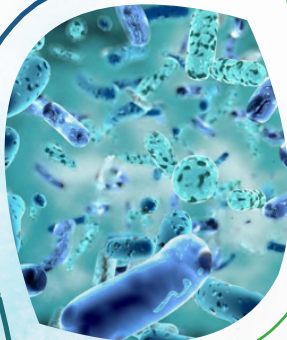


Guided by
Sustainability.

Driven by
Innovation.

Advanced Enzyme Technologies Limited
Integrated Annual Report **2023-24**



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Disclaimer:

This document contains statements about expected future events and financials of Advanced Enzyme Technologies Limited (hereafter referred to as 'Advanced Enzymes', 'AETL', 'Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this annual report.

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An electronic version of this report is available online at:
<https://www.advancedenzymes.com/investors/annual-report/>



Investor Information

| | |
|--|-------------------------|
| Market Capitalisation as on March 31, 2024 | : ₹ 38,965.10 million |
| CIN | : L24200MH1989PLC051018 |
| BSE Code | : 540025 |
| NSE Symbol | : ADVENZYMES |
| Interim Dividend Declared | : ₹ 4 per share |
| Dividened Proposed | : ₹ 1.10 per share |
| AGM Date | : July 25, 2024 |



Corporate Information

BOARD OF DIRECTORS

- Mr. Vasant Rathi**
Non-Executive Chairman
- Mr. Mukund Kabra**
Whole-time Director
- Ms. Rasika Rathi**
Non-Executive Director
- Mr. Kedar Desai***
Independent Director
- Mr. Pramod Kasat**
Independent Director
- Mr. Vinodkumar Jajoo**
Independent Director
- Dr. Sunny Sharma**
Non-Executive Director
- Ms. Rajshree Patel**
Independent Director
- Mr. Nitin Deshmukh**
Independent Director
- Mrs. Vandana Tilak**
Independent Director

MANAGEMENT TEAM

- Mr. Beni Rauka**
Chief Financial Officer
- Mr. Dipak Roda**
Sr. VP. -Marketing & Business Development
- Mr. Sanjay Basantani**
Company Secretary & Head-Legal
- Mr. Harshad Doshi**
Chief Financial Officer & Chief Operating Officer of the US subsidiaries
- Ms. Martina Doering**
Managing Director/Head of Business Development, evoxx technologies GmbH, Germany
- Dr. Michael Puls**
Managing Director/Head R&D, evoxx technologies GmbH, Germany

*Ceased to be director from March 31, 2024

PLANTS

(including subsidiaries)

A-61/62, M.I.D.C. Area, Sinnar, Nashik - 422 103, Maharashtra

SORL, H-17, M.I.D.C, Satpur Area, Nashik - 422 007, Maharashtra

Survey No. 30, Pali, Vasind, Shahpur, Thane - 421 601, Maharashtra

Plot No. B-5-13, SEZ, Pithampur, Dhar - 452 774, Madhya Pradesh

Plot No. 548 to 550, APIIC Growth Centre, Gundlapalli Village, Maddipadu Mandal, Prakasam District, Ongole - 523 211, Andhra Pradesh

Unit I - A-3, Unit II - A-12/13, STICE, Musalgaon, Tal. Sinnar District, Nashik - 422 112, Maharashtra

13591 Yorba Avenue, Chino, California 91710 4880 Murrieta St., Chino CA 91710

R&D LOCATIONS

(including subsidiaries)

A-61/62, M.I.D.C. Area, Sinnar, Nashik - 422 103, Maharashtra

Plot No. A-161, Main Road No. 27, Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra

A-135, Road No. 23, Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra

A-43, STICE, Musalgaon, Sinnar, Nashik - 422 112, Maharashtra

Plot No. 548 to 550, APIIC Growth Centre, Gundlapalli Village, Maddipadu Mandal, Prakasam District, Ongole - 523 211, Andhra Pradesh

Creative-Campus-Allee 12, 40789 Monheim am Rhein, Germany

1406 Lexington Street, Tustin CA 92782

REGISTERED OFFICE

Advanced Enzyme Technologies Limited
 CIN: L24200MH1989PLC051018
 A - Wing, Sun Magnetica, 5th Floor, LIC Service Road, Louiswadi, Thane (W) - 400 604, Maharashtra
 Tel: +91-22-41703200,
 Fax: +91-22-25835159
 Email: info@advancedenzymes.com
 Website: www.advancedenzymes.com

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
 C 101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, Maharashtra
 Tel: +91-22-49186270
 Fax: +91-22-49186060
 Email ID: rnt.helpdesk@linkintime.co.in/
https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html
 Website: www.linkintime.co.in

STATUTORY AUDITORS

MSKA & Associates
 Chartered Accountants
 408, 4th Floor, Manish Chambers, Sonawala Road, above Axis bank, Jay Prakash Nagar, Goregaon, Mumbai - 400 063, Maharashtra

SECRETARIAL AUDITORS

Mr. Shiv Hari Jalan, Shiv Hari Jalan & Co.
 Practicing Company Secretaries,
 1055, Level 10, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai - 400 069, Maharashtra

INTERNAL AUDITORS

Aneja Associates
 Chartered Accountants
 301, Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra

BANKERS

Citi Bank N.A.
 HDFC Bank Limited
 DBS Bank Limited
 Axis Bank Limited

Guided by Sustainability.

Driven by Innovation.

The world is at a critical crossroads, where the imperative for sustainability has never been more urgent, making it a crucial mandate for businesses. We, at Advanced Enzymes, champion sustainability as our guiding principle, leading the way towards a greener and more prosperous future. Our commitment encompasses reducing our carbon footprint, conserving vital resources and prioritising the well-being of our stakeholders. By doing so, we ensure our success and establish our agility in adapting to future challenges.

