iv) Vehicle loans availed from three banks and two financial institutes are secured by exclusive charge on vehicles as specified in their respective loan agreements.				
(v) 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 Technologies Corporation.				

<b>c) Terms of repayment of term loans and other loans</b>		<b>Rs. in million</b>		
<b>Term loan</b>	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years	
	Rs. in million	Rs. in million	Rs. in million	
<b>From banks</b>				
Interest rate				
11.25%	20.00	2.00	-	
6.75%	90.15	90.15	-	
<b>From related parties</b>				
Interest rate				
4.50%	25.52	-	-	
3.50%	364.64	720.04	-	
<b>Fixed deposits</b>	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years	
	Rs. in million	Rs. in million	Rs. in million	
Interest rate				
9.50%	0.15	-	-	
10.50%	1.02	-	-	
11.00%	11.02	-	-	
<b>Vehicle loans</b>	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years	
	Rs. in million	Rs. in million	Rs. in million	
Interest rate				
9.01%	0.13	0.02	-	
9.25%	0.49	0.20	-	
9.74%	0.15	0.08	-	
9.96%	0.97	0.78	-	
10.35%	0.49	0.44	-	
10.50%	0.12	0.02	-	
10.59%	0.18	0.84	-	
10.83%	0.17	0.26	-	
11.60%	0.11	0.47	-	
12.50%	0.05	0.09	-	
11.25%	0.43	0.45	-	
10.20%	0.77	3.66	-	
<b>Deferred sales tax payment liabilities</b>	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years	
	Rs. in million	Rs. in million	Rs. in million	
	5.48	33.33	26.31	

\* Has been disclosed under note 13

**d) Particulars of default**

During the year, there was default in the repayment of installment falling due in last two quarters of the year for the secured term loan taken from related parties. The amount of installment due and not paid was Rs. 119.47 million as at 31 March 2014.



	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>10 Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities</b>		
Timing difference on carrying amounts of tangible and intangible assets	<b>148.51</b>	136.12
<b>Total</b>	<b>148.51</b>	136.12
<b>Deferred tax assets</b>		
Provision for employee benefits	<b>2.13</b>	1.77
Others	<b>1.51</b>	1.62
<b>Total</b>	<b>3.64</b>	3.39
<b>Net deferred tax liability</b>	<b>144.87</b>	132.73

	<b>As at 31 March 2014</b>		<b>As at 31 March 2013</b>	
	<b>Long term Rs. in million</b>	<b>Short term Rs. in million</b>	<b>Long term Rs. in million</b>	<b>Short term Rs. in million</b>
<b>11 Provisions</b>				
Provisions for employee benefits				
Leave encashment	-	<b>2.45</b>	-	1.51
Gratuity	-	<b>0.30</b>	-	0.29
Bonus	-	<b>4.68</b>	-	4.24
Others	-	-	-	0.90
Proposed dividend to equity shareholders	-	<b>10.88</b>	-	32.65
Dividend tax	-	<b>1.44</b>	-	5.53
Provision for taxation (net of advance tax)	-	<b>9.10</b>	-	32.12
Provision for sales return	-	-	-	6.80
Provision for product recall expenses	-	<b>204.78</b>	-	-
	-	<b>233.63</b>	-	84.04

**Note:**

**a) Details with respect to proposed dividend**

Dividends proposed to		
Equity shareholders	<b>10.88</b>	32.65
Proposed dividend per share		
Equity shareholders	<b>0.50</b>	1.50

	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>12 Trade payables</b>		
Dues to micro and small enterprises (Also refer note below)	<b>1.62</b>	5.05
Dues to others	<b>103.23</b>	164.93
	<b>104.85</b>	169.98

**Note:**

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 2014 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.

**13 Other current liabilities**

Current maturities of long term debt	<b>380.85</b>	345.44
Current maturities of vehicle loans	<b>4.06</b>	2.27
Current maturities of fixed deposits		
From directors	<b>10.21</b>	-
From relatives of directors/ entities in which the directors are interested	<b>0.41</b>	-
From other shareholders	<b>1.44</b>	0.30
From others	<b>0.13</b>	0.35
Interest accrued but not due on borrowings	<b>0.19</b>	0.93
Interest accrued and due on borrowings	<b>18.42</b>	-
Installment due but not paid	<b>119.47</b>	-
Unclaimed dividends (Refer note below)	<b>0.79</b>	0.48
Provident fund	<b>1.12</b>	1.00
Employees' state Insurance scheme contribution	<b>0.01</b>	0.02
Other Statutory dues	<b>13.08</b>	14.27
Advances and deposits from customers	<b>8.23</b>	13.33
Other payables	<b>38.55</b>	58.52
	<b>596.96</b>	436.91

**Note:**

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 0.03 million (31 March 2013 - Rs. 0.01 million)

