

Advanced Enzymes USA, Inc. and subsidiaries
Fit-for-Consolidation Consolidated balance sheets
as at 31 March 2024

	Notes	USD As at 31 March 2024	JNR As at 31 March 2024	USD As at 31 March 2023	JNR As at 31 March 2023
I. ASSETS					
Non-current assets					
(a) Property, plant and equipment (including right of use assets)	2	1,857,559	154,871,955	2,145,145	178,011,524
(b) Capital work-in-progress					
(d) Intangible assets under development	2A	606,027	50,520,834	1,037,505	85,300,480
(e) Goodwill	2B	597,891	49,500,669		
(f) Financial assets		35,872,000	2,824,040,705	33,872,000	2,784,850,801
(i) Other financial assets					
(g) Deferred tax asset	6 11	6,983,946 875,363	582,278,824 72,832,365	6,711,436 465,724	351,793,471 38,290,417
Total non-current assets		44,790,986	3,734,051,352	44,251,811	3,638,246,692
Current assets					
(a) Inventories					
(b) Financial assets	3	5,584,201	448,901,748	4,916,340	404,206,185
(i) Investments					
(ii) Trade receivables		41,419,461	3,453,302,018	41,522,387	3,413,841,933
(iii) Cash and cash equivalents	4	1,988,715	165,806,965	1,699,035	139,689,424
(d) Other current assets	5 7	11,734,148 258,870	978,321,684 21,583,014	8,375,480 103,302	688,441,332 8,493,131
Total current assets		60,785,395	5,067,915,429	56,614,544	4,654,672,295
TOTAL ASSETS		105,576,381	8,801,966,781	100,866,355	8,292,918,987
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	8	5,839,000	285,831,054	5,839,000	285,831,054
(b) Other equity	9	91,711,441	7,846,981,853	90,460,515	7,631,616,418
Equity attributable to equity holders of the parent		97,550,441	8,132,812,907	96,299,515	7,917,447,472
Total equity		97,550,441	8,132,812,907	96,299,515	7,917,447,472
Non-current liabilities					
(a) Financial liabilities					
(i) Lease liability	10	1,000,938	83,452,088	1,593,970	131,051,256
Total non-current liabilities		1,000,938	83,452,088	1,593,970	131,051,256
Current liabilities					
(a) Financial liabilities					
(i) Lease liability	10	502,452	41,891,345	459,408	37,771,115
(ii) Trade payables	13	2,569,930	197,590,310	1,051,601	86,459,341
(iii) Other financial liabilities	11	410,335	34,211,232	850,738	69,945,008
(b) Other current liabilities	14	700,596	58,411,413	318,308	26,186,737
(c) Short-term provisions	15	2,013,990	167,914,199	148,564	12,214,456
(d) Liabilities for current tax (net)		1,027,699	85,683,299	144,052	11,843,312
Total current liabilities		7,025,002	585,701,786	2,972,870	244,420,167
Total liabilities		8,025,940	669,153,874	4,566,840	375,471,424
TOTAL EQUITY AND LIABILITIES		105,576,381	8,801,966,781	100,866,355	8,292,918,986

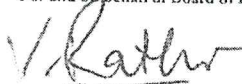
Notes 1 to 33 form an integral part of these fit-for-consolidation consolidated financial statements

These are the fit-for-consolidation consolidated balance sheets referred to in our report of even date.

For KNAV CPA LLP
Certified Public Accountants

Atul Deshmukh, CPA
Engagement Partner
Place: Atlanta, Georgia
Date: May 10, 2024

For and on behalf of Board of Directors of Advanced Enzymes USA, Inc. and subsidiaries



V. L. Radhi
Director
Place: Chino
Date: May 10, 2024

Advanced Enzymes USA, Inc. and subsidiaries
Fit-for-Consolidation Consolidated statements of profit and loss
for the year ended on 31 March 2024

	Notes	USD	INR	USD	INR
		For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
Revenue					
Revenue from operations (net)	16	23,706,857	2,128,325,829	24,044,156	1,932,944,093
Other income	17	3,173,261	262,721,097	2,672,628	214,856,377
Total revenue		28,880,118	2,391,046,926	26,716,784	2,147,800,470
Expenses					
Cost of materials consumed	18	8,027,978	660,424,260	7,182,352	558,248,242
Changes in inventories of finished goods and work-in-progress	19	(563,763)	(31,847,774)	432,648	24,379,976
Employee benefit expenses	20	5,191,489	429,814,531	5,089,684	409,166,874
Finance costs	21	75,372	6,074,650	90,937	7,310,528
Depreciation and amortisation expense	22	646,620	53,535,070	606,955	48,793,972
Other expenses	23	3,345,190	276,955,453	3,805,348	305,917,329
Prior period items					
Total expenses		16,920,886	1,394,956,190	17,207,923	1,353,816,921
Profit before exceptional items and tax		11,959,232	996,090,736	9,508,860	793,983,549
Exceptional items	24	1,827,632	151,315,204		
Profit before tax		10,131,580	844,775,532	9,508,860	793,983,549
Tax expense					
Current tax		3,176,608	262,998,219	2,708,243	217,719,500
Deferred tax		(407,839)	(53,765,843)	(86,463)	(6,950,849)
		2,768,769	229,232,376	2,621,780	210,768,651
Net profit for the year		7,362,811	615,543,156	6,887,080	583,214,897
Other comprehensive income					
Items that will be reclassified to profit or loss					
- Exchange differences in translating financial statements of foreign operations		-	105,838,374	-	556,133,470
Total comprehensive income for the year		7,362,811	721,381,530	6,887,080	1,139,350,367

Notes 1 to 33 form an integral part of these fit-for-consolidation consolidated financial statements

These are the consolidated statements of profit and loss referred to in our report of even date

For KNAV CPA LLP
Certified Public Accountants

For and on behalf of Board of Directors of Advanced Enzymes USA, Inc. and subsidiaries



Atul Deshmukh, CPA
Engagement Partner
Place : Atlanta, Georgia
Date: May 10, 2024

V. L. Rathi
Director
Place : China
Date: May 10, 2024

Advanced Enzymes USA, Inc. and subsidiaries
Fit-for-Consolidation Consolidated statements of cash flows
for the year ended on 31 March 2024