Crucially, our pursuit of sustainability does not exist in isolation; we embed it with innovation, while embracing the challenge of envisioning new possibilities and continually pushing the boundaries of what is achievable. It is through innovation that we maintain our competitive edge in the market and consistently generate value for our stakeholders, offering them cutting-edge solutions to meet their dynamic needs.

As we journey forward, it becomes increasingly imperative to navigate the delicate balance between sustainability and growth. By prioritising sustainability, we ensure the longevity of our endeavours, while our pursuit of innovation redefines industry standards and create lasting impact. Their harmonious co-existence inspires us, guiding us towards a future where progress is synonymous with responsibility and prosperity is 'Guided by Sustainability. Driven by Innovation'.



Vision

Our vision at AETL is to become a leading, respected and preferred enzymes and probiotics-based solutions provider in the global market



Mission

It is our mission to see that every human being is able to utilise the power of enzymes and probiotics, for general well-being, health and improving the quality of life. It is also our mission to see that every possible industry is able to take the advantage of enzymes, to create and produce innovative products, improve the quality of the end-products, reduce energy costs, optimise the use of raw materials and resources and reduce pollution and the overall carbon footprint of the process



What are Enzymes?

Enzymes are natural protein molecules produced by all living organisms and act as catalysts within living cells. They function as specialised catalysts and accelerate the pace of biochemical reactions. We harness enzymes to substitute chemicals and enhance the efficiency of various industrial processes for our clientele



What are Probiotics?

Probiotics, defined as live micro organisms offering health benefits when consumed in adequate quantities, represent a key element in healthcare. Widely used to treat digestive disorders, the applications of probiotics extend beyond digestive health, with ongoing research exploring their potential in treating various diseases. Probiotics combat harmful micro organisms and release beneficial metabolites into the human and animal systems, thereby benefitting health. We, at Advanced Enzymes, spearhead the development and upscaling of technologies for producing and applying key probiotics, contributing to their growing utilisation in healthcare

Advancing with Strategic Edge

Advanced Enzyme Technologies Limited (hereafter referred to as 'Advanced Enzymes' or 'AETL' or 'Your Company') stands as a prominent global frontrunner in the sphere of enzyme and probiotics production. Our core competencies lie in the development, production and marketing of over 400 proprietary products, stemming from a repertoire of more than 68 indigenous enzymes and probiotics. Established as a research-driven organisation, AETL leads the way in providing enzyme solutions across a diverse range of industries, including human healthcare, animal nutrition, baking, fruit & vegetable processing and brewing, among others.

Having seamlessly traversed from microbial scale research to large-scale commercial production, Advanced Enzymes boasts a distinguished legacy of three decades in enzyme development. Your Company demonstrates unmatched expertise in tailoring enzyme applications to meet industry-specific needs in an ever-evolving global business landscape. Today, AETL, extends its services to over 700 customers across more than 45 nations worldwide. With our export footprint spanning 5 continents, we provide bespoke, effective enzyme solutions, complemented by top-notch technical advice and superior service, serving our clientele with utmost dedication.

Advanced Enzymes is positioned as one of the key player in the enzymes and probiotics industry, with a sharp focus on providing side-effect free healthcare, enhancing animal nutrition and promoting sustainable industrial processes. Our meticulously planned strategic acquisitions and a strong emphasis on R&D cement our standing as a leader in enzymes and probiotics manufacturing, embodying a commitment to excellence and innovation in the field of enzymology.



KEY HIGHLIGHTS FOR ADVANCED ENZYMES

Products

Enzymes and Probiotics

68+

Proprietary Products

400+

Geographic Presence

Presence in Countries

45+

Customers Worldwide

700+



People

Workforce Headcount

750+

Women Employees[§]

23.42%

Planet[§]

Energy Consumption through Renewable Sources

445 GJ

Generated Waste Reused

327 MT

Increase in Water Treatment before Discharge

20.07%

Research & Development

R&D Units

7

Patents

13*

Novel Food Dossier filed with EFSA is under evaluation

1

GRAS Dossier Evaluated by the US FDA

8**

Food Enzymes Dossiers filed with EFSA

14[#]

Manufacturing

Manufacturing Units

9

Years of Fermentation Experience

30

Fermentation Capacity

500m³ +

*Patents includes the filed applications
**No question letter received for 7 Dossier & another 1 Dossier is self-affirmed

[#]Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 5 are under evaluation

[§]On standalone basis



Serving with Unmatched Offerings

Advanced Enzymes boasts an integrated presence across the enzyme value chain, from research and development to commercial-scale manufacturing and marketing. Our extensive capabilities highlight our proficiency in delivering customised, value-added solutions to our clients, thereby cultivating robust relationships and strengthening our business profile. Through strategically organised divisions, we efficiently address diverse market demands, promoting sustainable solutions that positively impact human well-being, animal health and industrial food & non-food bio-processing.



HUMAN NUTRITION

The human nutrition represents the large business vertical of your Company, crafting enzymes & probiotics solutions tailored for healthcare applications and contributing around 67% of the total revenue in FY 2023-24.



ANIMAL NUTRITION

The animal nutrition business vertical primarily caters to the ruminants feed, poultry feed and pet foods market. It offers enzymes & probiotics-based nutritional supplements designed to fulfil the nutritional needs for animals.



INDUSTRIAL BIO-PROCESSING

The industrial bio-processing business vertical encompasses the development and production of diverse enzymes replacing the traditional chemicals thereby enhancing the yield. Your Company assist customers worldwide to optimise their processes, improve their product quality, mitigate industrial impact on environment. These products and solutions are relevant to various food & non-food industries like baking, dairy processing, oil & fat processing, brewing, starch & grain processing, leather processing, textile processing, detergent, bio-fuels, etc.



