



2014 - 2015 ANNUAL REPORT



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Financial Highlights

ANNUAL REPORT 2014-15

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

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

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

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Beni Prasad Rauka

DEPUTY COMPANY SECRETARY

Mr. Sunil Kumar Sharma

REGISTERED OFFICE

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

R&D CENTRES

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

PLANTS

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

BANKERS

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

AUDITORS

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

SHARE TRANSFER AGENTS

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

SUBSIDIARIES

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

DIRECTORS' REPORT

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

FINANCIAL RESULTS

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

CONSOLIDATED FINANCIAL RESULTS

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

DIVIDEND

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

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

RESERVES

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

REVIEW OF OPERATIONS & FINANCIAL PERFORMANCE

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT

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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

DIRECTORS

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

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

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

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

AUDITORS REPORT AND REAPPOINTMENT

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

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

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

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

CSR COMMITTEE

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

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

NOMINATION AND REMUNERATION COMMITTEE

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

MEETINGS OF THE BOARD

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

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

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

EXTRACT OF ANNUAL RETURN

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

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

FIXED DEPOSIT

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

RESEARCH AND DEVELOPMENT

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

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

INTELLECTUAL PROPERTY (IPR)

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

EMPLOYEES STOCK OPTION PLAN

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

DEMAT OF SHARES CONNECTIVITY WITH CDSL AND NSDL

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

SHARE TRANSFER AGENT.

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

WEBSITE OF THE COMPANY

Website of the Company is www.advancedenzymes.com where detailed information of the Company Management and its products are provided and in addition to this all statutory information are also provided.

BANKING

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

GENERAL

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

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

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

ACKNOWLEDGMENTS

Your Directors acknowledge with gratitude the support received by the Company from Citi Bank N.A, HDFC Bank, DBS Bank, Kotak Mahindra Bank, Indusind Bank and Yes Bank and Government Agencies and organizations. Your Directors also acknowledge with thanks the faith reposed by the investors in the Company and look forward to their continued support for times to come.

By Order of the Board of Directors

Thane, 30th June 2015

(Kedar Desai)
Chairman
DIN: 00322581

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

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

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

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

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

ANNEXURE “B” TO THE DIRECTOR’S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis: **N/A**
 - (a) Name(s) of the related party and nature of relationship : **N/A**
 - (b) Nature of contracts/arrangements/transactions: **N/A**
 - (c) Duration of the contracts / arrangements/transactions: **N/A**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N/A**
 - (e) Justification for entering into such contracts or arrangements or transactions: **N/A**
 - (f) Date of approval by the Board: **N/A**
 - (g) Amount paid as advances, if any: : **N/A**
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N/A**

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

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

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

Name of Related Party	Nature of Related Party	Transaction Defined under Section 188 (Rs. in million)			
		Sales/ Purchases of Goods	Availing or rendering of any services;/ Leasing of property	Remuneration/ Commission	Interest on borrowings
Mr. Kishore L. Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the Company)	-	-	1.81	-
Mr. Vasant Rathi	Non-Executive Director (Related party in term of Section 2(76), appointed office of profit in the subsidiary Company)	-	3.30	26.56	42.00
Mrs. Prabha Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the subsidiary Company)	-	-	11.92	-
Ms Rachana Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the subsidiary Company)	-	-	4.62	0.16
Ms Reshama Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the subsidiary Company)	-	-	4.65	0.16
Ms Rasika Rathi	Relative of Directors (Related party in term of Section 2(76), appointed office of profit in the subsidiary Company)	-	-	5.29	0.16
Mr. Beni Prasad Rauka	Key Managerial Person (Related party in term of Section 2(76))	-	-	3.52	-
Rathi Properties LLC	Related party under Section 188	-	8.14	-	7.25

- (a) Name(s) of the related party and nature of relationship: As provided in table above.
- (b) Nature of contracts/arrangements/transactions: business purpose of the Company
- (c) Duration of the contracts / arrangements/transactions: The Board of Directors at its meeting held on 9th June, 2014 approved the entering into the above mentioned transaction for time to time during the financial year 2014-15
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: As provided in table above.
- (e) Date(s) of approval by the Board: The Board approved the said transactions in their meeting held on 9th June 2014 and subsequently approved by the shareholders on 12th August 2014
- (f) Amount paid as advances, if any: As provided in table above.

ANNEXURE “C” TO THE DIRECTOR’S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken.

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

In accordance with the broad CSR philosophy of your Company following projects have been identified:

Advanced Shiksha Yogdan (education sponsorship)

Advanced Shiksha Abhiyan (adopting or providing support to school run by local government / bodies/ NGO)

Advanced Basti / Gaon (adopting a slum / village)

Advanced Badlav (awareness campaign for change)

2. The Composition of the CSR Committee:

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

Mr. R.T. Mehta (Non-Executive Independent Director) - Member

Mr. K.V. Ramakrishna (Non-Executive-Non Independent Director) - Member

3. Average net profit of the Company for last three financial years: Rs. 215,831,376

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 4,316,628

5. Details of CSR spend for the financial year:

a) Total amount to be spent for the financial year 2014-15: Rs. 4,316,628 (The Company has spent Rs. 3,299,849 during the financial year 2014-15)

b) Amount unspent, if any : Rs. 1,016,779

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR projects / Activities identified	Sector in which the project is covered	Projects or programs (1). Local area or other (2).Specify the State and district projects or programs was undertaken	Amount (Rs.) Outlay (Budget) Project or Programs wise	Amount (Rs) Spent on the project or program Sub-heads (1) Direct expenditure on project or programs (2) Overheads	Cumulative Expenditure (Rs) upto reporting period	Amount (Rs) spent: Direct or through implementing agency
1.	Funding for Free Schools in Jharkhand, for operational expenses	Education	Mumbai and Jharkhand	2,335,000	Direct: 2,335,000 Overheads: NIL	2,334,849	Direct: NIL Through: Ved Vigyan Maha Vidyapeeth, Bangalore-2,334,849
2.	Funding to Ahmedabad school for books, text books, stationery etc.	Education	Mumbai and Ahmedabad	1,000,000	Direct: 500,000 Overheads: NIL	500,000	Direct: NIL Through: Sri Sir Ravishankar Vidya Mandir Trust, Bangalore 500,000

Sr. No.	CSR projects / Activities identified	Sector in which the project is covered	Projects or programs (1). Local area or other (2). Specify the State and district projects or programs was undertaken	Amount(Rs.) Outlay (Budget) Project or Programs wise	Amount(Rs) Spent on the project or program Sub-heads (1) Direct expenditure on project or programs (2) Overheads	Cumulative Expenditure (Rs) upto reporting period	Amount(Rs) spent: Direct or through implementing agency
3.	Support for operational expenses of free schools in Thane	Education	Thane	300,000	Direct: 50,000 Overheads: NIL	50,000	Direct: NIL Through: Kala Sugandh-50,000
4.	Support for upliftment of Under privileged children at Dharavi School, Midday Milk		Mumbai	415,000	Direct: 415,000 Overheads: NIL	415,000	Direct: NIL Through: Sri Sri Ravisankar Vidya Mandir Trust-415,000
5.	Support to blind and handicap and partially disabled children	Education	Mumbai	100,000	Direct: NIL Overheads: NIL	-	NIL
6.	Special Project / Contingency	Education	Mumbai	166,628	Direct: NIL Overheads: NIL	-	Nil
	Total			4,316,628	Direct 3,299,849 Overheads: NIL	3,299,849	Direct: NIL Through: 3,299,849

6. Due to paucity of time for evaluation of right project/ program, the CSR Committee has spent Rs.3.30 million on CSR initiatives as against a total allocation of Rs. 4.32 million resulting into lesser spending of Rs. 1.02 million.

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

Thane, 30th June 2015

(Kedar Desai)
 Chairman
 DIN: 00322581

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

**ANNEXURE “D” TO THE DIRECTOR’S REPORT
ADVANCED ENZYME TECHNOLOGIES LIMITED
(CIN: U24200MH1989PLC051018)**

Nomination and Remuneration Policy (‘Policy’)

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every Company; having paid-up share capital of Rs. 10 Crore or turnover of Rs. 100 Crore, shall constitute a Nomination and Remuneration Committee. The Company has constituted a Nomination and Remuneration Committee as required under the Section 178 of the Companies Act, 2013.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

Objectives

The Key Objectives of the Committee are:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Definitions

- i. “Board” means Board of Directors of the Company.
- ii. “Company” means “Advanced Enzyme Technologies Limited.”
- iii. “Employees’ Stock Option” means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- iv. “Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- v. “Key Managerial Personnel” (KMP) means
 - a) Chief Executive Officer or the Managing / Executive Director or the Manager (Managerial Person),
 - b) Company Secretary,
 - c) Whole-time Director,
 - d) Chief Financial Officer and
 - e) Such other officer as may be prescribed under the Companies Act, 2013.
- vi. “Committee” shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- vii. “Policy or This Policy” means, “Nomination and Remuneration Policy.”
- viii. “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- ix. “Senior Management” means, personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and rule made there under.

Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management

i. Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.

ii. Term / Tenure:

- a) The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a requisite resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.
- c) No Independent Director shall hold office for more than two consecutive Terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Term can be for a maximum period of five years.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- d) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Disqualifications for Appointment of Directors

Pursuant to section 164 of the Companies Act, 2013

- i. A person shall not be eligible for appointment as director of the company if:
 - a) He is of unsound mind and stands so declared by a competent court;
 - b) He is undischarged insolvent;
 - c) He has applied to be adjudicated as an insolvent and his application is pending;
 - d) He has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:
 - 1) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
 - 2) He has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
 - 3) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - 4) He has not complied with sub-section (3) of section 152 of the Companies Act, 2013.
- ii. A person who has been a Director of the company which:
 - a) Has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b) Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the company fails to do so.
- iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' as per criteria laid down by the Company.

Remuneration Policy

The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to

the approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

Remuneration Strategy for Employees at AETL

The Company adopts a total compensation philosophy in rewarding employees. The Total compensation package for the employees may comprise of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance incentive.

The level of total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, loyalty, seniority and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the increment. Individual increment allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

- i. Fixed Component: Consists of Basic Pay (Usually 35%-50% of the gross Fixed Salary).
- ii. Perquisites: In the form of house rent allowance/ accommodation, reimbursement of medical expenses, travel conveyance, children education, helper allowance, office attire allowance,, telephone, communication equipment's like cell phone etc. In addition to this based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.
- iii. Retirement Benefits: Pension contributions, Gratuity payments, Superannuation fund are made in accordance with applicable laws and employment agreements.
- iv. Severance payments: In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.
- v. Personal benefits: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.
- vi. Variable pay is linked to the below three factors:
 - a) The financial results of the company;
 - b) Targets achieved;
 - c) The individual performance and that of the department/team
- vii. Annual Performance Linked Bonus: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration.
 - a) In the beginning of the year the Board sets the organization performance objectives based on qualitative and quantitative measures.
 - b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.
 - c) These objectives form part of the performance targets for the Managerial Personnel.
 - d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

Remuneration to Managerial Personnel

Fixed Pay

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

The remuneration to Personnel of Senior Management and other employees shall be governed by the AETL HR Policy.

Remuneration to Non-Executive / Independent Director

Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Deviations from the Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Amendments

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

**ANNEXURE "E" TO THE DIRECTOR'S REPORT
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U24200MH1989PLC051018
2.	Registration Date	15/03/1989
3.	Name of the Company	ADVANCED ENZYME TECHNOLOGIES LIMITED
4.	Category	Public Company
5.	Sub-category	Company Limited by Shares
6.	Address of the Registered office	5th Floor, A-Wing, Sun Magnetica, Near LIC Service Road, Louiswadi, Thane, Maharashtra, 400604
7.	Contact details	Telephone: 022-41703200 Fax: 022-25835159
8.	Whether listed company	Not Listed
9.	Name of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited,
10.	Address	C-13 Pannalal Silk Mills Compound, L B S MARG, Bhandup (West), Mumbai - 400078.
11.	Contact details	Telephone: 022-25963838 Fax: 022-259445960

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Advanced Bio-Agro Tech Limited	A-Wing, 5th Floor, Sun Magnetica, Louiswadi Thane(W) 400604	U24100MH2004PLC149464	Subsidiary	60%	Section 2(87) of Companies Act, 2013
2	Advanced EnzyTech Solutions Limited	A-Wing, 5th Floor, Sun Magnetica, Louiswadi Thane(W) 400604	U24200MH2008PLC186383	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Advanced Enzymes USA	4880, Murrieta Street, Chino, CA 91710	NA*	Subsidiary	100%	Section 2(87) of Companies Act, 2013
4	Cal India Food International	13591, Yorba Ave, Chino, California 91710	NA*	Subsidiary	100%	Section 2(87) of Companies Act, 2013
5	Advanced Enzyme Supplementary Technologies Corporation	4880, Murrieta Ave Suite D, Chino, CA 91710	NA*	Subsidiary	100%	Section 2(87) of Companies Act, 2013
6	Dynamic Enzymes Inc,	4880, Murrieta Ave Suite D, Chino, CA 91710	NA*	Subsidiary	100%	Section 2(87) of Companies Act, 2013
7	Enzyme innovation Inc,	4880, Murrieta Street, Chino, California 91710	NA*	Subsidiary	100%	Section 2(87) of Companies Act, 2013

*Incorporated outside India.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	415,320	108,800	524,120	2.41%	418,320	108,800	527,120	2.42%	0.014%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,110,140	8,000	6,118,140	28.11%	6,110,140	8,000	6,118,140	28.11%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	6,525,460	116,800	6,642,260	30.52%	6,528,460	116,800	6,645,260	30.53%	0.014%
(2) Foreign									
a) NRIs - Individuals	8,664,500	-	8,664,500	39.81%	8,664,500	-	8,664,500	39.81%	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Vasant Rathi and Prabha Rathi Generaion Trust	1,500,000	-	1,500,000	6.89%	1,500,000	-	1,500,000	6.89%	-
Sub-Total (A)(2):	10,164,500	-	10,164,500	46.70%	10,164,500	-	10,164,500	46.70%	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	16,689,960	116,800	16,806,760	77.22%	16,692,960	116,800	16,809,760	77.23%	0.014%
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	679,900	-	679,900	3.12%	679,900	-	679,900	3.12%	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	679,900	-	679,900	3.12%	679,900	-	679,900	3.12%	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	2,400	2,400	0.01%	-	2,400	2,400	0.01%	-
ii) Overseas	336,600	873,600	1,210,200	5.56%	336,600	873,600	1,210,200	5.56%	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	159,080	587,080	746,160	3.43%	218,560	533,700	752,260	3.46%	0.03%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,089,280	162,400	1,251,680	5.75%	1,124,980	130,000	1,254,980	5.77%	0.02%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians	812,800	2,400	815,200	3.75%	800,400	2,400	802,800	3.69%	-0.057%
Trusts	17,900	235,400	253,300	1.16%	17,900	235,400	253,300	1.16%	-
Hindu Undivided Family	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,415,660	1,863,280	4,278,940	19.66%	2,498,440	1,777,500	4,275,940	19.65%	-0.014%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,095,560	1,863,280	4,958,840	22.78%	3,178,340	1,777,500	4,955,840	22.77%	-0.014%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,785,520	1,980,080	21,765,600	100.00%	19,871,300	1,894,300	21,765,600	100.00%	-

ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	V. L. Rathi	8,280,900	38.05%	NIL	8,280,900	38.05%	NIL	0.000%
2	Prabha V. Rathi	383,600	1.76%	NIL	383,600	1.76%	NIL	0.000%
3	Vasant Rathi and Prabha Rathi Generaion Trust	1,500,000	6.89%	NIL	1,500,000	6.89%	NIL	0.000%
4	C. L. Rathi	5,200	0.024%	NIL	8,200	0.038%	NIL	0.014%
5	C. L. Rathi H.U.F	4,400	0.020%	NIL	4,400	0.020%	NIL	0.000%
6	Savita C. Rathi	73,200	0.336%	NIL	73,200	0.336%	NIL	0.000%
7	Piyush Chandrakant Rathi	38,600	0.177%	NIL	38,600	0.177%	NIL	0.000%
8	Radhika Chandrakant Rathi	2,400	0.011%	NIL	2,400	0.011%	NIL	0.000%
9	Kishor Rathi	283,200	1.301%	NIL	283,200	1.301%	NIL	0.000%
10	Mangala M. Kabra	117,120	0.538%	NIL	117,120	0.538%	NIL	0.000%
11	Chandrakant Rathi Finance and Investment Co. Pvt. Ltd.	3,625,200	16.66%	NIL	3,625,200	16.66%	NIL	0.000%
12	Atharva Capital Ventures Pvt. Ltd.	2,492,940	11.45%	NIL	2,492,940	11.45%	NIL	0.000%
	Total	16,806,760	77.22%	NIL	16,809,760	77.23%	NIL	0.014%

iii) Change Promoter holding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	C. L. Rathi				
	At the beginning of the year	5,200	0.02%	-	-
	Purchase from Market on 18.06.2014	3,000	0.01%	8,200	0.04%
	At the end of the year	8,200	0.04%	8,200	0.04%
2	V. L. Rathi	Except Mr. C.L. Rathi, there is no change in Promoters' Shareholding between 01.04.2014 to 31.03.2015			
3	Prabha V. Rathi				
4	Vasant Rathi and Prabha Rathi Generation Trust				
5	C. L. Rathi H.U.F				
6	Savita C. Rathi				
7	Piyush Chandrakant Rathi				
8	Radhika Chandrakant Rathi				
9	Kishor Rathi				
10	Mangala M. Kabra				
11	Chandrakant Rathi Finance and Investment Co Pvt Ltd				
12	Atharva Capital Ventures Pvt. Ltd.				

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders (Name of the \ Shareholder)	Shareholding at the beginning of the year		Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase / decrease		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company
1	Madhusudan Kabra	82,000	0.38%	-	No Change	82,000	0.38%
2	Rajendra Bhailal Shah	80,000	0.37%	(11,800)	Sell	68,200	0.31%
3	Hemlataben Bhailal Shah	54,400	0.25%	(4,400)	Sell	50,000	0.23%
4	Lila Kishor Rathi	52,800	0.24%	-	No Change	52,800	0.24%
5	Nirmala Bhupendra Doshi	50,000	0.23%	(10,000)	Sell	40,000	0.18%
6	Anil Kumar Gupta	49,000	0.23%	-	No Change	49,000	0.23%
7	Ankit Kishor Rathi	31,600	0.15%	-	No Change	31,600	0.15%
8	Amit Kishor Rathi #	31,200	0.14%	(31,200)	Sell	-	0.00%
9	Abhijit Kishor Rathi	30,800	0.14%	-	No Change	30,800	0.14%
10	Mafatlal B. Sanghavi #	22,000	0.10%	-	No Change	22,000	0.10%
11	Gitanjali Mukund Kabra	25,100	0.12%	10,000	Purchases	35,100	0.16%
12	Sweta Amit Rathi*	1,000	0.01%	31,200	Purchases	32,200	0.15%

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

**v) Shareholding of Directors and Key Managerial Personnel:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year		Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase / decrease		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of Shares	Reason	No. of shares	% of total shares of the Company
1	V. L. Rathi	8,280,900	38.05%	-	No Change	8,280,900	38.05%
2	C. L. Rathi	5,200	0.02%	3,000	Purchases	8,200	0.04%
3	Savita C. Rathi	73,200	0.34%	-	No Change	73,200	0.34%
4	Mukund Madhusudhan Kabra	381,100	1.75%	-	No Change	381,100	1.75%
5	Pradip Bhai Lal Shah	750,800	3.45%	-	No Change	750,800	3.45%
6	Ramesh T. Mehta	8,000	0.04%	-	No Change	8,000	0.04%
7	Beni Prasad Rauka	48,000	0.22%	-	No Change	48,000	0.22%
8	Sunil Kumar Sharma	1,200	0.01%	-	No Change	1,200	0.01%

V. INDEBTEDNESS

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

Rs. in million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	412.7	178.1	12.2	603.1
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	412.7	178.1	12.2	603.1
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(187.4)	(20.1)	(12.2)	(219.7)
Net Change	(187.4)	(20.1)	(12.2)	(219.7)
Indebtedness at the end of the financial year				
i) Principal Amount	225.4	158.0	-	383.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	225.4	158.0	-	383.4

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
Rs. in million

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. C.L Rathi	Mr. MM Kabra	Mrs. S.C. Rathi	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	8.77	8.56	3.33	20.66
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	1.44 0.75% -	0.96 0.50% -	- - -	2.40 1.25% -
5	Others, please specify	-	-	-	-
	Total (A)	10.21	9.52	3.33	23.06
	Ceiling as per the Act	25.02 Million (Being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).			

B. Remuneration to other directors
Rs. in million

SN	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Kedar Desai	Mr. R.T. Mehta	Mr. V.L. Rathi	Mr. K.V. Ramakrishna*	
1	Independent Directors					
	Fee for attending board committee meetings	0.085	0.085	-	-	0.17
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.085	0.085	-	-	0.17
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	0.11	0.11
	Commission	-	-	1.91	-	1.91
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	1.91	0.11	2.02
	Total (B)=(1+2)	0.085	0.085	1.91	0.11	2.19
	Total Managerial Remuneration	-	-	-	-	2.19
	Overall Ceiling as per the Act	2.50 Million (Being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).				

*Paid to Kotak India Venture Fund I.

C. Remuneration to key managerial personnel other than MD/Manager/WTD
Rs. in million

SN	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.52	0.72	4.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify (Incentive)	-	0.07	0.07
	Total	3.52	0.79	4.31

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE “F” TO THE DIRECTOR’S REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director’s Report for the year ended 31st March 2015.

I. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

All business units are continuously putting in their efforts to improve energy usage efficiencies and increase contributions from use of alternate source of energy by use of Coal in FY 2014-15 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 2015</u>	<u>Year Ended March 2014</u>
A) Power and Fuel Consumption			
1. Electricity			
a. Purchased from M.S.E.B.			
Total Units	Kwh	7408244	8580707
Total Amount	Rs.	43,118,601	49,553,594
Average rate per Kwh.	Rs.	5.82	5.78
b. Own Generation (Through Diesel)			
Total Units	Kwh	117914	172570
High Speed Diesel Oil Quantity	Ltrs	26203	38349
Amount	Rs.	1,530,223	2,187,947
Average Rate per Ltr	Rs.	58.4	57.05
Average Rate per Kwh.	Rs.	12.98	12.68
2. Furnace Oil & Diesel (for steam generation)			
Quantity		1015270	1997710
Total Amount		36,342,192	82,100,118
Average Rate per Ltr.		35.8	41.1
3. Coal (for steam generation)			
Quantity		1348713	-
Total Amount		6,677,536	-
Average Rate per Kg.		4.95	-

(B) Consumption per Tone of production

 (Total production **2466.34 MT** (Last Year 2541.33 MT))

	Year Ended March 2015		Year Ended March 2014	
	Unit (kwh)	Amount	Unit (kwh)	Amount
1. Electricity				
Purchased	7,408,244	43,118,601	8,580,707	49,553,594
Own Generation	117,914	1,530,223	172,571	2,187,947
TOTAL	7,526,158	44,648,824	8,753,278	51,741,541
Average per tone of production	3,052	18,103	3,444	20,360
2. Steam	Unit (kg)	Amount	Unit (kg)	Amount
Through Furnace Oil & Diesel	12,690,875	36,342,192	26,969,085	82,100,118
Coal	7,283,050	6,677,536	-	-
TOTAL	19,973,925	43,019,728	26,969,085	82,100,118
Average per tone of Production	8,099	17,443	10,612	32,306

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

- 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.
- 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:	(Rs. in millions)	(Rs. in millions)
	<u>2014-15</u>	<u>2013-14</u>
(a) Capital	3.9	28.1
(b) Recurring	91.3	92.6
(c) Total	94.2	120.7
(d) Total R&D expenditure as a % of net sales of the Company	7.56%	8.90%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 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.
- 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. "35 to 37" of notes to the financial statements, of additional information, annexed thereto.

IV. EMPLOYEE STOCK OPTION

There are no employee stock option pending for grant, vesting and exercise as on 31st March 2015, accordingly no information is furnished.

ANNEXURE "G"

PARTICULARS OF THE EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014

Rs. in million

Name	Designation	Age	Qualifications	Experience	Date of Appointment	Gross Remuneration	Last Employment
Mr. C. L. Rathi	Managing Director	60	B.Tech (Hons) Chemical Engg. DBM	37 YRS.	30.11.1992	10.20	Self Employment - Prop-SORL.
Previous Year	----do----	59	----do----	36 YRS.	----do----	(9.48)	----do----
Mr. M.M. Kabra	Director (Operations)	43	BE.(Chemical), Master of Science	16 YRS.	01.09.2004	9.52	Arun & Co.
Previous Year	----do----	42	----do----	15 YRS.	----do----	(8.36)	----do----

*Both the employees had waived their entitlement to commission on net profit for the preceding financial year 2013-14. Current year figures includes commission of Rs. 1.43 million and Rs. 0.96 million provided to Mr. C. L. Rathi and Mr. Mukund Kabra, respectively.

Note

- Both the employees are whole time directors of the Company.
- Gross Remuneration includes salary, allowances, contribution to Provident Fund, Superannuation Fund, Gratuity and taxable value of perquisites and entitlement of commission.
- None of the above hold more than 2% of paid up capital of the Company.

By Order of the Board of Directors

Thane, 30th June 2015

(Kedar Desai)
Chairman
DIN: 00322581

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

AUDITORS' REPORT

To the Members of Advanced Enzyme Technologies Limited Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Advanced Enzyme Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 21(a) to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782
Place: Mumbai
Date: 30 June 2015

Annexure to the Independent Auditor's Report of even date to the members of Advanced Enzyme Technologies Limited, on the standalone financial statements for the year ended 31 March 2015

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (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) The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) receipt of the principal amount and the interest is regular; and
 - (b) there is no overdue amount in respect of loans granted to such company.
- (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) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. 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.
- (vi) 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 sub-section (1) of Section 148 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.
- (vii)
 - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and 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	49.18	16.00	Assessment year 2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income tax	35.27	-	Assessment year 2010-11	Commissioner, Appeals
Income Tax Act, 1961	Income tax	57.39	-	Assessment year 2011-12	Commissioner, Appeals

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) 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.
- (ix) 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.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782
Place: Mumbai
Date: 30 June 2015

BALANCE SHEET AS AT 31 MARCH, 2015

	Note no.	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
Equity and liabilities			
Shareholders' funds			
Share capital	5	217.66	217.66
Reserves and surplus	6	1,341.15	1,162.31
		1,558.81	1,379.97
Non-current liabilities			
Long-term borrowings	7	51.48	155.00
Deferred tax liabilities (net)	8	147.70	144.86
		199.18	299.86
Current liabilities			
Short-term borrowings	7	223.75	317.39
Trade payables	10	75.30	91.67
Other current liabilities	11	148.20	165.95
Short-term provisions	9	18.26	25.90
		465.51	600.91
Total		2,223.50	2,280.74
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	1,057.16	1,099.13
Intangible assets	13	0.06	0.13
Intangible assets under development (refer note 43)		38.20	-
Capital work-in-progress		2.41	5.02
Non-current investments	14	273.22	280.20
Long-term loans and advances	15	48.66	76.63
Other non-current assets	16	111.54	93.14
		1,531.25	1,554.25
Current assets			
Inventories	17	393.78	366.87
Trade receivables	18	245.80	286.75
Cash and bank balances	19	9.54	18.41
Short-term loans and advances	15	35.90	47.91
Other current assets	20	7.23	6.55
		692.25	726.49
Total		2,223.50	2,280.74

Notes 1 to 45 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
 Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
 Partner
 Membership No: 105782
 Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
 Managing Director

Kedar Desai
 Director

B. P. Rauka
 Chief Financial Officer

Sunil Sharma
 Deputy Company Secretary

Thane, Date: 30 June 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

	Note no.	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Revenue			
Revenue from operations (gross)	22	1,333.34	1,430.79
Less : Excise duty		74.55	73.15
Revenue from operations (net)		1,258.79	1,357.64
Other income	23	12.91	19.64
Total revenue		1,271.70	1,377.28
Expenses			
Cost of materials consumed	24	381.03	434.53
Changes in inventories of finished goods and work-in-progress	25	(11.50)	(65.96)
Employee benefit expenses	26	191.18	179.58
Finance costs	27	46.56	82.84
Depreciation and amortisation expense	28	79.84	92.32
Other expenses	29	360.93	434.63
Total expenses		1,048.04	1,157.94
Profit before exceptional items and tax		223.66	219.34
Exceptional items	30	-	120.57
Profit before tax		223.66	98.77
Tax expense			
Current tax		46.05	18.36
MAT credit entitlement		(19.12)	(18.36)
Deferred tax charge		3.84	12.67
		30.77	12.67
Profit after tax		192.89	86.10
Earnings per equity share	31		
Basic		8.86	3.96
Diluted		8.86	3.96

Notes 1 to 45 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
 Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
 Partner
 Membership No: 105782
 Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
 Managing Director