	USD For the year ended 31 March 2024	INR For the year ended 31 March 2024	USD For the year ended 31 March 2023	INR For the year ended 31 March 2023
Cash flows from operating activities				
Profit before tax	10,131,580	844,775,532	9,508,860	793,983,549
Adjustments for non-cash transactions				
Depreciation and amortisation expense	646,620	53,535,070	606,955	48,793,972
Employee stock options amortisation expenses	19,065	1,578,409	-	-
Liabilities no longer required written back	(489,502)	(40,526,948)	-	-
Bad and doubtful advances written off	2,491	206,239	-	-
Provision for claims and litigations	1,827,652	151,315,204	-	-
Provision for inventory	138,386	11,157,242	93,533	7,519,277
Remeasurement impact of right of use asset	-	-	46,850	3,766,356
(Gain)/loss on investments in marketable securities	(1,040,322)	(86,130,511)	333,507	26,811,108
	11,235,970	936,210,237	10,589,706	880,874,261
Items considered separately				
Interest income	(1,549,916)	(128,320,888)	(1,178,073)	(94,706,999)
Interest expenses	73,372	6,074,650	90,937	7,318,528
	9,759,426	813,963,999	9,502,570	793,477,791
Operating profit before working capital changes				
Increase / (decrease) in short term liabilities and provisions	419,862	34,761,310	(121,463)	(9,764,614)
Increase / (decrease) in trade payables	1,807,832	149,674,272	696,619	56,002,167
(Increase) / decrease in inventories	(606,246)	(50,192,422)	(521,116)	(41,893,224)
(Increase) / decrease in trade receivables	(292,474)	(24,189,473)	1,116,022	89,718,639
(Increase) / decrease in other current assets	(155,569)	(12,879,863)	(70,664)	(5,680,803)
Increase / (decrease) in other financial liabilities	40,947	3,390,291	(306,134)	(24,610,363)
Cash generated from operating activities	10,974,081	914,528,116	10,295,834	857,249,572
Income taxes paid	(2,292,964)	(189,839,165)	(2,069,247)	(166,349,720)
Net cash generated from operating activities	8,681,120	724,688,951	8,226,587	690,899,852
Cash flows from investing activities				
Purchase of tangible assets	(487,674)	(40,325,910)	(586,070)	(47,115,023)
Purchase of intangible assets	(597,891)	(49,500,669)	-	-
(Purchase)/Sale of current investments	1,143,248	94,651,951	(31,398,963)	(2,524,207,543)
Interest received	1,277,466	105,759,201	916,194	73,654,131
Net cash (used in) / provided by investing activities	1,335,669	110,584,574	(31,068,839)	(2,497,668,437)
Cash flows from financing activities				
Dividends paid including taxes	(6,130,950)	(507,594,504)	-	-
Interest paid	(73,372)	(6,074,650)	(90,937)	(7,310,528)
Lease liability paid	(451,819)	(37,407,094)	(446,623)	(35,944,673)
Net cash (used in) / provided by financing activities	(6,656,141)	(551,076,248)	(537,560)	(43,215,203)
Net increase/(decrease) in cash and cash equivalents	3,360,668	284,197,276	(23,379,812)	(1,849,983,787)
Cash and cash equivalents as at the beginning of the year	8,373,480	688,441,531	31,753,292	2,407,124,981
Effect of exchange rate changes on cash and cash equivalents held	-	5,682,877	-	131,300,337
Cash and cash equivalents as at the end of the year	11,734,148	978,321,684	8,373,480	688,441,531

Notes 1 to 33 form an integral part of these fit-for-consolidation consolidated financial statements

These are the consolidated cash flow statements referred to in our report of even date

For KNAV CPA LLP
Certified Public Accountants

Atul Deshmukh, CPA
Engagement Partner
Place : Atlanta, Georgia
Date: May 10, 2024

For and on behalf of Board of Directors of Advanced Enzymes USA, Inc. and subsidiaries



V. L. Rathi
Director
Place : Chino
Date: May 10, 2024

Advanced Enzymes USA, Inc. and subsidiaries
 Consolidated statements of changes in equity (SOCHE)
 for the year ended on 31 March, 2024
 (All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

(a) Equity share capital

	As at 31 March, 2024		As at 31 March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	5,839	285,831,054	5,839	285,831,054

(b) Other equity

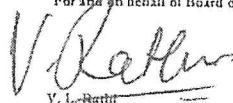
Particulars	Reserves & Surplus				Total Equity
	Securities Premium account	Capital Contribution	Other comprehensive income	Retained earnings	
Balance at April 1, 2022	242,164,086	3,192,001	784,198,527	5,462,711,437	6,492,266,052
Net profit for the year	-	-	-	583,214,896	583,214,896
Foreign exchange differences on translation of financial statements	-	-	550,135,470	-	550,135,470
Balance at March 31, 2023	242,164,086	3,192,001	1,340,333,997	6,045,926,333	7,631,616,418
Addition/ net profit for the year	-	1,578,409	-	615,543,136	617,121,565
Foreign exchange differences on translation of financial statements	-	-	105,838,374	-	105,838,374
Dividend paid	-	-	-	(507,594,504)	(507,594,504)
Balance at March 31, 2024	242,164,086	4,770,410	1,446,172,371	6,153,874,965	7,846,981,853

Notes 1 to 33 form an integral part of these fit-for-consolidation consolidated financial statements
 These are the consolidated statements of changes in equity referred to in our report of even date

For KNAV CPA LLP
 Certified Public Accountants

Amit Deshmukh, CPA
 Engagement Partner
 Place: Atlanta, Georgia
 Date: May 10, 2024

For and on behalf of Board of Directors of Advanced Enzymes USA, Inc. and subsidiaries



V. L. Rathi
 Director
 Place: China
 Date: May 10, 2024

Advanced Enzymes USA Inc. and subsidiaries
Notes to consolidated financial statements
for the year ended on 31 March 2024

I Overview of the Company

Advanced Enzymes USA, Inc. ("The Company", "AE USA") was incorporated in the State of California on November 1, 2010 and began operations in February 2011. The Company is a wholly owned subsidiary of Advanced Enzyme Technologies Ltd. ("the Parent" or "AETL"), an India corporation. The Company was formed to serve as a holding company to allow the Parent to own interests in United States corporations.

The Company purchased all of the outstanding common stock of Cal-India Foods International, Inc. ("CAL") and Advanced Supplementary Technologies Corporation ("AST") on April 4, 2011 and October 31, 2012 respectively. CAL does business as Specialty Enzymes and Biochemicals Co. ("SEB"). The Company segregated the existing business in two additional companies, Enzymes Innovation Inc. and Dynamic Enzymes Inc. AE USA incorporated Enzyfuel Innovation Inc. ("EFI"), a California Company on December 30, 2015. However, the EFI was diluted in September 2017.

The Company engages in manufacturing custom formulated enzymes to fit the needs of a variety of clients, and it offers lab testing and product formulation from conception to finished product. The Company primarily services small-to-middle market companies. The Company focuses on consumer sales of encapsulated and bottled enzyme supplements primarily online and through medical professionals. Its customers primarily operate in the nutraceutical industry, though it also services the food and beverage industry, municipal water industries, and is increasingly targeting industrial companies. The Company also offers healthcare professionals and consumers a natural therapeutic alternative for preventative care and health.

1A Basis of preparation of consolidated financial statements

a. Statement of compliance

These Fit-for-Consolidation Consolidated Financial Statements (herein after referred to as "the consolidated financial statements") relate to Advanced Enzymes USA, Inc. and its Subsidiaries (the Company). The consolidated financial statements have been prepared in conformity with the group accounting policies of Advanced Enzyme Technologies Limited, which are in accordance with the recognition and measurement principles of Indian Accounting Standards notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, including subsequent amendments] ("Ind AS") and other accounting principles generally accepted in India. The consolidated financial statements have been prepared to facilitate AETL in preparation of its consolidated financial statements. The consolidated financial statements include the disclosures as required under Ind AS to the extent it facilitates and is applicable for preparation of AETL's consolidated financial statements.