SPECIALISED MANUFACTURING

The specialised manufacturing business vertical of your Company manufactures effervescent technology-based products to offer innovative solutions in various industries including nutraceutical, pharmaceutical, bakery, washing solutions and other specialty products.





Thriving with Robust Framework

We, at Advanced Enzymes, adeptly design our corporate framework to facilitate efficient operations, strategic decision-making and effective management across all levels of the organisation. By integrating essential components that ensure seamless coordination, we harness our streamlined corporate structure to align our initiatives and consistently achieve our organisational objectives.







Note:
AETL augmented its stake in JC Biotech by 5.89% during the reviewed period. This culminated in a total ownership of 95.72%, further solidifying the integration and collaboration between both entities. During FY 2023-24, the Registrar of Companies, Malaysia has approved the voluntary application of AEM for its strike-off and status of AEM is now appearing as 'Dissolved'. Consequently, AEM ceased to be the subsidiary of the Company.



Harnessing Strengths to Cement Leadership

We, at Advanced Enzymes, strive to manufacture ecosafe enzymes that surpass the performance of their naturally-occurring counterparts. Characterised by superior activity, specificity, stability and adaptability to diverse environmental conditions, our enzymes stand out in the respective domain. Their enhanced functionality ensures optimal results in various applications. Moreover, in addition to these performance-enhancing features, AETL possesses a multitude of distinguishing factors that differentiate your Company from the competitors, reinforcing our leadership position in the market.

THESE INCLUDE THE FOLLOWING:

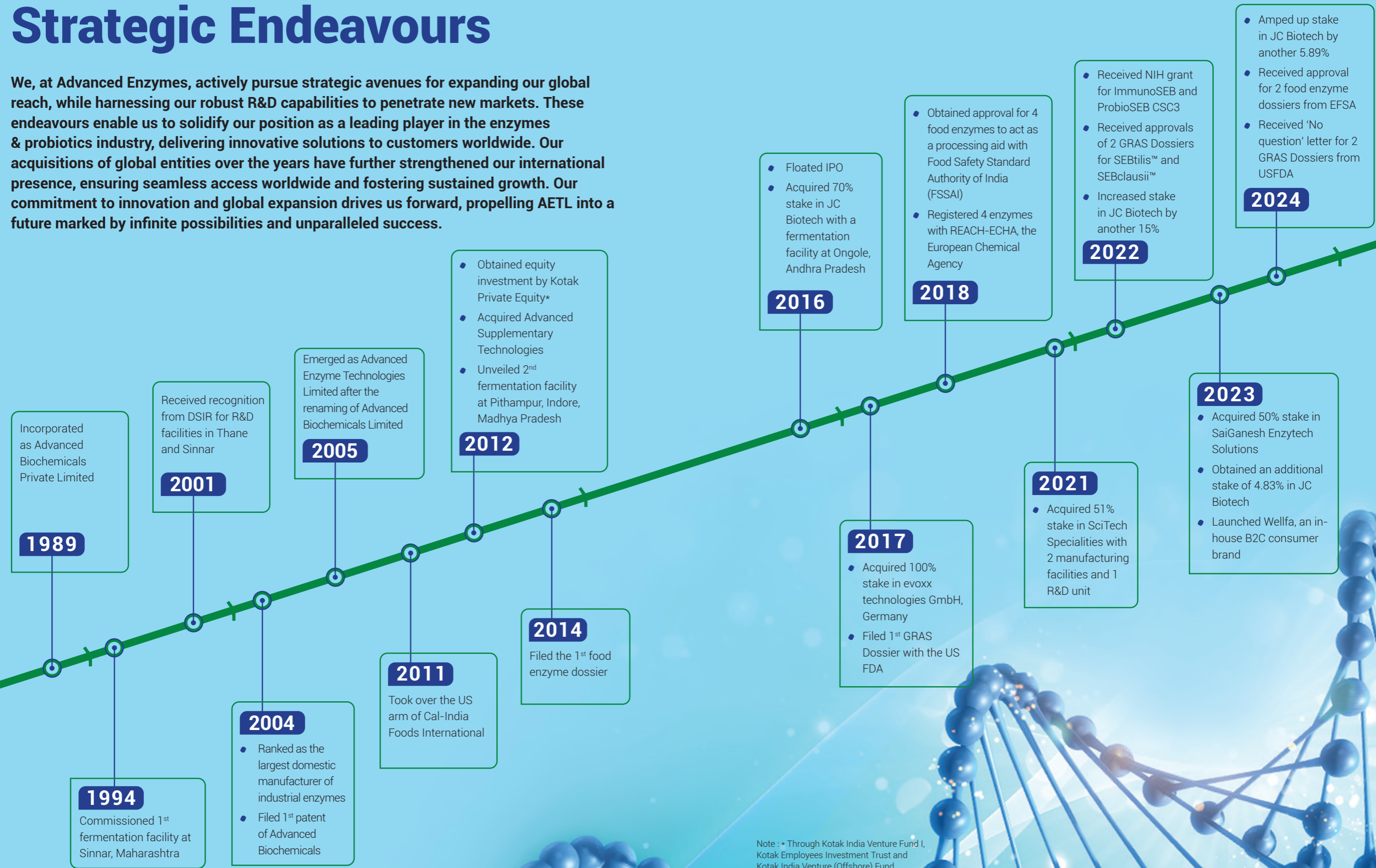
| | |
|--|---|
|  <p>Technocrat Promoters</p> | <p>Your Company's technocrat promoters bring a wealth of experience to the table, a cumulative experience of over four decades in the global enzyme industry. Their seasoned insights and extensive knowledge contribute significantly to AETL's leadership and success in the dynamic enzymes & probiotics market. This deep reservoir of knowledge significantly bolsters our strategic positioning and operational excellence, reinforcing our commitment to innovation and industry leadership.</p> |
| <p>Your Company remains committed to innovation and progress; a resolve exemplified by more than 25 years of continuous investment in Research & Development (R&D). This sustained focus highlights our dedication to stay at the forefront of technological advancements, fostering robust growth and ensuring the delivery of state-of-the-art solutions that meet evolving market demands.</p> |  <p>Sustained Research & Development</p> |
|  <p>Manufacturing Capabilities</p> | <p>Your Company cultivated and refined specialised technical expertise in microbial fermentation for 3 decades. This in-depth knowledge firmly establishes AETL as an industry leader, adept at harnessing the full potential of microbial fermentation for diverse applications.</p> |
| <p>Your Company continues to script a remarkable journey in enzymes development, marked by significant milestones. From a humble beginning with a portfolio of just 7 enzymes in 1994, AETL now boasts an extensive line-up of more than 68 enzymes. This evolution not only demonstrates our growth and perseverance, but also highlight our proven expertise in the dynamic and ever-evolving field of enzyme development.</p> |  <p>Proven Enzyme Development Capabilities</p> |

