

**Human
Nutrition**



**Industrial
Processing**



Biological



**Food
Processing**

Biocatalysis



Bio-Fuels



**Animal
Nutrition**



2011 - 2012 ANNUAL REPORT

Welcome to The world of better business

FINANCIAL HIGHLIGHTS ON CONSOLIDATED BASIS

	(Rupees in lacs)	
	2011-12	2010-11
A) Financial Results Summary		
Net sales	17,174	11,657
EBIDTA	6,531	2,657
Depreciation	550	498
Interest	1,224	250
Profit before tax	4,758	1,909
Profit after tax	3,408	1,687
Paid up capital-Equity	2,073	2,073
Reserves & surplus	7,609	4,255
Minority interest	159	126
Long term borrowings	13,939	3,701
Working capital finance	3,589	2,676
Short term unsecured borrowings	204	51
Current liabilities	6,683	1,816
Tangible assets (net)	4,963	5,118
Intangible assets (net)	6	19
Goodwill on acquisition	15,472	-
Capital work in progress	6,023	1,886
Current assets	7,676	6,385
Net worth	9,682	6,328
Total outside liabilities - TOL	24,573	8,369
B) Key Ratios & Parameters		
Increase / decrease (-) in sales (%)	47%	2%
EBIDTA margin (%)	38%	23%
PAT margin (%)	20%	14%
EPS - Rs./Share	16.28	8.04
Return on total investment (%)	14%	14%
Return on net worth (%)	35%	27%
Dividend (%)	10%	5%
Debt equity ratio	1.83	1.02
Current ratio	1.15	3.52
Debt service coverage ratio	4.07	3.67
TOL to Net worth ratio	2.54	1.32
Turnover to assets ratio	0.92	0.87
Assets to equity ratio	1.93	2.12
Book Value per share	46.70	30.52

BOARD OF DIRECTORS

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

CFO & COMPANY SECRETARY

Beni Prasad Rauka

REGISTERED OFFICE

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

R&D CENTRES

1. 106, Dhanlaxmi Industrial Estate, Old Agra Road, Thane (W) 400 601.
2. Plot no. A-61, Main Road No. 27, Wagle Industrial Estate, Thane (W) 400 604.
3. A-135, Road No. 23, Wagle Industrial Estate, Thane (W) 400 604.
4. A-61, M.I.D.C. Area, Sinnar, Nasik- 422 103

PLANTS

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

BANKERS

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

AUDITORS

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

SHARE TRANSFER AGENTS

System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Saki Naka, Mumbai 400 072

SUBSIDIARIES

Advanced Bio-Agro Tech Limited.
Advanced EnzyTech Solutions Limited.
Advanced Bio Proteins Limited.
Advanced Enzyme Far East Limited, Hong Kong.
Advanced Enzymes USA, USA.
Cal India Foods International, USA.

DIRECTORS' REPORT

The Directors have pleasure in presenting their Twenty Third Annual Report together with the audited statement of accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

	Year ended 31.03.2012 (Rs. in lacs)	Year ended 31.03.2011 (Rs. in lacs)
Profit before depreciation, interest, extra ordinary item and tax	3,387.83	2,633.83
Less:		
Depreciation	520.79	475.10
Interest / Finance charges	369.86	218.19
Loss of goods in transit	15.07	-
	905.72	693.29
Profit before tax	2,482.11	1,940.54
Less/(Add): Provision for taxation		
Current tax	515.20	261.67
Deferred tax	(58.82)	71.61
MAT Credit entitlement	(50.00)	(146.00)
	406.38	187.28
Profit after tax	2,075.73	1,753.26
Balance brought forward	3,955.37	2,322.98
Profit available for appropriation	6,031.10	4,076.24
Out of which directors have appropriated as follows		
Proposed dividend (including tax on dividend)	240.94	120.87
Balance in Profit and loss account carried to Balance sheet	5,790.16	3,955.37

CONSOLIDATED FINANCIAL RESULTS

	Year ended 31.03.2012 (Rs. in lacs)	Year ended 31.03.2011 (Rs. in lacs)
Profit before depreciation, interest, extra ordinary item and tax	6,546.33	2,657.34
Less:		
Depreciation	549.75	498.48
Interest / Finance charges	1,223.81	249.88
Loss of goods in transits	15.07	-
	1,788.63	748.36
Profit before tax	4,757.70	1,908.98
Less/(Add): Provision for taxation		
Current tax	1,420.97	291.94
Deferred tax	(21.40)	71.66
MAT Credit entitlement	(50.00)	(146.00)
(Excess)/ short provision for last years	(0.34)	4.78
	1,349.23	222.38
Profit after tax	3,408.47	1,686.60

DIVIDEND

Your Directors recommend payment of dividend @ 10% for the current year, amounting to Rs. 207.13 lacs for the financial year ended 31st March 2012.

REVIEW OF OPERATIONS

On consolidated basis, total net sales for FY 2012 was Rs. 17174 lacs as against Rs. 11657 lacs during FY 2011. The higher sale is mainly due to inclusion of net sales of Rs. 5401 lacs of US based subsidiary Cal India Foods International doing business as Specialty Enzymes & Biotechnologies (SEB), acquired during the year.

On standalone basis, your Company posted total net sales of Rs. 11295 lacs as compared to Rs. 11132 lacs during FY 2011 and registered a growth of 1.46 % in spite of capacity constraints faced by the company for past 3 years.

The Company during the year focused on sale of its core manufactured products and gradually reduced sales of Non-Core Non-Enzyme products resulting in a very lower growth in sales. However the Company's exports have gone up to Rs. 5220 lacs during FY 2012 from Rs. 4293 lacs as compared to FY 2011, registering a growth of about 22% during FY 2012.

On consolidated basis, EBIDTA margin was about 38% during FY 2012 as against 23% during FY 2011 and PAT margin has increased to 20% during FY 2012 as against 14% during FY 2011, this could happen mainly due to acquisition of SEB.

On standalone basis, the Company has recorded a growth of 28% in its EBIDTA margin and 18% in its net profit after tax margin during the FY 2012 as compared to its FY 2011, this became possible due to the focused approach on core manufactured product sales, coupled with very heartening efforts of all the employees of the Company.

AWARDS AND RECOGNITION

Your Company has been recognized as "Star Export House" by Director General of Foreign Trade. Beside one of the patent of the Company had also got registered under "IPCT" in US Patent.

FUTURE OUTLOOK

During the year "Advanced Enzymes U.S.A", a wholly owned subsidiary of the Company, acquired Cal India Foods International doing business as Specialty Enzymes and Biotechnologies (SEB), this acquisition enabled the Company to expand globally, on one parent entity concept. With this acquisition the Company had got a 100% subsidiary in USA with a step down subsidiary.

The Company had made consistent exports to European countries and with a view to provide better supply and services, it is in the process of putting up proper infrastructure at place in Europe and is also formed a wholly owned subsidiary in Netherlands "Advanced Enzymes Europe B.V."

On the manufacturing capacity front, the Company has set up a fermentation facility of 240m³ at SEZ, Indore, and the increased capacity will help the Company to manufacture and expand its export market.

DIRECTORS' RESPONSIBILITY STATEMENT

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

We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March 2012 and of the profit of the Company for the year ended on that date.

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

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

BANKING

The Company has working capital arrangement from CitiBank N.A., HDFC Bank Ltd and Yes Bank. The Company has also availed term loan of Rs 5 Crore during the year under review from Indusind Bank for financing the capital expenditure incurred at SEZ, Indore plant.

DIRECTORS

The Board of Directors of the Company comprises of qualified individuals possessing the skills, experience and expertise necessary to guide the Company. They have contributed immensely for the growth of the Company.

Mr. Vasant Rathi & Mr. R.T. Mehta, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

EMPLOYEES

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

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

AUDITORS REPORT AND REAPPOINTMENT

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

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company had five subsidiaries at the beginning of the year viz. Advanced Enzymes USA, Advanced Bio-Agro Tech Limited, Advanced Enzytech Solutions Limited, Advanced Bio Proteins Limited and Advanced Enzyme Far East Limited. Pursuant to acquisition of Cal India Foods International in USA by a subsidiary company Advanced Enzyme USA the total number of subsidiaries as on 31 March 2012 is six within the meaning of Section 4 of the Companies Act 1956.

There has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in Annexure "I".

Pursuant to the provision of Section 212 (8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

FIXED DEPOSIT

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

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

AUDIT COMMITTEE

The members of the audit committee are Mr. C. L. Rathi, Mr. R.T. Mehta and Mr. Kedar Desai During the year under review, the audit committee met twice, to review financial reporting system, internal control systems and control procedures and ensuring compliance with the regulatory guidelines.

RESEARCH AND DEVELOPMENT

R&D expenditure which is Rs. 759 lacs for the current year and constitute 6.72% of net sales as against Rs. 896.23 lacs incurred during the previous year (8.05% of net sales). The Company is also expanding its R&D labs and acquired additional 7300 sq ft space and necessary infrastructure is being created in this new premises.

INTELLECTUAL PROPERTY (IPR)

The Company has focused and accelerated the IPR work on a number of products. Out of 15 applications filed for patent till this year, we have received patent for nine of these applications for commercial use including one patent awarded under IPCT in US and remaining are under various stage of grant.

SOCIAL RESPONSIBLE CORPORATE CITIZEN

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

EMPLOYEES STOCK OPTION PLAN

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

ENTERPRISE RESOURCE PLANNING (ERP)

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

DEMAT OF SHARES

Shareholders can get their physical shares demated through their depository participants. The Company has been allotted ISIN Number by NSDL, which is **INE 837H01012**. 18,527,440 shares have been demated till 31st March 2012.

SHARE TRANSFER AGENT

The Company has appointed M/s System Support Services as share transfer agent(R&T Agent) and entered into tripartite agreement as required by NSDL to facilitate dematerialization and share transfer related work. 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.enzymeindia.com** where detailed information of the Company and its products are provided.

ACKNOWLEDGMENTS

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

By Order of the Board of Directors

Thane, 22 June 2012

(C.L.Rathi)
Managing Director

(Kedar Desai)
Director

ANNEXURE “I” TO THE DIRECTOR’S REPORT

Name of the subsidiary	Advanced Bio-Agro Tech Limited	Advanced EnzyTech Solutions Limited	Advanced Bio Proteins Limited	Advanced Enzyme Far East Limited (Hong Kong)	Advanced Enzymes USA	Cal India Foods International (USA)
Extent of Holding	60% (60%)	85.71% (85.71%)	100% (100%)	100% (100%)	100% (100%)	100% (Nil)
Date of incorporation	09.11.2004	01.09.2008	20.07.2010	11.03.2009	01.11.2010	04.04.2011
Accounting year	From 01.04.2011 to 31.03.2012	From 01.04.2011 to 31.03.2012	From 01.04.2011 to 31.03.2012	From 01.04.2011 to 31.03.2012	From 01.04.2011 to 31.03.2012	From 04.04.2011 to 31.03.2012
Net aggregate of profit / (loss) for current period of the subsidiary so far it concerns the members of the holding Company						
(a) Dealt with or provided for in the accounts of the holding Company	Nil	Nil	Nil	Nil	Nil	Nil
(b) Not dealt with or provided for in the accounts of the holding Company	Rs. 4,116,105	Rs. 3,339,473	Rs. (26,503)	Rs. (4,068,452)	Rs. (91,374,450)	Rs. 246,269,141
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	NA	Nil	NA	NA
(b) Not dealt with or provided for in the accounts of the holding Company	Rs. 17,903,094	Rs. 691,946	Rs. (12,816)	Rs. (3,639,267)	Rs. (2,995,532)	NA

ANNEXURE "II" TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March 2012.

I. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

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

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

(b) Impact of measures taken:

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

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

FORM A

		Year Ended 31 March 2012	Year Ended 31 March 2011
A) Power and Fuel Consumption			
1. Electricity			
a. Purchased from M.S.E.B.			
Total Units	Kwh	7,132,155	6,421,549
Total Amount	Rs.	45,181,022	34,596,091
Average rate per Kwh.	Rs.	6.33	5.39
b. Own Generation (Through Diesel)			
Total Units	Kwh	292,955	243,660
High Speed Diesel Oil Quantity	Ltrs	65,101	54,150
Amount	Rs.	2,830,182	2,199,761
Average Rate per Ltr	Rs.	43.47	40.62
Average Rate per Kwh.	Rs.	9.66	9.03
2. Furnace Oil & Diesel (for steam generation)			
Quantity		2,221,384	1,825,269
Total Amount		81,081,436	490,12,069
Average Rate per Ltr.		36.50	26.85

(B) Consumption per Tone of production

(Total production 2,433.37 MT (Last Year 2,579.89 MT))

	Year Ended 31 March 2012		Year Ended 31 March 2011	
	Unit (kwh)	Amount	Unit (kwh)	Amount
1. Electricity				
Purchased	6,700,783	41,516,239	6,421,549	34,596,091
Own Generation	272,705	2,671,738	243,660	2,199,761
TOTAL	6,973,488	44,187,977	6,665,209	36,795,852
Average per tone of production	2,754	17,063	2,584	14,263
2. Steam				
Through Furnace Oil & Diesel	27,923,000	75,367,188	25,346,000	49,012,069
TOTAL	27,923,000	75,367,188	25,346,000	49,012,069
Average per tone of Production	11,476	30,977	9,824	18,998

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

FORM B

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

A. RESEARCH & DEVELOPMENT

1. Specific areas in which R & D carried out by the company
 - Yield optimization.
 - Up-gradation of production processes:
 - Enzyme profile changes achieved to meet application demands.
 - Improvement done on new formulations and processes developed in Grain, Oilseed, Fruit & Vegetable processing based on plant scale trails.
 - Several new mutants of our existing bank of microbial cultures were screened for new enzymes and improved fermentation efficiencies.
2. Benefits derived as result of above R & D
 - Improved quality and efficiency at application level.
 - Cost reduction in fermentation and down stream process.
 - Better acceptability of products.
 - Higher yield and production.