The financial information is presented in both US Dollars (USD) and in Indian Rupees (INR), wherever applicable, for March 31, 2024 and March 31, 2023. Dollar amounts are translated into Indian Rupees using closing rate for consolidated balance sheets items, average rates for consolidated profit and loss statements items and historic rate for equity.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 10, 2024.

b. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value.

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1A.1 Basis of presentation

a. Functional and presentation currency

The consolidated financial statements of the Company are reported in Indian Rupees. The functional currency of the Company is United States Dollars (USD). The consolidated results and financial position of the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that consolidated balance sheet
- Income and expenses are translated at average exchange rates and;
- All resulting exchange differences are recognized in other comprehensive income.

b. Classification of assets as current and non-current:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1A.2 Use of estimates

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 are as follows:

a. Revenue from contracts with customers:

The Management applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers such as identifying performance obligations, and determining timing of satisfaction of performance obligations for revenue from research and development contracts.

b. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

d. Business combination and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent valuation experts.

1A.3 Material accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the consolidated financial statements.

a. Principles of consolidation

The consolidated financial statements relate to the Company and its subsidiary companies (collectively called "the Company"). Subsidiary companies have been consolidated as per Ind AS 103. The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements of the Company ("Advanced Enzymes USA, Inc.") and its subsidiaries have been consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-company balances, intra-company transactions and unrealised profits/ losses from the intra-company transactions.
- The excess/deficit (as on the date of acquisition) of the Company's investment cost over the subsidiaries net worth is recognised as goodwill on consolidation or capital reserve as the case may be and the impairment loss, if any is provided for.
- The consolidated financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in the policies.
- Subsidiary companies are consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date of disposal.
- The Subsidiary companies considered in the consolidated financial statements are as follows:

Name of the Company	Country of incorporation	% age voting power held as at 31 March 2024	% age voting power held as at 31 March 2023
1. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100%	100%
2. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100%	100%
3. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100%	100%
4. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)*	USA	-	100%

*Effective April 01, 2023, Dynamic Enzymes Inc. has been merged with Advanced Supplementary Technologies Corporation and Dynamic Enzymes Inc. ceased to exist.

b. Business combination

As part of its transition to Ind AS, the Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2011. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

c. Revenue recognition

The Company manufactures and sells custom formulated enzymes. Revenues are recognized through fit-for-consolidation consolidated statements of profit and loss when the Company transfers control of goods at a point in time in exchange for a consideration.

i. Revenue from sale of products:

Revenues related to sale of products is recognized at a point in time when control of the asset is transferred to the customer based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of physical possession, the transfer of risk and rewards, and acceptance by the customer. In case of product sales undertaken by the Company, sales are recognized when control of the products has transferred, being when the products are either delivered to pre-agreed location or shipped from the warehouse, as agreed in the contract, the risk and rewards has transferred, the entity has right to payment and has transferred legal title to a customer. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated trade discounts.

d. Income taxes

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the consolidated net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax laws.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

e. Stock based compensation

The Company accounts for stock based compensation expense relating to equity stock options that will be settled in shares of Advanced Enzyme Technology Limited, its parent company. Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Retained earnings".

The Company recognized stock based compensation for awards granted by the parent company, that are expected to vest on a straight line basis over the requisite service period of the awards. In respect of awards that have a graded vesting schedule and with only service conditions, compensation cost is recognized on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was-in-substance, multiple awards.

f. Employee benefits

i. Defined contribution plans

Contributions to defined contribution plans are charged to income in the period in which they accrue. The Company has a discretionary profit sharing plan and 401(k) matching plan covering eligible and participating employees.

g. Provisions and contingencies

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

h. Leases

The Company has applied Ind AS 116 using the modified retrospective approach.

As a lessee the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following: – Fixed payments, including in-substance fixed payments; – Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; – Amounts expected to be payable under a residual value guarantee; and – The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated balance sheet.

Short-term leases and leases of low-value assets the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months, the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. Inventories

i. Inventories are valued at lower of cost and net realizable value on an item-by-item basis.

Cost of finished goods, traded goods and work in progress is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.

ii. Cost of raw materials, packing materials and consumables is determined on first-in-first-out basis. Cost of finished goods (including traded goods) and work in progress is determined on weighted average cost basis.

j. Cash and cash equivalents

Cash comprises of cash at bank and on hand and cash equivalents comprise of short-term bank deposits and highly liquid investments with an original maturity of three months or less.

k. Investments

Investments comprise of marketable securities with an original maturity of 12 months or less. Marketable securities are initially measured at fair value. They are classified and subsequently measured at Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within 'other income' in the consolidated statements of profit and loss. Investments classified as current assets have maturity dates of less than one year from the balance sheet date. Investments classified as non-current assets have maturity dates greater than one year from the consolidated balance sheet date.

l. Property, plant and equipment and depreciation

i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

v. The estimated useful life of assets are as follows:

Leasehold improvements	Term of lease
Plant and Equipments	3 to 7 years
Furniture and fixtures	3 years
Office equipment	5 years
Computer and data processing equipment	3 to 5 years

Depreciation on tangible fixed assets (property, plant and equipment) has been provided on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

vi. Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.

m. Impairment of assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the fit-for-consolidation consolidated statements of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the consolidated statements of Profit and Loss, to the extent the amount was previously charged to the consolidated Statements of Profit and Loss. In case of revalued assets such reversal is not recognized.

n. Intangible assets

i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.

ii. Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets.

iv. The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the consolidated consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

v. The estimated useful life of intangible assets comprising of website domain is 3 years.

o. Foreign currency transactions

The translation of consolidated financial statements from the local currency to the reporting currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the consolidated balance sheet date and for revenue, expense and cash-flow items using average exchange rate for the respective periods and the resulting difference is presented as foreign currency translation reserve included in 'Reserves and Surplus'. The Consolidated financial statements of the company are reported in Indian Rupees. The functional currency of Advanced Enzymes USA, Inc. and subsidiaries is United States Dollar

p. **Financial instruments**

a. **Financial assets**

i. **Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value, in case of financial asset which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statements of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. **Classification**

Financial assets

On initial recognition, a financial asset is classified as measured at - amortised cost;

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. **Subsequent measurement and gains and losses**

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statements of profit and loss. Any gain or loss on derecognition is recognised in the consolidated statements of profit and loss.