| | |
|--|---|
|  <p>Global Competitiveness</p> | <p>Your Company stands proud as one of the most cost-efficient manufacturers of the world, a distinction earned through rigorous benchmarking of both Capital Expenditure (CapEx) and Operational Expenditure (OpEx). This strategic endeavour allows AETL to consistently deliver high-quality products, while maintaining a competitive edge in terms of cost efficiency on the global stage.</p> |
| <p>Your Company offers a diverse portfolio comprising over 400 products, catering to the unique needs of more than 700 customers worldwide. This expansive range reflects our commitment to provide effective enzymes & probiotics solutions across various industries and regions. Spanning a wide spectrum of sectors, including textile, paper and pulp, leather, baking, nutraceuticals, pharmaceuticals, human healthcare and animal healthcare, our enzyme & probiotic products are in high demand. By providing enzyme solutions across these sectors, we effectively mitigate the risk of over-reliance on any single market, thereby enhancing stability and fostering growth through business diversification.</p> |  <p>Diverse Product Range and Customer Base</p> |
|  <p>Credible Market Presence</p> | <p>Your Company has maintained a sharp focus on enzymes for over 3 decades, symbolising an enduring commitment to excellence in the enzyme industry. This extensive experience, coupled with a deep understanding and superior proficiency in delivering enzyme solutions, aids AETL to cater to diverse industry needs.</p> |
| <p>Your Company continues to hone the ability to effectively solve customer challenges, leveraging the wide expanse of expertise and experience. The long journey of Advanced Enzymes provides invaluable insights into both product and process domains and positions AETL as a reliable partner with a wealth of practical knowledge.</p> |  <p>Invaluable Experience and Consumer Insights</p> |
|  <p>Significant Focus on International Markets & Brand Building</p> | <p>Your Company places a significant emphasis on expanding presence in international markets and building brand value to drive revenue growth. With 50% of total revenue coming from international markets, Advanced Enzymes recognises the importance of expanding its global footprint and enhancing its brand image, thereby allocating significant resources and efforts to boost the same. Moreover, AETL aims to solidify its position in existing markets, while also exploring new and emerging markets to unlock further growth potential. This strategic emphasis reflects your Company's commitment to leveraging global opportunities and sustaining revenue growth in the enzyme industry.</p> |



Scripting Success with Strategic Endeavours

We, at Advanced Enzymes, actively pursue strategic avenues for expanding our global reach, while harnessing our robust R&D capabilities to penetrate new markets. These endeavours enable us to solidify our position as a leading player in the enzymes & probiotics industry, delivering innovative solutions to customers worldwide. Our acquisitions of global entities over the years have further strengthened our international presence, ensuring seamless access worldwide and fostering sustained growth. Our commitment to innovation and global expansion drives us forward, propelling AETL into a future marked by infinite possibilities and unparalleled success.



Note : * Through Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund

Synergising Sustainability & Innovation to Drive Growth



Your Company registered total revenue of ₹ 6,239 million for the year ended March 31, 2024, an increase of 15% over the previous year.

DEAR STAKEHOLDERS,

I am pleased to present the integrated annual report for FY 2023-24 of your Company, Advanced Enzyme Technologies Limited and offer insight into the latest developments and performance highlights.

Remarkable Performance Despite Global Headwinds

On the macroeconomic front, the global economy faced significant challenges during the year, marked by widespread slowdown and inflation. Major conflicts such as the war in the Eastern Europe and the escalating crisis in the Middle East, as well as higher interest rates dampened the outlook for both individuals and businesses worldwide. The consumer price index and soaring food prices are affecting vulnerable populations across the globe. Against this backdrop, many economies started exhibiting recessionary trends, further spelling gloom for the global economy. Additionally, disruptions in global shipping, such as those resulting from the Red Sea crisis, led to

heightened shipment costs and delays, impacting logistics and pricing dynamics within our industry.

The Indian economy, however, remains a bright spot amid global uncertainties, delivering robust performance and solid growth, buoyed by heightened investment activity and surging private consumption. This favourable business environment provided a strong impetus for the top-line growth of the Company in domestic markets. We overcame challenges in the initial months, including higher input and operating costs, which lead to margin pressure and inventory build-up. In the second half of the year, our international sales revved up, improving our performance and successfully mitigating the impact of lower margin expansion.

The Company's human nutrition business and food business experienced a significant uptick and gained momentum. Higher margins and an increased volume of large-value orders led to a commendable Return On Capital Employed (ROCE). Our continued focus on investing in research and development of new products paid dividends, with several of our recent innovations garnering significant attention. Moreover, our

manufacturing plants responded well to the challenges of meeting customer demands, achieving significant improvements in productivity and cost savings.