3. Expenditure on R&D:	(Rs. in lacs)	(Rs. in lacs)
	2011-12	2010-11
(a) Capital	<u>113.88</u>	<u>205.22</u>
(b) Recurring	<u>645.36</u>	<u>691.01</u>
(c) Total	<u>759.24</u>	<u>896.23</u>
(d) Total R&D expenditure as a % of net sales of the Company	6.72%	8.05%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation
 - Development of enzyme production technologies: Successfully developed new mutants of Hemicellulase and Pectinase have been developed.
 - Technical personnel got trained and exposed to acquire state of the art technologies.
 - Collaborative research carried out with various institutions to develop and upgrade technologies.
2. Benefits derived as a result of the above efforts: The improvement and up-gradation of existing technologies led to the cost reduction of raw materials, better utilization of manufacturing facility and improved per person output. Energy efficiencies were improved in most production segment and also enable the Company to expand its geographical reach.
3. Imported technology:

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is contained in Note no. "35 to 37" of notes to the financial statements, of additional information, annexed thereto.

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

Name	Designation	Age	Qualifications	Experience	Date of Appointment	Gross Remuneration (Rs.)	Last Employment
Mr. C. L. Rathi	Managing Director	57	B.Tech (Hons) Chemical Engg. DBM	34 YRS.	30.11.1992	7,316,962	Self Employment - Prop-SORL.
Previous Year	----do----	56	----do----	33YRS.	----do----	(6,303,880)	----do----
Mr. M.M. Kabra	Director (Operations)	40	BE.(Chemical), Master of Science	13 YRS.	01.09.2004	7,186,759	Arun & Co.
Previous Year	----do----	39	----do----	12 YRS.	----do----	(5,196,380)	----do----

V. EMPLOYEE STOCK OPTION

The information on Employee Stock Option Scheme is as follows:

The Company has so far granted 100,000 option equivalents to 100,000 equity shares of the Company commencing from year 2002-03. Vesting of option granted was spread over a period of four years in the ratio of 10%, 20%, 30% & 40%. Option granted during the year 2002-03 to 2004-05 already vested and exercised except 5,950 option got lapsed out of which 4,800 granted during the year 2006-07 and remaining were granted, vested and exercised during the previous year. There are no employee stock option pending for grant, vesting and exercise as on 31st March 2012, accordingly no information is furnished.

By Order of the Board of Directors

Thane, 22 June 2012

(C.L.Rathi)
Managing Director

(Kedar Desai)
Director

AUDITORS' REPORT

To the Members of Advanced Enzyme Technologies Limited

1. We have audited the attached Balance Sheet of Advanced Enzyme Technologies Limited ('the Company'), as at 31 March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act') , we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The financial statements dealt with by this report are in agreement with the books of account;
 - (d) On the basis of written representations received from the directors, as on 31 March 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and 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, in the case of:
 - (i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - (ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) the Cash Flow Statement, of the cash flows for the year ended on that date.
5. The financial statements of the Company for the year ended 31 March 2011 were audited by another auditor whose report dated 26 May 2011 expressed an unqualified opinion on those statements.

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

per **Khushroo B. Panthaky**
Partner
Membership No: F-42423
Place: Mumbai
Date: 31 May 2012

Annexure to the Auditors' Report of even date to the members of Advanced Enzyme Technologies Limited, on the financial statements for the year ended 31 March 2012.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The 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 the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except 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 were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.
 - (e) The Company has taken unsecured loans from seven parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 22,996,000 and the year-end balance is Rs. 22,996,000.
 - (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.
 - (g) In respect of loans taken, payment of the principal amount and interest is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the sale of goods and for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
 - (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 as applicable with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	322,809	Financial year 2006-07	CESTAT
Income Tax Act, 1961	Income tax	1,545,592	Assessment year 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	787,715	Assessment year 2005-06	Commissioner, Appeals
Income Tax Act, 1961	Income tax	52,780	Assessment year 2008-09	Commissioner, Appeals

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

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

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

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

Place: Mumbai
Date: 31 May 2012

BALANCE SHEET AS AT 31 MARCH, 2012

	Note no.	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
Equity and liabilities			
Shareholders' funds			
Share capital	5	207,312,000	207,312,000
Reserves and surplus	6	602,839,940	419,361,152
		810,151,940	626,673,152
Non-current liabilities			
Long-term borrowings	7	343,563,681	369,904,775
Deferred tax liabilities (net)	8	64,181,286	70,063,286
		407,744,967	439,968,061
Current liabilities			
Short-term borrowings	7	328,228,351	267,577,577
Trade payables	10	167,678,139	84,767,842
Other current liabilities	11	148,732,520	64,924,005
Short-term provisions	9	55,962,529	26,696,039
		700,601,539	443,965,463
Total		1,918,498,446	1,510,606,676
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	475,374,868	505,044,811
Intangible assets	13	634,598	1,935,880
Capital work-in-progress		591,499,232	188,437,377
Non-current investments	14	137,202,002	48,742,002
Long-term loans and advances	15	77,892,978	198,168,478
Other non-current assets	16	885,741	20,000
		1,283,489,419	942,348,548
Current assets			
Inventories	17	198,214,255	163,261,920
Trade receivables	18	282,126,275	218,702,699
Cash and bank balances	19	33,416,379	99,134,924
Short-term loans and advances	15	121,252,118	87,158,585
		635,009,027	568,258,128
Total		1,918,498,446	1,510,606,676

Notes 1 to 44 form an integral part of these financial statements

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 31 May 2012

Thane, 30 May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Note no.	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
Revenue			
Revenue from operations (gross)	21	1,187,182,875	1,176,104,977
Less : Excise duty		57,670,385	62,856,741
Revenue from operations (net)		1,129,512,490	1,113,248,236
Other income	22	35,751,943	14,611,771
Total revenue		1,165,264,433	1,127,860,007
Expenses			
Cost of materials consumed	23	395,469,546	401,319,577
Changes in inventories of finished goods and work-in-progress	24	(38,566,456)	57,210,799
Employee benefit expenses	25	126,426,007	107,342,401
Finance costs	26	36,985,677	21,819,004
Depreciation and amortisation expense	27	52,079,244	47,509,956
Other expenses	28	342,915,910	298,604,697
Prior period items	29	236,789	-
Total expenses		915,546,717	933,806,434
Profit before extraordinary items and tax		249,717,716	194,053,573
Extraordinary items			
Loss of goods in transit	30	1,506,609	-
Profit before tax		248,211,107	194,053,573
Tax expense			
Current tax		51,520,000	26,167,000
MAT credit entitlement		(5,000,000)	(14,600,000)
Deferred tax		(5,882,000)	7,161,000
		40,638,000	18,728,000
Profit after tax		207,573,107	175,325,573
Earnings per equity share			
Including extra-ordinary items	31		
Basic		10.01	8.46
Diluted		10.01	8.46
Excluding extra-ordinary items			
Basic		10.09	8.46
Diluted		10.09	8.46

Notes 1 to 44 form an integral part of these financial statements

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 31 May 2012

Thane, 30 May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
Cash flow from operating activities		
Profit before tax	248,211,107	194,053,573
Extraordinary items	(1,506,609)	-
Insurance claim received	1,506,609	-
Profit before extraordinary items and tax	248,211,107	194,053,573
Adjustments for non-cash transactions		
Depreciation and amortisation expense	52,079,244	47,509,956
Loss on impairment	5,053,792	-
Loss / (Profit) on sale of fixed assets	157,157	(87,421)
(Profit) on sale of investments	-	(768,522)
Investments written off	-	5,000
Allowances for bad and doubtful trade receivables (net of write offs)	1,654,990	1,826,638
Bad and doubtful trade receivables written off	851,614	-
Excess provision written back	(1,057,899)	-
Sundry balances written back	(9,342,607)	-
Sundry balances written off	5,403,328	696,424
Unrealised foreign exchange (gain) / loss	(1,710,554)	1,181,034
	301,300,172	244,416,682
Items considered separately		
Interest income	(14,084,282)	(5,703,131)
Interest expenses	32,159,644	20,526,611
Operating profit before working capital changes	319,375,534	259,240,162
Increase / (decrease) in short term liabilities and provisions	85,626,115	(18,487,514)
Increase / (decrease) in trade payables	82,612,562	(14,699,115)
(Increase) / decrease in inventories	(34,952,335)	71,024,492
(Increase) in trade receivables	(61,082,128)	(24,143,701)
(Increase) / decrease in short term loans and advances	(26,005,785)	36,342,459
(Increase) / decrease in long term loans and advances	120,275,500	(191,903,980)
Cash generated from operating activities	485,849,463	117,372,803
Income taxes paid	(31,064,696)	(37,931,020)
Net cash generated from operating activities	454,784,767	79,441,783
Cash flow from investing activities		
Purchase of tangible assets	(429,438,324)	(250,748,832)
Proceeds from sale of tangible assets	57,500	439,999
Purchase of non-current investments	(88,460,000)	(45,720,000)
Proceeds from sale of non-current investments	-	2,996,000
Interest received	9,934,887	3,969,715
Net cash (used in) investing activities	(507,905,937)	(289,063,118)
Cash flow from financing activities		
(Repayment of) / proceeds from long term borrowings	(26,341,094)	260,094,318
Proceeds from short term borrowings	58,868,911	62,182,879
Interest paid	(32,159,644)	(20,526,611)
Dividends paid (including dividend tax)	(12,099,807)	(786,853)
Net cash (used in) / generated from financing activities	(11,731,634)	300,963,733
Net (decrease) / increase in cash and cash equivalents	(64,852,804)	91,342,398
Cash and cash equivalents as at the beginning of the period	99,154,924	7,812,526
Cash and cash equivalents as at the end of the period	34,302,120	99,154,924

Notes to the cash flow statement

- The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'cash flow statement' as notified by Central Government under the Companies Act, 1956.
- Cash and cash equivalents as at year end includes fixed deposits of Rs. 4,172,562 (31 March 2011 - Rs. 769,000) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975.

Notes 1 to 44 form an integral part of these financial statements

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner
Mumbai, 31 May 2012

C. L. Rathi
Managing Director
Thane, 30 May 2012

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Notes to the financial statements for the year ended 31 March, 2012

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 have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the applicable Accounting Standards and Accounting Rules as notified by Central Government under the Companies Act, 1956, to the extent applicable.

3 Use of estimates

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

4 Significant accounting policies:

a. Revenue Recognition

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

b. Fixed assets, Depreciation and Amortisation

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

c. Investments

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

d. Foreign currency transactions

- i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- iii. Exchange Differences - All exchange differences arising on settlement/conversion of foreign currency transactions are included in the statement of Profit and Loss in the year in which they arise.

e. Derivative instruments

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

f. Impairment of assets

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

g. Inventories

- i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.
- ii. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits

- i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- ii. Defined Contribution Plans
The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.
Superannuation benefits, a defined contribution plan, have been funded with Life Insurance Corporation of India and the contribution is charged to statement of Profit & Loss, when the contribution to the Fund is due.

iii. **Defined Benefit Plans**

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

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

i. **Income Taxes**

Current tax

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

Deferred tax

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

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

j. **Borrowing costs**

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognised as an expense in the statement of Profit and Loss.

k. **Research and Development costs**

Research and development costs, incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes which are recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. **Provisions & 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 lessor 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 2012 Rupees	Number	As at 31 March 2011 Rupees
5 Share capital				
Authorised				
Equity shares of Rs.10 each	<u>35,000,000</u>	<u>350,000,000</u>	<u>35,000,000</u>	<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	<u>20,731,200</u>	<u>207,312,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	20,731,200	207,312,000	20,731,200	207,312,000
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>20,731,200</u>	<u>207,312,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares				
	Number	% of holding	Number	% of holding
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8,942,800	43.14%	8,942,800	43.14%
Chandrakant Rathi Finance & Investment Company Private Limited	3,621,200	17.47%	3,622,200	17.47%
Atharva Capital Ventures Private Limited	2,522,940	12.17%	2,522,940	12.17%
Mrs. Prabha V. Rathi	1,283,600	6.19%	1,283,600	6.19%
	<u>16,370,540</u>	<u>78.97%</u>	<u>16,371,540</u>	<u>78.97%</u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years.				
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. 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.				
		As at 31 March 2012 Rupees	As at 31 March 2011 Rupees	
6 Reserves and surplus				
Capital reserve				
Balance at the beginning of the year		3,000,000	3,000,000	
Add/(Less) : Additions/(Deletions) made during the year		-	-	
Balance at the end of the year		<u>3,000,000</u>	<u>3,000,000</u>	
General reserve				
Balance at the beginning of the year		20,824,428	20,824,428	
Add/(Less) : Additions/(Deletions) made during the year		-	-	
Balance at the end of the year		<u>20,824,428</u>	<u>20,824,428</u>	
Surplus in the statement of profit and loss				
Balance at the beginning of the year		395,536,724	232,298,348	
Add : Transferred from statement of profit and loss		207,573,107	175,325,573	
Less : Proposed dividend		20,731,200	10,365,600	
Less : Tax on dividends distributed during the year		3,363,119	1,721,597	
Balance at the end of the year		<u>579,015,512</u>	<u>395,536,724</u>	
		<u>602,839,940</u>	<u>419,361,152</u>	