These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statements of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the consolidated statements of profit and loss.

iv. **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its consolidated balance sheets, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii. Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. **Financial liabilities**

i. **Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value, in case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss.

ii. **Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit and loss. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of profit and loss.

iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. **Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Advanced Enzymes USA, Inc. and subsidiaries
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2 Tangible assets

Gross block	Office equipments	Furniture and fixtures	Computer	Leasehold improvements	Plant and equipment	Right of use asset	Total
Balance as at 1 April 2022	2,924,124	4,478,727	12,599,545	100,297,302	62,849,545	278,441,529	461,590,772
Additions	-	-	873,072	11,194,696	-	-	12,067,768
Remeasurement impact of right to use asset	-	-	-	-	-	(3,766,359)	(3,766,359)
- Foreign exchange fluctuation	38,610	-	189,273	222,795	956,748	14,779,817	16,187,243
Balance as at 31 March 2023	2,962,734	4,478,727	13,661,890	111,714,793	63,806,293	289,454,987	486,079,424
Additions	-	-	418,680	10,983,868	24,794,462	-	36,197,010
Remeasurement impact of right to use asset	-	-	-	-	-	(8,127,642)	(8,127,642)
- Foreign exchange fluctuation	4,820	-	17,052	188,037	256,659	1,859,565	2,326,133
Balance as at 31 March 2024	2,967,554	4,478,727	14,097,622	122,886,698	88,857,414	283,186,910	516,474,925
Accumulated depreciation							
Balance as at 1 April 2022	2,434,635	4,478,727	9,991,889	100,297,301	50,425,130	91,646,246	259,273,928
Depreciation and amortisation expense	122,395	-	2,247,681	1,383,133	4,130,211	40,910,552	48,793,972
Balance as at 31 March 2023	2,557,030	4,478,727	12,239,570	101,680,434	54,555,341	132,556,798	308,067,900
Depreciation and amortisation expense	126,341	-	840,423	4,319,183	6,794,172	41,454,951	53,535,070
Balance as at 31 March 2024	2,683,371	4,478,727	13,079,993	105,999,617	61,349,513	174,011,749	361,602,970
Net block							
Balance as at 31 March 2023	405,704	-	1,422,320	10,034,358	9,250,952	156,898,189	178,011,524
Balance as at 31 March 2024	284,183	-	1,017,629	16,887,081	27,507,901	109,175,161	154,871,955

2A Capital work-in-progress (CWIP)-

	Amount
CWIP as at 1 April 2022	4,254,564
Additions during the year	85,300,480
Capitalised during the year	4,614,303
- Foreign exchange fluctuation	359,739
CWIP as at 31 March 2023	85,300,480
Additions during the year	-
Capitalised during the year	35,974,045
- Foreign exchange fluctuation	1,200,399
CWIP as at 31 March 2024	50,526,834

CWIP aging schedule-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress-					
- Leasehold improvements	-	50,526,834	-	-	50,526,834
As at 31 March 2023					
Projects in progress-					
- Leasehold improvements	82,422,888	2,877,592	-	-	85,300,480

Advanced Enzymes USA, Inc. and Subsidiaries**Notes to consolidated financial statements**

as at 31 March 2024

*(All amounts are stated in Indian Rupees, unless otherwise stated)***2B Intangible assets under development**

Balance as on 1 April 2022	-
Addition during the year	-
Capitalised during the year	-
Balance as at 31 March 2023	-
Addition during the year	49,500,669
Capitalised during the year	-
Balance as at 31 March 2024	<u>49,500,669</u>

Intangible assets under development ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	49,500,669	-	-	-	49,500,669
As at 31 March 2023					
Projects in progress	-	-	-	-	-

Advanced Enzymes USA, Inc. and subsidiaries
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(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023
3 Inventories (valued at cost or lower of net realisable value)				
Raw materials	3,707,162	309,080,530	3,603,064	296,232,740
Work-in-progress	16,805	1,401,074	15,300	1,257,906
Finished goods	1,616,199	134,748,809	1,253,941	103,095,151
Stores and spares	44,035	3,671,335	44,035	3,620,388
	<u>5,384,201</u>	<u>448,901,748</u>	<u>4,916,340</u>	<u>404,206,185</u>

During the financial years end 31 March 2024 and 31 March 2023, inventory amounting to INR 11,457,242 (\$138,386) and INR 7,519,277 (\$93,533) respectively was written off pursuant to being attributed as slow moving items aged for more than 3 years.

4 Trade receivables

Unsecured, considered good	1,988,715	165,806,965	1,699,035	139,689,424
	<u>1,988,715</u>	<u>165,806,965</u>	<u>1,699,035</u>	<u>139,689,424</u>

(Refer note 25B(ii) for information about credit risk and market risk of trade receivables)
(Refer note 25 for receivables from related parties)

Trade Receivables ageing schedule-

Particulars	Outstanding for following periods from due date of payment					(In USD)
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024						
(i) Undisputed Trade receivables – considered good	1,973,515	15,200	-	-	-	1,988,715
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,973,515	15,200	-	-	-	1,988,715
As at March 31, 2023						
(i) Undisputed Trade receivables – considered good	1,687,251	285	750	9,856	893	1,699,035
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,687,251	285	750	9,856	893	1,699,035

Trade Receivables ageing schedule-

Particulars	Outstanding for following periods from due date of payment					(In INR)
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024						
(i) Undisputed Trade receivables – considered good	164,539,673	1,267,292	-	-	-	165,806,965
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	164,539,673	1,267,292	-	-	-	165,806,965
As at March 31, 2023						
(i) Undisputed Trade receivables – considered good	138,720,545	23,402	61,679	810,350	73,448	139,689,424
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	138,720,545	23,402	61,679	810,350	73,448	139,689,424

Advanced Enzymes USA, Inc. and subsidiaries

Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023
5 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	500	41,687	500	41,108
Balances with banks				
- in current accounts	3,786,580	315,701,907	4,583,519	376,842,685
Money market desposits	7,947,068	662,578,090	3,789,461	311,557,739
Total	11,734,148	978,321,684	8,373,480	688,441,532

Advanced Enzymes USA, Inc. and subsidiaries

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as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD		INR		USD		INR	
	As at		As at		As at		As at	
	31 March 2024		31 March 2024		31 March 2023		31 March 2023	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
6 Other non-current financial assets (unsecured considered good unless otherwise stated)								
Loan to related parties								
- Unsecured considered good	5,955,573	-	496,539,356	-	5,955,573	-	489,648,758	-
Interest receivable	1,028,373	-	85,739,468	-	755,863	-	62,144,713	-
	6,983,946	-	582,278,824	-	6,711,436	-	551,793,471	-

(In INR)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	
	31 March 2024	31 March 2023
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	582,278,824	551,793,471
Total amount	582,278,824	551,793,471

Type of borrower	Percentage to the total loans and advances in the nature of loans	
	31 March 2024	31 March 2023
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	100%	100%
Total percentage	100%	100%

Note:

During the financial years ended March 31, 2024 and March 31, 2023 the Company earned an interest income of USD 272,510 (INR 22,561,688) and USD 261,879 (INR 21,052,828), respectively from its advances to Advanced Enzymes Europe B.V.