<b>14 Tangible assets</b>											<b>Rs. in million</b>	
<b>Gross block</b>	<b>Land freehold</b>	<b>Land leasehold</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Leasehold improvements</b>	<b>Computer</b>	<b>Total</b>		
Balance as at 1st April 2012	14.92	22.65	168.76	594.30	30.13	22.64	16.27	1.98	12.37	884.02		
Additions	-	-	132.67	586.39	9.50	0.85	3.36	1.28	2.29	736.34		
Disposals	-	-	-	-	-	-	-	-	-	-		
Balance as at 31st March 2013	14.92	22.65	301.43	1,180.69	39.63	23.49	19.63	3.26	14.66	1,620.36		
Additions	-	-	21.42	50.96	3.66	9.14	2.68	0.18	2.02	90.06		
Disposals	-	-	-	0.85	-	-	-	-	0.45	1.30		
<b>Balance as at 31st March 2014</b>	<b>14.92</b>	<b>22.65</b>	<b>322.85</b>	<b>1,230.80</b>	<b>43.29</b>	<b>32.63</b>	<b>22.31</b>	<b>3.44</b>	<b>16.23</b>	<b>1,709.12</b>		
<b>Accumulated depreciation and amortisation</b>												
Balance as at 01 April 2012	-	3.45	76.64	268.37	11.77	11.06	6.62	0.52	9.29	387.72		
Depreciation and amortisation	-	0.51	15.97	45.22	5.15	3.02	1.61	0.42	1.76	73.66		
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-		
Balance as at 31st March 2013	-	3.96	92.61	313.59	16.92	14.08	8.23	0.94	11.05	461.38		
Depreciation and amortisation	-	0.51	20.30	63.30	5.95	3.08	1.85	3.09	1.70	99.78		
Reversal on disposal of assets	-	-	-	0.22	-	-	-	-	0.17	0.39		
<b>Balance as at 31st March 2014</b>	<b>-</b>	<b>4.47</b>	<b>112.91</b>	<b>376.67</b>	<b>22.87</b>	<b>17.16</b>	<b>10.08</b>	<b>4.03</b>	<b>12.58</b>	<b>560.77</b>		
<b>Other adjustments</b>												
Foreign Currency Translation Reserve 2013	-	-	-	0.29	0.44	-	-	(1.22)	-	(0.49)		
Foreign Currency Translation Reserve 2014	-	-	-	0.50	0.82	-	-	0.11	-	1.43		
<b>Balance as at 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>1.26</b>	<b>-</b>	<b>-</b>	<b>(1.11)</b>	<b>-</b>	<b>0.94</b>		
<b>Net block</b>												
Balance as at 31 March 2013	14.92	18.69	208.82	867.39	23.15	9.41	11.40	1.10	3.61	1,158.49		
<b>Balance as at 31 March 2014</b>	<b>14.92</b>	<b>18.18</b>	<b>209.94</b>	<b>854.63</b>	<b>21.26</b>	<b>15.47</b>	<b>12.23</b>	<b>(0.48)</b>	<b>3.65</b>	<b>1,149.28</b>		

<b>15 Intangible assets</b>	<b>Rs. In million</b>		
	<b>Computer Software</b>	<b>Technical know-how</b>	<b>Total</b>
<b>Gross block</b>			
Balance as at 1 April 2012	2.07	5.21	7.28
Additions	0.17	-	0.17
Disposals	-	-	-
Balance as at 31 March 2013	<u>2.24</u>	<u>5.21</u>	<u>7.45</u>
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2014</b>	<u><b>2.24</b></u>	<u><b>5.21</b></u>	<u><b>7.45</b></u>
<b>Accumulated amortisation</b>			
Balance as at 1 April 2012	2.07	4.57	6.64
Amortisation	<u>0.00</u>	<u>0.63</u>	<u>0.64</u>
Balance as at 31 March 2013	<u>2.07</u>	<u>5.21</u>	<u>7.28</u>
Amortisation	<u>0.04</u>	<u>-</u>	<u>0.04</u>
<b>Balance as at 31 March 2014</b>	<u><b>2.11</b></u>	<u><b>5.21</b></u>	<u><b>7.32</b></u>
<b>Net block</b>			
Balance as at 31 March 2013	0.17	-	0.17
<b>Balance as at 31 March 2014</b>	<b>0.13</b>	-	<b>0.13</b>
	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	
	<b>Trade</b>	<b>Others</b>	<b>Trade</b>
	<b>Rs. in million</b>	<b>Rs. in million</b>	<b>Rs. in million</b>
	<u>Rs. in million</u>	<u>Rs. in million</u>	<u>Rs. in million</u>
<b>16 Non-current investments</b>			
<b>(Valued at cost unless stated otherwise)</b>			
<b>Other investments</b>			
19,100 Equity shares (31 March 2013 - 19,100) of Rs.10 each fully paid up of Advanced Vital Enzymes Private Limited	<b>0.57</b>	-	0.57
1,666 Equity shares (31 March 2013 - 1,666) of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	-	<b>0.05</b>	0.05
	<u><b>0.57</b></u>	<u><b>0.05</b></u>	<u><b>0.57</b></u>
Aggregate amount of unquoted investments	<b>0.57</b>	<b>0.05</b>	0.57