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
7 Borrowings				
Secured				
Term loans				
From banks	264,204,250	-	269,162,500	-
Finance lease obligations	6,272,586	-	8,323,265	-
Loans repayable on demand				
From banks	-	308,451,227	-	262,452,577
	<u>270,476,836</u>	<u>308,451,227</u>	<u>277,485,765</u>	<u>262,452,577</u>
Unsecured				
Fixed deposits				
From directors	1,365,000	8,846,000	8,846,000	1,365,000
From relatives of directors	2,300,000	8,035,000	8,035,000	2,150,000
From other shareholders	2,150,000	1,940,000	2,990,000	1,400,000
From others	680,000	710,000	1,060,000	210,000
Deferred sales tax payment liabilities	66,591,845	-	71,488,010	-
Loans from related parties	-	246,124	-	-
	<u>73,086,845</u>	<u>19,777,124</u>	<u>92,419,010</u>	<u>5,125,000</u>
Total borrowings	<u>343,563,681</u>	<u>328,228,351</u>	<u>369,904,775</u>	<u>267,577,577</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by Managing director				
Term loans				
From banks	264,204,250	-	269,162,500	-
Loans repayable on demand				
From banks	-	308,451,227	-	262,452,577
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 & 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) Finance lease obligations are secured by specified fixed assets exclusively charged in hire purchase agreement.				

c) Terms of repayment of term loans and other loans
Rupees

Term loan from banks	Payable not later than 1 year*	Payable later than 1 year not later	Payable later than five years
Interest rate			
11.25%	17,562,500	34,000,000	-
6.75%	76,734,750	230,204,250	-
Fixed deposits	Payable not later than 1 year*	Payable later than 1 year not later	Payable later than five years
Interest rate	five years		
9.50%	-	500,000	-
10.50%	-	930,000	-
11.00%	16,596,000	5,065,000	-
11.50%	2,935,000	-	-
Deferred sales tax payment liabilities	Payable not later than 1 year*	Payable later than 1 year not later	Payable later than five years
	five years		
	3,859,268	23,307,822	43,284,023

* Has been disclosed under note 11

d) Disclosure in respect of finance lease

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below:

	As at 31 March 2012		As at 31 March 2011	
	Minimum Payments	Present value of MLP	Minimum Payments	Present value of MLP
Payable not later than 1 year*	2,279,810	3,285,120	2,264,644	3,217,680
Payable later than 1 year not later than five years	6,272,586	6,705,600	8,323,265	9,700,398
Payable later than five years	-	-	-	-
	8,552,396	9,990,720	10,587,909	12,918,078
Less : Amounts representing interest	-	1,438,327	-	2,330,169
	8,552,396	8,552,393	10,587,909	10,587,909

* Has been disclosed under note 11

	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
8 Deferred tax liabilities (net)		
Deferred tax liabilities		
Timing difference on carrying amounts of tangible and intangible assets	66,054,396	70,063,286
Deferred tax assets		
Provision for employee benefits	1,658,210	-
Others	214,899	-
Net deferred tax liability	64,181,286	70,063,286

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
9 Provisions				
Provisions for employee benefits				
Leave encashment (Also, Refer note (b) below)	-	1,660,901	-	-
Bonus	-	3,449,934	-	3,305,845
Proposed dividend to equity shareholders	-	20,731,200	-	10,365,600
Dividend tax	-	3,363,119	-	1,721,597
Provision for taxation (net of advance tax)	-	26,757,375	-	11,302,997
	-	55,962,529	-	26,696,039

a) Details with respect to proposed dividend

Dividends proposed to				
Equity shareholders	-	20,731,200	-	10,365,600
Proposed dividend per share (%)				
Equity shareholders	-	10%	-	5%

b) Employee benefits

The Company has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes upto a maximum limit of Rs. 1,000,000.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
Change in projected benefit obligation				
Projected benefit obligation at the beginning of the year	10,881,851	-	10,904,887	-
Service cost	1,115,642	-	1,087,203	-
Interest cost	924,957	-	899,653	-
Actuarial loss/ (gain)	1,062,092	-	(1,619,310)	-
Benefits paid	(682,873)	-	(390,582)	-
Projected benefit obligation at the end of the year	<u>13,301,669</u>	<u>-</u>	<u>10,881,851</u>	<u>-</u>
Change in plan assets				
Fair value of plan assets at the beginning of the year	12,195,457	-	9,642,589	-
Expected return on plan assets	1,121,836	-	935,558	-
Actuarial gain	67,034	-	112,300	-
Employer contributions	1,221,643	-	1,895,592	-
Benefits paid	(682,873)	-	(390,582)	-
Fair value of plan assets at the end of the year	<u>13,923,097</u>	<u>-</u>	<u>12,195,457</u>	<u>-</u>
Reconciliation of present value of obligation on the fair value of plan assets				
Present value of projected benefit obligation at the end of the year	13,301,669	-	10,881,851	-
Funded status of the plans	13,923,097	-	12,195,457	-
Liability / (asset) recognised in the balance sheet	<u>(621,428)</u>	<u>-</u>	<u>(1,313,606)</u>	<u>-</u>
Net cost recognised in statement of profit and loss				
Service cost	1,115,642	-	1,087,203	-
Interest cost	924,957	-	899,653	-
Expected returns on plan assets	(1,121,836)	-	(935,558)	-
Recognized net actuarial loss/ (gain)	995,058	-	(1,731,610)	-
Net gratuity costs	<u>1,913,821</u>	<u>-</u>	<u>(680,312)</u>	<u>-</u>
Note:				
The gratuity expenses have been recognized under note 25				
Reconciliation of expected return and actual return on plan assets				
Expected return on plan assets	1,121,836	-	935,558	-
Actuarial gain on plan assets	67,034	-	112,300	-
Actual return on plan assets	<u>1,188,870</u>	<u>-</u>	<u>1,047,858</u>	<u>-</u>
Assumptions used				
Discount rate	8.50%	-	8.50%	-
Rate of return on plan assets	9.00%	-	9.00%	-
Salary Escalation	7.00%	-	7.00%	-
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.				

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
Leave encashment				
Present value of obligation at the year end	4,467,872	1,660,901	3,898,113	-
Plan assets (100% in Advanced Group of Companies' Employees Leave Encashment Scheme with LIC)	4,530,299	-	3,989,528	-
Net (asset) / liability	(62,427)	1,660,901	(91,415)	-

	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
10 Trade payables		
Dues to micro and small enterprises (Also refer note below)	5,477,575	306,692
Dues to others	162,200,564	84,461,150
	167,678,139	84,767,842

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 2012 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	94,297,250	6,250,000
Current maturities of finance lease obligations	2,279,810	2,264,644
Unpaid dividends (Also refer note below)	347,546	360,156
Provident fund	758,836	372,425
E.S.I.C.	10,755	1,670
Other Statutory dues	5,458,039	8,194,690
Advances and deposits from customers	9,334,608	7,009,193
Other payables	36,245,676	40,471,227
	148,732,520	64,924,005

Note:

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs.14,550 (31 March 2011 Rs.14,903)

12 Tangible assets											
Gross block	Land Freehold	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer	Rupees Total	Rupees Total
Balance as at 01 April 2010	7,373,031	22,650,988	164,234,167	539,332,166	13,417,190	11,486,488	11,658,785	-	14,350,406	784,503,221	784,503,221
Additions	-	-	-	42,694,702	6,249,302	13,159,846	4,556,774	952,390	1,780,479	69,393,493	69,393,493
Disposals	-	-	-	-	-	1,581,824	-	-	174,000	1,755,824	1,755,824
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
Borrowing costs	-	-	-	24,560	-	-	-	-	-	24,560	24,560
Balance as at 31 March 2011	7,373,031	22,650,988	164,234,167	582,051,428	19,666,492	23,064,510	16,215,559	952,390	15,956,885	852,165,450	852,165,450
Additions	6,176,600	-	-	16,522,874	1,536,027	311,733	621,327	-	1,389,506	26,558,067	26,558,067
Disposals	-	-	-	-	452,911	-	7,850	-	210,745	671,506	671,506
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
Reversals on impairment of assets	79,050	-	18,145	11,091,778	-	1,449,382	1,085,021	-	5,969,905	19,693,281	19,693,281
Balance as at 31 March 2012	13,470,581	22,650,988	164,216,022	587,482,524	20,749,608	21,926,861	15,744,015	952,390	11,165,741	858,558,730	858,558,730
Accumulated depreciation and amortisation											
Balance as at 01 April 2010	-	2,208,740	54,627,913	214,737,727	7,482,742	7,344,870	4,383,059	-	11,530,160	302,315,211	302,315,211
Depreciation and amortisation	-	512,000	10,960,625	28,652,801	1,281,160	2,094,983	1,161,287	66,365	1,479,453	46,208,674	46,208,674
Reversal on disposal of assets	-	-	-	-	-	1,236,808	-	-	166,438	1,403,246	1,403,246
Balance as at 31 March 2011	-	2,720,740	65,588,538	243,390,528	8,763,902	8,203,045	5,544,346	66,365	12,843,175	347,120,639	347,120,639
Depreciation and amortisation	-	548,319	9,864,562	30,826,942	2,118,069	3,886,003	1,542,174	426,130	1,565,763	50,777,962	50,777,962
Prior period (Refer note 29)	-	181,598	-	-	270,753	-	-	-	-	181,598	181,598
Reversal on disposal of assets	-	-	-	-	-	1,433,370	5,157	-	180,938	456,848	456,848
Reversal on impairment of assets	-	-	10,769	6,867,981	-	-	654,120	-	5,673,249	14,639,489	14,639,489
Balance as at 31 March 2012	-	3,450,657	75,442,331	267,349,489	10,611,218	10,655,678	6,427,243	492,495	8,554,751	382,983,862	382,983,862
Impairment loss											
Balance as at 01 April 2011	-	-	-	-	-	-	-	-	-	-	-
Impairment charge	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792	5,053,792
Balance as at 31 March 2012	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792	5,053,792
Net block											
Balance as at 31 March 2011	7,373,031	19,930,248	98,645,629	338,660,900	10,902,590	14,861,465	10,671,213	886,025	3,113,710	505,044,811	505,044,811
Balance as at 31 March 2012	13,470,581	19,200,331	88,773,691	320,133,035	10,138,390	11,271,183	9,316,772	459,895	2,610,990	475,374,868	475,374,868
Assets acquired under lease											
Vehicles includes assets taken on lease											
Gross block of Rs.17,189,428 (31 March 2011 - Rs.16,877,695)											
Depreciation charge of Rs.3,603,551 (31 March 2011 - Rs.1,650,272)											
Accumulated depreciation of Rs.6,710,748 (31 March 2011 - Rs.3,107,197)											
Net block of Rs.10,478,680 (31 March 2011 - Rs.13,770,498)											
Finance lease liabilities are secured by the related assets held under finance lease. (See note 7 and 11)											

13 Intangible assets			Rupees	
	Computer Software	Technical know-how	Total	
Gross block				
Balance as at 01 April 2010	2,072,500	5,205,128	7,277,628	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2011	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2012	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>	
Accumulated amortisation				
Balance as at 01 April 2010	2,072,500	1,967,966	4,040,466	
Amortisation	-	1,301,282	1,301,282	
Balance as at 31 March 2011	<u>2,072,500</u>	<u>3,269,248</u>	<u>5,341,748</u>	
Amortisation	-	1,301,282	1,301,282	
Balance as at 31 March 2012	<u>2,072,500</u>	<u>4,570,530</u>	<u>6,643,030</u>	
Net block				
Balance as at 31 March 2011	-	1,935,880	1,935,880	
Balance as at 31 March 2012	-	<u>634,598</u>	<u>634,598</u>	
As at 31 March 2012				
Trade Others				
Rupees Rupees				
As at 31 March 2011				
Trade Others				
Rupees Rupees				
14 Non-current investments				
(Valued at cost unless stated otherwise)				
Investments in equity instruments				
In subsidiaries				
60,000 Equity shares of Rs.10 each fully paid up of Advanced Bio-Agro Tech Ltd.	600,000	-	600,000	-
60,000 Equity shares of Rs.10 each fully paid up of Advanced EnzyTech Solutions Ltd.	600,000	-	600,000	-
200,000 Equity shares of HKD.1 each fully paid up of Advanced Enzyme Far East Ltd.	1,304,000	-	1,304,000	-
50,000 Equity shares of Rs.10 each fully paid up of Advanced Bio Proteins Ltd.	500,000	-	500,000	-
3,000 (1,000) Equity shares of Advanced Enzymes, USA	133,580,000	-	45,120,000	-
Other investments				
19,100 Equity shares of Rs.10 each fully paid up of Advanced Vital Enzymes Ltd.	568,022	-	568,022	-
1,666 Equity Shares of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Ltd.	-	49,980	-	49,980
	<u>137,152,022</u>	<u>49,980</u>	<u>48,692,022</u>	<u>49,980</u>
Aggregate amount of unquoted investments	137,152,022	49,980	48,692,022	49,980