Advanced Enzymes USA, Inc. and subsidiaries

Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD	INR	USD	USD
	As at		As at	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	Short term	Short term	Short term	Short term
7 Other current assets				
Advance to suppliers	37,816	3,152,861	27,169	2,233,744
Prepaid Expenses	221,054	18,430,153	75,033	6,168,948
Others	-	-	1,100	90,439
	258,870	21,583,014	103,302	8,493,131

Advanced Enzymes USA, Inc. and subsidiaries

Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
8 Share capital				
Authorised				
Equity shares of USD 1,000 each	100,000	6,633,290,000	100,000	6,633,290,000
	100,000	6,633,290,000	100,000	6,633,290,000
Issued, subscribed and fully paid up				
Equity shares of USD 1,000 each	5,839	285,831,054	5,839	285,831,054
Total	5,839	285,831,054	5,839	285,831,054

	As at 31 March 2024		As at 31 March 2023	
	Number	INR	Number	INR
a) Reconciliation of Equity share capital				
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Add : Issued during the year	-	-	-	-
Balance at the end of the year	5,839	285,831,054	5,839	285,831,054

b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of USD \$ 1,000 per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

c) Shareholders holding more than 5% of the shares

	Number	% of holding	Number	% of holding
<u>Equity shares of USD 1,000 each</u>				
Advanced Enzyme Technologies Limited (Holding Company)	5,839	100.00%	5,839	100.00%
	5,839	100.00%	5,839	100.00%

d) During the year ended 31 March 2024, the amount of per share dividend recognized as distributions to equity shareholders was USD 1,050/- (31 March 2023: USD Nil).

c) Details of Shares held by Promoters

As at 31 March 2024			
Promoter name	No. of Shares	%of total shares	% Change during the year
Advanced Enzyme Technologies Limited (Holding Company)	5,839	100.00%	Nil
Total	5,839	100.00%	

As at 31 March 2023			
Promoter name	No. of Shares	%of total shares	% Change during the year
Advanced Enzyme Technologies Limited (Holding Company)	5,839	100.00%	Nil
Total	5,839	100.00%	

Advanced Enzymes USA, Inc. and subsidiaries

Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023
9 Reserves and surplus				
Other comprehensive income: Foreign currency translation reserve				
Balance at the beginning of the year		1,340,333,997		784,198,527
Add : Additions made during the year		105,838,374		556,135,470
Balance at the end of the year	-	<u>1,446,172,371</u>	-	<u>1,340,333,997</u>
Capital Contribution				
Balance at the beginning of the year	46,912	3,192,001	46,912	3,192,001
Add : Additions made during the year	19,065	1,578,409	-	-
Less : Deletions made during the year	-	-	-	-
Balance at the end of the year	<u>65,977</u>	<u>4,770,410</u>	<u>46,912</u>	<u>3,192,001</u>
Securities premium				
Balance at the beginning of the year	3,761,000	242,164,086	3,761,000	242,164,086
Add : Additions made during the year	-	-	-	-
Less : Deletions made during the year	-	-	-	-
Balance at the end of the year	<u>3,761,000</u>	<u>242,164,086</u>	<u>3,761,000</u>	<u>242,164,086</u>
Surplus in the consolidated statement of profit and loss				
Balance at the beginning of the year	86,652,603	6,045,926,334	79,765,522	5,462,711,437
Add : Transferred from consolidated statement of profit and loss	7,362,811	615,543,156	6,887,080	583,214,897
Less: Dividend including taxes	6,130,950	507,594,504	-	-
Balance at the end of the year	<u>87,884,464</u>	<u>6,153,874,986</u>	<u>86,652,603</u>	<u>6,045,926,334</u>
	<u>91,711,441</u>	<u>7,846,981,853</u>	<u>90,460,515</u>	<u>7,631,616,418</u>

Advanced Enzymes USA, Inc. and subsidiaries
Notes to consolidated financial statements
as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023	USD As at 31 March 2023	INR As at 31 March 2023
10 Lease liabilities								
	Long term	Long term	Short term	Short term	Long term	Long term	Short term	Short term
Lease liability	1,000,938	83,452,088	502,452	41,891,345	1,593,970	131,051,256	459,408	37,771,113
	<u>1,000,938</u>	<u>83,452,088</u>	<u>502,452</u>	<u>41,891,345</u>	<u>1,593,970</u>	<u>131,051,256</u>	<u>459,408</u>	<u>37,771,113</u>
	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023				
11 Current - Other financial liabilities								
Payable for purchase of property, plant and equipment	64,072	5,341,949	545,424	44,843,095				
Other payables	346,263	28,869,273	305,314	25,101,913				
	<u>410,335</u>	<u>34,211,222</u>	<u>850,738</u>	<u>69,945,008</u>				

Advanced Enzymes USA, Inc. and subsidiaries
Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

12. Income taxes

Tax expense

(a) Amounts recognised in profit and loss

	Year ended 31 March, 2024	Year ended 31 March, 2023
Current income tax	262,998,219	217,719,500
Deferred tax expense	(53,765,843)	(6,950,849)
Tax expense for the year	229,232,376	210,768,651

(b) Amounts recognised in other comprehensive income

	Year ended March 31, 2024			Year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	-	-	-

(c) Reconciliation of effective tax rate

	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit before tax	844,775,532	793,983,549
Tax using the Company's domestic tax rate (March 31, 2024 : 21%, March 31, 2023 : 21%)	177,402,862	166,736,545
Tax effect of:		
State Tax	58,796,377	55,261,255
Others	(6,966,863)	(11,229,149)
Tax expense as per profit or loss	229,232,376	210,768,651

Advanced Enzymes USA, Inc. and subsidiaries

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as at 31 March 2024

(All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

Income taxes (continued)

(d) Movement in deferred tax balances

	31 March, 2024						
	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	387,529	492,699	8,915	-	889,143	889,143	-
Inventories	26,049,560	(1,432,077)	356,521	-	24,974,004	24,974,004	-
Other items	11,853,328	34,705,221	410,669	-	46,969,218	46,969,218	-
Tax assets (liabilities)	38,290,417	33,765,843	776,105	-	72,832,365	72,832,365	-
Set off tax						-	-
Net tax assets	38,290,417	33,765,843	776,105	-	72,832,365	72,832,365	-

(e) Movement in deferred tax balances

	31 March, 2023						
	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	2,812,781	(2,603,956)	178,704	-	387,529	387,529	-
Inventories	24,688,088	(709,887)	2,071,358	-	26,049,560	26,049,560	-
Other items	1,249,871	10,264,693	338,765	-	11,853,328	11,853,328	-
Tax assets (Liabilities)	28,750,740	6,950,850	2,588,827	-	38,290,417	38,290,417	-
Offsetting of deferred tax assets and liabilities						-	-
Net tax assets	28,750,740	6,950,850	2,588,827	-	38,290,417	38,290,417	-

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Advanced Enzymes USA, Inc. and subsidiaries
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as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023
13 Trade payables				
(from the due date of payments)				
Dues to micro and small enterprises	-	-	-	-
Other outstanding dues	2,369,930	197,590,310	1,051,601	86,459,341
	2,369,930	197,590,310	1,051,601	86,459,341