Kedar Desai
 Director

B. P. Rauka
 Chief Financial Officer

Sunil Sharma
 Deputy Company Secretary

Thane, Date: 30 June 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Cash flows from operating activities		
Profit before extraordinary items and tax	223.66	98.78
Adjustments for non-cash transactions		
Depreciation and amortisation expense	79.84	92.32
Fixed assets written off	3.96	-
(Profit)/ Loss on sale of fixed assets	(1.54)	0.51
(Profit)/Loss on sale of investments (net)	-	(0.38)
Investments written off	14.53	-
Allowances for bad and doubtful trade receivables	1.20	-
Bad and doubtful trade receivables written off	0.71	14.80
Bad and doubtful advances written off	2.04	-
Excess provision written back	-	(9.40)
Sundry balances written back/off	0.78	3.60
Unrealised foreign exchange (gain) / loss	4.09	(14.77)
	329.27	185.46
Items considered separately		
Interest income	(3.22)	(4.40)
Interest expenses	38.15	43.74
Dividend Income	(5.10)	(2.40)
Operating profit before working capital changes	359.10	222.40
Increase / (decrease) in short term liabilities and provisions	5.02	(11.55)
Increase / (decrease) in trade payables	(16.01)	(86.70)
(Increase) / decrease in inventories	(26.92)	(10.57)
(Increase) / decrease in trade receivables	39.54	40.79
(Increase) / decrease in short term loans and advances	4.67	13.70
(Increase) / decrease in long term loans and advances	28.44	5.10
(Increase) / decrease in other current assets	(0.68)	(0.62)
(Increase) / decrease in other non-current assets	-	9.91
Cash generated from operating activities	393.16	182.46
Income taxes paid	(58.36)	(54.56)
Net cash generated from operating activities	334.80	127.90
Cash flows from investing activities		
Purchase of tangible assets	(41.58)	(60.67)
Proceeds from sale of tangible assets	4.32	0.40
Change in intangible assets under development	(38.20)	-
Purchase of non-current investments	(7.54)	(1.77)
Proceeds from sale of non-current investments	-	1.58
Interest received	7.74	3.31
Dividends received	5.10	2.40
Deposits with maturity more than 3 months but less than 12 months	2.66	(0.74)
Bank deposits with maturity of more than 12 months	0.72	(0.08)
Cash generated from operating activities	(66.78)	(55.57)
Cash flows from financing activities		
(Repayment of)/ proceeds from long term borrowings	(129.78)	(75.62)
(Repayment of)/ proceeds from short term borrowings	(93.63)	83.37
Interest paid	(38.15)	(43.74)
Dividends paid (including dividend tax)	(12.67)	(37.87)
Net cash (used in) / generated from financing activities	(274.23)	(73.86)
Net (decrease) / increase in cash and cash equivalents	(6.21)	(1.53)
Cash and cash equivalents as at the beginning of the period	14.92	16.45
Cash and cash equivalents as at the end of the period*	8.71	14.92
* Reconciliation of cash and cash equivalents		
Cash in hand	0.46	0.57
Balance with banks :		
Current account	5.18	5.36
Fixed deposit account (with maturity less than 3 months)	2.62	8.20
Other bank balance	0.45	0.79
Deposits with maturity more than 3 months but less than 12 months	0.83	3.49
	9.54	18.41
Less: Deposits with maturity more than 3 months but less than 12 months	0.83	3.49
	8.71	14.92

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 the Central Government under the Companies Act, 2013.

Notes 1 to 45 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

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No: 105782

Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
Chief Financial Officer

Sunil Sharma
Deputy Company Secretary

Thane, Date: 30 June 2015

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, 2013 ('the Act') and comply in all material aspects with the applicable Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rule, 2014 (as amended).

3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the 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. Capital work in progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- iv. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets. Further, the revenue expenditure incurred during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of Intangible Asset as defined in Accounting Standard (AS) 26.
- v. "The company has reviewed its policy for providing depreciation on its tangible fixed assets and has also reassessed their useful lives as per Part C of Schedule II of the Companies Act, 2013. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of tangible assets. Depreciation on tangible fixed assets other than Plant and Equipment has been provided on Written Down Value method and on Plant and Equipment on Straight Line Method."
- vi. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.
- vii. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years.

- viii. Intangible Assets are amortised on a straight line basis over a period of four years.
- ix. 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. Non-monetary assets and liabilities denominated in foreign currency are reported at the rate of exchange prevailing on the date of transaction.
- iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of profit and loss in the year in which they arise.

e. Derivative instruments

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

f. Impairment of assets

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets', 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. Cost of finished goods and stock in process is determined on specific identification method.

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 leave encashment, 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.

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

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 recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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 when it is probable that the future economic benefit associated with it will flow to the Company, i.e., the Company will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit 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."

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 technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and Contingencies

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

m. Leases

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

	Number	As at 31 March 2015 Rs. in million	Number	As at 31 March 2014 Rs. in million
5 Share capital				
Authorised				
Equity shares of Rs.10 each	<u>35,000,000</u>	<u>350.00</u>	<u>35,000,000</u>	<u>350.00</u>
	35,000,000	350.00	35,000,000	350.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	<u>21,765,600</u>	<u>217.66</u>	<u>21,765,600</u>	<u>217.66</u>
Total	<u>21,765,600</u>	<u>217.66</u>	<u>21,765,600</u>	<u>217.66</u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	<u>21,765,600</u>	<u>217.66</u>	<u>21,765,600</u>	<u>217.66</u>
Balance at the end of the year	<u>21,765,600</u>	<u>217.66</u>	<u>21,765,600</u>	<u>217.66</u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares				
	<u>Number</u>	<u>% of holding</u>	<u>Number</u>	<u>% of holding</u>
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	<u>8,280,900</u>	<u>38.05%</u>	<u>8,280,900</u>	<u>38.05%</u>
Chandrakant Rathi Finance & Investment Company Private Limited	<u>3,625,200</u>	<u>16.66%</u>	<u>3,625,200</u>	<u>16.66%</u>
Atharva Capital Ventures Private Limited	<u>2,492,940</u>	<u>11.45%</u>	<u>2,492,940</u>	<u>11.45%</u>
Vasant and Prabha Rathi Generation Trust	<u>1,500,000</u>	<u>6.89%</u>	<u>1,500,000</u>	<u>6.89%</u>
	<u>15,899,040</u>	<u>73.05%</u>	<u>15,899,040</u>	<u>73.05%</u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares				
During the financial year 2009-10, the Company has issued 10,365,600 equity shares of Rs.10 each as bonus shares in the ratio of 1:1. Other than above mentioned shares, the Company has not issued any shares without payment being received in cash nor there has been any buy-back of shares in the current year and preceding five years.				
d) Terms/Rights attached to shares				
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividends, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation.				
6 Reserves and surplus				
Capital reserves		<u>3.00</u>		3.00
Securities premium reserve		<u>289.63</u>		289.63
General reserve		<u>32.53</u>		32.53
Surplus in the Statement of profit and loss				
Balance at the beginning of the year		<u>837.15</u>		763.37
Add : Transferred from Statement of profit and loss		<u>192.89</u>		86.10
Less : Proposed dividend		<u>(10.88)</u>		(10.88)
Less : Tax on dividends distributed during the year		<u>(1.18)</u>		(1.44)
Less : Reversal of carrying amount of tangible fixed assets due to transitional provision as per Companies Act, 2013 (Refer note 12)		<u>(2.99)</u>		-
Add: Reversal of differed on carrying amount of tangible assets due to transitional provision as per Companies Act, 2013 (Refer note 8)		<u>1.00</u>		-
Balance at the end of the year		<u>1,015.99</u>		837.15
		<u>1,341.15</u>		<u>1,162.31</u>

	As at 31 March 2015		As at 31 March 2014	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
7 Borrowings				
Secured				
Term loans				
From banks	-	-	92.15	-
Vehicle loans	1.64	-	3.20	-
Loans repayable on demand				
From banks	-	223.75	-	317.39
	<u>1.64</u>	<u>223.75</u>	<u>95.35</u>	<u>317.39</u>
Unsecured				
Deferred sales tax payment liabilities	49.84	-	59.65	-
	<u>49.84</u>	<u>-</u>	<u>59.65</u>	<u>-</u>
Total borrowings	<u>51.48</u>	<u>223.75</u>	<u>155.00</u>	<u>317.39</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by Managing director				
Term loans				
From banks	-	-	92.15	-
Loans repayable on demand				
From banks	-	223.75	-	317.39
b) Details of security for each type of borrowings				
(a) Term loans from banks are secured by equitable mortgage of all the immovable properties and a charge on plant and equipments, movable assets including spares etc., save and except specified fixed assets exclusively charged in hire purchase agreement and also save and except book debts and stocks for securing working capital facilities. The mortgage and charge referred above will rank pari passu in favour of banks who have granted term loans and working capital facilities.				
(b) Loans repayable on demand from Banks (Working Capital loans) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, and book debts.				
(c) Vehicle loans availed from two banks and a financial institute are secured by exclusive charge on vehicles as specified in their respective loan agreements.				

c) Terms of repayment of term loans and other loans		Rs. in million		
Term loan from banks				
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%	6.00	-	-	
6.75%	93.89	-	-	
Vehicle Loan				
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%	-	-	-	
9.25%	0.20	-	-	
9.74%	0.08	-	-	
9.96%	0.78	-	-	
10.35%	0.44	-	-	
10.50%	0.14	0.55	-	
10.59%	0.20	0.64	-	
10.83%	0.19	0.07	-	
11.60%	0.12	0.35	-	
12.50%	0.06	0.03	-	
Deferred sales tax payment liabilities	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
	6.06	35.92	13.92	
* Has been disclosed under note 11 as current maturities				
		As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million	
8 Deferred tax liabilities (net)				
Deferred tax liabilities				
Timing difference on carrying amounts of tangible and intangible assets		154.81	148.50	
Reversal of liability on carrying amount of tangible fixed assets due to transitional provision as per Companies Act, 2013		(1.00)	-	
		153.81	148.50	
Deferred tax assets				
Provision for employee benefits		3.63	2.13	
Others		2.48	1.51	
		6.11	3.64	
		147.70	144.86	

	As at 31 March 2015		As at 31 March 2014	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
9 Provisions				
Provisions for employee benefits				
Leave encashment (Also, refer note (b) below)	-	1.52	-	1.60
Bonus	-	4.68	-	4.68
Proposed dividend to equity shareholders	-	10.88	-	10.88
Dividend tax	-	1.18	-	1.44
Provision for taxation (net of advance tax)	-	-	-	7.30
	<u>-</u>	<u>18.26</u>	<u>-</u>	<u>25.90</u>
a) Details with respect to proposed dividend				
Dividends proposed to				
Equity shareholders		10.88		10.88
Proposed dividend per share				
Equity shareholders		0.50		0.50
b) Employee benefits				
The Company has taken a group gratuity leave encashment policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.				
The 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.				
	As at 31 March 2015		As at 31 March 2014	
	Gratuity Rs. in million	Leave encashment Rs. in million	Gratuity Rs. in million	Leave encashment Rs. in million
Reconciliation of defined benefit obligation				
Projected benefit obligation at the beginning of the year	18.29	6.95	16.16	5.39
Prior year charge#	4.27	-	-	-
Service cost	1.68	1.99	1.46	1.82
Interest cost	1.66	0.63	1.32	0.45
Actuarial loss/(gain)	(2.05)	(1.25)	(0.51)	(0.44)
Benefits paid	(1.14)	(0.49)	(0.14)	(0.27)
Projected benefit obligation at the end of the year	<u>22.71</u>	<u>7.83</u>	<u>18.29</u>	<u>6.95</u>
Reconciliation of fair value of plan assets				
Plan assets at the beginning of the year	22.31	7.72	16.73	6.23
Expenses deducted from the fund	(0.14)	(0.00)	-	-
Expected return on plan assets	1.97	0.68	1.63	(0.58)
Actuarial gain/(loss)	0.16	0.03	0.13	1.19
Employer contributions	2.59	0.17	3.96	0.88
Benefits paid	(4.18)	-	(0.14)	-
Plan assets at the end of the year	<u>22.73</u>	<u>8.59</u>	<u>22.31</u>	<u>7.72</u>

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
10 Trade payables		
Dues to micro and small enterprises (Also refer note below)	1.34	1.55
Dues to others	73.96	90.12
	<u>75.30</u>	<u>91.67</u>

Note:

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

11 Other current liabilities

Current maturities of long term debt	99.89	110.15
Current maturities of vehicle loans	2.21	2.86
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
- From others	-	0.13
Current maturities of deferred sales tax payment liabilities	6.06	5.48
Unpaid dividends (Also refer note below)	0.45	0.79
Provident fund	0.98	0.94
Employees' state Insurance scheme contribution	0.01	0.01
Other Statutory dues	2.99	5.15
Advances and deposits from customers	3.79	3.36
Other payables	31.82	25.02
	<u>148.20</u>	<u>165.95</u>

Note:

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs.0.04 million (31 March 2014 Rs. 0.03 million)

12 Tangible assets										
	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Comp. & data Process. Equip.	Total
	Rs. in million									
Gross block										
Balance as at 01 April 2013	13.47	22.65	286.38	1,173.57	28.30	21.93	18.29	11.46	13.64	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
Balance as at 31 March 2014	13.47	22.65	287.23	1,214.95	31.73	25.34	20.97	11.64	14.95	1,642.92
Additions	-	-	16.18	24.80	2.19	1.04	1.33	-	1.99	47.53
Disposals	-	-	3.14	-	-	1.98	-	-	-	5.12
Other adjustments										
Transition adjustment recorded against opening reserves (Also, refer note below)	-	-	-	-	0.98	1.19	8.14	-	3.16	13.47
Reversals on account of assets written off	-	-	-	10.79	0.01	1.32	4.11	-	2.99	19.24
Balance as at 31 March 2015	13.47	22.65	300.27	1,228.96	32.94	21.89	10.05	11.64	10.79	1,652.63
Accumulated depreciation and amortisation										
Balance as at 01 April 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	1.68	3.09	1.53	92.28
Reversal on disposal of assets	-	-	-	0.22	-	-	-	-	0.17	0.39
Balance as at 31 March 2014	-	4.47	110.05	371.08	16.39	16.07	9.64	4.65	11.44	543.79
Depreciation and amortisation	-	0.51	16.15	45.07	4.52	3.29	5.52	2.33	2.38	79.77
Reversal on disposal of assets	-	-	0.45	-	-	1.89	-	-	-	2.34
Other adjustments										
Transition adjustment recorded against opening reserves (Also, refer note below)	-	-	-	-	0.92	1.14	5.55	-	2.87	10.48
Reversals on account of assets written off	-	-	-	7.88	0.01	1.25	3.23	-	2.91	15.27
Balance as at 31 March 2015	-	4.98	125.75	408.27	19.98	15.08	6.38	6.98	8.04	595.47
Net block										
Balance as at 31 March 2014	13.47	18.18	177.18	843.87	15.34	9.27	11.33	6.99	3.51	1,099.13
Balance as at 31 March 2015	13.47	17.67	174.52	820.69	12.96	6.81	3.67	4.66	2.75	1,057.16
Note:	Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the assets was determined to be Nil as on 1 April 2014 and has adjusted an amount of Rs. 2.99 million against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.									