	<b>As at 31 March 2014 Rs. in million</b>		<b>As at 31 March 2013 Rs. in million</b>	
<b>17 Deferred tax asset (net)</b>				
<b>Deferred tax liabilities</b>				
Timing difference on carrying amounts of tangible and intangible assets	-		0.01	
Accounts receivable	0.01		-	
Accrued interest	2.76		-	
<b>Total</b>	<u>2.77</u>		<u>0.01</u>	
<b>Deferred tax assets</b>				
Unabsorbed depreciation	2.21		-	
Carry forward losses	-		0.02	
Provision for employee benefits	-		0.03	
Inventory	0.39		-	
Provision for sales return	2.99		-	
Provision for recall liability	81.57		-	
Others	0.42		0.28	
<b>Total</b>	<u>87.58</u>		<u>0.33</u>	
<b>Net deferred tax asset</b>	<u>84.81</u>		<u>0.32</u>	
	<b>As at 31 March 2014</b>		<b>As at 31 March 2013</b>	
	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>
	<b>Rs. in million</b>	<b>Rs. in million</b>	<b>Rs. in million</b>	<b>Rs. in million</b>
<b>18 Loan and advance</b>				
<b>Capital advances</b>				
Unsecured, considered good	3.35	-	2.92	-
Doubtful	1.30	-	1.30	-
	<u>4.65</u>	-	<u>4.22</u>	-
Allowances for bad and doubtful advances	1.30	-	1.30	-
	<u>3.35</u>	-	<u>2.92</u>	-
<b>Security deposits</b>				
Unsecured, considered good	13.94	-	13.12	1.47
<b>Loans and advances to related parties</b>				
Unsecured, considered good **	15.20	6.55	21.75	7.17
<b>Other loans and advances</b> (Unsecured, considered good)				
Loan to employees	-	0.36	-	0.33
Advances recoverable in Cash or in kind or for value to be received	26.85	55.98	25.06	37.92
Advance income tax (net of provisions)	18.65	2.79	3.92	11.92
Balance with excise authorities	-	4.31	-	6.66
	<u>45.50</u>	<u>63.44</u>	<u>28.98</u>	<u>56.83</u>
	<u>77.99</u>	<u>70.19</u>	<u>66.77</u>	<u>65.47</u>
<b>** Includes amounts due by</b>				
Private company in which directors are interested	15.20	6.55	21.75	7.17

	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>19 Other non-current assets</b>		
Non-current bank balances (Refer note 22)	1.08	1.00
MAT credit entitlement	92.06	73.70
Fund raising expenses	11.23	9.91
Less : Amount written off	(11.23)	-
Others	-	0.01
	<u>93.14</u>	<u>84.62</u>
<b>20 Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials	174.21	225.73
Work-in-progress	191.00	159.69
Finished goods	100.96	40.25
Traded goods	0.47	1.51
Stores and spares	32.70	18.68
	<u>499.34</u>	<u>445.86</u>
<b>21 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	9.57	8.87
Doubtful	1.87	1.90
	<u>11.44</u>	<u>10.77</u>
Less : Allowances for bad and doubtful debts	1.87	1.90
	<u>9.57</u>	<u>8.87</u>
Other debts		
Secured, considered good	0.15	0.13
Unsecured considered good	314.04	379.08
	<u>314.19</u>	<u>379.21</u>
	<u>323.76</u>	<u>388.08</u>
Includes amounts due by Private company in which directors are interested	8.51	10.61
	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
	<b>Current Rs. in million</b>	<b>Current Rs. in million</b>
	<b>Non-current Rs. in million</b>	<b>Non-current Rs. in million</b>
<b>22 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.65	-
Balances with banks		
in current accounts	13.35	-
in deposit account (with maturity upto 3 months)	8.20	-
	<u>22.20</u>	<u>33.73</u>
<b>Other bank balances</b>		
Unpaid dividend account	0.79	-
Deposits with maturity more than 3 months but less than 12 months	3.49	-
Bank deposits with maturity of more than 12 months	-	1.00
	<u>4.28</u>	<u>1.00</u>
Less : Amounts disclosed as Other non-current assets (Refer note 19)	-	1.00
	<u>26.48</u>	<u>36.96</u>