Changing Consumer Demand

With a growing focus on healthier lifestyles, consumer demand for healthy, clean-label products is high in recent years. We have innovated and enhanced our quality systems to stay ahead of this trend and cater to changing needs, leading to growth in the nutraceuticals market.

Furthermore, we continue to gain traction in the probiotics market. While the overall probiotics business may currently appear relatively flat, we remain optimistic about its future trajectory. We anticipate sustained growth in this segment, buoyed by heightened interest and favourable reception from our customers.

Financial Performance

The Company's robust financial performance during the year was driven by strategic decisions around product mix optimisation and upsurge in other income streams. Buoyed by these factors, we recorded a significant surge in revenue and overall profitability. Our robust financial health also reflects our commitment to prudent management practices and operational efficiency.

The Company registered consolidated revenue of ₹ 6,239 million for the year ended March 31, 2024, an increase of 15% over the previous year. Consolidated operating Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) registered an uptick of 31% to reach ₹ 2,045 million. Consolidated profit after tax (PAT) touched ₹ 1,370 million, recording a growth of 32% over the previous year. Moreover, the consolidated Return on Capital Employed (ROCE) was 13.03%. Your

Board of Directors declared an interim dividend FY25 of 200% amounting to ₹ 4 per share and recommended a final dividend FY24 of 55% amounting to ₹ 1.1 per share.

Characterised by strong cash flow, a diversified portfolio of value-added products, proven expertise in customer-focused innovation and a high weightage in the human nutrition sector (which has a relatively inelastic demand profile), the Company remains a financially robust organisation. These attributes equip the Company with the strength and resilience to stay on the path of continuous growth and profitability even in adverse conditions.

Key Developments

Key developments in our FY 2023-24 journey demonstrate our strategic focus on growth through investments, innovation and diversification of our product portfolio:

Regulatory Approvals

We have received the approval for two food enzyme dossiers from European Food Safety Association (EFSA). In addition, we also received No Question Letters for two GRAS filings with the United States Food & Drug Association (FDA). The approved enzymes can be utilised as food processing aids for food products.

Acquisition of an Additional Stake in JC Biotech

We successfully concluded the acquisition of an additional stake in JC Biotech, involving total cash consideration of ₹ 56.07 million. This increase in stake propelled your Company's shareholding in JC Biotech to 95.72%, further solidifying our commitment to strategic investments in synergistic businesses.

Continued Investment in Research and Development (R&D)

We continued to prioritise our investment in R&D, spending approximately ₹ 274 million on a

standalone basis, representing 7.5% of our topline revenue. On a consolidated basis, we dedicated 3-4% of our revenues to R&D activities. This persistent allocation highlights our resolve to innovate and develop products across our portfolio.

Product Range Expansion

We expanded our enzyme libraries for applications in all business streams. In human nutrition, we developed enzymes for sugar management, weight management and protein digestion. In our ramp up to introducing new solutions for bio-catalysis, we developed new enzyme formulas and reaction processes for production of anti-cholesterol, anti-depressant, partial-onset seizures API (Active Pharmaceutical Ingredient) intermediates, which showed promising results in clinical trials. In the food business, we developed new bakery enzymes for reducing sugar in baked products such as breads, biscuits and cakes for the global food industry.

Furthermore, these launches represent our ongoing efforts to expand our product portfolio and cater to evolving market demands, particularly in the field of enzyme solutions.

We are resolutely firm on advancing our capabilities, amplifying our market presence and extending tangible value to our stakeholders through sustained progress and meaningful contributions to the industry.

ESG Initiative

We have initiated a step towards clean energy as one of our ESG initiatives. We have installed and made operational a 160KW solar power plant in FY24. Another 350KW solar plant installation is under progress and will be operational.

We stay committed to prioritising sustainability in every aspect of our operations, guiding our business practices and influencing our

interactions with stakeholders and the environment alike. Our dedication is evident both internally within our manufacturing operations and externally through our product offerings, signifying a proactive approach as we navigate the path forward.

Closing Note

Your Company is primed to elevate its standing in the burgeoning global market, building on our manufacturing prowess and reputation as a leading enzyme and probiotics manufacturer. This growth is further driven by significant trends in bio-catalysis, animal nutrition and baking; the increasing emphasis on proactive and preventive healthcare; the rising importance of enzymes and probiotics in nutraceuticals; and the demand for cleaner nutrition alternatives. Ongoing research, focus on customer experience and a culture of innovation converge to create a conducive environment for continued success.

Our commitment to innovation, sustainability and a dynamic product portfolio are complemented by our leadership position and significant investments in R&D. We are well-poised to continuously create value for our stakeholders and hone our competitive edge in the industry. On behalf of our leadership team, I extend heartfelt gratitude to everyone associated with AETL – our esteemed Board members, dedicated employees, supportive shareholders, reliable suppliers and all other stakeholders. Your belief in us motivates us to pursue excellence with vigour and perseverance. We eagerly look forward to deepening our collaboration with you to achieve our shared aspirations and pave the way for a brighter future for all.

Warm regards,

V.L. Rathi
Chairperson



Delivering Excellence through Strategic Integration

We, at Advanced Enzymes, harness our fully integrated business framework that spans the entire enzymatic manufacturing value chain – from research and development to production, marketing and distribution. This holistic approach empowers us to ensure optimal efficiency and cost-effectiveness and promote seamless coordination across all organisational activities. By deploying this comprehensive model, we swiftly adapt to market changes, drive continuous innovation and deliver unparalleled value to our customers and stakeholders.