13 Intangible assets	Rs. in million			
Gross block	Computer software	Technical know-how	Total	
Balance as at 01 April 2013	2.24	5.21	7.45	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2014	<u>2.24</u>	<u>5.21</u>	<u>7.45</u>	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2015	<u>2.24</u>	<u>5.21</u>	<u>7.45</u>	
Accumulated amortisation				
Balance as at 01 April 2013	2.07	5.21	7.28	
Amortisation	0.04	-	0.04	
Balance as at 31 March 2014	<u>2.11</u>	<u>5.21</u>	<u>7.32</u>	
Amortisation	0.07	-	0.07	
Balance as at 31 March 2015	<u>2.18</u>	<u>5.21</u>	<u>7.39</u>	
Net block				
Balance as at 31 March 2014	0.13	-	0.13	
Balance as at 31 March 2015	<u>0.06</u>	<u>-</u>	<u>0.06</u>	
	As at 31 March 2015		As at 31 March 2014	
	Trade	Others	Trade	Others
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
14 Non-current investments				
(Valued at cost unless stated otherwise)				
Investments in equity instruments				
In subsidiaries				
60,000 Equity shares (31 March 2014 - 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 2014 - 70,000) of Rs.10 each fully paid up of Advanced EnzyTech Solutions Limited	1.57	-	1.57	-
5,600 Equity shares (31 March 2014 - 5,600) of USD 1,000 each fully paid up of Advanced Enzymes, USA, Inc.	270.43	-	270.43	-
Nil Equity Shares (31 March 2014 - 7,500) of 10 Euro fully paid up of Advanced Enzyme Europe B.V.	-	-	6.98	-
	<u>272.60</u>	<u>-</u>	<u>279.58</u>	<u>-</u>
Other investments				
19,100 Equity shares (31 March 2014 - 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 2014 - 1,666) of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	-	0.05	-	0.05
	<u>273.17</u>	<u>0.05</u>	<u>280.15</u>	<u>0.05</u>
Aggregate amount of unquoted investments	273.17	0.05	280.15	0.05

	As at 31 March 2015		As at 31 March 2014	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
15 Loans and advances				
Capital advances				
Unsecured, considered good	-	-	3.35	-
Doubtful	<u>1.30</u>	-	<u>1.30</u>	-
	1.30	-	4.65	-
Allowances for bad and doubtful advances	<u>(1.30)</u>	-	<u>(1.30)</u>	-
	-	-	<u>3.35</u>	-
Security deposits				
Unsecured, considered good	<u>13.26</u>	-	<u>12.58</u>	-
	13.26	-	12.58	-
Loans and advances to related parties*				
Unsecured, considered good (Refer note 20)	<u>7.98</u>	-	<u>15.20</u>	<u>2.15</u>
	7.98	-	15.20	2.15
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	0.03	-	0.30
Advances recoverable in cash or in kind or for value to be received	3.76	27.85	26.85	38.93
Advance income tax (net of provisions)	23.66	2.25	18.65	2.25
Balance with excise authorities	-	5.77	-	4.28
	<u>27.42</u>	<u>35.90</u>	<u>45.50</u>	<u>45.76</u>
	48.66	35.90	76.63	47.91
*Includes amounts due by Private company in which directors are interested	7.98	-	15.20	-
			As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
16 Other non-current assets				
Non-current bank balances (Refer note 19)			0.37	1.08
MAT credit entitlement			111.17	92.06
Fund raising expenses			-	11.27
Less: Amount written off			-	<u>(11.27)</u>
			<u>111.54</u>	<u>93.14</u>
17 Inventories (valued at cost or lower of net realisable value)				
Raw materials (including goods-in-transit of Rs. 2.91 million (31 March 2014 Rs. 9.96 million)			119.94	105.23
Work-in-progress			200.07	181.51
Finished goods			41.08	48.36
Stores and spares			<u>32.69</u>	<u>31.77</u>
			<u>393.78</u>	<u>366.87</u>

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
18 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	6.43	3.66
Doubtful	2.90	1.70
	9.33	5.36
Less : Allowances for bad and doubtful debts	2.90	1.70
	6.43	3.66
Other debts		
Secured, considered good	0.18	0.15
Unsecured, considered good*	239.19	282.94
	239.37	283.09
	245.80	286.75
*Includes amounts due by Private company in which directors are interested	5.36	8.51
	As at 31 March 2015	As at 31 March 2014
	Current	Current
	Non-current	Non-current
	Rs. in million	Rs. in million
19 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.46	0.57
Balances with banks		
in current accounts	5.18	5.36
in deposit account (with maturity upto three months)	2.62	8.20
	8.26	14.13
Other bank balances		
Unpaid dividend account	0.45	0.79
Deposits with maturity more than three months but less than twelve months	0.83	3.49
Bank deposits with maturity of more than twelve months	-	1.08
	1.28	4.28
Less : Amounts disclosed as Other non-current assets (Refer note 16)	-	1.08
Total	9.54	18.41
	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
20 Other current assets		
Unsecured, considered good		
Current maturities of loan to related parties*	7.23	6.55
	7.23	6.55
*Includes amounts due by Private company in which directors are interested	7.23	6.55

As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
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21 Contingent liabilities and commitments

A. Contingent liabilities

<p>i. Pertains to Income tax demand/ matters on account of deductions/ disallowance for earlier years, pending for appeals consequent to order passed against the Company / demand raised by the Department under Income Tax Act, 1961. Amount paid there against and included under note 15 'Loans and advances' Rs. 16.00 million (31 March 2014 - Rs. 4.00 million)</p>	142.24	221.43
<p>ii. Possible liability arising for excise duty and service tax on account of observations for the earlier years through Excise Audit conducted by the excise authorities in the current year.</p>	<u>22.95</u>	-
	<u>165.19</u>	<u>221.43</u>

In respect of above contingent liabilities, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the same

B. Commitments

<p>Estimated amount of capital and other commitments remaining to be executed</p>	<u>26.51</u>	88.44
	<u>26.51</u>	88.44
	<u>191.70</u>	<u>309.87</u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
22 Revenue		
Revenue from operations		
Sale of goods		
Export	456.48	585.85
Domestic	<u>876.86</u>	<u>844.94</u>
Revenue from operations (Gross)	<u>1,333.34</u>	<u>1,430.79</u>
Less : Excise duty	74.55	73.15
Revenue from operations (Net)	<u><u>1,258.79</u></u>	<u><u>1,357.64</u></u>
Details of products sold		
Manufactured goods		
Enzymes	1,010.20	1,152.55
Animal feed supplement	220.24	173.32
Micro organisms	13.09	15.97
Others	<u>15.26</u>	<u>15.80</u>
	<u><u>1,258.79</u></u>	<u><u>1,357.64</u></u>
23 Other income		
Interest income	3.22	4.40
Profit on sale of fixed assets	1.54	-
Export incentives	1.87	2.71
Excess provision no longer required written back	-	9.40
Other non-operating income	<u>6.28</u>	<u>3.13</u>
	<u><u>12.91</u></u>	<u><u>19.64</u></u>
24 Cost of materials consumed (Also refer note 38)		
Opening stock		
Raw materials and components (including goods in transit)	<u>105.23</u>	<u>173.59</u>
	105.23	173.59
Add: Purchases during the period		
Raw materials and components	<u>395.74</u>	<u>366.17</u>
	395.74	366.17
Less: Closing stock		
Raw materials and components (including goods in transit)	<u>119.94</u>	<u>105.23</u>
	119.94	105.23
	<u><u>381.03</u></u>	<u><u>434.53</u></u>
Details of raw materials and components		
Consumption details		
Agricultural produce	21.43	20.82
Dairy products	36.13	42.06
Crude enzymes	49.40	64.95
Others	<u>274.07</u>	<u>306.70</u>
	<u><u>381.03</u></u>	<u><u>434.53</u></u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
25 Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	48.36	20.58
Work-in-progress	181.51	144.33
	<u>229.87</u>	<u>164.91</u>
Closing stock		
Finished goods	41.08	48.36
Work-in-progress	200.07	181.51
	<u>241.15</u>	<u>229.87</u>
Differential excise duty on stocks	(0.22)	(1.00)
	<u>(11.50)</u>	<u>(65.96)</u>
26 Employee benefits expense		
Salaries, wages and bonus	167.99	160.24
Contribution to gratuity, provident fund and other funds	13.60	9.41
Staff welfare expenses	9.59	9.93
	<u>191.18</u>	<u>179.58</u>
27 Finance costs		
Interest expenses	38.15	43.74
Bank charges	2.77	4.05
Net loss/ (gain) on foreign currency transactions and translations	5.64	35.05
	<u>46.56</u>	<u>82.84</u>
28 Depreciation and amortisation expense		
Depreciation of tangible assets (Also refer note 12)	79.77	92.28
Amortisation of intangible assets (Also refer note 13)	0.07	0.04
	<u>79.84</u>	<u>92.32</u>
29 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts (Also refer note 38)	31.31	29.97
Consumption of packing materials	26.15	24.24
Power and fuel	95.04	142.96
Carriage inward and freight	14.20	15.56
Water charges	2.18	2.47
Excise duty	9.97	5.47
Laboratory expenses	6.48	6.31
Repairs and maintenance		
Buildings	9.85	3.96
Plant and equipment	5.39	6.22
Other manufacturing expenses	0.04	0.11
	<u>200.61</u>	<u>237.27</u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Selling and distribution expenses		
Travel, conveyance and car hire	11.93	14.64
Commission	5.56	12.93
Discount on sales	0.25	0.65
Sales promotion and advertisement	1.70	3.21
Freight outward and forwarding	15.57	20.02
Other selling and distribution expenses	12.70	14.26
	<u>47.71</u>	<u>65.71</u>
Administrative and general expenses		
Rent	4.90	5.04
Rates and taxes	2.84	6.12
Repairs and maintenance		
Others	5.06	5.75
Insurance	2.91	4.02
Printing and stationary	1.54	1.48
Communication expenses	4.21	4.81
Directors' sitting fees	0.28	0.28
Legal and professional charges	43.81	53.31
Payments to auditors (Also refer note 39)	1.50	1.40
Provision for doubtful debts	1.20	-
Bad debts	0.71	1.03
Advances written off	2.04	-
Donation	1.52	4.62
Loss on sale of assets	-	0.51
Loss on sale of investments	-	0.05
Investments written off	14.53	8.34
Fund raising expenses written off	-	11.23
Net loss on foreign currency transactions and translations	2.31	4.25
Fixed assets written off	3.96	-
Commuting expenses	5.03	5.13
CSR expenditure (Refer note 42)	3.30	-
Miscellaneous expenses	10.96	14.28
	<u>112.61</u>	<u>131.65</u>
	<u>360.93</u>	<u>434.63</u>

30 Exceptional items

Some of the lots of products of enzyme exported by the Company were reported to have potential contamination. During the second half of the previous year, the Company's subsidiary in USA had 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>-</u>	<u>120.57</u>

Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
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31 Earnings per share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

a) Profit for computing basic and diluted earning per share (in million)

Net profit after tax for the year	192.89	86.10
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b) Computation of weighted average number of shares (in million)

Basic earnings per share	21.77	21.77
Diluted earnings per share	21.77	21.77

c) Nominal value of shares (in Rs.)

10.00	10.00
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d) Computation

Basic (in Rs.)	8.86	3.96
Diluted (in Rs.)	8.86	3.96

32 Segment reporting
Primary segment

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

Secondary segment (based upon geography)

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
Segment revenue		
Within India	802.31	771.79
Outside India	456.48	585.85
Total	1,258.79	1,357.64
Segment assets		
Within India	1,893.78	1,886.34
Outside India	329.71	394.40
Total	2,223.50	2,280.74

33 Related parties

A. Names of related parties

I Subsidiaries, including stepdown 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. (up to 26 December 2014)

Advanced Enzymes USA, Inc.

Cal India Foods International (subsidiary of Advanced Enzymes USA, Inc.)

Advanced Supplementary Technologies Corporation (subsidiary of Advanced Enzymes USA, Inc.)

Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International w.e.f. 3 April 2014)

Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc. w.e.f. 25 Feb., 2015)

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 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
1 Purchases of goods						
Advanced Vital Enzymes Private Limited	-	-	-	-	0.53	-
Cal India Foods International	22.39	4.15	-	-	-	-
	22.39	4.15	-	-	0.53	-
2 Sale of goods						
Advanced EnzyTech Solutions Limited	80.25	88.50	-	-	-	-
Advanced Bio-Agro Tech Limited	213.76	178.25	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	10.42	15.61
Cal India Foods International	306.72	297.21	-	-	-	-
	600.73	563.96	-	-	10.42	15.61
3 Commission paid						
Advanced Enzyme Europe B.V.	-	2.61	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	-	0.17
	-	2.61	-	-	-	0.17
4 Remuneration to KMP and relatives						
Mr. Chandrakant. L. Rathi	-	-	8.77	9.48	-	-
Mrs. Savita. C. Rathi	-	-	3.33	3.50	-	-
Mr. Mukund Kabra	-	-	8.56	8.36	-	-
Mr. Kishore.L. Rathi	-	-	1.81	1.90	-	-
Mrs. Mangala M. Kabra	-	-	2.03	2.10	-	-
Mr. Piyush Rathi	-	-	3.75	3.97	-	-
Mr. Beni P. Rauka	-	-	3.52	3.74	-	-
Mr. Dipak Roda	-	-	3.60	4.12	-	-
	-	-	35.37	37.17	-	-
Commission to directors *						
Mr. Vasant L. Rathi	-	-	1.91	-	-	-
Mr. Chandrakant L. Rathi	-	-	1.44	-	-	-
Mr. Mukund Kabra	-	-	0.96	-	-	-
* included in Employee benefit expense	-	-	4.31	-	-	-
5 Interest received						
Advanced Vital Enzymes Private Limited	-	-	-	-	1.93	2.55
	-	-	-	-	1.93	2.55
6 Interest on fixed deposits						
Chandrakant Rathi Finance and Investment Private Limited	-	-	-	-	-	0.20
Atharva Capital Ventures Private Limited	-	-	-	-	-	0.08
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	-	-	-	0.13
Mr. Vasant. L. Rathi	-	-	1.00	1.12	-	-
Mrs. Prabha V. Rathi	-	-	0.04	0.05	-	-
Mrs Radhika Pujara	-	-	-	0.15	-	-
Mrs. Divya P. Rathi	-	-	-	0.06	-	-
Mr. Piyush Rathi	-	-	-	0.00	-	-
	-	-	1.04	1.38	-	0.41
7 Advances / Loan paid (net)						
Advanced EnzyTech Solutions Limited	-	(0.08)	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	(6.55)	(7.17)
Advanced Bio-Pro Solutions Limited	-	0.24	-	-	-	-
Advanced Enzyme Europe B.V.	-	1.77	-	-	-	-
	-	1.93	-	-	(6.55)	(7.17)
8 Investment in subsidiaries						
Advanced Enzyme Fareast Limited	-	(1.13)	-	-	-	-
Advanced Bio-Pro Solutions Limited	-	(0.45)	-	-	-	-
Advanced Enzyme Europe B.V.	7.54	1.77	-	-	-	-
	7.54	0.19	-	-	-	-

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 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
9 Dividend income						
Advanced Bio-Agro Tech Limited	5.10	2.40	-	-	-	-
	5.10	2.40	-	-	-	-
10 Advance written off						
Advanced Enzyme Europe B.V.	2.04	-	-	-	-	-
	2.04	-	-	-	-	-
11 Investments written off						
Advanced Enzyme Europe B.V.	14.53	-	-	-	-	-
Advanced Enzyme Fareast Limited	-	8.34	-	-	-	-
	14.53	8.34	-	-	-	-
12 Deposits received/ (repaid) (net)						
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)	-	-	-
Mrs. Prabha V. Rathi	-	-	(0.41)	-	-	-
Mrs Radhika Pujara	-	-	-	(2.28)	-	-
Mr. Piyush Rathi	-	-	-	(0.05)	-	-
Mrs. Divya P. Rathi	-	-	-	(1.07)	-	-
	-	-	(10.62)	(3.40)	-	(7.55)
C. Outstanding Balances						
a. Fixed deposits						
Mr. V. L. Rathi	-	-	-	10.21	-	-
Mrs. Prabha V. Rathi	-	-	-	0.41	-	-
	-	-	-	10.62	-	-
b. Investment in subsidiaries and other related parties						
Advanced EnzyTech Solutions Limited	1.57	1.57	-	-	-	-
Advanced Bio-Agro Tech Limited	0.60	0.60	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	0.57	0.57
Advanced Enzymes USA, Inc.	270.43	270.43	-	-	-	-
Advanced Enzyme Europe B.V.	-	6.98	-	-	-	-
	272.60	279.58	-	-	0.57	0.57
c. Trade receivable						
Advanced EnzyTech Solutions Limited	28.19	36.78	-	-	-	-
Advanced Bio-Agro Tech Limited	14.72	12.55	-	-	-	-
Advanced Vital Enzymes Private Limited	-	-	-	-	5.36	8.51
Cal India Foods International	44.14	88.79	-	-	-	-
	87.05	138.12	-	-	5.36	8.51
d. Advances paid						
Advanced Vital Enzymes Private Limited	-	-	-	-	15.20	21.75
Advanced Enzyme Europe B.V.	-	2.15	-	-	-	-
	-	2.15	-	-	15.20	21.75
e. Other payables						
Advanced Enzymes USA, Inc.	1.38	1.37	-	-	-	-
	1.38	1.37	-	-	-	-
f. Commission payable						
Mr. V. L. Rathi	-	-	1.91	-	-	-
Mr. C. L. Rathi	-	-	1.44	-	-	-
Mr. M.M.Kabra	-	-	0.96	-	-	-
	-	-	4.31	-	-	-
g. Interest receivable						
Advanced Enzymes USA, Inc.	2.53	6.94	-	-	-	-
	2.53	6.94	-	-	-	-

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

Particulars	Outstanding as at 31 March 2015 *
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of USD 6,000,000.	Rs. 4,032,481 (31 March 2014 Rs. 13,645,639)
Forward Contract	Rs. Nil (31 March 2014 - Rs. 16,977,625 equivalent to USD 220,000 and EURO 50,000)

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

Particulars	Outstanding as at 31 March 2015 *
External commercial borrowings	USD 1,500,000 equivalent to Rs. 93,886,200 (31 March 2014 USD 3,000,000 equivalent to Rs. 180,299,400)
Loans repayable on demand	USD 1,863,426 equivalent to Rs. 116,633,297 (31 March 2014 - Rs. Nil)
Trade payables for imports	Rs. 7,001,149 (equivalent to USD 53,879 and EURO 53,752) (31 March 2014 Rs.15,737,390 equivalent to USD 247,290 and EURO 10,600)
Trade receivables for exports	Rs. 56,234,139 (equivalent to USD 775,315 and Euro 110,643) (31 March 2014 Rs.104,828,588 equivalent to USD 1,642,278 and Euro 74,210)
Loans and advances	Rs. 3,047,403 (equivalent to USD 48,364 and Euro 300) (31 March 2014 Rs. 12,165,190 equivalent to USD 135,972 and Euro 48,464)
Advances from customers	Rs. 1,693,738 (equivalent to USD 27,061 and Euro Nil) (31 March 2014 Rs. 753,313 equivalent to USD 6,239 and Euro 4,582)
Other payables	Rs. 1,377,168 (equivalent to USD 22,729) (31 March 2014 Rs. 1,365,990 equivalent to USD 22,729)

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

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
35 Earnings in foreign currency on accrual basis		
Export Export value of goods on FOB basis	446.01	563.84
Non operating income	-	0.68
	<u>446.01</u>	<u>564.52</u>
36 Expenditure in foreign currency on accrual basis		
Travel, conveyance and car hire	2.98	3.03
Finance costs	10.76	17.02
Legal and professional charges	22.14	27.57
Other selling and distribution expenses	2.90	2.09
Commission	0.79	7.13
Salary	-	0.89
Others	-	0.97
	<u>39.57</u>	<u>58.70</u>
37 Value of imports on CIF basis		
Raw materials	186.48	107.79
Components and spare parts	6.96	26.49
Capital goods	2.40	13.88
	<u>195.84</u>	<u>148.16</u>
38 Imported and indigenous consumption		
Raw materials and components		
Imported		
Amount	179.45	151.88
Percentage	47%	35%
Indigenous		
Amount	201.59	282.64
Percentage	53%	65%
Total		
Amount	<u>381.04</u>	<u>434.52</u>
Percentage	<u>100%</u>	<u>100%</u>
Stores and spares		
Imported		
Amount	8.15	18.51
Percentage	26%	62%
Indigenous		
Amount	23.17	11.46
Percentage	74%	38%
Total		
Amount	<u>31.32</u>	<u>29.97</u>
Percentage	<u>100%</u>	<u>100%</u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
39 Payments to auditors (excluding Service Tax)		
As auditor		
Statutory audit	1.30	1.18
	<u>1.30</u>	<u>1.18</u>
In other capacity		
Other services		
In relation to filing of prospectus*	-	0.74
Certification work	0.15	0.15
	<u>0.15</u>	<u>0.89</u>
Reimbursement of expenses	0.05	0.07
Total	<u><u>1.50</u></u>	<u><u>2.14</u></u>

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

40 Dividend remitted in foreign currency

	2013-14	2012-13
Period to which is relates		
Number of non - resident shareholders	5	4
Number of equity shares held on which dividend was due	10.52	10.52
Amount remitted	5.26	15.77

41 Research and development

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

Laboratory expenses and consumables	8.47	8.95
Employee benefit expenses	31.73	28.04
Legal and professional charges	27.73	35.79
Electricity	7.96	7.45
Rent, rates and taxes	4.58	4.81
Repair and maintenance	5.64	3.86
Travelling and conveyance expenses	1.13	0.88
Other expenses	4.07	2.81
	<u>91.31</u>	<u>92.59</u>

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

Plant and equipments	2.93	26.69
Furniture and fixtures	-	0.45
Office equipment	0.56	0.59
Computer and data processing equipments	0.40	0.39
Leasehold improvements	-	0.18
	<u>3.89</u>	<u>28.30</u>

This information also complies with the terms of the recognition granted upto 31 March 2016 to the Company's In-House Research and Development Activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/2159/2012 dated 23 July 2012 and 14 January 2014.

Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
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42 As per requirement of section 135 of Companies Act, 2013 and rules thereon, during the year company was supposed to spend Rs. 4.32 million towards CSR expenditure. However the company has spent an amount of Rs. 3.29 million resulting into a shortfall of Rs. 1.02 million

43 The Company, during the year spent about Rs 38.20 Million on toxicity studies, product characterisation, identification, evaluation and on technical analysis of data , consultancy services for compilation of product dossiers, for the purpose of registration under European Food Safety Authority (EFSA), which is mandatory requirement for export of food enzymes, food flavourings and additives to European Countries. The Company will be permitted to sell its registered products; therefore it is considered as product permits to sell in European Market.

The Company, in the earlier years, had charged such expenses to the Statement of Profit and Loss; there by treating it as revenue expenditure under the head Legal and professional charges. During the current year, the management has capitalised such expenditure as per AS-26 to the extent it meets the criteria for recognition of intangible assets. Since the final approvals for product dossiers filed with EFSA are currently awaited, such expenditure has been capitalised as 'Intangible assets under development' in the financial statements.

Had the Company continued to use the earlier accounting policy, the Legal and professional charges would have been higher by Rs. 38.20 million and correspondingly the Profit before tax for the current year would have been lower by Rs. 38.20 million.

44 Remuneration to relative of a director

During the previous year, Company had paid Rs. 0.97 million in excess of the allowable limits under section 314(1B) of the Companies Act, 1956, to a person holding office or place of profit in the Company. The Company had applied to the Central Government vide application dated 24 September 2013 for seeking the necessary approval in this regard, which is currently awaited.

45 Previous year comparatives

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

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782
Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
Chief Financial Officer

Sunil Sharma
Deputy Company Secretary

Thane, Date: 30 June 2015

AUDITORS' REPORT

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Advanced Enzyme Technologies Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Holding Company's preparation 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 whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. 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 aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements/ financial information of eight subsidiaries, included in the consolidated financial statements, whose financial statements / financial information reflect total assets (after eliminating intra-group transactions) of Rs. 2,296.91 million as at 31 March 2015, total revenues (after eliminating intra-group transactions) of Rs. 1,590.80 million and net cash flows amounting to Rs. 53.84 million for the year ended on that date. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.

11. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) As detailed in Note 24(a), the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782
Place: Mumbai
Date: 30 June 2015

Annexure to the Independent Auditor's Report of even date to the members of Advanced Enzyme Technologies Limited, on the consolidated financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding 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 and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we report that:

- (i) (a) The Holding Company and subsidiary companies incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Holding Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. The subsidiary companies incorporated in India has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner. No material discrepancies were noticed by the subsidiary companies incorporated in India on such verification.
- In our opinion, the frequency of verification of fixed assets followed by the Holding Company and subsidiary companies incorporated in India is reasonable having regard to the size of the respective entities and the nature of their assets.
- (ii) (a) The management of the Holding Company 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 of the Holding Company.
- The management of the subsidiary companies incorporated in India have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management of the Holding Company and the subsidiary companies incorporated in India are reasonable and adequate in relation to the size of the respective entities and the nature of their businesses.
- (c) The Holding Company and subsidiary companies incorporated in India are maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Holding Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) receipt of the principal amount and the interest is regular; and
- (b) there is no overdue amount in respect of loans granted to such company.
- The subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (iii) (a) & (b) of the Order are not applicable to them.
- (iv) The Holding Company and subsidiary companies incorporated in India have an adequate internal control system commensurate with the size of the respective entities and the nature of their businesses for the purchase of inventory and fixed assets and for the sale of goods. No major weaknesses have been noticed in the internal control system in respect of these areas during the course of audit by us and other auditors.
- (v) The Holding Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. 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.
- The subsidiary companies incorporated in India have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to them.
- (vi) In respect of Holding Company, we have broadly reviewed the books of account maintained by it pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of its 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.
- In respect of subsidiaries incorporated in India, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products of their businesses. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to them.
- (vii) (a) The Holding Company and its subsidiaries incorporated in India are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax,

service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

- (b) In respect of Holding Company, the dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and 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	49.18	16.00	Assessment year 2010-11	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income tax	35.27	-	Assessment year 2010-11	Commissioner, Appeals
Income Tax Act, 1961	Income tax	57.39	-	Assessment year 2011-12	Commissioner, Appeals

In respect of the subsidiary companies incorporated in India, there are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

- (c) The Holding Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

There are no amounts that are due to be transferred by the subsidiary companies incorporated in India to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder. Hence, Clause 3 (vii)(c) of the Order is not applicable to them.