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
15 Loans and advances				
Capital advances				
Unsecured, considered good	8,047,590	-	121,077,429	-
Security deposits				
Unsecured, considered good	11,766,703	1,600,000	7,906,168	-
Loans and advances to related parties				
Unsecured, considered good	57,394,830	44,157,708	69,184,881	15,426,648
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	625,548	-	462,371
Advances recoverable in Cash or in kind or for value to be received	683,855	46,279,007	-	39,397,684
Advance income tax (net of provisions)	-	24,168,856	-	24,169,782
Balance with excise authorities	-	4,420,999	-	7,702,100
	<u>683,855</u>	<u>75,494,410</u>	<u>-</u>	<u>71,731,937</u>
	<u>77,892,978</u>	<u>121,252,118</u>	<u>198,168,478</u>	<u>87,158,585</u>
			As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
16 Other non-current assets				
Non-current bank balances (Refer note 19)			<u>885,741</u>	<u>20,000</u>
			<u>885,741</u>	<u>20,000</u>
17 Inventories (valued at lower of cost or net realisable value)				
Raw materials including goods-in-transit of Rs. 4,118,619 (31 March 2011 Rs. 8,502,192)			100,867,115	102,505,318
Work-in-progress			53,265,686	31,465,651
Finished goods			27,322,223	10,618,281
Stores and spares			16,759,231	18,672,670
			<u>198,214,255</u>	<u>163,261,920</u>
18 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good			18,202,509	8,109,208
Doubtful			2,429,330	1,826,638
			<u>20,631,839</u>	<u>9,935,846</u>
Less : Allowances for bad and doubtful debts			<u>2,429,330</u>	<u>1,826,638</u>
			<u>18,202,509</u>	<u>8,109,208</u>
Other debts				
Secured, considered good			175,000	347,610
Unsecured considered good			263,748,766	210,245,881
			<u>263,923,766</u>	<u>210,593,491</u>
			<u>282,126,275</u>	<u>218,702,699</u>

	Current Rupees	As at 31 March 2012 Non-current Rupees	Current Rupees	As at 31 March 2011 Non-current Rupees
19 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	777,431	-	582,186	-
Balances with banks				
in current accounts	29,003,324	-	2,213,348	-
in deposit account (with maturity upto 3 months)	2,855,186	-	94,939,177	-
	<u>32,635,941</u>	<u>-</u>	<u>97,734,711</u>	<u>-</u>
Other bank balances				
Unpaid dividend account	348,803	-	354,715	-
Deposits with maturity more than 3 months but less than 12 months	431,635	-	1,045,498	-
Bank deposits with maturity of more than 12 months		885,741		20,000
	<u>780,438</u>	<u>885,741</u>	<u>1,400,213</u>	<u>20,000</u>
Less : Amounts disclosed as other Non-current assets (Refer note 16)	-	885,741	-	20,000
	<u>33,416,379</u>	<u>-</u>	<u>99,134,924</u>	<u>-</u>

Note :

The above Cash and bank balances includes Rs. 4,172,562 (31 March 2011 Rs.769,000) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975

	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
20 Contingent liabilities and commitments		
Claims against the company not acknowledged as debt	2,745,762	2,860,701
Other money for which the company is contingently liable	-	3,755,320
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,024,916	102,044,749
	<u>Year ended 31 March 2012 Rupees</u>	<u>Year ended 31 March 2011 Rupees</u>
21 Revenue		
Revenue from operations		
Sale of goods		
Export	521,962,400	429,284,235
Domestic	665,220,475	746,820,742
Revenue from operations (Gross)	<u>1,187,182,875</u>	<u>1,176,104,977</u>
Less : Excise duty	57,670,385	62,856,741
Revenue from operations (Net)	<u>1,129,512,490</u>	<u>1,113,248,236</u>
Details of products sold		
Manufactured goods		
Enzymes	1,026,148,556	954,477,767
Animal feed supplement	96,331,356	126,338,239
Micro organisms	5,007,260	7,166,983
Others	2,025,318	25,265,247
	<u>1,129,512,490</u>	<u>1,113,248,236</u>

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
22 Other income		
Interest income	14,084,282	5,703,131
Net gain on sale of investments	-	768,522
Profit on sale of fixed assets (net)	-	87,421
Export incentives	6,240,315	5,914,318
Excess provision no longer required written back	1,057,899	-
Net gain on foreign currency transactions and translations	273,447	-
Other non-operating income	14,096,000	2,138,379
	<u>35,751,943</u>	<u>14,611,771</u>
23 Cost of materials consumed (Also refer note 38)		
Opening stock		
Raw materials and components	102,505,318	121,108,734
Add : Purchases during the year		
Raw materials and components	393,831,343	382,716,161
Less : Closing stock		
Raw materials and components	100,867,115	102,505,318
	<u>395,469,546</u>	<u>401,319,577</u>
Details of raw materials and components		
Consumption details		
Agricultural produce	33,508,585	31,242,672
Dairy products	42,406,834	45,038,524
Crude enzymes	82,841,018	108,642,184
Others	236,713,109	216,396,197
	<u>395,469,546</u>	<u>401,319,577</u>
24 Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	10,618,281	31,186,489
Work-in-progress	31,465,651	69,434,411
	<u>42,083,932</u>	<u>100,620,900</u>
Closing stock		
Finished goods	27,322,223	10,618,281
Work-in-progress	53,265,686	31,465,651
	<u>80,587,909</u>	<u>42,083,932</u>
Differential Excise duty on stocks	(62,479)	(1,326,169)
	<u>(38,566,456)</u>	<u>57,210,799</u>
25 Employee benefit expense		
Salaries, wages and bonus	108,745,691	94,808,527
Contribution to gratuity, provident fund and other funds	9,032,434	4,800,051
Staff welfare expenses	8,647,882	7,733,823
	<u>126,426,007</u>	<u>107,342,401</u>
26 Finance costs		
Interest expenses	32,159,644	20,526,611
Bank charges	3,044,168	3,345,933
Net loss/ (gain) on foreign currency transactions and translations	1,781,865	(2,053,540)
	<u>36,985,677</u>	<u>21,819,004</u>

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
27 Depreciation and amortisation expense		
Depreciation of tangible assets (Also refer note 12)	50,777,962	46,208,674
Amortisation of intangible assets (Also refer note 13)	1,301,282	1,301,282
	<u>52,079,244</u>	<u>47,509,956</u>
28 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts (Also refer note 38)	35,261,065	26,499,401
Consumption of packing materials	15,651,325	15,108,203
Power and fuel	125,154,137	88,650,478
Carriage inward and freight	12,637,933	10,490,175
Water charges	1,493,755	1,333,525
Excise duty	4,792,367	4,592,015
Laboratory expenses	2,933,978	2,651,416
Repairs and maintenance		
Buildings	4,630,439	2,809,358
Plant and equipment	5,848,933	5,204,767
Other manufacturing expenses	101,971	67,505
	<u>208,505,903</u>	<u>157,406,843</u>
Selling and distribution expenses		
Travel, conveyance and car hire	13,128,633	13,852,995
Commission	10,367,579	23,347,428
Discount on sales	2,067,980	4,650,874
Sales promotion and advertisement	2,142,383	1,565,606
Freight outward and forwarding	16,569,747	14,892,473
Other selling and distribution expenses	9,872,595	10,173,445
	<u>54,148,917</u>	<u>68,482,821</u>
Administrative and general expenses		
Rent (Also refer note 39)	4,510,800	4,398,681
Rates and taxes	1,862,580	2,145,665
Repairs and maintenance		
Others	5,262,608	4,385,206
Insurance	2,694,144	2,145,013
Printing and Stationary	1,509,334	1,618,274
Communication Expenses	4,942,101	3,931,638
Directors' sitting fees	155,000	145,000
Legal and professional charges	33,684,605	43,348,258
Payments to auditors (Also refer note 40)	1,000,000	515,000
Provision for doubtful debts	1,654,990	1,826,638
Bad debts (net of provision of doubtful debts Rs. 711,804 (31 March 2011 Rs.1,558,815))	851,614	-
Donation	5,838,154	672,507
Loss on sale of assets	157,157	-
Investments written off	-	5,000
Loss on impairment (Also refer note 12)	5,053,792	-
Net loss on foreign currency transactions and translations	-	1,094,543
Miscellaneous expenses	11,084,211	6,483,610
	<u>80,261,090</u>	<u>72,715,033</u>
	<u>342,915,910</u>	<u>298,604,697</u>

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
29 Prior period items		
Prior period income consists of		
Sales tax deferral liability	(1,036,897)	-
The Company has received sales tax assessment order for the year 2003-04 during the financial year 2010-11 wherein the liability determined by the authorities was reduced by Rs 10,36,897. The effect of the same has been taken in the current year.		
Prior period expense consists of		
Interest expenses	152,513	-
Depreciation	181,598	-
Legal and professional charges	125,000	-
Miscellaneous expenses	814,575	-
The above expenses are result of errors or omissions in the preparation of the financial statements of previous years.		
	<u>236,789</u>	<u>-</u>
30 Extraordinary items		
During the year a carrier carrying the sale consignment of the Company met with a road accident. The resultant loss due to this event was Rs.1,506,609 which was recovered through the insurance claim.		
Loss of goods in transit	1,506,609	-
	<u>1,506,609</u>	<u>-</u>
31 Earning per share		
a) Computation of profit for computing basic and diluted earning per share		
Net profit after tax for the year	207,573,107	175,325,573
Net profit after tax for the year without extra-ordinary items	209,079,716	175,325,573
b) Computation of number of shares for		
Basic earnings per share	20,731,200	20,731,200
Diluted earnings per share	20,731,200	20,731,200
c) Nominal value of shares	10	10
d) Computation		
Including extra-ordinary items		
Basic	10.01	8.46
Diluted	10.01	8.46
Excluding extra-ordinary items		
Basic	10.09	8.46
Diluted	10.09	8.46
32 Segment reporting		
The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.		
By geographical segments		
Year ended 31 March 2012		Rupees
Particulars	Revenue	Segment assets
India	607,550,090	1,802,866,359
Exports	521,962,400	115,632,087
Total	<u>1,129,512,490</u>	<u>1,918,498,446</u>
Year ended 31 March 2011		
Particulars	Revenue	Segment assets
India	683,964,001	1,403,533,270
Exports	429,284,235	107,073,406
Total	<u>1,113,248,236</u>	<u>1,510,606,676</u>

33 Related parties

a) Names of related parties

I Subsidiaries

Advanced Bio-Agro Tech Limited

Advanced EnzyTech Solutions Limited

Advanced Bio Proteins Limited

Advanced Enzyme Far East Limited, Hong Kong

Advanced Enzymes, USA

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

II Key Management Personnel (KMP)

Mr. Vasant L. Rathi

Mr. Chandrakant L. Rathi

Mrs. Savita C. Rathi

Mr. Mukund M. Kabra

Relatives of KMP :

Mr. Piyush C. Rathi

Mrs. Radhika Pujara

Mrs. Prabha V. Rathi

Mr. Kishore L. Rathi

Mrs. Mangala M. Kabra

Mrs. Gitanjali M. Kabra

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

Atharva Capital Ventures Private Limited

Chandrakant Rathi Financial & Investment Company Private Limited

Cal India Foods International (upto 3rd April 2011)

Advanced Vital Enzymes Limited

AST Enzymes

Rathi Properties LLC

b) Transactions with related parties

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

In Rupees

	Subsidiaries		KMP & Relatives		Other Related parties	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1 Purchases of Goods						
Advanced EnzyTech Solutions Limited	426,244	60,706	-	-	-	-
Advanced Enzyme Far East Limited	-	3,474,419	-	-	-	-
Advanced Vital Enzymes Limited	-	302,697	-	-	-	-
Cal India Foods International	5,955,583	-	-	-	-	3,893,869
	6,381,827	3,837,822	-	-	-	3,893,869
2 Sale of Products						
Advanced EnzyTech Solutions Limited	65,005,443	26,998,363	-	-	-	-
Advanced Enzyme Far East Limited	10,959,867	32,545,953	-	-	-	-
Advanced Bio-Agro Tech Limited	91,216,457	118,870,491	-	-	-	-
Advanced Vital Enzymes Limited	-	6,038,818	-	-	18,666,440	8,860,250
Cal India Foods International	239,316,575	-	-	-	-	235,978,135
	406,498,342	184,453,625	-	-	18,666,440	244,838,385
3 Commission Paid						
Advanced EnzyTech Solutions Limited	200,345	6,141,723	-	-	-	-
Advanced Enzyme Far East Limited	-	2,747,607	-	-	-	-
Advanced Vital Enzymes Limited	-	8,636,200	-	-	-	-
	200,345	17,525,530	-	-	-	-
4 Remuneration to Directors & their Relatives						
Mr. Chandrakant L. Rathi	-	-	5,772,104	5,265,667	-	-
Mrs. Savita C. Rathi	-	-	2,334,847	2,064,840	-	-
Mr. Mukund Kabra	-	-	6,156,853	4,504,239	-	-
Mr. Kishore L. Rathi	-	-	1,534,826	1,201,045	-	-
Mrs. Mangala M. Kabra	-	-	1,723,970	1,315,640	-	-
Mr. Piyush Rathi	-	-	2,424,702	2,114,820	-	-
	-	-	19,947,302	16,466,251	-	-
Commission to directors *						
Mr. Vasant L. Rathi	-	-	2,059,811	1,384,285	-	-
Mr. Chandrakant L. Rathi	-	-	1,544,858	1,038,213	-	-
Mr. Mukund Kabra	-	-	1,029,906	692,141	-	-
* included in Employee benefit expense	-	-	4,634,575	3,114,639	-	-
5 Interest received						
Advanced Vital Enzymes Limited	-	-	-	-	7,594,304	5,251,732
Advanced Enzymes, USA	5,905,002	-	-	-	-	-
	5,905,002	-	-	-	7,594,304	5,251,732
6 Hire charges received						
Advanced Bio-Agro Tech Limited	-	519,120	-	-	-	-
7 Sale of Investment						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	-	1,504,000
Atharva Capital Ventures Private Limited	-	-	-	-	-	940,000
Mrs. Gitanjali M. Kabra	-	-	-	376,000	-	-
	-	-	-	376,000	-	2,444,000
8 Interest on Fixed Deposits						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	507,486	481,500
Atharva Capital Ventures Private Limited	-	-	-	-	355,729	322,257
Mr. Vasant L. Rathi	-	-	1,197,363	1,222,756	-	-
Mrs. Prabha V. Rathi	-	-	46,494	51,860	-	-
Mrs. Radhika Pujara	-	-	283,145	262,018	-	-
Mr. Piyush Rathi	-	-	8,062	5,250	-	-
	-	-	1,535,064	1,541,884	863,216	803,757