(Refer note 25 for payables to related parties)

Trade Payables ageing schedule

(In USD)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
(i) MSME	-	-	-	-	-
(ii) Others	2,362,964	4,601	469	1,896	2,369,930
(iii) Disputed dues – (MSME)	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	2,362,964	4,601	469	1,896	2,369,930
As at March 31, 2023					
(i) MSME	-	-	-	-	-
(ii) Others	700,532	254,424	96,645	-	1,051,601
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	700,532	254,424	96,645	-	1,051,601

Trade Payables ageing schedule

(In INR)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
(i) MSME	-	-	-	-	-
(ii) Others	197,009,531	383,622	39,090	158,067	197,590,310
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	197,009,531	383,622	39,090	158,067	197,590,310
As at March 31, 2023					
(i) MSME	-	-	-	-	-
(ii) Others	57,595,568	20,917,958	7,945,815	-	86,459,341
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	57,595,568	20,917,958	7,945,815	-	86,459,341

Advanced Enzymes USA, Inc. and subsidiaries

Notes to consolidated financial statements

as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at 31 March 2024	INR As at 31 March 2024	USD As at 31 March 2023	INR As at 31 March 2023
14 Other current liabilities				
Advance from customers	682,941	56,939,418	307,317	25,266,668
Other statutory dues	17,655	1,471,993	11,191	920,069
	700,596	58,411,411	318,508	26,186,737

Advanced Enzymes USA, Inc. and subsidiaries
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as at 31 March 2024

(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD		INR		USD		INR	
	As at				As at			
	31 March 2024	31 March 2024	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023
	Short term	Short term	Short term	Short term	Short term	Short term	Short term	Short term
15 Provisions								
Provision for employee Benefits	186,338	15,535,751	148,564	12,214,456				
Provision for claims and litigations	1,827,652	152,378,448	-	-				
	2,013,990	167,914,199	148,564	12,214,456				
Movement for provision of employee benefits during the year:								
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023
	Short term	Short term	Short term	Short term	Short term	Short term	Short term	Short term
Opening	148,564	12,214,456	165,830	12,571,083				
Contribution during the year	(230,770)	(19,105,925)	(164,720)	(13,242,055)				
Provided during the year	268,544	22,233,356	147,454	11,854,010				
Foreign exchange currency translation	-	193,864	-	1,031,418				
Closing Provision	186,338	15,535,751	148,564	12,214,456				
Movement for provision of employee benefits during the year:								
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2024	31 March 2024	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023
	Long term	Long term	Long term	Long term	Long term	Long term	Long term	Long term
Opening	-	-	-	-				
Provision created during the year	1,827,652	151,315,204	-	-				
Provision reversed/ utilised during the year	-	-	-	-				
Foreign exchange currency translation	-	1,063,245	-	-				
Closing Provision	1,827,652	152,378,448	-	-				

Advanced Enzymes USA, Inc. and subsidiaries
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for the year ended on 31 March 2024
(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD For the year ended 31 March 2024	INR For the year ended 31 March 2024	USD For the year ended 31 March 2023	INR For the year ended 31 March 2023
16 Revenue from contracts with customers				
16.1 Disaggregated revenue information				
Sale of finished products	25,706,857	2,128,325,829	24,044,156	1,932,944,093
Total	25,706,857	2,128,325,829	24,044,156	1,932,944,093
16.1.A Disaggregated revenue information - Category wise				
Human Health care	22,708,226	1,880,062,731	20,825,387	1,674,182,658
Animal Health care	419,626	34,741,716	619,159	49,775,078
Bio-processing	2,579,005	213,521,382	2,599,610	208,986,357
Total	25,706,857	2,128,325,829	24,044,156	1,932,944,093
16.2 Timing of revenue recognition				
Revenue recognized at a point in time	25,706,857	2,128,325,829	24,044,156	1,932,944,093
Total	25,706,857	2,128,325,829	24,044,156	1,932,944,093
16.3 Contract balances				
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.				
Trade receivables (Refer Note 4)	1,988,715	165,806,965	1,699,035	139,689,424
Advance from customers (Refer Note 14)	(682,941)	(56,939,418)	(307,317)	(25,266,668)
Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. Increase in overall trade receivables resulted from increase in the revenue from operations.				
16.4 Right of return assets and liabilities				
The Company does not have any right of return assets and liabilities as at March 31, 2024 and March 31, 2023.				
17 Other income				
Gain on MTM on marketable securities	1,040,322	86,130,511	-	-
Interest income from related party advance	272,510	22,561,688	261,879	21,052,827
Other non-operating income	1,370,927	113,501,952	1,088,901	87,538,308
Liabilities no longer required written back	489,502	40,526,947	-	-
Employee Retention Credit received from US Govt.	-	-	1,321,848	106,265,243
Total	3,173,261	262,721,098	2,672,628	214,856,378
18 Cost of materials consumed				
	USD For the year ended 31 March 2024	INR For the year ended 31 March 2024	USD For the year ended 31 March 2023	INR For the year ended 31 March 2023
Opening stock				
Raw materials and components	3,603,064	296,232,740	2,742,833	207,926,182
Total	3,603,064	296,232,740	2,742,833	207,926,182
Add : Purchases during the year				
Raw materials and components	8,132,076	673,272,050	8,042,583	646,554,800
Total	8,132,076	673,272,050	8,042,583	646,554,800
Less : Closing stock				
Raw materials and components	3,707,162	309,080,530	3,603,064	296,232,740
Total	3,707,162	309,080,530	3,603,064	296,232,740
Total	8,027,978	660,424,260	7,182,352	558,248,242
19 Changes in inventories of finished goods, work-in-progress and traded goods				
	USD For the year ended 31 March 2024	INR For the year ended 31 March 2024	USD For the year ended 31 March 2023	INR For the year ended 31 March 2023
Opening stock				
- Manufactured goods	1,297,976	106,715,538	1,692,424	128,297,777
- Work-in-progress	15,300	1,257,906	53,500	4,055,643
Total	1,313,276	107,973,444	1,745,924	132,353,420
Closing stock				
- Manufactured goods	1,660,234	138,420,144	1,297,976	106,715,538
- Work-in-progress	16,805	1,401,074	15,300	1,257,906
Total	1,677,039	139,821,218	1,313,276	107,973,444
Total	(363,763)	(31,847,774)	432,648	24,379,976

	USD		INR	
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
20 Employee benefit expense				
Salaries, wages and bonus	4,612,728	381,897,669	4,629,437	372,167,104
Contribution to defined contribution plan	268,544	22,233,356	147,454	11,854,010
Payroll taxes	291,152	24,105,097	312,792	25,145,760
Employee stock compensation expense	19,065	1,578,409	-	-
	5,191,489	429,814,531	5,089,684	409,166,874