- (viii) The Holding Company and subsidiary companies incorporated in India do not have consolidated accumulated losses at the end of the financial year and they have not incurred cash losses, on consolidated basis, in the current and the immediately preceding financial year.
- (ix) The Holding Company and subsidiaries incorporated in India have not defaulted in repayment of dues to any bank or financial institution during the year. Further, the Holding Company and its subsidiaries incorporated in India did not have any outstanding debentures during the year.
- (x) The Holding Company and its subsidiaries incorporated in India have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Holding Company has applied the term loans for the purpose for which these loans were obtained. The subsidiary companies incorporated in India did not have any term loans during the year. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to them.
- (xii) To the best of our knowledge and according to the information and explanations given to us and to the other auditors, no fraud on or by the Holding Company and its subsidiary companies incorporated in India has been noticed or reported during the period covered under audit.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782
Place: Mumbai
Date: 30 June 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2015

	Note no.	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
Equity and liabilities			
Shareholders' funds			
Share capital	6	217.66	217.66
Reserves and surplus	7	1,902.13	1,456.66
		2,119.79	1,674.32
Minority interest	8	44.54	36.27
Non-current liabilities			
Long-term borrowings	9	540.01	879.15
Deferred tax liabilities (net)	10	147.69	144.87
		687.70	1,024.02
Current liabilities			
Short-term borrowings	9	236.49	390.69
Trade payables	12	116.88	104.85
Other current liabilities	13	826.32	596.96
Short-term provisions	11	127.36	233.63
		1,307.05	1,326.13
Total		4,159.08	4,060.74
Assets			
Non-current assets			
Fixed assets			
Tangible assets	14	1,111.04	1,149.28
Intangible assets	15	0.06	0.13
Intangible assets under development	41	38.20	-
Goodwill on consolidation		1,710.40	1,710.40
Capital work-in-progress		53.34	23.97
Non-current investments	16	0.62	0.62
Deferred tax assets (net)	17	43.58	84.81
Long-term loans and advances	18	49.17	77.99
Other non-current assets	19	111.54	93.14
		3,117.95	3,140.34
Current assets			
Inventories	20	526.33	499.34
Trade receivables	21	370.42	323.76
Cash and bank balances	22	43.37	26.48
Short-term loans and advances	18	93.31	63.64
Other current assets	23	7.71	7.18
		1,041.14	920.40
Total		4,159.08	4,060.74

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

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No: 105782

Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited
C. L. Rathi

Managing Director

Kedar Desai

Director

B. P. Rauka

Chief Financial Officer

Sunil Sharma

Deputy Company Secretary

Thane, Date: 30 June 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

	Note no.	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Revenue			
Revenue from operations (gross)	25	2319.62	2481.96
Less : Excise duty		88.48	87.46
Revenue from operations (net)		2231.14	2394.50
Other income	26	25.53	19.28
Total revenue		2256.67	2413.78
Expenses			
Cost of materials consumed	27	477.81	578.56
Purchase of Stock in trade	28	2.12	0.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(2.73)	(107.99)
Employee benefits expenses	30	365.24	327.52
Finance costs	31	92.55	131.93
Depreciation and amortisation expense	32	90.17	99.82
Other expenses	33	483.42	585.11
Total expenses		1508.58	1614.95
Profit before exceptional items and tax		748.09	798.83
Exceptional items	34	-	514.31
Profit before tax		748.09	284.52
Tax expense			
Current tax		201.59	165.23
MAT credit entitlement		(19.12)	(18.36)
Deferred tax (credit)/ Charge		47.00	(72.40)
(Excess)/ short provision for last years		0.49	(0.00)
		229.96	74.47
Profit after tax		518.13	210.05
Less: Share of Minority interest		8.33	12.68
Profit after tax and allocation of minority interest		509.80	197.37
Earnings per equity share	35		
Basic		23.42	9.07
Diluted		23.42	9.07

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 Chandiok & Co LLP
 (formerly Walker, Chandiok & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
 Partner
 Membership No: 105782
 Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
 Managing Director

Kedar Desai
 Director

B. P. Rauka
 Chief Financial Officer

Sunil Sharma
 Deputy Company Secretary

Thane, Date: 30 June 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Profit before tax	748.09	284.52
Adjustments for non-cash transactions		
Depreciation and amortisation expense	90.17	99.82
Fixed assets written off	3.96	-
(Profit)/ Loss on sale of fixed assets	(1.54)	0.51
Allowances for bad and doubtful trade receivables	1.20	-
Bad and doubtful trade receivables written off	0.71	-
Bad and doubtful advances / deposits written off	-	1.08
Excess provision written back	(0.17)	(9.40)
Sundry balances written back/ off	(1.42)	3.60
Unrealised foreign exchange (gain)	4.09	(14.77)
	845.09	365.36
Items considered separately		
Interest income	(4.43)	(5.92)
Interest expenses	79.60	131.93
	920.25	491.37
Operating profit before working capital changes		
Increase / (decrease) in short term liabilities and provisions	(105.00)	309.39
Increase / (decrease) in trade payables	12.39	(65.59)
(Increase) in inventories	(26.99)	(53.47)
(Increase)/ decrease in trade receivables	(49.11)	70.58
Decrease/ (increase) in short term loans and advances	19.72	(17.43)
(Increase) in other current assets	(0.53)	(0.38)
Decrease in long term loans and advances	30.48	5.12
(Increase)/ decrease in other non-current assets	-	9.92
Cash generated from operating activities	801.22	749.51
Income taxes paid	(263.90)	(193.84)
Net cash generated from operating activities	537.31	555.67
Cash flows from investing activities		
Purchase of tangible assets	(87.86)	(95.94)
Proceeds from sale of tangible assets	4.33	0.40
Change in intangible assets under development	(38.20)	-
Deposits with maturity more than 3 months but less than 12 months	2.66	(0.74)
Bank deposits with maturity of more than 12 months	0.72	(0.08)
Interest received	4.43	5.92
Net cash (used) in investing activities	(113.92)	(90.44)
Cash flows from financing activities		
Proceeds/(repayment) from long term borrowings	(112.02)	(222.01)
Proceeds/(repayment) from short term borrowings	(154.20)	62.71
Interest paid	(79.60)	(131.93)
Dividends paid (including dividend tax)	(17.52)	(40.15)
Net cash (used) in financing activities	(363.34)	(331.38)
Net increase / (decrease) in cash and cash equivalents	60.05	133.85
Cash and cash equivalents as at the beginning of the year	22.99	34.21
Effect of exchange rate changes (Foreign currency translation reserve)	(40.50)	(145.07)
Cash and cash equivalents as at the end of the year*	42.54	22.99
* Reconciliation of cash and cash equivalents		
Cash in hand	0.53	0.65
Balance with banks :		
Current account	38.94	13.35
Fixed deposit account (with maturity less than 3 months)	2.62	8.20
Other bank balance	0.45	0.79
Deposits with maturity more than 3 months but less than 12 months	0.83	3.49
	43.37	26.48
Less: Deposits with maturity more than 3 months but less than 12 months	0.83	3.49
	42.54	22.99

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 the Central Government under the Companies Act, 2013.

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

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No: 105782

Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
Chief Financial Officer

Sunil Sharma
Deputy Company Secretary

Thane, Date: 30 June 2015

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 enzymes.

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). 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 like items of assets, liabilities, income and expenses after fully eliminating intra group balances, intra group transactions and unrealised profits/ losses from the intra group transactions.
- 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 goodwill 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 - Items of profit and loss 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 As far as possible, the CFS have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- f 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.
- g 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 March15	% age voting power held at 31 March14
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. Advanced EnzyTech Solutions Limited	India	100.00%	100.00%
iii. Advanced Enzymes USA, Inc.	USA	100.00%	100.00%
iv. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
v. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
vi. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100.00%	-
vii. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	-
viii. Advanced Enzymes Europe B.V.	Netherlands	-	100.00%

3 Basis of preparation of financial statements

The Consolidated 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, 2013 ('the Act') and comply in all material aspects with the applicable Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rule, 2014 (as amended).

4 Use of estimates

The preparation of Consolidated Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

5 Significant accounting policies:

a. Revenue Recognition

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

b. Fixed assets, Depreciation and Amortisation

- i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets. Further, the revenue expenditure incurred during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of Intangible Asset as defined in Accounting Standard (AS) 26.
- iv. With respect to the entities incorporated in India, the management has reviewed its policy for providing depreciation on its tangible fixed assets and has also reassessed their useful lives as per Part C of Schedule II of the Companies Act, 2013. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of tangible assets. Depreciation on tangible fixed assets other than Plant and Equipment has been provided on Written Down Value method and on Plant and Equipment on Straight Line Method.
- 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. Capital work in progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

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. Non-monetary assets and liabilities denominated in foreign currency are reported at the rate of exchange prevailing on the date of transaction.
- 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 counterparty is a bank.
- ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the Statement of Profit and Loss.

f. Impairment of assets

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified, 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 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.

Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except in case of Advanced EnzyTech Solutions Limited, where it is determined on weighted average cost basis. The stock of not ordinarily interchangeable raw materials is determined on their specific individual costs.

Cost of finished goods and stock in process is determined on the following basis:

In case of Parent Company - on specific identification method basis;

In case of Advanced Enzymes USA, Inc. (including its subsidiaries) and Advanced EnzyTech Solutions Limited - on weighted average cost basis; and In case of Advanced Bio-Agro Tech Limited - on first-in-first-out basis.

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.

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

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 recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit available is recognised as an asset when it is probable that the future economic benefit associated with it will flow, i.e., the Companies will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which MAT Credit is recognised 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."

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 technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of 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.

	Number	As at 31 March 2015 Rs. in million	Number	As at 31 March 2014 Rs. in million
6 Share capital				
Authorised				
Equity shares of Rs.10 each	35,000,000	350.00	35,000,000	350.00
	<u>35,000,000</u>	<u>350.00</u>	<u>35,000,000</u>	<u>350.00</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	21,765,600	217.66	21,765,600	217.66
Total	<u><u>21,765,600</u></u>	<u><u>217.66</u></u>	<u><u>21,765,600</u></u>	<u><u>217.66</u></u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	21,765,600	217.66	21,765,600	217.66
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u><u>21,765,600</u></u>	<u><u>217.66</u></u>	<u><u>21,765,600</u></u>	<u><u>217.66</u></u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares				
	<u>Number</u>	<u>% of holding</u>	<u>Number</u>	<u>% of holding</u>
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8,280,900	38.05%	8,280,900	38.05%
Chandrakant Rathi Finance & Investment Company Private Limited	3,625,200	16.66%	3,625,200	16.66%
Atharva Capital Ventures Private Limited	2,492,940	11.45%	2,492,940	11.45%
Vasant and Prabha Rathi Generation Trust	1,500,000	6.89%	1,500,000	6.89%
	<u><u>15,899,040</u></u>	<u><u>73.05%</u></u>	<u><u>15,899,040</u></u>	<u><u>73.05%</u></u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares				
During the financial year 2009-10, the Company has issued 10,365,600 equity shares of Rs.10 each as bonus shares in the ratio of 1:1. Other than above mentioned shares, the Company has not issued any shares without payment being received in cash nor there has been any buy-back of shares in the current year and preceding five years.				
d) Terms / rights attached to shares				
The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. Dividends, if any, propose by the Board of Directors is subject to approval by the shareholder. All shares rank pari passu on repayment of capital in the event of liquidation.				

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
7 Reserves and surplus		
Capital reserves	3.00	3.00
Securities premium reserve	289.63	289.63
General reserve		
Balance at the beginning of the year	38.77	35.13
Add : Additions made during the year	-	3.64
Balance at the end of the year	<u>38.77</u>	<u>38.77</u>
Foreign currency translation reserve		
Balance at the beginning of the year	(209.68)	(67.43)
Less : Deletions made during the year	(40.43)	(142.25)
Balance at the end of the year	<u>(250.11)</u>	<u>(209.68)</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	1,334.88	1,155.81
Add : Transferred from Statement of Profit and Loss	509.80	197.37
Less : Interim dividend/proposed dividend	(18.28)	(12.48)
Less : Tax on dividends distributed during the year	(3.45)	(2.12)
Less : Transfer to general reserve	-	(3.64)
Less : Reversal of Carrying amount of tangible fixed assets due to transitional provision as per Companies Act, 2013 (Refer note 14)	(3.19)	-
Add : Reversal of deferred tax on carrying amount of tangible assets due to transitional provision as per Companies Act, 2013 (Refer note 10)	1.08	-
Balance at the end of the year	<u>1,820.84</u>	<u>1,334.94</u>
	<u>1,902.13</u>	<u>1,456.66</u>
8 Minority interest		
Balance at the beginning of the year	36.27	23.59
Add: Allocation of profit during the year	8.33	12.68
Less: Minority interest no longer on account of transitional provision	0.06	-
	<u>44.54</u>	<u>36.27</u>

	As at 31 March 2015		As at 31 March 2014	
	Long term Rs. in million	Short term Rs. in million	Long term Rs. in million	Short term Rs. in million
9 Borrowings				
Secured				
Term loans				
From banks	-	-	92.15	42.07
Vehicle loans	4.62	-	7.32	-
From related parties	485.55	-	720.04	-
Loans repayable on demand				
From banks	-	225.89	-	318.65
	<u>490.17</u>	<u>225.89</u>	<u>819.51</u>	<u>360.72</u>
Unsecured				
Deferred sales tax payment liabilities	49.84	-	59.64	-
Loans from others	-	10.60	-	29.97
	<u>49.84</u>	<u>10.60</u>	<u>59.64</u>	<u>29.97</u>
Total borrowings	<u>540.01</u>	<u>236.49</u>	<u>879.15</u>	<u>390.69</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by director				
Term loans				
From banks	-	-	92.15	-
Loans repayable on demand				
From banks	-	223.75	-	317.39
Guaranteed by others				
Loans repayable on demand				
From banks	-	2.14	-	1.27
b) Details of security for each type of borrowings				
(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) 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.				
(iii) Vehicle loans availed from three banks and two financial institutes are secured by exclusive charge on vehicles as specified in their respective loan agreements.				
(iv) Term loans from related parties are secured by pledge of 2,000 equity shares of Cal India Food International.				
c) Terms of repayment of term loans and other loans				
Term loan	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years	
	Rs. in million	Rs. in million	Rs. in million	
From banks				
Interest rate				
11.25%	6.00	-	-	
6.75%	93.89	-	-	
From related parties				
Interest rate				
3.50%	644.09	485.55	-	

Vehicle loans	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%	-	-	-
9.25%	0.20	-	-
9.74%	0.08	-	-
9.96%	0.78	-	-
10.20%	0.81	2.96	-
10.35%	0.44	-	-
10.50%	0.14	0.55	-
10.59%	0.20	0.64	-
10.83%	0.19	0.07	-
11.25%	0.43	0.02	-
11.60%	0.12	0.35	-
12.50%	0.06	0.03	-
Deferred sales tax payment liabilities	Payable not later than 1 year*	Payable later than 1 year not later five years	Payable later than five years
	Rs. in million	Rs. in million	Rs. in million
	6.06	35.92	13.92

* Has been disclosed under note 13

d) Particulars of default

During the year, there was default in the repayment of principal and interest falling due in current year for the secured term loan taken from related parties. The unpaid amount of principal and interest due was Rs. 379.76 million and Rs. 9.75 million respectively as at 31 March 2015 (Rs. 119.47 million and Rs. 18.42 million as at 31 March 2014).

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
10 Deferred tax liabilities (net)		
Deferred tax liabilities		
Timing difference on carrying amounts of tangible and intangible assets	154.89	148.51
Reversal of liability on carrying amount of tangible fixed assets due to transitional provision as per Companies Act, 2013	(1.08)	-
Total	153.81	148.51
Deferred tax assets		
Provision for employee benefits	3.63	2.13
Others	2.49	1.51
Total	6.12	3.64
Net deferred tax liability	147.69	144.87
11 Short-term Provisions		
Provisions for employee benefits		
Leave encashment	3.08	2.45
Gratuity	1.02	0.30
Bonus	4.67	4.68
Proposed dividend to equity shareholders	14.88	10.88
Dividend tax	2.00	1.44
Provision for taxation (net of advance tax)	0.25	9.10
Provision for product recall expenses	101.46	204.78
	127.36	233.63

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
12 Trade payables		
Dues to micro and small enterprises (Also refer note below)	1.45	1.62
Dues to others	<u>115.43</u>	<u>103.23</u>
	<u>116.88</u>	<u>104.85</u>

Note:

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 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.