	Subsidiaries		KMP & Relatives		Other Related parties	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
9 Advances Paid (Net)						
Advanced EnzyTech Solutions Limited	(3,908,402)	2,334,793	-	-	-	-
Advanced Enzyme Far East Limited	796,885	653,738	-	-	-	-
Advanced Bio-Agro Tech Limited	134,668	(382,964)	-	-	-	-
Advanced Vital Enzymes Limited	-	21,840,229	-	-	(10,681,204)	8,641,117
Advanced Enzymes, USA	30,693,900	-	-	-	-	-
Advanced Bio Proteins Limited	(246,124)	-	-	-	-	-
	27,470,927	24,445,796	-	-	(10,681,204)	8,641,117
10 Investment in Subsidiaries						
Advanced EnzyTech Solutions Limited	-	100,000	-	-	-	-
Advanced Bio Proteins Limited	-	500,000	-	-	-	-
Advanced Enzymes, USA	88,460,000	45,120,000	-	-	-	-
	88,460,000	45,720,000	-	-	-	-
11 Deposits Received/ (Repaid) (Net)						
Mr. Vasant L. Rathi	-	-	-	(2,407,000)	-	-
Mrs. Prabha V. Rathi	-	-	-	(84,000)	-	-
Mrs. Radhika Pujara	-	-	150,000	(150,000)	-	-
	-	-	150,000	(2,641,000)	-	-
c) Balances with related parties						
a. Fixed Deposits						
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	-	4,400,000	4,400,000
Atharva Capital Ventures Private Limited	-	-	-	-	2,975,000	2,975,000
Mr. Vasant L. Rathi	-	-	10,211,000	10,211,000	-	-
Mrs. Prabha V. Rathi	-	-	410,000	410,000	-	-
Mrs. Radhika Pujara	-	-	2,500,000	2,350,000	-	-
Mr. Piyush Rathi	-	-	50,000	50,000	-	-
	-	-	13,171,000	13,021,000	7,375,000	7,375,000
b. Investment						
Advanced EnzyTech Solutions Limited	600,000	600,000	-	-	-	-
Advanced Enzyme Far East Limited	1,304,000	1,304,000	-	-	-	-
Advanced Bio-Agro Tech Limited	600,000	600,000	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	568,022	568,022
Advanced Bio Proteins Limited	500,000	500,000	-	-	-	-
Advanced Enzymes, USA	133,580,000	45,120,000	-	-	-	-
	136,584,000	48,124,000	-	-	568,022	568,022
c. Trade Receivable						
Advanced EnzyTech Solutions Limited	24,603,414	24,931,803	-	-	-	-
Advanced Enzyme Far East Limited	19,907,870	25,007,307	-	-	-	-
Advanced Bio-Agro Tech Limited	9,992,672	5,759,159	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	14,754,204	10,229,713
Cal India Foods International	57,624,983	-	-	-	-	62,188,456
	112,128,939	55,698,269	-	-	14,754,204	72,418,169
d. Trade Payable						
Cal India Foods International	-	-	-	-	-	312,200
	-	-	-	-	-	312,200
e. Advances Paid						
Advanced EnzyTech Solutions Limited	28,434	3,936,836	-	-	-	-
Advanced Enzyme Far East Limited	1,605,493	808,608	-	-	-	-
Advanced Bio-Agro Tech Limited	134,668	-	-	-	-	-
Advanced Vital Enzymes Limited	-	-	-	-	69,090,043	79,866,085
Advanced Enzymes, USA	30,693,900	-	-	-	-	-
	32,462,495	4,745,444	-	-	69,090,043	79,866,085
f. Advances Received						
Advanced Bio Proteins Limited	246,124	-	-	-	-	-
	246,124	-	-	-	-	-

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

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

Particulars	Outstanding on 31 March 2012
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of USD 6,000,000.	Rs. 44,008,824 (Previous year Rs. 57,470,651)

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

Particulars	Outstanding on 31 March 2012
External commercial borrowings	USD 6,000,000 equivalent to Rs. 306,939,000 (Previous year USD 6,000,000 equivalent to Rs. 267,600,000)
Trade payable for imports	Rs. 14,767,856 (equivalent to USD 271,978 and Euro 12,502) (Rs.12,222,097 equivalent to USD 240,373 and Euro 23,785)
Trade receivable for exports	Rs. 108,029,764 (equivalent to USD 1,992,886 and Euro 88,977) (Rs.107,073,406 equivalent to USD 2,229,700 and Euro 121,334)

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
35 Earnings in foreign currency on accrual basis		
Export value of goods on FOB basis	508,771,644	419,956,825
Other income		
Non operating income	4,158,315	1,603,618
36 Expenditure in foreign currency on accrual basis		
Travel, conveyance and car hire	2,203,039	2,502,629
Interest and finance charges	19,087,854	762,616
Legal and professional charges	17,453,423	18,068,730
Sales promotion and advertisement	3,003,276	2,324,557
Commission	5,309,351	4,467,804
Others	14,712	147,899
37 Value of imports on CIF basis		
Raw materials	116,974,768	136,568,941
Components and spare parts	13,948,396	7,879,520
Capital goods	18,878,325	35,785,898
38 Imported and indigenous consumption		
Raw materials and components		
Imported		
Amount	129,855,617	149,832,658
Percentage	33%	37%
Indigeneous		
Amount	265,613,929	251,486,919
Percentage	67%	63%
Total		
Amount	395,469,546	401,319,577
Percentage	100%	100%
Stores and spares		
Imported		
Amount	14,491,939	2,768,914
Percentage	41%	10%
Indigeneous		
Amount	20,769,126	23,730,487
Percentage	59%	90%
Total		
Amount	35,261,065	26,499,401
Percentage	100%	100%

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
39 Disclosures in respect of non-cancellable operating leases		
Payable not later than 1 year	4,159,000	4,510,800
Payable later than 1 year not later than five years	8,048,500	4,136,000
Payable later than five years	7,296,000	7,680,000
Total	19,503,500	16,326,800
Lease payments charged off to the statement of profit and loss	4,510,800	4,398,681
40 Payments to auditors		
As auditor		
Statutory audit	1,000,000	175,000
Tax audit	-	25,000
	1,000,000	200,000
In other capacity		
Other services	-	315,000
	1,000,000	515,000
41 Dividend remitted in foreign currency		
Period to which is relates	2010-11	-
Number of non - resident shareholders	3	-
Number of equity shares held on which dividend was due	10,179,600	-
Amount remitted	5,089,800	-
42 Capitalisation of expenditure		
The company has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.		
Salaries, wages and bonus	9,536,125	3,440,778
Power and fuel	8,937,174	-
Carriage inward and freight	805,538	-
Water charges	807,843	-
Rates and taxes	603,750	-
Legal and professional fees	747,350	-
Travel, conveyance and car hire	806,918	-
Miscellaneous expenses	885,339	-
Finance costs	60,825,434	655,153
	83,955,471	4,095,931
Less: Interest income	2,529,685	2,760,137
	81,425,786	1,335,794

The borrowing costs capitalised during the year ended 31 March 2012 was Rs. 22,072,512 (31 March 2011 Rs. 4,022,482). The Company capitalised this borrowing cost in the capital work in progress (CWIP). The amount of borrowing cost shown as other adjustment in the above note does not reflects the amount of borrowing cost transferred from CWIP.

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

Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
---------------------------------------	---------------------------------------

43 Research and development

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

Laboratory expenses and consumables	6,429,664	6,073,816
Employee benefit expenses	22,500,984	21,427,578
Legal and professional charges	21,006,643	29,307,104
Electricity	5,108,142	3,392,603
Rent rates and taxes	4,350,026	4,662,130
Repairs and maintenance	3,200,235	1,630,658
Travel, conveyance and car hire	792,367	1,390,581
Miscellaneous expenses	1,147,548	1,216,557
Depreciation	6,816,932	4,382,395
	<u>71,352,541</u>	<u>73,483,422</u>

Capital expenditure on research and development during the year is Rs. 11,387,699 (31 March 2011 Rs. 20,521,972)

This information also complies with the terms of the recognition granted upto 31 March 2012 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/2159/2009- dated 24 June 2009.

The above includes expenditure incurred by the Company on in house research and development at a new premises. The Company has applied to the concerned department for recognition u/s. 35(2AB).

44 Previous year comparatives

Till the year end 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has accordingly reclassified previous year figures to confirm to this years classification.

For Walker, Chandiook & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 31 May 2012

Thane, 30 May 2012

AUDITORS' REPORT

To the Board of Directors of Advanced Enzyme Technologies Limited

1. We have audited the attached Consolidated Balance Sheet of Advanced Enzyme Technologies Limited, its subsidiaries, (hereinafter collectively referred to as 'the Group'), as at 31 March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the Group's management and have been prepared by the Group's management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (a) the Consolidated Financial Statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006.
 - (b) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 107,877,864 as at 31 March 2012; total revenues (after eliminating intra-group transactions) of Rs. 222,992,646 and net cash flows aggregating to Rs. (3,801,366) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors.
4. Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
 - (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2012;
 - (b) the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.
5. The Consolidated Financial Statements of the Company for the year ended 31 March 2011 were audited by another auditor whose report dated 26 May 2011 expressed an unqualified opinion on those statements

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

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

Place: Mumbai
Date: 22 June 2012

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

	Note no.	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
Equity and liabilities			
Shareholders' funds			
Share capital	6	207,312,000	207,312,000
Reserves and surplus	7	760,929,122	425,486,336
		968,241,122	632,798,336
Minority interest		15,851,369	12,550,720
Non-current liabilities			
Long-term borrowings	8	1,393,873,317	370,085,434
Deferred tax liabilities (net)	9	67,904,309	70,044,219
		1,461,777,626	440,129,653
Current liabilities			
Short-term borrowings	8	379,301,895	272,705,837
Trade payables	11	183,060,320	83,596,762
Other current liabilities	12	422,920,525	70,656,408
Short-term provisions	10	62,292,075	27,300,573
		1,047,574,815	454,259,580
Total		3,493,444,932	1,539,738,289
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	496,300,445	511,837,775
Intangible assets	14	634,598	1,935,880
Goodwill on acquisition		1,547,177,186	-
Capital work-in-progress		602,316,644	188,614,952
Non-current investments	15	618,002	618,002
Long-term loans and advances	16	77,917,978	198,193,478
Other non-current assets	17	885,741	20,000
		2,725,850,594	901,220,087
Current assets			
Inventories	18	290,758,077	178,677,918
Trade receivables	19	323,447,141	223,561,108
Cash and bank balances	20	52,973,140	148,785,750
Short-term loans and advances	16	100,390,407	87,430,157
Other current assets	21	25,573	63,269
		767,594,338	638,518,202
Total		3,493,444,932	1,539,738,289

Notes 1 to 40 form an integral part of these financial statements

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 22 June 2012

Thane, 22 June 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Note no.	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
Revenue			
Revenue from operations (gross)	23	1,783,972,805	1,231,153,508
Less : Excise duty		66,569,078	65,422,783
Revenue from operations (net)		1,717,403,727	1,165,730,725
Other income	24	32,628,175	35,750,795
Total revenue		1,750,031,902	1,201,481,520
Expenses			
Cost of materials consumed	25	514,947,025	404,979,862
Changes in inventories of finished goods and work-in-progress	26	(36,766,598)	65,172,451
Employee benefit expenses	27	201,326,662	133,834,752
Finance costs	28	122,380,920	24,987,918
Depreciation and amortisation expense	29	54,975,108	49,848,419
Other expenses	30	415,654,941	331,760,394
Prior period items	31	236,789	-
Total expenses		1,272,754,847	1,010,583,796
Profit before extraordinary items and tax		477,277,055	190,897,724
Extraordinary items			
Loss of goods in transit	32	1,506,609	-
Profit before tax		475,770,446	190,897,724
Tax expense			
Current tax		142,097,483	29,194,000
MAT credit entitlement		(5,000,000)	(14,600,000)
Deferred tax		(2,139,910)	7,165,792
(Excess)/ short provision for last years		(34,496)	478,171
		134,923,077	22,237,963
Profit after tax and before minority interest		340,847,369	168,659,761
Less: Share of Minority interest		3,300,649	1,938,250
Profit after tax		337,546,721	166,721,511
Earnings per equity share	33		
Including extra-ordinary items			
Basic		16.28	8.04
Diluted		16.28	8.04
Excluding extra-ordinary items			
Basic		16.35	8.04
Diluted		16.35	8.04