	USD		INR	
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
21 Finance costs				
Interest: expenses on lease liability	73,372	6,074,650	90,937	7,310,528
	73,372	6,074,650	90,937	7,310,528

	USD		INR	
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
22 Depreciation and amortisation expense				
Depreciation of tangible assets (Also, refer note 2)	145,909	12,080,118	98,063	7,883,420
Depreciation of Right of use of lease assets	500,711	41,454,952	508,892	40,910,552
	646,620	53,535,070	606,955	48,793,972

	USD		INR	
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
23 Other expenses				
Utilities	129,493	10,720,974	126,904	10,202,014
Custom brokers	57,509	4,761,255	86,975	6,992,022
Rates and taxes	59,686	4,941,542	58,752	4,723,194
Repairs and maintenance	165,836	13,729,907	162,699	13,079,618
Laboratory expenses	191,597	15,862,765	343,628	27,624,765
Insurance	147,133	12,181,467	141,425	11,369,394
Printing and stationery	-	-	2,864	230,210
Legal and professional fees	1,130,769	93,618,766	1,030,618	82,852,847
Auditors' remuneration	31,500	2,607,953	31,500	2,532,330
Communication	55,031	4,556,159	54,493	4,380,754
Travel, conveyance and car hire	194,555	16,107,621	158,690	12,757,282
Commission	46,640	3,861,441	14,617	1,175,095
Advertisement and sales promotion	615,015	50,918,413	731,828	58,832,676
Bad debts	2,491	206,239	-	-
Sales tax	1,338	110,799	359	28,824
General expense	235,953	19,535,068	228,168	18,342,726
IT consulting	178,148	14,749,224	199,830	16,064,659
Bank charges	102,496	8,485,860	98,491	7,917,812
Fair value loss on investments	-	-	333,507	26,811,107
	3,345,190	276,955,453	3,805,348	305,917,329

24 Exceptional items

On January 16, 2019, a competitor filed a lawsuit against the Company asserting claims for false advertising under the Lanham Act and unfair competition in the District of Arizona. The Company also filed a counterclaim against the competitor, imitating a counter-lawsuit claiming that the competitor violated false advertising laws under the Lanham Act and Arizona unfair competition law. Between 2019 and 2023, the case went through discovery, which was completed and the Court issued its decision by order dated February 27, 2024. Company prevailed on two of its counterclaims against the competitor for false advertising and competitor prevailed on a claim against the Company for false advertising. The net monetary judgment was in favor of the competitor for \$1,827,652. (Rs. 151,315,204).

	USD		INR	
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
Provision for claims and litigations	1,827,652	151,315,204	-	-
	1,827,652	151,315,204	-	-

Advanced Enzymes USA, Inc. and subsidiaries

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25 Related parties

a) Names of related parties

Relationship	Name
Parent Company	Advanced Enzyme Technologies Limited
Fellow subsidiaries	Advanced Bio-Agro Tech Limited Advanced EnzyTech Solutions Limited JC Biotech Private Limited Advanced Enzymes Europe B.V Evoxx Technologies GmbH Advanced Enzymes, Malaysia Sdn. Bhd. (up to 08 November 2023) SciTech Specialities Private Limited Saiganesh Enzytech Solutions Private Limited (w.e.f. 03 January 2023)
Companies in which directors of the Company are able to exercise control or have significant influence	Rathi Properties LLC Vasant and Prabha Rathi Generation Trust
Key management personnel (KMP)	Mr. Vasant L. Rathi Mrs. Prabha V. Rathi Mr. Harshad Doshi
Relatives of KMP:	Ms. Rachana V. Rathi Ms. Rasika V. Rathi Ms. Reshama V. Rathi
Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year	ServiceMob Inc.

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b) Transactions with related parties

	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of goods		
Advanced Enzyme Technologies Ltd	456,757,465	384,719,265
Technical services procured		
Evovx Technologies GmbH	-	1,651,455
Sale of goods		
Advanced Enzyme Technologies Limited	-	884,306
Rent paid		
Rathi Properties LLC	30,153,169	27,191,437
Vasant Rathi	13,328,575	12,019,403
Remuneration to Key management personnel & their Relatives		
Prabha V. Rathi	23,181,799	21,303,729
Reshma Rathi	14,488,627	14,148,892
Vasant L. Rathi	43,051,916	39,793,759
Rachana Rathi	12,832,786	12,139,106
Rasika Rathi	17,386,344	16,560,635
Harshad Doshi	19,870,117	18,490,029
Commission *		
Vasant L. Rathi	6,095,827	5,536,622
* included in Employee benefit expense		
Interest income		
Advanced Enzymes Europe B.V.	22,561,688	21,052,828
Reimbursement of expenses		
Advanced Enzyme Technologies Limited	1,578,409	-
Dividend paid		
Advanced Enzyme Technologies Limited	507,594,504	-
Consultancy for development of software programme		
ServiceMob Inc.	11,819,480	-
Car hire charges		
Prabha V. Rathi	441,930	-

Advanced Enzymes USA, Inc. and subsidiaries
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(All amounts are stated in Indian Rupees, unless otherwise stated)

c) Balances with related parties

	As at 31 March 2024	As at 31 March 2023
a. Trade payable		
Advanced Enzyme Technologies Ltd	167,437,719	21,561,382
b. Interest receivable		
Advanced Enzymes Europe B.V.	85,739,468	62,144,713
d. Loan receivable		
Advanced Enzymes Europe B.V.	496,539,356	489,648,758
e. Remuneration Payable		
Vasant L. Rathi	419,007	521,748
Prabha V. Rathi	261,880	279,318
Rachana Rathi	778,156	1,139,444
Rasika Rathi	231,951	1,197,407
Reshma Rathi	314,255	1,982,688
Harshad Doshi	359,149	242,430
f. Commission payable		
Vasant L. Rathi	6,138,660	5,662,344
g. Prepaid for car hire		
Prabha V. Rathi	8,455,750	-

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26 Capital management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through operating cash flows and investments in marketable securities. The Company does not have borrowings.

Advanced Enzymes USA, Inc. and subsidiaries**Notes to consolidated financial statements**

for the year ended on 31 March 2024

*(All amounts are stated in Indian Rupees, unless otherwise stated)***27 Leases**

(a) Following are the carrying value of Right of use assets for the year ended 31 March 2024:
Please refer note no. 2 for detailed presentation of fair value of Right of Use of Assets.

(b) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Less than one year	46,151,789	43,509,759
One to five years	86,584,854	139,242,706
More than five years	-	-
Total undiscounted lease liabilities at 31 March	132,736,643	182,752,465
Discounted Lease liabilities included in the consolidated balance sheet at 31 March		
Current lease liability	41,891,345	37,771,113
Non-Current lease liability	83,452,088	131,051,256

(c) The Weighted average incremental borrowing rate of 4% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.

(d) The Company incurred Rs. 47,529,602 for the year ended 31 March 2024 (31 March 2023: Rs. 48,221,080) towards expenses relating to leases.