13 Other current liabilities

Current maturities of long term debt	364.22	380.85
Current maturities of vehicle loans	3.45	4.06
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
From others	-	0.13
Interest accrued but not due on borrowings	-	0.19
Interest accrued and due on borrowings	9.75	18.42
Installment due but not paid	379.76	119.47
Current maturities of deferred sales tax payment liabilities	6.06	-
Unclaimed dividends (Refer note below)	0.45	0.79
Provident fund	1.10	1.12
Employees' state Insurance scheme contribution	0.02	0.01
Other Statutory dues	3.75	13.08
Advances and deposits from customers	7.72	8.23
Other payables	<u>50.04</u>	<u>38.55</u>
	<u>826.32</u>	<u>596.96</u>

Note:

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs.0.04 million (31 March 2014 Rs. 0.03 million)

14 Tangible assets	Rs. in million									
	Gross block	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Comp. & data Process. Equip.
Balance as at 01 April 2013	14.92	22.65	290.93	1,180.98	28.64	23.49	22.49	12.55	23.23	1,619.88
Additions	-	-	21.42	50.91	3.43	9.14	2.68	0.18	2.26	90.01
Disposals	-	-	-	0.85	-	-	-	-	0.45	1.30
Balance as at 31st March 2014	14.92	22.65	312.35	1,231.04	32.07	32.63	25.17	12.73	25.04	1,708.59
Additions	-	-	16.18	32.10	6.97	1.04	2.37	-	2.50	61.16
Disposals	-	-	3.14	-	-	1.98	-	-	-	5.12
Other adjustments										
Transition adjustment recorded against opening reserves (Also refer note below)	-	-	-	-	0.97	1.19	8.48	-	3.86	14.50
Reversals on account of assets written off	-	-	-	10.79	0.01	1.32	4.11	-	2.99	19.22
Balance as at 31 March 2015	14.92	22.65	325.39	1,252.35	38.06	29.18	14.95	12.73	20.69	1,730.91
Accumulated depreciation and amortisation										
Balance as at 01 April 2013	-	3.96	91.96	313.59	13.47	14.07	9.31	1.59	13.41	461.36
Depreciation and amortisation	-	0.51	20.30	63.27	3.12	3.08	2.60	3.09	3.80	99.77
Reversal on disposal of assets	-	-	-	0.22	-	-	-	-	0.17	0.39
Balance as at 31st March 2014	-	4.47	112.26	376.64	16.59	17.15	11.91	4.68	17.04	560.74
Depreciation and amortisation	-	0.51	17.34	48.04	5.17	5.25	6.80	2.33	4.66	90.10
Other adjustments										
Reversal on disposal of assets	-	-	0.45	-	-	1.89	-	-	-	2.34
Transition adjustment recorded against opening reserves (Also refer note below)	-	-	-	-	0.92	1.14	5.75	-	3.50	11.31
Reversals on account of assets written off	-	-	-	7.88	0.01	1.25	3.23	-	2.91	15.28
Balance as at 31 March 2015	-	4.98	129.15	416.80	20.83	18.12	9.73	7.01	15.29	621.91
Other adjustments (Foreign Currency Translation Reserve-FCTR)										
Balance of FCTR as at 31.03.14	-	-	-	0.48	-	-	0.85	0.10	-	1.43
Adjustment during the year	-	-	-	0.36	-	-	(0.40)	0.05	0.60	0.61
Balance FCTR as at 31.03.15	-	-	-	0.84	-	-	0.45	0.15	0.60	2.04
Net block										
Balance as at 31 March 2014	14.92	18.18	200.09	854.88	15.48	15.48	14.11	8.15	8.00	1,149.28
Balance as at 31 March 2015	14.92	17.67	196.24	836.39	17.23	11.06	5.67	5.86	6.00	1,111.04

Note: Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, as applicable to entities incorporated in India, the Group has fully depreciated the carrying value of assets, net of residual value where the remaining useful life of the assets was determined to be Nil as on 1 April 2014 and has adjusted an amount of Rs. 3.19 million against the opening Surplus balance in the Consolidated Statements of Profit and Loss under Reserves & Surplus.

15 Intangible assets				Rs. In million															
Gross block	Computer Software	Technical know-how	Total																
Balance as at 1 April 2013	2.24	5.21	7.45																
Additions	-	-	-																
Disposals	-	-	-																
Balance as at 31 March 2014	<u>2.24</u>	<u>5.21</u>	<u>7.45</u>																
Additions	-	-	-																
Balance as at 31 March 2015	<u>2.24</u>	<u>5.21</u>	<u>7.45</u>																
Accumulated amortisation																			
Balance as at 1 April 2013	2.07	5.21	7.28																
Amortisation	<u>0.04</u>	-	<u>0.04</u>																
Balance as at 31 March 2014	<u>2.11</u>	<u>5.21</u>	<u>7.32</u>																
Amortisation	<u>0.07</u>	-	<u>0.07</u>																
Balance as at 31 March 2015	<u>2.18</u>	<u>5.21</u>	<u>7.39</u>																
Net block																			
Balance as at 31 March 2014	0.13	-	0.13																
Balance as at 31 March 2015	0.06	-	0.06																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th colspan="2" style="text-align: center;">As at 31 March 2015</th> <th colspan="2" style="text-align: center;">As at 31 March 2014</th> </tr> <tr> <th></th> <th style="text-align: center;">Trade</th> <th style="text-align: center;">Others</th> <th style="text-align: center;">Trade</th> <th style="text-align: center;">Others</th> </tr> <tr> <th></th> <th style="text-align: center;">Rs. in million</th> <th style="text-align: center;">Rs. in million</th> <th style="text-align: center;">Rs. in million</th> <th style="text-align: center;">Rs. in million</th> </tr> </thead> </table>						As at 31 March 2015		As at 31 March 2014			Trade	Others	Trade	Others		Rs. in million	Rs. in million	Rs. in million	Rs. in million
	As at 31 March 2015		As at 31 March 2014																
	Trade	Others	Trade	Others															
	Rs. in million	Rs. in million	Rs. in million	Rs. in million															
16 Non-current investments																			
(Valued at cost unless stated otherwise)																			
Other investments																			
19,100 Equity shares (31 March 2014 - 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 2014 - 1,666) of Rs.30 each fully paid up of																			
Bombay Mercantile Co-op. Bank Limited	<u>-</u>	<u>0.05</u>	<u>-</u>	<u>0.05</u>															
	<u>0.57</u>	<u>0.05</u>	<u>0.57</u>	<u>0.05</u>															
Aggregate amount of unquoted investments	0.57	0.05	0.57	0.05															

	As at 31 March 2015 Rs. in million		As at 31 March 2014 Rs. in million	
17 Deferred tax asset (net)				
Deferred tax liabilities				
Timing difference on carrying amounts of tangible and intangible assets	3.33		-	
Provision for accounts receivable	-		0.01	
Accrued interest	-		2.76	
Total	<u>3.33</u>		<u>2.77</u>	
Deferred tax assets				
Unabsorbed depreciation	0.06		2.21	
Accrued interest	3.88		-	
Provision for accounts receivable	0.23		-	
Provision for inventory	2.06		0.39	
Provision for sales return	-		2.99	
Provision for recall liability	39.74		81.57	
Others	0.94		0.42	
Total	<u>46.91</u>		<u>87.58</u>	
Net deferred tax asset	<u>43.58</u>		<u>84.81</u>	
	As at 31 March 2015		As at 31 March 2014	
	Long term	Short term	Long term	Short term
	Rs. in million	Rs. in million	Rs. in million	Rs. in million
18 Loan and advance				
Capital advances				
Unsecured, considered good	-	-	3.35	-
Doubtful	1.30	-	1.30	-
	<u>1.30</u>	-	<u>4.65</u>	-
Allowances for bad and doubtful advances	1.30	-	1.30	-
	<u>-</u>	<u>-</u>	<u>3.35</u>	<u>-</u>
Security deposits				
Unsecured, considered good	13.78	0.07	13.94	-
	<u>13.78</u>	<u>0.07</u>	<u>13.94</u>	<u>-</u>
Loans and advances to related parties**				
Unsecured, considered good (Also, refer note 23)	7.98	0.10	15.20	-
	<u>7.98</u>	<u>0.10</u>	<u>15.20</u>	<u>-</u>
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	0.51	-	0.36
Advances recoverable in Cash or in kind or for value to be received	3.75	35.50	26.85	56.08
Advance income tax (net of provisions)	23.66	50.75	18.65	2.79
Balance with excise authorities	-	6.38	-	4.41
	<u>27.41</u>	<u>93.14</u>	<u>45.50</u>	<u>63.64</u>
	<u>49.17</u>	<u>93.31</u>	<u>77.99</u>	<u>63.64</u>
** Includes amounts due by Private company in which directors are interested	7.98	-	15.20	-

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million		
19 Other non-current assets				
Non-current bank balances (Refer note 22)	0.37	1.08		
MAT credit entitlement	111.17	92.06		
Fund raising expenses	-	11.23		
Less : Amount written off	-	(11.23)		
	<u>111.54</u>	<u>93.14</u>		
20 Inventories (valued at lower of cost and net realisable value)				
Raw materials (Including goods in transit of Rs. 41.84 million) (31 March 2014 Rs. 36.99 million)	195.99	174.21		
Work-in-progress	207.59	191.00		
Finished goods	86.59	100.96		
Traded goods	2.53	0.47		
Stores and spares	33.63	32.70		
	<u>526.33</u>	<u>499.34</u>		
21 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good*	17.24	9.57		
Doubtful	2.90	1.87		
	<u>20.14</u>	<u>11.44</u>		
Less : Allowances for bad and doubtful debts	2.90	1.87		
	<u>17.24</u>	<u>9.57</u>		
Other debts				
Secured, considered good	0.18	0.15		
Unsecured considered good*	353.00	314.04		
	<u>353.18</u>	<u>314.19</u>		
	<u>370.42</u>	<u>323.76</u>		
*Includes amounts due by Private company in which directors are interested	5.36	8.51		
	As at 31 March 2015	As at 31 March 2014		
	Current Rs. in million	Non-current Rs. in million		
22 Cash and bank balances	Current Rs. in million	Non-current Rs. in million	Current Rs. in million	Non-current Rs. in million
Cash and cash equivalents				
Cash on hand	0.53	-	0.65	-
Balances with banks				
in current accounts	38.94	-	13.35	-
in deposit account (with maturity upto 3 months)	2.62	-	8.20	-
	<u>42.09</u>	<u>-</u>	<u>22.20</u>	<u>-</u>
Other bank balances				
Unclaimed dividend account	0.45	-	0.79	-
Deposits with maturity more than 3 months but less than 12 months	0.83	-	3.49	-
Bank deposits with maturity of more than 12 months	-	0.37	-	1.08
	<u>1.28</u>	<u>0.37</u>	<u>4.28</u>	<u>1.08</u>
Less: Amounts disclosed as Other non-current assets (Refer note 19)	-	0.37	-	1.08
	<u>43.37</u>	<u>-</u>	<u>26.48</u>	<u>-</u>

	As at 31 March 2015 Rs. in million	As at 31 March 2014 Rs. in million
23 Other current assets		
Duty Drawback Receivables	0.04	0.02
Current maturities of loan to related parties*	7.23	6.55
Others	0.44	0.61
	<u>7.71</u>	<u>7.18</u>
*Includes amounts due by Private company in which directors are interested	7.23	6.55
24 Contingent liabilities and commitments		
A. Contingent liabilities		
i. Pertains to Income tax demand/ matters on account of deductions/ disallowance for earlier years, pending for appeals consequent to order passed against the Company / demand raised by the Department under Income Tax Act, 1961. Amount paid there against and included under note 18 'Loans and advances' Rs. 16.00 million (31 March 2014 - Rs. 4.00 million)	142.24	221.43
ii. Advanced Enzymes USA, Inc. have received written demands from clients for approximately USD 3.90 million, based on allegations that its products delivered to the clients did not conform to certain pre-agreed specifications. The Company is defending its claims and has been advised by the legal counsel that it is possible, but not probable that the claims would succeed and accordingly no provision for liability has been recognised in the financial statements.	246.65	292.09
iii. Possible liability arising for excise duty and service tax on account of observations for the earlier years through Excise Audit conducted by the excise authorities in the current year.	22.95	-
	<u>411.88</u>	<u>513.52</u>
In respect of above contingent liabilities, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the same		
B. Commitments		
Estimated amount of capital and other commitments remaining to be executed	26.51	88.44
	<u>26.51</u>	<u>88.44</u>
	<u>438.39</u>	<u>601.96</u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
25 Revenue		
Revenue from operations		
Sale of goods		
Export	1,303.84	1,510.43
Domestic	1,015.72	971.53
Other operating revenues	0.06	-
Revenue from operations (Gross)	2,319.62	2,481.96
Less : Excise duty	88.48	87.46
Revenue from operations (Net)	2,231.14	2,394.50
Details of products sold		
Manufactured goods		
Enzymes	1,872.05	2,084.45
Animal feed supplement	6.47	-
Micro organisms	13.09	15.97
Others	15.32	10.87
	1,906.93	2,111.29
Traded goods		
Animal feed supplement	324.21	283.21
	324.21	283.21
	2,231.14	2,394.50
26 Other income		
Interest income	4.43	5.92
Profit on sale of fixed assets (net)	1.54	-
Export incentives	1.87	2.79
Excess provision no longer required written back	0.17	9.40
Net gain on foreign currency transactions and translations	-	0.20
Other non-operating income	17.52	0.97
	25.53	19.28
27 Cost of materials consumed		
Opening stock		
Raw materials and components	174.21	225.78
Add : Purchases during the period		
Raw materials and components	499.59	526.99
Less : Closing stock		
Raw materials and components	195.99	174.21
	477.81	578.56
28 Purchases of Stock-in-trade		
Purchases	2.12	-
	2.12	-

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
29 Changes in inventories of finished goods, work-in-progress and traded goods		
Opening 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>
Closing stock		
Manufactured goods	86.19	102.23
Work-in-progress	207.41	191.06
Traded goods	2.53	0.47
	<u>296.13</u>	<u>293.76</u>
Differential Excise duty on stocks	<u>(0.36)</u>	<u>(1.04)</u>
	<u>(2.73)</u>	<u>(107.99)</u>
30 Employee benefits expenses		
Salaries, wages and bonus (including managerial remuneration)	331.25	305.37
Contribution to gratuity, provident fund and other funds	22.41	10.35
Staff welfare expenses	11.58	11.80
	<u>365.24</u>	<u>327.52</u>
31 Finance costs		
Interest expenses	79.60	89.31
Bank charges	7.31	7.57
Net loss on foreign currency transactions and translations	5.64	35.05
	<u>92.55</u>	<u>131.93</u>
32 Depreciation and amortisation expense		
Depreciation of tangible assets (Also, Refer note 14)	90.10	99.78
Amortisation of intangible assets (Also, Refer note 15)	0.07	0.04
	<u>90.17</u>	<u>99.82</u>
33 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts	31.31	29.97
Consumption of packing materials	26.31	24.48
Power and fuel	99.08	146.44
Carriage inward and freight	19.37	28.21
Water charges	2.18	2.47
Excise duty	9.97	5.47
Laboratory expenses	14.70	20.48
Repairs and maintenance		
Buildings	9.85	3.96
Plant and equipments	5.39	6.22
Other manufacturing expenses	0.04	3.90
	<u>218.20</u>	<u>271.60</u>
Selling and distribution expenses		
Travel, conveyance and car hire	32.29	35.62
Commission	6.53	11.40
Discount on sales	0.62	1.67
Sales promotion and advertisement	15.84	16.16
Freight outward and forwarding	23.01	25.87
Other selling and distribution expenses	12.70	14.26
	<u>90.99</u>	<u>104.98</u>

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
Administrative and general expenses		
Rent	17.29	17.40
Rates and taxes	5.21	7.73
Repairs and maintenance		
Others	7.36	10.50
Insurance	12.69	11.57
Printing and stationary	2.75	2.01
Communication expenses	6.98	7.43
Directors' sitting fees	0.28	0.28
Legal and professional charges	74.98	85.37
Payments to auditors (Also refer note 38)	1.50	1.40
Provision for doubtful debts	1.20	-
Bad debts	0.71	1.08
Donation	1.69	4.90
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	2.54	4.17
Fixed assets written off	3.94	-
Commuting expenses	5.03	5.13
CSR Expenses	3.30	-
Miscellaneous expenses	26.78	29.48
	<u>174.23</u>	<u>208.53</u>
	<u>483.42</u>	<u>585.11</u>

34 Exceptional items

Some of the lots of products of enzyme sold by the Group were reported to have potential contamination. During the second half of the previous year, the group had 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.