Notes 1 to 40 form an integral part of these financial statements

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi
Managing Director

Kedar Desai
Director

B. P. Rauka
CFO & Company Secretary

Mumbai, 22 June 2012

Thane, 22 June 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
Cash flow from operating activities		
Profit before tax	475,770,448	190,897,723
Extraordinary items	(1,506,609)	-
Insurance claim received	1,506,609	-
Profit before extraordinary items and tax	475,770,448	190,897,723
Adjustments for non-cash transactions		
Depreciation and amortisation expense	54,975,108	49,848,419
Other adjustments to tangible assets	5,053,792	-
(Profit)/ Loss on sale of fixed assets	157,157	30,121
(Profit) on sale of investments	-	(9,264,640)
Investments written off	-	5,000
Preliminary expenses	20,054	(11,871)
Pre-operative Expenses written off	17,642	17,640
Allowance for bad and doubtful trade receivables (net off write off)	1,654,990	2,638,578
Bad and doubtful trade receivables written off	1,709,239	-
Excess provision written back	(1,344,389)	(250,000)
Sundry balances written off/ back	(3,939,280)	696,424
Unrealised foreign exchange (gain) / loss	(1,551,696)	1,285,551
Foreign Exchange Translation reserve	21,788,798	(448,021)
	554,311,863	235,444,925
Items considered separately		
Interest income	(8,548,973)	(5,796,004)
Interest expenses	117,083,465	21,487,889
Operating profit before working capital changes	662,846,355	251,136,810
Increase / (decrease) in short term liabilities and provisions	352,629,643	(48,314,763)
Increase / (decrease) in trade payables	105,620,789	(11,572,513)
(Increase) / decrease in inventories	(112,080,160)	82,774,997
(Increase) / decrease in trade receivables	(99,956,405)	(19,300,024)
(Increase) / decrease in short term loans and advances	905,672	(19,547,407)
(Increase) / decrease in long term loans and advances	120,275,500	(178,529,204)
Cash generated from operating activities	1,030,241,394	56,647,896
Income taxes paid	(124,780,324)	(44,890,218)
Net cash generated from operating activities	905,461,070	11,757,678
Cash flows from investing activities		
Purchase of tangible assets	(2,004,283,823)	(251,420,629)
Proceeds from sale of tangible assets	57,500	50,585,998
Purchase of non-current investments	-	11,191,618
Proceeds from sale of non-current investments	-	2,996,000
Interest received	4,399,578	4,062,588
Net cash (used in)/ generated from investing activities	(1,999,826,745)	(182,584,425)
Cash flows from financing activities		
Proceeds from long term borrowings	1,023,787,883	210,450,834
Proceeds from short term borrowings	104,814,195	112,781,445
Interest paid	(117,083,465)	(21,487,889)
Dividends paid (including dividend tax)	(12,099,807)	(786,853)
Net cash (used in) / generated from financing activities	999,418,806	300,957,537
Net (decrease) / increase in cash and cash equivalents	(94,946,869)	130,130,790
Cash and cash equivalents as at the beginning of the period	148,805,750	18,674,960
Cash and cash equivalents as at the end of the period	53,858,881	148,805,750

Notes to the cash flow statement

- The cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'cash flow statement' as notified by Central Government under the Companies Act, 1956.
- Cash and cash equivalents as at year end includes fixed deposits of Rs. 4,172,562 (31 March 2011 - Rs. 769,000) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975.

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner
Mumbai, 22 June 2012

C. L. Rathi **Kedar Desai** **B. P. Rauka**
Managing Director Director CFO & Company Secretary
Thane, 22 June 2012

Notes to the consolidated financial statements for the year ended 31 March 2012

1 Background

Advanced Enzyme Technologies Ltd ("Advanced Enzymes" or "the Company"), was incorporated in 1989 in Mumbai for manufacture of biotechnology products.

In November 2004, Advanced Bio-Agro Tech Ltd ("ABAT") was incorporated as a 100% subsidiary. In September 2007, 40% share in ABAT were transferred. ABAT is primarily into marketing of animal feed & supplement business.

Effective 1st September 2008, Advanced Enzymes subscribed to 71.43% in Advanced Enzytech Solutions Ltd ("Enzytech") incorporated to cater to the industrial processing business of the Group. The shareholding in this company was further increased to 85.71% last year.

The Company has also established Advanced Enzyme Fareast Ltd, (AEFEL) a wholly owned subsidiary in Hongkong, in March 2009, for the purpose of expansion, marketing and servicing customers in China.

The Company has setup a wholly owned subsidiary in USA, Advanced Enzymes, USA for the purpose of expanding business in US market as a SPV which has acquired 100% holding in Cal India Food International (DBA Specialty Enzymes & Biotechnologies) (SEB) in USA. SEB is engaged in business of formulation and marketing of enzyme based formulations since over 20 years.

Another 100% subsidiary is being incorporated in India, Advanced Bio Proteins Solutions Limited during last year but so far no commercial operations have commenced in this company.

2 Principles of Consolidation

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

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

h The subsidiary companies considered in the consolidated financial statements are as follows.

Name of the Company	Country of origin	% age voting power held at 31 March12	% age voting power held at 31 March11
i. Advanced Bio-Agro Tech Ltd	India	60%	60%
ii. Advanced EnzyTech Solutions Ltd	India	85.71%	85.71%
iii. Advanced Bio Proteins Ltd	India	100%	100%
iv. Advanced Enzyme Far East Limited	Hong Kong	100%	100%
v. Advanced Enzymes, USA	USA	100%	100%
vi. Cal India Food International (Wholly owned subsidiary of Advanced Enzymes USA)	USA	100%	-

3 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the applicable Accounting Standards and Accounting Rules as notified by Central Government under the Companies Act, 1956, to the extent applicable.

4 Use of estimates

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

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. Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Fixed assets, Depreciation and Amortisation

- i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.

- iv. Depreciation on fixed assets other than plant & machinery has been provided on Written Down Value Method and on plant & machinery on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In case of one of the subsidiary, Cal India Food International, the depreciation is provided on the straight line method based on the estimated useful lives of the assets.
- v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.
- vi. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years.
- vii. Intangible Assets are amortised on a straight line basis over a period of four years.
- viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Investments

Investments are classified into long-term investments. 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.

d. Foreign currency transactions

- i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- iii. Exchange Differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the statement of Profit and Loss in the year in which they arise.

e. Derivative instruments

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

f. Impairment of assets

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

Goodwill arising out of consolidation of subsidiaries is subjected to periodic impairment test.

g. Inventories

- i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.
- ii. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits

- i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

- ii. **Defined Contribution Plans**

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services, except in case of its subsidiaries out of India viz; Advanced Enzyme Fareast Limited and Cal India Food International.

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, except in case of its subsidiaries out of India viz; Advanced Enzyme Fareast Limited and Cal India Food International.

- iii. **"Defined Benefit Plans "**

The Company's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the statement of Profit and Loss, except in case of its subsidiaries out of India viz; Advanced Enzyme Fareast Limited and Cal India Food International.

The Company provides for gratuity benefit, except in case of its subsidiaries out of India viz; Advanced Enzyme Fareast Limited and Cal India Food International, 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, except in case of its subsidiaries out of India viz; Advanced Enzyme Fareast Limited and Cal India Food International.

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

i. Income Taxes

Current tax

Current tax payable in India is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax

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

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

j. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognised as an expense in the statement of Profit and Loss.

k. Research and Development costs

Research and development costs, incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes which are recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and Contingencies

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

m. Leases

Leases where the lessor 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 2012 Rupees	Number	As at 31 March 2011 Rupees
6 Share capital				
Authorised				
Equity shares of Rs.10 each	<u>35,000,000</u>	<u>350,000,000</u>	<u>35,000,000</u>	<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	<u>20,731,200</u>	<u>207,312,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	20,731,200	207,312,000	20,731,200	207,312,000
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>20,731,200</u>	<u>207,312,000</u>	<u>20,731,200</u>	<u>207,312,000</u>
Shareholding structure				
b) Shareholders holding more than 5% of the shares	Number	% of holding	Number	% of holding
Equity shares of Rs.10 each				
Mr. Vasant L. Rathi	8,942,800	43.14%	8,942,800	43.14%
Chandrakant Rathi Finance & Investment Company Private Limited	3,621,200	17.47%	3,622,200	17.47%
Atharva Capital Ventures Private Limited	2,522,940	12.17%	2,522,940	12.17%
Mrs. Prabha V. Rathi	1,283,600	6.19%	1,283,600	6.19%
	<u>16,370,540</u>	<u>78.97%</u>	<u>16,371,540</u>	<u>78.97%</u>
c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years.				
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. 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.				
7 Reserves and surplus		As at 31 March 2012 Rupees	As at 31 March 2011 Rupees	
Capital reserve				
Balance at the beginning of the year		3,000,000	3,000,000	
Add/(Less) : Additions/(Deletions) made during the year		-	-	
Balance at the end of the year		<u>3,000,000</u>	<u>3,000,000</u>	
General reserve				
Balance at the beginning of the year		20,824,428	20,824,428	
Add/(Less) : Additions/(Deletions) made during the year		-	-	
Balance at the end of the year		<u>20,824,428</u>	<u>20,824,428</u>	
Currency translation reserve				
Balance at the beginning of the year		289,033	632,537	
Add/(Less) : Additions/(Deletions) made during the year		21,990,383	(343,504)	
Balance at the end of the year		<u>22,279,416</u>	<u>289,033</u>	
Surplus in the statement of profit and loss				
Balance at the beginning of the year		401,372,875	246,738,561	
Add: Transferred from statement of profit and loss		337,546,721	166,721,511	
Less: Proposed dividend		20,731,200	10,365,600	
Less: Tax on dividends distributed during the year		3,363,119	1,721,597	
Balance at the end of the year		<u>714,825,278</u>	<u>401,372,875</u>	
		<u>760,929,122</u>	<u>425,486,336</u>	

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
8 Borrowings				
Secured				
Term loans				
From banks	264,204,250	-	269,162,500	-
From related parties	1,050,282,327	-	-	-
Finance lease obligations	6,299,895	-	8,503,924	-
Loans repayable on demand				
From banks	-	358,899,738	-	267,580,837
	<u>1,320,786,472</u>	<u>358,899,738</u>	<u>277,666,424</u>	<u>267,580,837</u>
Unsecured				
Fixed deposits				
From directors	1,365,000	8,846,000	8,846,000	1,365,000
From relatives of directors	2,300,000	8,035,000	8,035,000	2,150,000
From other shareholders	2,150,000	1,940,000	2,990,000	1,400,000
From others	680,000	710,000	1,060,000	210,000
Deferred sales tax payment liabilities	66,591,845	-	71,488,010	-
Loans from related parties	-	871,157	-	-
	<u>73,086,845</u>	<u>20,402,157</u>	<u>92,419,010</u>	<u>5,125,000</u>
Total borrowings	<u>1,393,873,317</u>	<u>379,301,895</u>	<u>370,085,434</u>	<u>272,705,837</u>
a) Details of guarantee for each type of borrowings				
Guaranteed by Managing director/director				
Term loans				
From banks	264,204,250	-	269,162,500	-
Loans repayable on demand				
From banks	-	358,899,738	-	267,580,837
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 & 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. And in case of loan repayable on demand in Advanced Enzymes USA, the security provided is the personal property of the director.				
(c) Finance lease obligations are secured by specified fixed assets exclusively charged in hire purchase agreement.				
(d) Term loans from related parties is secured by way of pledge of equity shares.				

c) Terms of repayment of term loans and other loans
Rupees

Term loan from banks	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
11.25%	17,562,500	34,000,000	-
6.75%	76,734,750	230,204,250	-
Term loan from related parties	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
4.50%	194,065,951	869,248,685	181,033,545
Fixed deposits	Payable not later than 1 year*	Payable later than 1 year not later than five years	Payable later than five years
Interest rate			
9.50%	-	500,000	-
10.50%	-	930,000	-
11.00%	16,596,000	5,065,000	-
11.50%	2,935,000	-	-
Deferred sales tax payment liabilities	Payable not later than 1 year* five years	Payable later than 1 year not later	Payable later than five years
	3,859,268	23,307,822	43,284,023

* Has been disclosed under note 12

d) Disclosure in respect of finance lease

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below:

	As at 31 March 2012		As at 31 March 2011	
	Minimum Payments	Present value of MLP	Minimum Payments	Present value of MLP
Payable not later than 1 year*	2,279,810	3,285,120	2,264,644	3,217,680
Payable later than 1 year not later than five years	6,272,586	6,705,600	8,323,265	9,700,398
Payable later than five years	-	-	-	-
	8,552,396	9,990,720	10,587,909	12,918,078
Less : Amounts representing interest	-	1,438,327	-	2,330,169
	8,552,396	8,552,393	10,587,909	10,587,909

* Has been disclosed under note 12

	As at 31 March 2012 Rupees		As at 31 March 2011 Rupees	
9 Deferred tax liabilities (net)				
Deferred tax liabilities				
Timing difference on carrying amounts of tangible and intangible assets	69,823,453		70,063,286	
Deferred tax assets				
Provision for employee benefits	1,658,210		-	
Unabsorbed depreciation	19,696		19,067	
Carry forward losses	12,150		-	
Others	229,087		-	
Net deferred tax liability	<u>67,904,309</u>		<u>70,044,219</u>	
	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
10 Provisions				
Provisions for employee benefits				
Leave encashment	-	2,121,311	-	329,876
Gratuity	-	276,207	-	274,658
Bonus	-	3,449,934	-	3,305,845
Others	-	5,116,929	-	-
Proposed dividend to equity shareholders	-	20,731,200	-	10,365,600
Dividend tax	-	3,363,119	-	1,721,597
Provision for taxation (net of advance tax)	-	27,233,375	-	11,302,997
	<u>-</u>	<u>62,292,075</u>	<u>-</u>	<u>27,300,573</u>
Details with respect to proposed dividend				
Dividends proposed to				
Equity shareholders	-	20,731,200	-	10,365,600
Proposed dividend per share (%)				
Equity shareholders	-	10%	-	5%

	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
11 Trade payables		
Dues to micro and small enterprises (Also refer note below)	5,512,968	306,692
Dues to others	177,547,352	83,290,070
	<u>183,060,320</u>	<u>83,596,762</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 2012 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.