(e) Total cash outflow for leases for year ended 31 March 2024 is Rs 37,407,094 (31 March 2023: Rs 35,904,675).

(f) General Description of leasing agreements:

- Leased Assets: Leasehold office premises and leasehold factory premises
- Future Lease rentals are determined on the basis of agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

28 Financial instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

March 31, 2024 INR	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets								
Investments	3,453,302,018	-	-	3,453,302,018	3,453,302,018	-	-	3,453,302,018
Trade receivables	-	-	165,806,965	165,806,965	-	-	-	-
Cash and cash equivalents	-	-	978,321,684	978,321,684	-	-	-	-
Loans- Non current	-	-	582,278,824	582,278,824	-	-	-	-
	3,453,302,018	-	1,726,407,473	5,179,709,491	3,453,302,018	-	-	3,453,302,018
Financial liabilities								
Lease liability - Non current	-	-	83,452,088	83,452,088	-	-	-	-
Lease liability - Current	-	-	41,891,345	41,891,345	-	-	-	-
Trade payables	-	-	197,590,310	197,590,310	-	-	-	-
Other financial Liabilities	-	-	34,211,223	34,211,223	-	-	-	-
	-	-	357,144,966	357,144,966	-	-	-	-

March 31, 2023 INR	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets								
Investments	3,413,841,933	-	-	3,413,841,933	3,413,841,933	-	-	3,413,841,933
Trade receivables	-	-	139,689,424	139,689,424	-	-	-	-
Cash and cash equivalents	-	-	688,441,532	688,441,532	-	-	-	-
Loans- Non current	-	-	551,793,471	551,793,471	-	-	-	-
	3,413,841,933	-	1,379,924,427	4,793,766,360	3,413,841,933	-	-	3,413,841,933
Financial liabilities								
Lease liability - Non current	-	-	131,051,256	131,051,256	-	-	-	-
Lease liability - Current	-	-	37,771,113	37,771,113	-	-	-	-
Trade payables	-	-	86,459,341	86,459,341	-	-	-	-
Other financial Liabilities	-	-	69,945,008	69,945,008	-	-	-	-
	-	-	325,226,717	325,226,717	-	-	-	-

B. Measurement of fair values

Valuation techniques for unobservable inputs include

Type	Valuation technique
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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Financial instruments – Fair values and risk management (continued)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

There is no concentration of risk for trade receivables.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	Carrying Amount (INR)	31 March 2024	
		Weighted Average Loss Rate	Loss Allowance
Not due	108,388,543	0.00%	-
0-90 days	56,105,652	0.00%	-
90-180 days	1,312,770	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	<u>165,806,965</u>		<u>-</u>

	Carrying Amount (INR)	31 March 2023	
		Weighted Average Loss Rate	Loss Allowance
Not due	111,784,488	0.00%	-
0-90 days	26,873,061	0.00%	-
90-180 days	1,051,875	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	<u>139,689,424</u>		<u>-</u>

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Region	As at March 31 (INR)	
	2024	2023
USA	160,251,504	133,449,277
Asia	1,150,506	2,544,934
Europe	4,393,908	3,604,057
Others	11,047	91,156
	<u>165,806,965</u>	<u>139,689,424</u>

Cash and cash equivalents

The Company held cash and cash equivalents of INR 978,321,683 at March 31, 2024 (March 31, 2023: INR 688,441,534). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings. The Company has investments in US Treasury Bills amounting to INR 3,453,302,018. The US Treasury bills are liquid investments and carry risk free status with the credit rating of AAA with stable outlook.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

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Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

March 31, 2024	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	197,590,310	197,590,310	197,590,310	-	-	-
Other financial liabilities	34,211,222	34,211,222	34,211,222	-	-	-

March 31, 2023	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	86,459,341	86,459,341	86,459,341	-	-	-
Other financial liabilities	69,945,008	69,945,008	69,945,008	-	-	-

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29 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

	March 31, 2024	March 31, 2023
Profit attributable to equity holders from continuing operations	615,543,156	583,214,897

ii. Weighted average number of ordinary shares

	March 31, 2024	March 31, 2023
Issued ordinary shares at April 1	5,839	5,839
Effect of fresh issue of shares for cash	-	-
Weighted average number of shares at March 31 for basic EPS	5,839	5,839

Basic and Diluted earnings per share

	March 31, 2024	March 31, 2023
Basic earnings per share	105,419	99,883
Diluted earnings per share	105,419	99,883

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30 Segment reporting

Primary segment

The Company operates only in one primary business segment viz. 'manufacturing and sales of enzymes' and hence no separate information for primary segment wise disclosure is required.

Secondary segment (based upon geography)

	Year ended 31 March 2024	Year ended 31 March 2023
Segment revenue (based upon location of customers)		
Outside USA	99,550,660	94,283,291
Within USA	2,028,775,169	1,838,660,802
	<u>2,128,325,829</u>	<u>1,932,944,093</u>

Segment assets (based upon location of assets)

Outside USA	-	-
Within USA	3,661,218,987	3,599,956,276
	<u>3,661,218,987</u>	<u>3,599,956,276</u>

Capital expenditure

Outside USA	-	-
Within USA	36,197,010	12,067,768
	<u>36,197,010</u>	<u>12,067,768</u>

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31 Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Company's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The carrying amount of Company's goodwill is as follows:

Particulars	31 March 2024	31 March 2023
Goodwill	2,824,040,705	2,784,850,801
	<u>2,824,040,705</u>	<u>2,784,850,801</u>

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	31 March 2024	31 March 2023
Discount rate	10%	10%
Terminal value growth rate	5%	5%
Sales growth rate	12%	10%

The discount rate for was post tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on past performance duly adjusted with new sales mix as envisaged by the management.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

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32 Government Grant for Employee Retention Credit ("ERC")

During the year ended March 31, 2023, the Company's subsidiaries Specialty Enzymes & Biochemicals ("SEB"), Advanced Supplementary Technologies Corporation ("AST") and Enzymes Innovation Inc. ("EI") availed benefits under the ERC scheme, established under the CARES Act. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides for a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. It is a per employee tax credit based on a percentage of qualified wages and health insurance benefits paid to employees. Accordingly, the Company has recorded total ERC credit refund received under other income in the consolidated statements of profit and loss. During the years ended March 31, 2024 and March 31, 2023, the Company has received ERC credit refund of Rs. Nil/- (USD : Nil) and Rs. 106,265,243/- (USD 1,321,848/-), respectively.

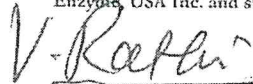
33 Subsequent events

The Company has evaluated all events and transactions that occurred after March 31, 2024 through the date the consolidated financial statements were available for issue. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

For KNAV CPA LLP
Certified Public Accountants

Atul Deshmukh, CPA
Engagement Partner
Place : Atlanta, Georgia
Date: May 10, 2024

For and on behalf of Board of Directors of Advanced
Enzymes USA Inc. and subsidiaries



V. L. Rathi
Director
Place : Chino
Date: May 10, 2024