	As at 31 March 2014 Rs. in million	As at 31 March 2013 Rs. in million
<b>23 Other current assets</b>		
Unamortised expense	-	0.01
Other current assets	<u>0.63</u>	<u>0.25</u>
	<u><b>0.63</b></u>	<u><b>0.26</b></u>
<b>24 Contingent liabilities and commitments</b>		
Claims against the company not acknowledged as debt	505.52	97.40
Estimated amount of capital and other commitments remaining to be executed	<u>88.44</u>	<u>5.07</u>
	<u><b>593.96</b></u>	<u><b>102.47</b></u>
	<b>Year ended 31 March 2014 Rs. in million</b>	<b>Year ended 31 March 2013 Rs. in million</b>
<b>25 Revenue</b>		
<b>Revenue from operations</b>		
Sale of goods		
Export	1,510.43	1,290.27
Domestic	<u>971.53</u>	<u>1,013.45</u>
<b>Revenue from operations (Gross)</b>	<u><b>2,481.96</b></u>	<u><b>2,303.72</b></u>
Less : Excise duty	<u>87.46</u>	<u>99.54</u>
<b>Revenue from operations (Net)</b>	<u><b>2,394.50</b></u>	<u><b>2,204.18</b></u>
<b>Details of products sold</b>		
<b>Manufactured goods</b>		
Enzymes	2,084.45	1,905.32
Animal feed supplement	-	150.45
Micro organisms	15.97	9.88
Others	<u>10.87</u>	<u>59.56</u>
	<u><b>2,111.29</b></u>	<u><b>2,125.21</b></u>
<b>Traded goods</b>		
Enzymes	-	1.20
Animal feed supplement	<u>283.21</u>	<u>77.77</u>
	<u><b>283.21</b></u>	<u><b>78.97</b></u>
	<u><b>2,394.50</b></u>	<u><b>2,204.18</b></u>
<b>26 Other income</b>		
Interest income	5.92	19.38
Export incentives	2.79	4.89
Excess provision no longer required written back	9.40	0.31
Net gain on foreign currency transactions and translations	0.20	0.25
Other non-operating income	<u>0.97</u>	<u>11.20</u>
	<u><b>19.28</b></u>	<u><b>36.03</b></u>
<b>27 Cost of materials consumed</b>		
Opening stock		
Raw materials and components	225.78	169.78
Add : Purchases during the period		
Raw materials and components	526.99	651.40
Less : Closing stock		
Raw materials and components	<u>174.21</u>	<u>225.78</u>
	<u><b>578.56</b></u>	<u><b>595.40</b></u>

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>28 Changes in inventories of finished goods and work-in-progress &amp; traded goods</b>		
Opening stock		
Manufactured goods	40.97	47.14
Work-in-progress	144.33	53.27
Traded goods	1.51	3.43
	<u>186.81</u>	<u>103.84</u>
Closing stock		
Manufactured goods	102.23	40.97
Work-in-progress	191.06	144.33
Traded goods	0.47	1.51
	<u>293.76</u>	<u>186.81</u>
Differential Excise duty on stocks	<u>(1.04)</u>	<u>(1.11)</u>
	<u>(107.99)</u>	<u>(84.08)</u>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus (including managerial remuneration)	305.37	240.23
Contribution to gratuity, provident fund and other funds	10.35	16.39
Staff welfare expenses	11.80	11.92
	<u>327.52</u>	<u>268.54</u>
<b>30 Finance costs</b>		
Interest expenses	89.31	90.41
Bank charges	7.57	5.07
Net loss on foreign currency transactions and translations	35.05	0.06
	<u>131.93</u>	<u>95.54</u>
<b>31 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also refer note 14)	99.78	73.66
Amortisation of intangible assets (Also refer note 15)	0.04	0.64
	<u>99.82</u>	<u>74.30</u>
<b>32 Other expenses</b>		
<b>Manufacturing expenses</b>		
Consumption of stores and spare parts	29.97	49.54
Consumption of packing materials	24.48	20.47
Power and fuel	146.44	154.56
Carriage inward and freight	28.21	24.18
Water charges	2.47	1.82
Excise duty	5.47	9.74
Laboratory expenses	20.48	11.30
Repairs and maintenance		
Buildings	3.96	5.25
Plant and equipment	6.22	7.85
Other manufacturing expenses	3.90	3.61
	<u>271.60</u>	<u>288.32</u>
<b>Selling and distribution expenses</b>		
Travel, conveyance and car hire	35.62	33.31
Commission	11.40	9.04
Discount on sales	1.67	2.22
Sales promotion and advertisement	16.16	11.10
Freight outward and forwarding	25.87	21.52
Other selling and distribution expenses	14.26	10.70
	<u>104.98</u>	<u>87.89</u>