12 Other current liabilities

Current maturities of long term debt	288,363,167	6,250,000
Current maturities of finance lease obligations	2,433,160	2,401,413
Unpaid dividends (Also refer note below)	347,546	360,156
Provident fund	835,779	446,043
E.S.I.C.	10,755	1,670
Other Statutory dues	5,697,363	8,383,671
Advances and deposits from customers	15,648,997	8,320,154
Other payables	109,583,757	44,493,301
	<u>422,920,525</u>	<u>70,656,408</u>

Note:

The amount due and paid during the year to "Investor Education and Protection Fund" is Rs. 14,550 (31 March 2011 Rs.14,903)

13 Tangible assets

Gross block	Land Freehold	Land Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Computer	Rupees Total
Balance as at 1 April 2010	16,920,894	22,650,988	198,001,617	554,757,018	13,892,379	12,199,367	12,246,501	-	15,274,036	845,942,800
Additions	-	-	-	42,771,042	6,266,802	14,128,394	4,753,057	952,390	2,236,423	71,108,108
Disposals	8,101,550	-	29,222,701	15,424,852	177,113	2,550,372	261,435	-	521,136	56,259,159
Balance as at 31 March 2011	8,819,344	22,650,988	168,778,916	582,103,208	19,982,068	23,777,389	16,738,123	952,390	16,989,323	860,791,749
Additions	6,176,600	-	-	23,285,870	10,602,852	311,733	628,215	1,023,130	1,558,144	43,586,544
Disposals	-	-	-	-	452,911	-	7,850	-	210,745	671,506
Other adjustments	79,050	-	18,145	11,091,778	-	1,449,382	1,085,021	-	5,969,905	19,693,281
Balance as at 31 March 2012	14,916,894	22,650,988	168,760,771	594,297,300	30,132,009	22,639,740	16,273,467	1,975,520	12,366,817	884,013,506
Accumulated depreciation and amortisation										
Balance as at 1 April 2011	-	2,208,740	57,457,636	215,250,904	7,607,423	7,491,005	4,553,378	-	11,944,638	306,513,724
Depreciation and amortisation	-	512,000	12,267,390	29,150,402	1,326,298	2,325,299	1,214,138	66,365	1,685,245	48,547,137
Reversal on disposal of assets	-	-	3,311,087	1,010,233	70,456	1,320,394	92,009	-	302,708	6,106,887
Balance as at 31 March 2011	-	2,720,740	66,413,939	243,391,073	8,863,265	8,495,910	5,675,507	66,365	13,327,175	348,953,974
Depreciation	-	548,319	10,236,496	31,845,432	3,178,544	3,994,745	1,603,506	450,439	1,816,345	53,673,826
Prior period (Refer note 31)	-	181,598	-	-	270,753	-	5,157	-	180,938	181,598
Reversal on disposal of assets	-	-	-	-	-	1,433,370	654,120	-	5,673,249	456,848
Reversal on other adjustments	-	-	10,769	6,867,981	-	-	-	-	-	14,639,489
Balance as at 31 March 2012	-	3,450,657	76,639,666	268,368,524	11,771,056	11,057,285	6,619,736	516,804	9,289,333	387,713,061
Other adjustments										
Balance as at 1 April 2011	-	-	-	-	-	-	-	-	-	-
Adjustment	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792
Balance as at 31 March 2012	79,050	-	7,376	4,223,797	-	16,012	430,901	-	296,656	5,053,792
Net block										
Balance as at 31 March 2011	8,819,344	19,930,248	102,364,977	338,712,135	11,118,803	15,281,479	11,062,616	886,025	3,662,148	511,837,775
Balance as at 31 March 2012	14,916,894	19,200,331	92,121,105	325,928,776	18,360,953	11,582,455	9,653,731	1,458,716	3,077,484	496,300,445

Assets acquired under lease

Vehicles includes assets taken on lease

Gross block of Rs.17,902,217 (31 March 2011 - Rs.17,590,574)

Depreciation charge of Rs.3,712,293 (31 March 2011 - Rs.1,797,002)

Accumulated depreciation of Rs.7,112,354 (31 March 2011 - Rs.3,400,062)

Net block of Rs.10,789,863 (31 March 2011 - Rs.14,190,512)

Finance lease liabilities are secured by the related assets held under finance lease. (See note 8 and 12)

14 Intangible assets	Computer Software	Technical know-how	Rupees	
			Total	
Gross block				
Balance as at 01 April 2010	2,072,500	5,205,128	7,277,628	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2011	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>	
Additions	-	-	-	
Disposals	-	-	-	
Balance as at 31 March 2012	<u>2,072,500</u>	<u>5,205,128</u>	<u>7,277,628</u>	
Accumulated amortisation				
Balance as at 01 April 2010	2,072,500	1,967,966	4,040,466	
Amortisation	-	1,301,282	1,301,282	
Reversal on disposal of assets	-	-	-	
Balance as at 31 March 2011	<u>2,072,500</u>	<u>3,269,248</u>	<u>5,341,748</u>	
Amortisation	-	1,301,282	1,301,282	
Reversal on disposal of assets	-	-	-	
Balance as at 31 March 2012	<u>2,072,500</u>	<u>4,570,530</u>	<u>6,643,030</u>	
Net block				
Balance as at 31 March 2011	-	1,935,880	1,935,880	
Balance as at 31 March 2012	-	<u>634,598</u>	<u>634,598</u>	
	As at 31 March 2012		As at 31 March 2011	
	Trade	Others	Trade	Others
	Rupees	Rupees	Rupees	Rupees
15 Non-current investments				
(Valued at cost unless stated otherwise)				
Investments in equity instruments				
19,100 Equity shares of Rs.10 each fully paid up of Advanced Vital Enzymes Ltd.	568,022	-	568,022	-
1,666 Equity Shares of Rs.30 each fully paid up of Bombay Mercantile Co-op. Bank Ltd.	-	49,980	-	49,980
	<u>568,022</u>	<u>49,980</u>	<u>568,022</u>	<u>49,980</u>
Aggregate amount of unquoted investments	568,022	49,980	568,022	49,980

	As at 31 March 2012		As at 31 March 2011	
	Long term Rupees	Short term Rupees	Long term Rupees	Short term Rupees
16 Loans and advances				
Capital advances				
Unsecured, considered good	8,047,590	-	121,077,429	-
	-	-	-	-
Security deposits				
Unsecured, considered good	11,791,703	1,970,350	7,931,168	370,350
Loans and advances to related parties				
Unsecured, considered good	57,394,830	11,695,213	69,184,881	10,681,204
Other loans and advances (Unsecured, considered good)				
Loan to employees	-	685,548	-	462,371
Advances recoverable in Cash or in kind or for value to be received	683,855	50,688,919	-	40,808,363
Advance income tax (net of provisions)	-	30,722,097	-	27,074,384
Balance with excise authorities	-	4,628,279	-	8,033,485
	-	-	-	-
	683,855	86,724,844	-	76,378,603
	77,917,978	100,390,406	198,193,478	87,430,157
			As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
17 Other non-current assets				
Non-current bank balances (Refer note 20)			885,741	20,000
			885,741	20,000
18 Inventories (valued at lower of cost or net realisable value)				
Raw materials			169,783,972	104,636,959
Work-in-progress			53,265,686	31,465,651
Finished goods			29,133,469	4,796,041
Traded goods			21,436,540	19,106,597
Stores and spares			17,138,410	18,672,670
			290,758,077	178,677,918
19 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good			12,737,602	6,993,377
Doubtful			2,601,830	2,638,578
			15,339,432	9,631,955
Less : Allowances for bad and doubtful debts			2,601,830	2,638,578
			12,737,602	6,993,377
Other debts				
Secured, considered good			175,000	347,610
Unsecured considered good			310,534,539	216,220,121
			310,709,539	216,567,731
			323,447,141	223,561,108

	Current Rupees	As at 31 March 2012 Non-current Rupees	Current Rupees	As at 31 March 2011 Non-current Rupees
20 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	822,208	-	591,894	-
Balances with banks				
in current accounts	48,515,308	-	51,854,466	-
in deposit account (with maturity upto 3 months)*	<u>2,855,186</u>	<u>-</u>	<u>94,939,177</u>	<u>-</u>
	<u>52,192,703</u>	<u>-</u>	<u>147,385,537</u>	<u>-</u>
Other bank balances				
Unpaid dividend account	348,803	-	354,715	-
Deposits with maturity more than 3 months but less than 12 months*	431,635	-	1,045,498	-
Bank deposits with maturity of more than 12 months*	<u>-</u>	<u>885,741</u>	<u>-</u>	<u>20,000</u>
	<u>780,438</u>	<u>885,741</u>	<u>1,400,213</u>	<u>20,000</u>
Less : Amounts disclosed as Other non-current assets (Refer note 17)	<u>-</u>	<u>885,741</u>	<u>-</u>	<u>20,000</u>
	<u>52,973,141</u>	<u>-</u>	<u>148,785,750</u>	<u>-</u>
Note :				
* The above Cash and bank balances includes Rs. 4,172,562 (31 March 2011 - Rs.769,000) kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules, 1975				
		As at 31 March 2012 Rupees	As at 31 March 2011 Rupees	
21 Other current assets				
Unamortised expenses		<u>25,573</u>	63,269	
		<u>25,573</u>	<u>63,269</u>	
22 Contingent liabilities and commitments				
Claims against the company not acknowledged as debt		3,145,762	3,260,701	
Other money for which the company is contingently liable		-	3,755,320	
Estimated amount of contracts remaining to be executed on capital account and not provided for		6,024,916	102,044,749	
		Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees	
23 Revenue				
Revenue from operations				
Sale of goods				
Export		1,067,156,405	440,715,665	
Domestic		<u>716,816,400</u>	<u>790,437,843</u>	
Revenue from operations (Gross)		<u>1,783,972,805</u>	1,231,153,508	
Less : Excise duty		<u>66,569,078</u>	65,422,783	
Revenue from operations (Net)		<u>1,717,403,727</u>	<u>1,165,730,725</u>	
Details of products sold				
Manufactured goods				
Enzymes		699,212,821	939,438,981	
Animal feed supplement		5,114,899	7,467,748	
Micro organisms		5,007,260	7,166,983	
Others		<u>2,025,318</u>	<u>25,265,247</u>	
		<u>711,360,298</u>	<u>979,338,959</u>	
Traded goods				
Enzymes		874,031,844	30,647,973	
Animal feed supplement		129,170,033	154,858,939	
Others		<u>2,841,552</u>	<u>884,854</u>	
		<u>1,006,043,429</u>	<u>186,391,766</u>	
		<u>1,717,403,727</u>	<u>1,165,730,725</u>	

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
24 Other income		
Interest income	8,548,973	5,796,004
Net gain on sale of investments	-	9,264,640
Profit on sale of fixed assets (net)	-	87,421
Export incentives	6,273,694	6,143,671
Excess provision no longer required written back	1,344,389	250,000
Net gain on foreign currency transactions and translations	353,082	2,053,540
Other non-operating income	16,108,037	1,911,749
Share in stock of subsidiary	-	10,243,770
	<u>32,628,175</u>	<u>35,750,795</u>
25 Cost of materials consumed		
Opening stock		
Raw materials and components	104,636,959	125,842,935
Add : Purchases during the year		
Raw materials and components	490,130,993	383,773,886
Add : Share in subsidiary stock acquired during the year		
Raw materials and components	89,963,045	-
Less : Closing stock		
Raw materials and components	169,783,972	104,636,959
	<u>514,947,025</u>	<u>404,979,862</u>
Details of raw materials and components		
Consumption details		
Agricultural produce	33,508,585	31,242,672
Dairy products	42,406,834	45,038,524
Crude enzymes	182,833,141	106,186,264
Others	256,198,465	222,512,402
	<u>514,947,025</u>	<u>404,979,862</u>
26 Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	4,796,041	34,016,610
Work-in-progress	31,465,651	73,554,209
Traded goods	19,106,597	13,736,691
	<u>55,368,289</u>	<u>121,307,510</u>
Closing stock		
Finished goods	29,133,469	4,796,041
Work-in-progress	53,265,686	31,465,651
Traded goods	21,436,540	19,106,597
	<u>103,835,695</u>	<u>55,368,289</u>
Share in subsidiary stock acquired during the year		
Finished goods	11,494,128	-
Differential Excise duty on stocks	206,680	(766,770)
	<u>(36,766,598)</u>	<u>65,172,451</u>
27 Employee benefits expense		
Salaries, wages and bonus	170,899,033	119,021,958
Contribution to gratuity, provident fund and other funds	18,752,206	5,826,317
Staff welfare expenses	11,675,423	8,986,477
	<u>201,326,662</u>	<u>133,834,752</u>
28 Finance costs		
Interest expenses	117,083,465	21,487,889
Bank charges	3,720,112	3,500,029
Net loss on foreign currency transactions and translations	1,577,342	-
	<u>122,380,919</u>	<u>24,987,918</u>

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
29 Depreciation and amortisation expense		
Depreciation of tangible assets (Also refer note 13)	53,673,826	48,547,137
Amortisation of intangible assets (Also refer note 14)	1,301,282	1,301,282
	<u>54,975,108</u>	<u>49,848,419</u>
30 Other expenses		
Manufacturing expenses		
Consumption of stores and spare parts	37,653,434	26,499,401
Consumption of packing materials	15,731,663	16,939,522
Power and fuel	125,183,315	89,046,065
Carriage inward and freight	15,783,389	13,627,958
Water charges	1,493,755	1,349,275
Excise duty	4,792,367	4,592,015
Laboratory expenses	5,901,347	2,651,416
Repairs and maintenance		
Buildings	4,658,938	2,960,067
Plant and equipment	5,848,933	5,394,455
Other manufacturing expenses	3,101,814	4,320,439
	<u>220,148,955</u>	<u>167,380,613</u>
Selling and distribution expenses		
Travel, conveyance and car hire	26,759,333	26,109,092
Commission	10,898,325	6,445,791
Discount on sales	2,896,855	5,661,453
Sales promotion and advertisement	7,784,735	6,887,813
Freight outward and forwarding	21,958,578	20,650,731
Other selling and distribution expenses	9,872,595	10,173,445
	<u>80,170,421</u>	<u>75,928,325</u>
Administrative and general expenses		
Rent (Also refer note 37)	11,897,044	5,084,721
Rates and taxes	3,843,027	2,236,765
Repairs and maintenance		
Others	6,579,317	4,721,872
Insurance	5,446,846	2,245,135
Printing and Stationary	2,091,894	2,769,315
Communication Expenses	6,758,001	5,438,554
Directors' sitting fees	155,000	145,000
Legal and professional charges	45,155,791	51,781,437
Payments to auditors (Also refer note 38)	1,751,707	693,147
Provision for doubtful debts	1,654,990	2,638,578
Bad debts (net of provision of doubtful debts Rs. 1,064,754) (31 March 2011 Rs.1,558,815)	1,418,831	33,060
Donation	6,320,734	672,507
Loss on sale of assets	157,157	117,542
Investments written off	-	5,000
Other adjustments to fixed assets (Also refer note 13)	5,053,792	-
Net loss on foreign currency transactions and translations	490,828	1,170,842
Miscellaneous expenses	16,560,606	8,697,981
	<u>115,335,565</u>	<u>88,451,456</u>
	<u>415,654,941</u>	<u>331,760,394</u>