Resources

Financial Capital

Your Company thrives on funding obtained from providers of capital, deployed to invest in our strategy and support business operations

- ₹ 224 million Equity
- ₹ 13,018 million Reserves

Manufacturing Capital

Your Company drives strength from the manufacturing facility that excels in controlled processes and maintains competitiveness through flexible down streaming, accommodating varying batch sizes

- 7 R&D Centres
- 9 Manufacturing Facilities
- ₹ 19 million Capital Expenditure

Intellectual Capital

Your Company boasts a repository of organisational knowledge, insight, systems, protocols and intellectual property, including brands

- 7 R&D Centres
- 14# Food Enzyme Dossiers Filed with EFSA
- 100+ R&D and Technology Talent pool
- 8** GRAS Dossier Evaluated by the US FDA
- 13# Number of Patents Filed
- 1## Novel Food Dossier Filed

Human Capital

Your Company prioritises employee development and well-being for lasting value and success

- 350+ Total employees
- ₹ 500 million Total Remuneration Paid
- 80+ Total Women Employees

Social and Relationship Capital

Your Company acknowledges its role as a socially responsible corporate citizen and understands the importance of nurturing relationships with stakeholders, including suppliers, customers, regulators, investors and the communities where we operate

- 700+ Customer
- 8 Key Industry Associations
- ~₹ 16 million CSR Expenditure
- ₹ 408 million Contribution to Exchequer
- 68,500+ Shareholders

Natural Capital

Your Company emphasises on natural resources on which we depend to create value, highlighting our role in promoting their conservation

- 40,475 GJ Total Electricity Consumption
- 1,73,985 GJ Total Fuel Consumption
- 2,14,904 GJ Total Energy Consumptions
- 1,58,012 KL Total Water Consumption

Delivering Value to our Stakeholder

| | | | | |
|--|---|---------------------------------------|---|------------------------------------|
| Financial Capital | Consistently delivers returns to shareholders and investors. | ₹ 6,239 million Revenue | ₹ 1,370 million PAT | ₹ 1.10 per share Dividend Proposed |
| | | ₹ 2,045 million EBITDA | ₹ 4 per share Interim Dividend Declared | |
| Manufacturing Capital | | ~60% Capacity Utilisation | | |
| Intellectual Capital | Replaces chemicals with enzymes, sourced sustainably, to fulfil the requirements of diverse industries | | | |
| Human Capital | NIL Incidences of Fatality | 11% Employee Turnover Rate | | |
| | 68.32% Total Employees Trained on Skill Upgradation | 70.80% Environment, Health and Safety | | |
| Social and Relationship Capital | Timely approvals from regulatory bodies | 45+ Countries Worldwide Presence | | |
| | Long-term relationships with our customers | | | |
| Natural Capital | Ensures safe handling and minimal usage of hazardous and toxic chemicals. Adheres to all relevant environmental regulations and certifications: Food Safety System Certifications (FSSC) 22000, Global Organic Textile Standard (GOTS), ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Halal Certification, Kosher Certificate, WHO-GMP Certification, GMP Plus Certification, Written Confirmation Certification, Export Inspection Agency Certification, Input for Organic Processing/Production | | | |
| | 21,410 KL Water Recycled | | | |

SDGs Impacted***

- Financial Capital**: 1, 8
- Manufacturing Capital**: 8, 9, 12, 13, 17
- Intellectual Capital**: 9, 11, 13
- Human Capital**: 1, 3, 5, 8, 9, 10, 16, 17
- Social and Relationship Capital**: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
- Natural Capital**: 7, 9, 11, 12, 13, 15

PROCESS

Research and Development
Your Company, being a research-driven organisation, continuously emphasises on developing and upscaling the existing technology for amplified production. With a robust infrastructure of seven units of R&D, embedded with best-in-class technology, AETL fortifies expertise in manufacturing safe enzymes.

Manufacturing
Your Company follows an integrated business framework, manufacturing enzymes in-house. This approach enables heightened quality control

and cost reduction, concurrently sustaining a robust market position, all while driving innovation in high-quality products.

Marketing and Distribution
Your Company deploys several direct and indirect channels to reach out to customers across different regions and markets. Supported by the robust online presence of our marketing and distribution team, this approach enhances product sales, while ensuring prompt delivery to clients through our strong network of distributors and agents.

Note: All the data mentioned w.r.t. Human, Social & Relationship and Natural capital is on standalone basis
*Patents includes the filed applications
#Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 5 are under evaluation
**No question letter received for 7 Dossier & another 1 Dossier is self-affirmed
##Novel food dossier has been filed with EFSA is under evaluation
***Sustainable Development Goals



Surging ahead with Agile Adaptation

We, at Advanced Enzymes, keep a keen eye on identifying emerging trends to stay ahead in today's dynamic business landscape. With a strategic mindset to capitalise on fresh growth opportunities, we proactively align our business to meet evolving market demands. Our agility and operational acumen help us to curve a sustained leadership position in our business.



HUMAN NUTRITION

Ageing Population

The evolving demographic shift towards an aging population is significantly influencing global nutritional trends. Consequently, a greater emphasis on nutrition, that supports healthy aging, addresses age-related health concerns and promotes vitality and longevity, is observed.

Growing Prevalence of Digestive Disorders

The increasing prevalence of digestive disorders, including irritable bowel syndrome (IBS), acid reflux and food intolerances is driving interest in digestive health. As a result, consumers are seeking gut-friendly foods and supplements that offer digestive comfort and overall gut health.

Product Launches

- Enzyme solutions for sugar management and protein digestion in human nutrition
- Next generation engineered proteins for improved absorption and efficacy in human nutrition
- Nutraceutical products for improving protein digestion and absorption
- Products for modulating gut microbiota and enhancing digestive health



Increased Focus towards Chemical-Free Processes

Consumers are increasingly seeking foods and supplements produced using chemical-free processes. This trend reflects growing concerns about synthetic additives, pesticides and preservatives in food products, driving demand for natural and organic options.

Prioritisation of a Healthier Lifestyle

A noticeable thrust towards healthier lifestyles, characterised by balanced diets, regular exercise and wellness practices is observed. In sync with this trend, consumers are demanding functional foods and dietary supplements that align with their health goals, such as weight management, immune support and mental well-being.