	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>Administrative and general expenses</b>		
Rent	17.40	14.04
Rates and taxes	7.73	3.71
Repairs and maintenance		
- Others	10.50	6.89
Insurance	11.57	6.88
Printing and stationary	2.01	1.74
Communication expenses	7.43	6.57
Directors' sitting fees	0.28	0.38
Legal and professional charges	85.37	65.51
Payments to auditors (Also refer note 38)	1.40	1.66
Provision for doubtful debts	-	1.30
Bad debts	1.08	0.12
Research and development expenses	0.01	0.07
Donation	4.90	6.52
Loss on sale of assets	0.51	-
Investments written off	8.34	-
Fund raising expenses written off	11.23	-
Net loss on foreign currency transactions and translations	4.17	5.46
Commuting expenses	5.13	-
Miscellaneous expenses	29.47	20.26
	<u>208.53</u>	<u>141.11</u>
	<u>585.11</u>	<u>517.32</u>
<b>33 Exceptional items</b>		
<p>Some of the lots of products of enzyme sold by the Group were reported to have potential contamination. During the second half of the year, the group has done voluntarily recall of those specific lots and also got goods returned back from some of its overseas customers. Accordingly, the Group had to charge a one time inventory write off, settle claims of some of the customers and incur certain expenses related to recall.</p> <p>Following expenses represents consequential cost on account of product recall:</p>		
Sales Returns	243.75	-
Estimate of liability settlements	206.13	-
Write offs	13.76	-
Other related Expenses	50.67	-
	<u>514.31</u>	<u>-</u>
<b>34 Earnings per equity share</b>		
<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>		
<b>a) Computation of profit for computing basic and diluted earning per share</b>		
Net profit after tax for the year	197.37	498.15
<b>b) Computation of weighted average number of shares (in million)</b>		
Basic earnings per share	21.77	21.31
Diluted earnings per share	21.77	21.31
<b>c) Nominal value of shares (in Rs.)</b>	10.00	10.00

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>d) Computation</b>		
Basic (in Rs.)	9.07	23.37
Diluted (in Rs.)	9.07	23.37
<b>35 Segment Reporting</b>		
The Company operates only in one primary business segment i.e. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.		
<b>By geographical Segment</b>		
<b>Segment revenue</b>		
India	884.07	913.91
Outside India	1,510.43	1,290.27
<b>Total</b>	<b>2,394.50</b>	<b>2,204.18</b>
	<b>As at 31 March 2014 Rs. in million</b>	<b>As at 31 March 2013 Rs. in million</b>
<b>Segment assets</b>		
India	2,013.72	1,968.33
Outside India	2,047.02	2,007.91
<b>Total</b>	<b>4,060.74</b>	<b>3,976.24</b>
<b>36 Related parties</b>		
<b>a) Names of related parties</b>		
<b>I Key Management Personnel (KMP)</b>		<b>Relatives of KMP :</b>
Mr. Vasant L. Rathi		Mrs. Radhika Pujara
Mr. Chandrakant L. Rathi		Mrs. Prabha V. Rathi
Mrs. Savita C. Rathi		Ms. Rachana Rathi
Mr. Mukund M. Kabra		Ms. Rasika Rathi
Mr. Piyush C. Rathi		Ms. Reshma Rathi
Mr. Beni P. Rauka		Mr. Kishore L. Rathi
Mr. Dipak Roda		Mrs. Mangala M. Kabra
		Mrs. Divya P. Rathi
		Mrs. Gitanjali M. Kabra
<b>II Other Related Parties (entities in which either of the KMPs or their relatives have significant influence)</b>		
Atharva Capital Ventures Private Limited		
Chandrakant Rathi Finance and Investment Company Private Limited		
Advanced Vital Enzymes Private Limited		
Advanced Supplementary Technologies Corporation (Upto 31 October 2012)		
C.L. Rathi H.U.F. (Hindu Undivided Family)		
Rathi Properties LLC		
Mukund M Kabra HUF		
Vasant and Prabha Rathi Generation Trust		
Shri Lakshminarayanan Rathi Bahuuddeshiya Seva Sanstha		