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
31 Prior period items		
Prior period income consists of		
Sales tax deferral liability	(1,036,897)	-
The Company has received sales tax assessment order for the year 2003-04 during the financial year 2010-11 wherein the liability determined by the authorities was reduced by Rs 10,36,897. The effect of the same has been taken in the current year.		
Prior period expense consists of		
Interest expenses	152,513	-
Depreciation	181,598	-
Legal and professional charges	125,000	-
Miscellaneous expenses	814,575	-
The above expenses are result of errors or omissions in the preparation of the financial statements of previous years.	<u>236,789</u>	<u>-</u>
32 Extraordinary items		
During the year a carrier carrying the sale consignment of the Company met with a road accident. The resultant loss due to this event was Rs.1,506,609 which was recovered through the insurance claim.		
Loss of goods in transit	<u>1,506,609</u>	-
	<u>1,506,609</u>	<u>-</u>
33 Earning per share		
a) Computation of profit for computing basic and diluted earning per share		
Net profit after tax for the year	337,546,721	166,721,511
Net profit after tax for the year without extra-ordinary items	339,053,330	166,721,511
b) Computation of number of shares for		
Basic earnings per share	20,731,200	20,731,200
Diluted earnings per share	20,731,200	20,731,200
c) Nominal value of shares	10	10
d) Computation		
Including extra-ordinary items		
Basic	16.28	8.04
Diluted	16.28	8.04
Excluding extra-ordinary items		
Basic	16.35	8.04
Diluted	16.35	8.04
34 Segment reporting		
The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.		
By geographical segments		
Year ended 31 March 2012		Rupees
Particulars	Revenue	Segment assets
India	650,247,322	3,203,604,193
Exports	1,067,156,405	289,840,739
Total	<u>1,717,403,727</u>	<u>3,493,444,932</u>
Year ended 31 March 2011		
Particulars	Revenue	Segment assets
India	725,015,060	1,394,357,320
Exports	440,715,665	145,380,969
Total	<u>1,165,730,725</u>	<u>1,539,738,289</u>

35 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

Relatives of KMP :

Mr. Piyush C. Rathi
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. Gitanjali M. Kabra

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

Atharva Capital Ventures Private Limited
Chandrakant Rathi Financial & Investment Company Private Limited
Cal India Food International (upto 3rd April 2011)
Advanced Vital Enzymes Limited
AST Enzymes
Rathi Properties LLC

b) Transactions with related parties

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

In Rupees

	KMP & Relatives		Other Related parties	
	2011-12	2010-11	2011-12	2010-11
1 Purchases of Goods				
Cal India Food International	-	-	-	3,893,869
	-	-	-	3,893,869
2 Sale of Products				
AST Enzymes	-	-	51,046,351	-
Advanced Vital Enzymes Limited	-	-	18,666,440	8,860,250
Cal India Food International	-	-	-	235,978,135
	-	-	69,712,791	244,838,385
3 Rent Paid				
Rathi Properties LLC	-	-	6,384,892	-
Prabha Rathi	59,932	-	-	-
	59,932	-	6,384,892	-
4 Remuneration to Directors & their Relatives				
Mr. Chandrakant L. Rathi	5,772,104	5,265,667	-	-
Mrs. Savita C. Rathi	2,334,847	2,064,840	-	-
Mr. Mukund Kabra	6,156,853	4,504,239	-	-
Mr. Kishore L. Rathi	1,534,826	1,201,045	-	-
Mrs. Mangala M. Kabra	1,723,970	1,315,640	-	-
Mr. Piyush Rathi	2,424,702	2,114,820	-	-
Mrs. Prabha V. Rathi	9,349,428	-	-	-
Ms. Reshama V. Rathi	2,560,593	-	-	-
	31,857,323	16,466,251	-	-
Commission to directors *				
Mr. Vasant L. Rathi	2,059,811	1,384,285	-	-
Mr. Chandrakant L. Rathi	1,544,858	1,038,213	-	-
Mr. Mukund Kabra	1,029,906	692,141	-	-
* included in Employee benefit expense	4,634,575	3,114,639	-	-
5 Interest received				
Advanced Vital Enzymes Limited	-	-	7,594,304	5,251,732
	-	-	7,594,304	5,251,732
6 Interest paid on loans				
Mr. Vasant L. Rathi	75,923,398	-	-	-
Ms. Rachana Rathi	2,502,962	-	-	-
Ms. Rasika Rathi	2,502,962	-	-	-
Ms. Reshma Rathi	2,502,962	-	-	-
	83,432,284	-	-	-

In Rupees

	KMP & Relatives		Other Related parties	
	2011-12	2010-11	2011-12	2010-11
7 Interest paid on fixed deposits				
Chandrakant Rathi Finance & Investment Private Limited	-	-	507,486	481,500
Atharva Capital Ventures Private Limited	-	-	355,729	322,257
Mr. Vasant L. Rathi	1,197,363	1,222,756	-	-
Mrs. Prabha V. Rathi	46,494	51,860	-	-
Mrs. Radhika Pujara	283,145	262,018	-	-
Mr. Piyush Rathi	8,062	5,250	-	-
	1,535,064	1,541,884	863,216	803,757
8 Advances Paid (Net)				
Advanced Vital Enzymes Limited	-	-	(10,681,204)	8,641,117
	-	-	(10,681,204)	8,641,117
9 Advances Received (Net)				
Mr. Vasant L. Rathi	1,133,228,009	-	-	-
Ms. Rachana Rathi	37,330,445	-	-	-
Ms. Rasika Rathi	37,330,445	-	-	-
Ms. Reshma Rathi	37,330,445	-	-	-
	1,245,219,344	-	-	-
10 Deposits Received/ (Repaid)				
Mr. Vasant L. Rathi	-	(2,407,000)	-	-
Mrs. Prabha V. Rathi	-	(84,000)	-	-
Mrs. Radhika Pujara	150,000	(150,000)	-	-
	150,000	(2,641,000)	-	-
11 Sale of Investment				
Chandrakant Rathi Finance & Investment Private Limited	-	-	-	1,504,000
Atharva Capital Ventures Private Limited	-	-	-	940,000
Mrs. Gitanjali M. Kabra	-	376,000	-	-
	-	376,000	-	2,444,000
c) Balances with related parties				
a. Fixed Deposits				
Chandrakant Rathi Finance & Investment Private Limited	-	-	4,400,000	4,400,000
Atharva Capital Ventures Private Limited	-	-	2,975,000	2,975,000
Mr. Vasant L. Rathi	10,211,000	10,211,000	-	-
Mrs. Prabha V. Rathi	410,000	410,000	-	-
Mrs. Radhika Pujara	2,500,000	2,350,000	-	-
Mr. Piyush Rathi	50,000	50,000	-	-
	13,171,000	13,021,000	7,375,000	7,375,000
b. Investment				
Advanced Vital Enzymes Limited	-	-	568,022	568,022
	-	-	568,022	568,022
c. Trade Receivable				
AST Enzymes	-	-	297,629	-
Advanced Vital Enzymes Limited	-	-	14,754,204	10,229,713
Cal India Food International	-	-	-	62,188,456
	-	-	15,051,833	72,418,169
d. Trade Payable				
Cal India Food International	-	-	-	312,200
Rathi Properties, LLC	-	-	567,707	-
	-	-	567,707	312,200
e. Advances Paid				
Advanced Vital Enzymes Limited	-	-	69,090,043	79,866,085
	-	-	69,090,043	79,866,085
f. Advances Received				
Mr. Vasant L. Rathi	1,133,228,009	-	-	-
Ms. Rachana Rathi	37,330,445	-	-	-
Ms. Rasika Rathi	37,330,445	-	-	-
Ms. Reshma Rathi	37,330,445	-	-	-
	1,245,219,344	-	-	-

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

36 Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the balance sheet date

Particulars	Outstanding on 31 March 2012
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of USD 6,000,000.	Rs. 44,008,824 (Previous year Rs.57,470,651)

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

Particulars	Outstanding on 31 March 2012
External commercial borrowings	USD 6,000,000 equivalent to Rs. 306,939,000 (Previous year USD 6,000,000 equivalent to Rs. 267,600,000)
Long term borrowings	USD 20,530,770 equivalent to Rs. 1,050,282,327 (Previous year Nil)
Trade payable for imports, short term borrowings and current liabilities	Rs. 296,081,156 (equivalent to USD 5,771,050 and Euro 12,502) (Rs. 9,531,851 equivalent to USD 180,054 and Euro 23,785)
Trade receivable for exports, inventories, cash and bank balance and loans and advances	Rs. 229,612,030 (equivalent to USD 4,369,559 and Euro 88,977) (Previous year Rs.167,058,346 equivalent to USD 3,574,654 and Euro 121,334)

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
37 Disclosures in respect of non-cancellable operating leases		
Payable not later than 1 year	10,971,480	4,510,800
Payable later than 1 year not later than five years	33,595,302	4,136,000
Payable later than five years	7,296,000	7,680,000
Total	51,862,782	16,326,800
Lease payments charged off to the statement of profit and loss	11,897,044	5,084,721

38 Payments to auditors

As auditor		
Statutory audit	1,562,342	175,000
Tax audit	-	25,000
	1,562,342	200,000
In other capacity		
Other services	-	315,000
	-	315,000
Reimbursement of expenses	-	-
	1,562,342	515,000

39 Capitalisation of expenditure

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

	Year ended 31 March 2012 Rupees	Year ended 31 March 2011 Rupees
Salaries, wages and bonus	9,536,125	3,440,778
Power and fuel	8,937,174	-
Carriage inward and freight	805,538	-
Water charges	807,843	-
Rates and taxes	603,750	-
Legal and professional fees	747,350	-
Travel, conveyance and car hire	806,918	-
Miscellaneous expenses	885,339	-
Finance costs	60,825,434	655,153
	83,955,471	4,095,931
Less: Interest income	2,529,685	2,760,137
	81,425,786	1,335,794

The borrowing costs capitalised during the year ended 31 March 2012 was Rs. 22,072,512 (31 March 2011 Rs.4,022,482). The Company capitalised this borrowing cost in the capital work in progress (CWIP). The amount of borrowing cost shown as other adjustment in the above note does not reflect the amount of borrowing cost transferred from CWIP.

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

40 Previous year comparatives

Till the year end 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has accordingly reclassified previous year figures to conform to this year's classification.

Pursuant to the acquisition of 'Cal India Food International' by Advanced Enzymes, USA in the current year and the disposal of 'Advanced Vital Enzymes Limited' in the previous year, the figures of the current year are not strictly comparable to those of the previous year.

For Walker, Chandiook & Co.
Chartered Accountants

For and on behalf of the Board

per **Khushroo B. Panthaky**
Partner

C. L. Rathi **Kedar Desai** **B. P. Rauka**
Managing Director Director CFO & Company Secretary

Mumbai, 22 June 2012

Thane, 22 June 2012

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

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

	Advanced Bio-Agro Tech Ltd	Advanced EnzyTech Solutions Ltd	Advanced Enzymes Fareast Ltd	Advanced Bio Proteins Ltd	Advanced Enzymes, USA	Cal India Food International (w.e.f. 4th April 2011)
Share Capital	1,000,000	700,000	***1,304,000	500,000	#133,580,000	#102,313
Reserves & Surplus	36,698,665	4,703,322	(7,506,135)	(27,169)	(80,081,814)	261,556,326
Total assets (including investments)	56,274,476	37,369,950	*15,446,877	489,623	##1,649,334,905	###434,328,390
Total liabilities	18,575,808	31,966,628	*21,649,012	16,792	-	-
Investments	-	-	-	-	##1,555,066,055	-
Turnover	129,170,033	80,745,877	**16,660,767	-	-	###779,466,752
Profit before taxation	9,724,368	5,553,546	*(4,068,450)	(26,503)	###(91,374,450)	###336,044,681
Provision for taxation	2,864,193	1,657,494	-	(12,150)	-	###89,775,540
Profit after taxation	6,860,175	3,896,052	*(4,068,450)	(14,353)	###(91,374,450)	###246,269,141
Proposed dividend	-	-	-	-	-	-

* Rate as on 31/03/2012 = 6.553808

** Avg Rate for F.Y. 2011-12 = 6.154916

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

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

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

Exchange Rate on 31/03/2012 = Rs. 51.1565

Avg Exchange Rate for F.Y. 2011-12 = Rs. 47.9458



His Holiness Sri Sri Ravishankarji lighting lamp on auspicious day of 7th March 2012 at our SEZ Indore factory.



Our SEZ, Indore Factory



Our Sinnar, Nasik Factory



Subsidiaries



Accreditations



Advanced Enzyme Technologies Ltd.

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