Strategies for Growth

- Expand enzyme libraries & develop next generation engineered proteins catering to application in human nutrition
- Develop and launch products tailored to the ageing population, emphasising nutrients that support cognitive function, bone health and cardiovascular health
- Introduce chemical-free and organic product lines to meet the growing demand for natural and clean-label products
- Increase the range of gut-friendly foods and supplements, to cater to the growing prevalence of digestive disorders
- Invest in research and development to create advanced probiotics, prebiotics and other gut health solutions



BIO-CATALYSIS

Lower Production Costs

The landscape of bio-catalysis is undergoing a significant shift towards cost efficiency, owing to strides in enzyme engineering, process optimisation and improved biocatalyst efficacy. These advancements are paving the way for more cost-effective production processes, outperforming traditional chemical synthesis methods.

Environment-Friendly and Intrinsically Safer Alternative

The demand for bio-catalysis is on the rise, driven by its reputation as an eco-friendly and safer alternative to conventional chemical processes. Bio-catalytic reactions typically occur under mild conditions, leading to reduced energy usage and minimised waste generation, thus aligning with sustainability goals.

Prioritisation of a Healthier Lifestyle

The trend towards a healthier lifestyle not only incorporates consumer preferences but also extends to the choice of production methods and ingredients. Bio-catalysis presents an opportunity to create ingredients and products that are perceived as healthier and more natural, appealing to consumers who prioritise sustainable and eco-friendly options.

Strategies for Growth

- Expand protein libraries & develop their applications with different category of enzymes used in biocatalysis
- Develop bio-catalysis for API manufacturers and provide target-specific enzymatic solutions, that save energy, time and reduce chemical usage
- Sustained focus by the API manufacturers on the development of a couple of products that are under the advanced stage of trials at plant level





ANIMAL NUTRITION TRENDS

Regulatory Framework

The regulatory landscape holds significant sway over trends in animal nutrition. With increasing scrutiny and evolving standards regarding animal feed composition, additives and production practices, the segment is constantly emphasising on innovation and compliance to stay abreast with changes.

Environmental Factors

Environmental considerations, such as sustainability, resource efficiency and carbon footprint reduction, are key drivers of trends in animal nutrition. Sustainable feed sourcing, waste reduction and strategies to mitigate environmental impact are gaining importance in the industry.

Product Launches

- Non-Armored probiotics for enhanced application alongside antibiotics in animal feed



Economic Factors like Commodity Prices and Market Demand

Fluctuations in commodity prices and shifts in market demand for animal products significantly influence trends in animal nutrition. By adjusting feed formulations and formulating strategies to optimise production efficiency, the producers and manufacturers are aiming to meet evolving consumer preferences.

Consumer Trends like Animal Welfare

Consumer awareness and preferences regarding animal welfare are shaping trends in animal nutrition. A surging demand exists for ethically sourced and responsibly manufactured animal feed, mirroring broader consumer values centred on the humane treatment of animals.

Strategies for Growth

- Expand enzyme libraries & develop next generation engineered proteins catering to application in animal nutrition
- Continue with the trials and studies to develop new, effective nutritional products to enhance the efficacy for animal feed
- Register and introduce additional products in both domestic and international markets
- Expand the sales and marketing team in the US, MENA and Asian markets
- Focus on strengthening geographical reach and boosting distribution networks by appointing more overseas distributors



BAKING

Regulatory Compliance

Regulatory compliance, particularly related to labelling requirements, ingredient safety and health claims, remains a pivotal factor influencing trends in the baking industry. Bakers must adapt to evolving regulations, while maintaining product quality and satisfying consumer appeal.

Environmental Sustainability

Environmental sustainability is gaining prominence in the baking industry. Bakers are adopting eco-friendly practices, such as reducing food waste, using renewable packaging materials and sourcing ingredients with lower environmental footprints, to align with consumer expectations and uphold the industry's commitment to sustainability goals.

Product Launches

- New bakery products such as bread, biscuits and cakes with improved texture and taste
- Products aimed at reducing high sugars in baked goods
- Products enhancing shelf life, softness, resilience and acceptability of baked goods
- Enzymatic solutions for clean label and high fibre baked products

Consumer Preferences and Trends

Consumer preferences are the driving force behind innovation and product development in the baking industry. Trends such as demand for clean-label products, gluten-free options and plant-based ingredients are reshaping bakery offerings and formulations to meet diverse dietary needs and lifestyle choices.

Competitive Landscape

The competitive landscape in baking industry is shaped by market dynamics, technological advancements and evolving consumer preferences. Bakers are differentiating their products through quality, innovation and unique flavours to carve out a niche in a crowded marketplace.

Strategies for Growth

- Focus on baking solutions within the bio-processing division
- Build upon favourable feedback regarding the efficacy and performance of our products
- Put in place strategic expansion plans across Europe, the Americas and the Rest of the World, with the aim of capitalising on opportunities by providing a value-based approach in the baking industry





PROBIOTICS

Rising Health Awareness

Increasing health awareness among consumers is driving the demand for probiotics. Consumers are actively seeking products that promote gut health, boost immune function and contribute to overall well-being, prompting the integration of probiotics into a wide array of food and beverage products.

Scientific Research

Continuous scientific research on probiotics is unveiling new strains, health benefits and applications. This ongoing research facilitates product development and shapes marketing strategies, expanding the understanding of probiotics' role in promoting health.