**b) Transactions with related parties**

Rs. in million

Transactions during the year	KMP & Relatives		Other Related parties	
	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>1 Sale of Goods</b>				
Advanced Supplementary Technologies Corporation	-	-	-	37.01
Advanced Vital Enzymes Private Limited	-	-	15.61	22.38
	-	-	15.61	59.39
<b>2 Rent Paid</b>				
Rathi Properties LLC	-	-	8.06	7.25
Mr. Vasant L. Rathi	3.27	1.23	-	-
	3.27	1.23	8.06	7.25
<b>3 Remuneration to KMPs and their Relatives *</b>				
Mr. Chandrakant L. Rathi	9.48	8.36	-	-
Mr. Vasant L. Rathi	19.10	17.41	-	-
Mrs. Savita C. Rathi	3.50	2.94	-	-
Mr. Mukund Kabra	8.36	7.73	-	-
Mr. Kishore L. Rathi	1.90	1.67	-	-
Mrs. Mangala M. Kabra	2.10	1.77	-	-
Mr. Piyush Rathi	3.97	3.12	-	-
Mrs. Prabha V. Rathi	11.80	10.62	-	-
Ms. Reshama V. Rathi	3.93	3.16	-	-
Ms. Rachana Rathi	3.98	1.38	-	-
Ms. Rasika Rathi	3.66	-	-	-
Mr. Beni P. Rauka	3.74	3.13	-	-
Mr. Dipak Roda	4.12	3.01	-	-
	79.64	64.30	-	-
<b>Commission to directors *</b>				
Mr. Vasant L. Rathi	-	2.34	-	-
Mr. Chandrakant L. Rathi	-	1.76	-	-
Mr. Mukund Kabra	-	1.17	-	-
	-	5.27	-	-
<b>* included in Employee benefits expenses</b>				
<b>4 Interest received</b>				
Advanced Vital Enzymes Private Limited	-	-	2.55	4.90
	-	-	2.55	4.90
<b>5 Interest on borrowings</b>				
Mr. Vasant L. Rathi	33.71	37.07	-	-
Ms. Rachana Rathi	0.50	0.62	-	-
Ms. Rasika Rathi	0.50	0.62	-	-
Ms. Reshma Rathi	0.50	0.62	-	-
Rathi Property, LLC	-	-	5.89	1.81
	35.21	38.93	5.89	1.81
<b>6 Interest on fixed deposits</b>				
Chandrakant Rathi Finance and Investment Private Limited	-	-	0.20	0.42
Atharva Capital Ventures Private Limited	-	-	0.08	0.22
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	0.13	0.27
Mr. Vasant L. Rathi	1.12	1.13	-	-
Mrs. Prabha V. Rathi	0.05	0.05	-	-
Mrs. Radhika Pujara	0.15	0.25	-	-
Mrs. Divya P. Rathi	0.06	0.12	-	-
Mr. Piyush Rathi	0.00	0.01	-	-
	1.38	1.56	0.41	0.91
<b>7 Advances received / Paid (Net)</b>				
Mr. Vasant L. Rathi	-	935.99	-	-
Ms. Rachana Rathi	-	16.15	-	-
Ms. Rasika Rathi	-	16.15	-	-
Ms. Reshma Rathi	-	16.15	-	-
Advanced Vital Enzymes Private Limited	-	-	(7.17)	(40.17)
Rathi Properties, LLC	-	-	-	163.17
	-	984.44	(7.17)	123.00

Rs. in million

Transactions during the year	KMP & Relatives		Other Related parties	
	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>8 Deposits received/ (repaid)</b>				
Chandrakant Rathi Finance and Investment Private Limited	-	-	(3.60)	(0.80)
Atharva Capital Ventures Private Limited	-	-	(1.50)	(1.48)
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	(2.45)	-
Mrs. Radhika Pujara	(2.28)	(0.23)	-	-
Mr. Piyush Rathi	(0.05)	-	-	-
Mrs. Divya P. Rathi	(1.07)	-	-	-
	(3.40)	(0.23)	(7.55)	(2.28)
<b>9 Purchase of shares</b>				
Mr. Vasant L. Rathi	-	31.88	-	-
Ms. Rachana Rathi	-	45.30	-	-
Ms. Rasika Rathi	-	45.30	-	-
Ms. Reshma Rathi	-	45.30	-	-
	-	167.78	-	-
<b>10 Commission paid</b>				
Advanced Vital Enzymes Private Limited	-	-	0.17	-
	-	-	0.17	-
<b>c) Balances at the year ended</b>				
<b>a. Fixed deposits</b>				
Chandrakant Rathi Finance and Investment Private Limited	-	-	-	3.60
Atharva Capital Ventures Private Limited	-	-	-	1.50
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	-	2.45
Mr. Vasant L. Rathi	10.21	10.21	-	-
Mrs. Prabha V. Rathi	0.41	0.41	-	-
Mrs. Radhika Pujara	-	2.28	-	-
Mrs. Divya P. Rathi	-	1.07	-	-
Mr. Piyush Rathi	-	0.05	-	-
	10.62	14.02	-	7.55
<b>b. Investment</b>				
Advanced Vital Enzymes Private Limited	-	-	0.57	0.57
	-	-	0.57	0.57
<b>c. Trade receivable</b>				
Advanced Supplementary Technologies Corporation	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	8.51	10.61
	-	-	8.51	10.61
<b>d. Trade payable</b>				
Rathi Properties, LLC	-	-	137.89	9.21
	-	-	137.89	9.21
<b>e. Advances paid</b>				
Advanced Vital Enzymes Private Limited	-	-	21.75	52.72
	-	-	21.75	52.72
<b>f. Loan received</b>				
Mr. Vasant L. Rathi	926.83	934.62	-	-
Ms. Rachana Rathi	6.89	14.22	-	-
Ms. Rasika Rathi	6.89	14.22	-	-
Ms. Reshma Rathi	6.89	14.22	-	-
Rathi Properties, LLC	-	-	162.70	163.17
	947.50	977.28	162.70	163.17
<b>g. Commission Payable</b>				
Mr. Vasant L. Rathi	-	1.98	-	-
Mr. Chandrakant L. Rathi	-	1.58	-	-
Mr. Mukund M Kabara	-	1.05	-	-
	-	4.61	-	-
<b>h. Interest payable</b>				
Mr. Vasant L. Rathi	15.79	0.07	-	-
Ms. Rachana Rathi	0.05	0.10	-	-
Ms. Rasika Rathi	0.05	0.10	-	-
Ms. Reshma Rathi	0.05	0.10	-	-
Rathi Properties, LLC	-	-	2.78	-
	15.94	0.37	2.78	-

	Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
<b>37 Disclosures in respect of non-cancellable operating leases</b>		
Payable not later than one year	8.00	7.24
Payable later than one year not later than five years	14.01	19.92
Payable later than five years	-	-
<b>Total</b>	<b>22.01</b>	<b>27.16</b>
<b>38 Payments to auditors</b>		
<b>As auditor</b>		
Statutory audit	1.18	1.24
	1.18	1.24
<b>In other capacity</b>		
Other services		
In relation to filing of draft red herring prospectus*	0.74	1.23
Certification work	0.15	0.30
	0.89	1.53
Reimbursement of expenses	0.07	0.12
	2.14	2.89
*The amount has been included in fund raising expenses under note no. 19.		
<b>39 Capitalisation of expenditure</b>		
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.		
Salaries, wages and bonus	-	8.15
Power and fuel	-	21.06
Water charges	-	1.01
Travel, conveyance and car hire	-	0.27
Miscellaneous expenses	-	0.45
Finance costs	-	35.93
	-	66.87
The borrowing costs capitalised during the year ended 31 March 2014 was Rs. Nil (31 March 2013 - Rs.17.48 million). 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 Indian entities of the group had exercised the option stated in paragraph 46 of AS 11 retrospectively from 1 April 2007. Consequently, the Indian entities of the group 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.		
<b>40 Remuneration to directors and their relatives</b>		
a) During the year, payment made on account of managerial remuneration in excess of the allowable limits under Companies Act, 1956 works out to Rs. 9.32 million. The Company is in the process of seeking the necessary approvals in this regard.		
b) During the year, Company has paid Rs. 0.97 million in excess of the allowable limits under Companies Act, 1956, to a person holding office or place of profit in the Company. The Company has applied to the Central Government vide application dated 24 September 2013 for seeking the necessary approval in this regard, which is currently awaited.		
<b>41 Previous year comparatives</b>		
The previous year figures have been regrouped and reclassified wherever necessary to make them comparable with the current year figures.		
<b>For Walker Chandiook &amp; Co LLP</b> (formerly Walker, Chandiook & Co) Chartered Accountants	<b>For Advanced Enzyme Technologies Limited</b>	
<b>Khushroo B. Panthaky</b> Partner Mumbai, Date: 16 June 2014	<b>C. L. Rathi</b> Managing Director	<b>Kedar Desai</b> Director
		<b>B. P. Rauka</b> Company Secretary
	Thane, Date: 9 June 2014	

The Central Government wide 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.

	<b>Advanced Bio-Agro Tech Ltd</b>	<b>Advanced EnzyTech Solutions Ltd</b>	<b>Advanced Enzymes, USA</b>	<b>Advanced Enzymes Europe B.V., Neatherland</b>
Share Capital	1,000,000	700,000	#270,425,000	^6,983,841
Reserve & Surplus	89,667,000	15,579,742	275,486,603	(13,593,021)
Total assets (including investments)	123,958,832	60,735,531	##2,063,756,487	^^293,021
Total liabilities	33,291,832	44,455,789	1,517,844,884	^^6,902,201
Investments	-	-	*1,709,529,685	-
Turnover	283,205,466	115,963,828	###1,247,884,581	-
Profit before taxation	54,024,451	10,360,268	###134,766,080	^^^(7,686,655)
Provision for taxation	17,640,093	3,415,750	###40,741,490	-
Profit after taxation	36,384,358	6,944,518	###94,024,590	^^^(7,686,655)
Proposed dividend	4,000,000	-	-	-
#	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 31/03/2014 = Rs. 60.0998 ### Avg Exchange rate for F.Y. 2013-14 = Rs. 60.4962		^ Exchange Rate on 09/05/2012 = Rs.69.4005 Exchange Rate on 31/10/2012 = Rs.70.1495 Exchange Rate on 02/05/2013 = Rs.70.923 Exchange Rate on 31/03/2014 = Rs.82.5765 ^^ Avg Exchange Rate for F.Y. 2013-14 = Rs.81.1399	
*	Includes amount invested in step subsidiaries Specialty Enzyme Bio-Chemicals & AST Enzymes			