Following expenses represents consequential cost on account of product recall:

Sales Returns	-	243.75
Estimate of liability settlements	-	206.13
Write offs	-	13.76
Other related Expenses	-	50.67
	<u>-</u>	<u>514.31</u>

Year ended 31 March 2014 Rs. in million	Year ended 31 March 2013 Rs. in million
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35 Earnings per equity share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

a) Computation of profit for computing basic and diluted earning per share (in million)

Net profit after tax for the year	509.80	197.37
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b) Computation of weighted average number of shares (in million)

Basic earnings per share	21.77	21.77
Diluted earnings per share	21.77	21.77

c) Nominal value of shares (in Rs.)

	10.00	10.00
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d) Computation

Basic (in Rs.)	23.42	9.07
Diluted (in Rs.)	23.42	9.07

36 Segment reporting

Primary segment

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

Secondary segment (based upon geography)

	<u>As at 31 March 2014 Rs. in million</u>	<u>As at 31 March 2013 Rs. in million</u>
Segment revenue		
Within India	927.30	884.07
Outside India	1,303.84	1,510.43
Total	<u>2,231.14</u>	<u>2,394.50</u>
Segment assets		
Within India	2,055.88	2,013.72
Outside India	2,103.20	2,047.02
Total	<u>4,159.08</u>	<u>4,060.74</u>

36 Related parties

A. Names of related parties

I Key Management Personnel (KMP)

Mr. Vasant L. Rathi
Mr. Chandrakant L. Rathi
Mrs. Savita C. Rathi
Mr. Mukund M. Kabra
Mr. Piyush C. Rathi
Mr. Beni P. Rauka
Mr. Dipak Roda

Relatives of KMP

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

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

Atharva Capital Ventures Private Limited
Chandrakant Rathi Finance and Investment Company Private Limited
Advanced Vital Enzymes Private Limited
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 2015	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2014
1 Purchase of Goods				
Advanced Vital Enzymes Private Limited	-	-	2.65	-
	-	-	2.65	-
2 Sale of Goods				
Advanced Vital Enzymes Private Limited	-	-	10.42	15.61
	-	-	10.42	15.61
3 Rent Paid				
Rathi Properties LLC	-	-	8.14	8.06
Mr. Vasant L Rathi	3.30	3.27	-	-
	3.30	3.27	8.14	8.06
4 Remuneration to KMPs and their Relatives *				
Mr. Chandrakant L. Rathi	8.77	9.48	-	-
Mr. Vasant L Rathi	26.56	19.10	-	-
Mrs. Savita C. Rathi	3.33	3.50	-	-
Mr. Mukund Kabra	8.56	8.36	-	-
Mr. Kishore L. Rathi	1.81	1.90	-	-
Mrs. Mangala M. Kabra	2.03	2.10	-	-
Mr. Piyush Rathi	3.75	3.97	-	-
Mrs. Prabha V. Rathi	11.92	11.80	-	-
Ms. Reshama V. Rathi	4.65	3.93	-	-
Ms. Rachana Rathi	4.62	3.98	-	-
Ms. Rasika Rathi	5.29	3.66	-	-
Mr. Beni Prasad Rauka	3.52	3.74	-	-
Mr. Dipak Roda	3.60	4.12	-	-
	88.41	79.64	-	-
5 Commission to directors *				
Mr. Vasant L. Rathi	1.91	-	-	-
Mr. Chandrakant L. Rathi	1.44	-	-	-
Mr. Mukund Kabra	0.96	-	-	-
	4.31	-	-	-
* included in Employee benefits expenses				
6 Interest received				
Advanced Vital Enzymes Private Limited	-	-	1.93	2.55
	-	-	1.93	2.55
7 Interest on borrowings				
Mr. Vasant L. Rathi	42.00	33.71	-	-
Ms. Rachana Rathi	0.16	0.50	-	-
Ms. Rasika Rathi	0.16	0.50	-	-
Ms. Reshma Rathi	0.16	0.50	-	-
Rathi Property, LLC	-	-	7.25	5.89
	42.47	35.21	7.25	5.89
8 Interest on fixed deposits				
Chandrakant Rathi Finance and Investment Private Limited	-	-	-	0.20
Atharva Capital Ventures Private Limited	-	-	-	0.08
C.L. Rathi H.U.F. (Hindu Undivided Family)	-	-	-	0.13
Mr. Vasant L. Rathi	1.00	1.12	-	-
Mrs. Prabha V. Rathi	0.04	0.05	-	-
Mrs. Radhika Pujara	-	0.15	-	-
Mrs. Divya P. Rathi	-	0.06	-	-
Mr. Piyush Rathi	-	0.00	-	-
	1.04	1.38	-	0.41
9 Advances received / Paid (Net)				
Advanced Vital Enzymes Private Limited	-	-	(6.55)	(7.17)
	-	-	(6.55)	(7.17)

Rs. in million

Transactions during the year	KMP & Relatives		Other Related parties	
	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2014
10 Deposits received/ (repaid)				
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)	-	-	-
Mrs. Prabha V. Rathi	(0.41)	-	-	-
Mrs. Radhika Pujara	-	(2.28)	-	-
Mr. Piyush Rathi	-	(0.05)	-	-
Mrs. Divya P. Rathi	-	(1.07)	-	-
	(10.62)	(3.40)	-	(7.55)
11 Commission paid				
Advanced Vital Enzymes Private Limited	-	-	-	0.17
	-	-	-	0.17
C. Outstanding Balances				
a. Fixed deposits				
Mr. Vasant L. Rathi	-	10.21	-	-
Mrs. Prabha V. Rathi	-	0.41	-	-
	-	10.62	-	-
b. Investment				
Advanced Vital Enzymes Private Limited	-	-	0.57	0.57
	-	-	0.57	0.57
c. Trade receivable				
Advanced Vital Enzymes Private Limited	-	-	5.36	8.51
	-	-	5.36	8.51
d. Other payable				
Mr. Vasant L. Rathi	322.79	101.55	-	-
Rathi Properties, LLC	-	-	56.96	17.92
	322.79	101.55	56.96	17.92
e. Advances paid				
Advanced Vital Enzymes Private Limited	-	-	15.20	21.75
	-	-	15.20	21.75
f. Loan received				
Mr. Vasant L. Rathi	637.40	926.83	-	-
Ms. Rachana Rathi	-	6.89	-	-
Ms. Rasika Rathi	-	6.89	-	-
Ms. Reshma Rathi	-	6.89	-	-
Rathi Properties, LLC	-	-	112.48	162.70
	637.40	947.50	112.48	162.70
g. Commission Payable				
Mr. Vasant L. Rathi	1.91	-	-	-
Mr. Chandrakant L. Rathi	1.44	-	-	-
Mr. Mukund M Kabara	0.96	-	-	-
	4.31	-	-	-
h. Interest payable				
Mr. Vasant L. Rathi	8.29	15.79	-	-
Ms. Rachana Rathi	-	0.05	-	-
Ms. Rasika Rathi	-	0.05	-	-
Ms. Reshma Rathi	-	0.05	-	-
Rathi Properties, LLC	-	-	1.46	2.78
	8.29	15.94	1.46	2.78

	Year ended 31 March 2015 Rs. in million	Year ended 31 March 2014 Rs. in million
38 Disclosures in respect of non-cancellable operating leases		
Payable not later than one year	8.34	8.0
Payable later than one year not later than five years	6.25	14.01
Payable later than five years	-	-
Total	<u>14.59</u>	<u>22.01</u>
39 Payments to auditors (excluding Service Tax)		
As auditor		
Statutory audit	1.30	1.18
	<u>1.30</u>	<u>1.18</u>
In other capacity		
Other services		
In relation to filing of prospectus*	0.00	0.74
Certification work	0.15	0.15
	<u>0.15</u>	<u>0.89</u>
Reimbursement of expenses	0.05	0.07
	<u>1.50</u>	<u>2.14</u>

*The amount has been included in fund raising expenses under note no. 19.

40 Additional information, as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the enterprise	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Rs. in million	As a % of consolidated profit or loss	Rs. in million
Parent				
Advanced Enzyme Technologies Limited	73.54	1,558.81	37.84	192.89
Subsidiaries				
Indian				
Advanced Bio-Agro Tech Limited	5.25	111.39	6.98	35.59
Advanced EnzyTech Solutions Limited	1.20	25.44	1.80	9.19
Foreign				
Advanced Enzymes USA, Inc.	38.30	811.93	60.14	306.57
Advanced Enzyme Europe B.V.	-	-	(0.59)	(3.01)
Total eliminations	(18.29)	(387.79)	(6.17)	(31.43)
Total	<u>100.00</u>	<u>2,119.78</u>	<u>100.00</u>	<u>509.80</u>

The above amounts/percentage of net assets and net profit or loss in respect of Advanced Enzyme Technologies Limited and its subsidiaries are determined based on the amount of the respective entities included in consolidated financials statements before inter company eliminations

41 The Company, during the year spent about Rs 38.20 Million on toxicity studies, product characterisation, identification, evaluation and on technical analysis of data , consultancy services for compilation of product dossiers, for the purpose of registration under European Food Safety Authority (EFSA), which is mandatory requirement for export of food enzymes, food flavourings and additives to European Countries. The Company will be permitted to sell its registered products; therefore it is considered as product permits to sell in European Market.

The Company, in the earlier years, had charged such expenses to the Statement of Profit and Loss; there by treating it as revenue expenditure under the head Legal and professional charges. During the current year, the management has capitalised such expenditure as per AS-26 to the extent it meets the criteria for recognition of intangible assets. Since the final approvals for product dossiers filed with EFSA are currently awaited, such expenditure has been capitalised as 'Intangible assets under development' in the financial statements.

Had the Company continued to use the earlier accounting policy, the Legal and professional charges would have been higher by Rs. 38.20 million and correspondingly the Profit before tax for the current year would have been lower by Rs. 38.20 million.

42 Enzyme Innovation, Inc. and Dynamic Enzymes, Inc. have been incorporated on 3 April 2014 and 25 February 2015 respectively. Hence, Consolidated Financial statement includes figure of Enzyme Innovation, Inc. and Dynamic Enzymes, Inc. for the period 3 April 2014 to 31 March 2015 and 25 February 2015 to 31 March 2015 respectively.

43 Previous year comparatives

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

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782
Mumbai, Date: 30 June 2015

For Advanced Enzyme Technologies Limited

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
Chief Financial Officer

Sunil Sharma
Deputy Company Secretary

Thane, Date: 30 June 2015

Disclosure on the financial performance and financial position of the subsidiaries:

	Advanced Bio-Agro Tech Ltd	Advanced EnzyTech Solutions Ltd	Advanced Enzymes, USA	Advanced Enzymes Europe B.V., Neatherlands**
Share Capital	1,000,000	700,000	#270,425,000	^14,525,826
Reserve & Surplus	110,394,063	24,737,157	541,507,250	(14,525,826)
Total assets (including investments)	154,401,201	58,551,003	##2,156,868,606	-
Total liabilities	43,007,139	33,113,846	1,344,936,356	-
Investments	-	-	*1,709,529,686	-
Turnover	324,201,221	110,214,669	###1,160,987,959	-
Profit before taxation	52,745,409	13,973,224	###483,830,732	-
Provision for taxation	17,152,954	4,779,227	###177,257,890	-
Profit after taxation	35,592,455	9,193,997	###306,572,842	-
Interim dividend	8,500,000	-	-	-
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 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 31/03/2015 = Rs. 62.5908		Exchange Rate on 23/04/2014 = Rs.84.4860	
###	Avg Exchange rate for F.Y. 2014-15 = Rs. 61.1471		Exchange Rate on 31/05/2014 = Rs.80.3350	
*	Includes amount invested in step subsidiaries Specialty Enzyme Bio-Chemicals & AST Enzymes dissolved on 26/12/2014			
**				

QUALITY POLICY

We all at Advanced Enzyme Technologies Ltd. Thane are committed to increase customer base and achieve customer satisfaction with,

- : Efficient customer service.
- : Innovative Eco Safe Products.
- : Awareness of Novel Product.
- : Continual improvement in systems and procedures.

MISSION

It is our mission to see that every human being is able to take advantage of the power of enzymes for well-being and leading a healthy life!

Enzymes are specific and catalyse a wide variety of reactions and have been used widely as processing aids for improving the quality of the end products while reducing energy costs and reducing the overall carbon footprint of the process.

It is our mission to see that every processing unit, that processes biological products, is able to take advantage of enzymes to derive a higher quality output, improve profitability and become more competitive.

VISION

Our vision at Advanced Enzymes is to become the largest, enzyme-based, value provider to consumers and processors globally!



58.5% of revenues from international markets

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