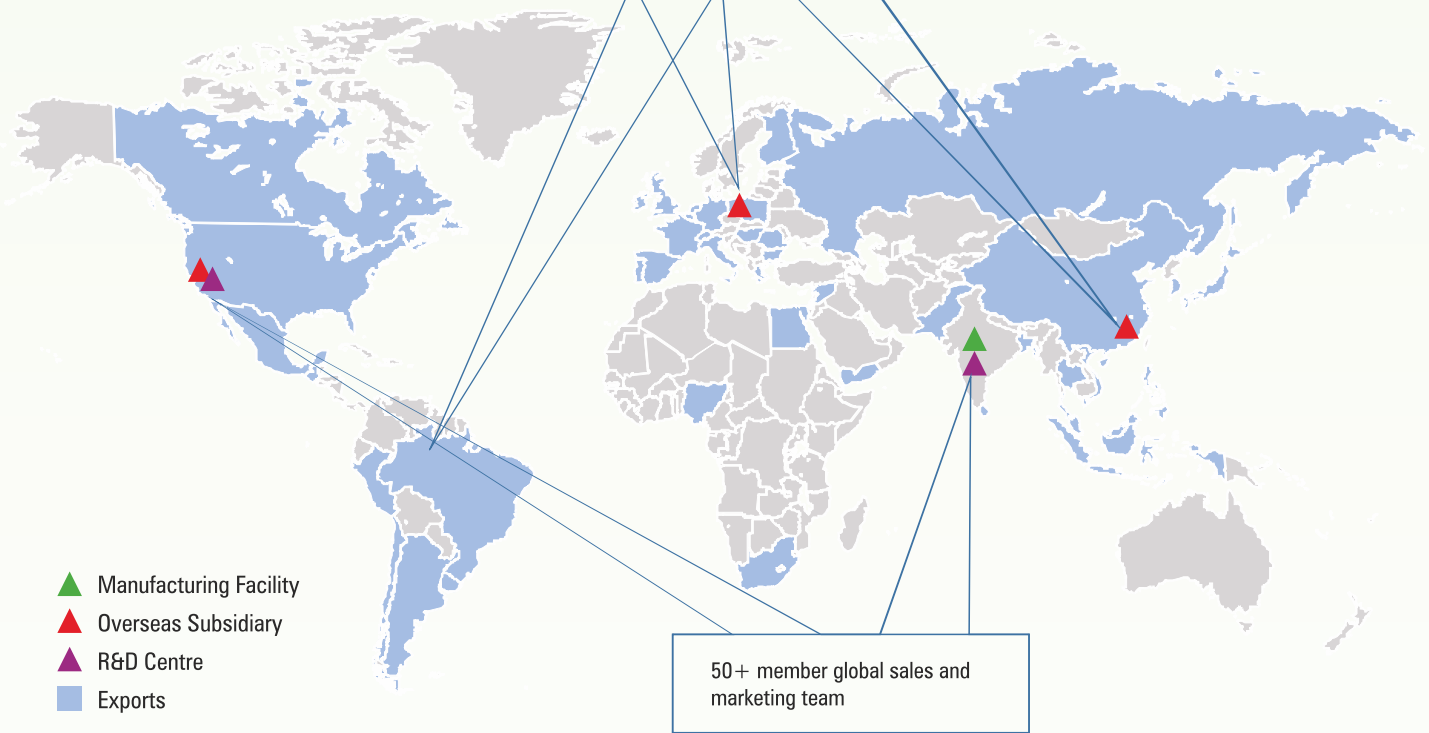
Advanced Enzyme received a Bio-Excellence Award for their outstanding achievements in the Biotech sector. Mr. Piyush Rathi, Chief Marketing Officer received the award on behalf of Advanced Enzyme during the Bio-Excellence Awards Function (INDIABIO 2014) on 11<sup>th</sup> February, 2014 at Bangalore.



Advanced Enzyme was ranked amongst the top 500 of India's fastest-growing mid-sized companies for 2013 by Inc. India. Mr. Beni Prasad Rauka, Group CFO received the award on behalf of Advanced Enzyme during the Award ceremony on 22<sup>nd</sup> March 2014 at Gurgaon.

58.5% of revenues from international markets

25 international distributors, catering to European, Latin American and African markets



- ▲ Manufacturing Facility
- ▲ Overseas Subsidiary
- ▲ R&D Centre
- Exports



**Advanced Enzyme Technologies Ltd.**

CIN: U24200MH1989PLC051018

Sun Magnetica, 'A' Wing, 5th Floor, LIC Service Road, Louiswadi, Thane (W) - 400 604, India.

Tel: +91-22-4170-3200 • Fax: +91-22-2583-5159 • Email: [info@advancedenzymes.com](mailto:info@advancedenzymes.com)