Product Launches

- Probiotics focused on antimicrobial properties and stability in formulations
- Probiotics with detailed functional characterization, focusing on antimicrobial spectrum and stability
- Probiotics published in reputed journals showcasing benefits of *B. subtilis* PLSSC and *B. clausii* 088AE
- Development of probiotic-postbiotic-prebiotic products for various applications

Quality Control and Manufacturing Standards

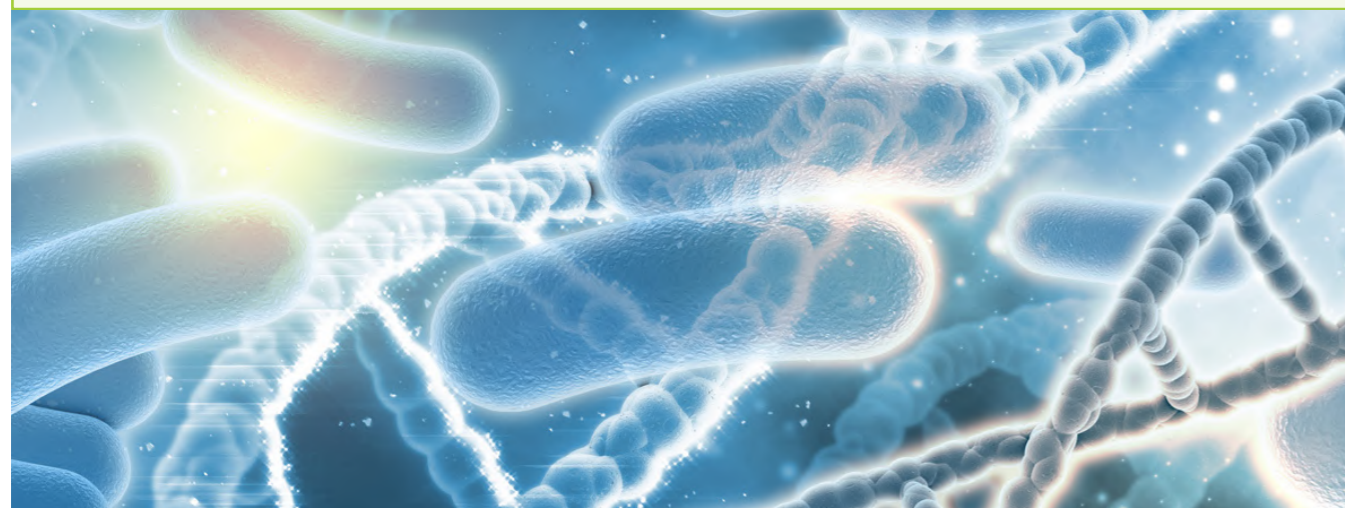
Probiotics manufacturers are prioritising stringent quality control and adherence to high manufacturing standards. This ensures product efficacy, stability and safety, while also aligning with regulatory requirements and satisfying consumer expectations for reliable probiotic products.

Research Partnerships and Collaborations

Collaborations between probiotics companies, academic institutions and research organisations create synergistic value and drive innovation and knowledge sharing. Partnerships propel research advancements, product innovation and the development of evidence-based probiotic solutions.

Strategies for Growth

- Introduce additional probiotic products for human nutrition, with focus on immunity development, active health food, gut health and various nutraceutical applications
- Launch new products with a focus on boosting immunity, improving digestion and enhancing the nutritional level of feed in animal nutrition



Maximising Value through Operational Synergy

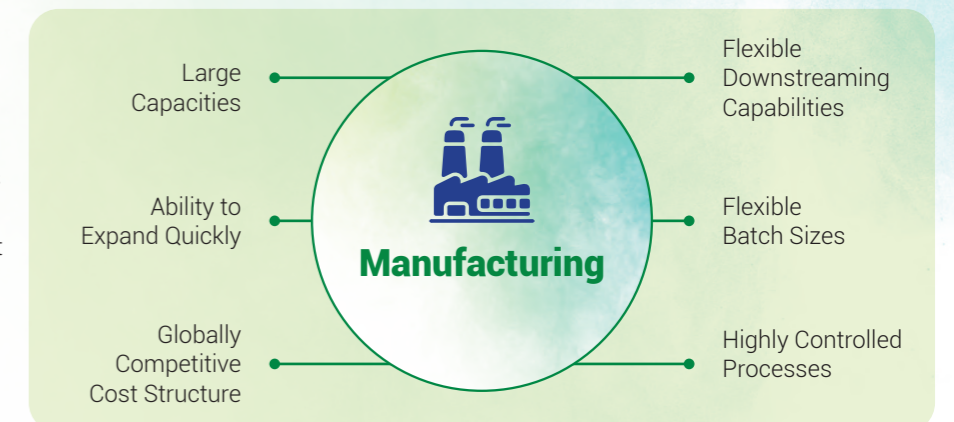
We, at Advanced Enzymes, are deeply committed to innovation, with our driving force being our robust research and development (R&D) endeavours. In addition, our manufacturing prowess enables us to maintain a firm hold on our processes, stimulating in-house production, cost-effectiveness and excellence in quality. Moreover, our innovative branding and marketing initiatives position our products at the forefront of industry, giving us a sharp competitive edge. This synergy among R&D, manufacturing and branding and marketing is more than just a strategic alignment – it is the lifeblood of your Company, driving AETL forward from conception to creation and ultimately to customer satisfaction.

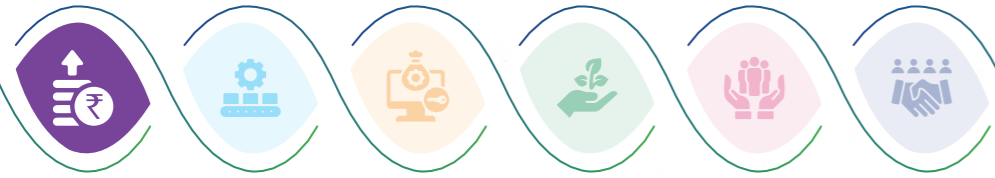
We allocate substantial resources to continually evolve and upscale our technological infrastructure, maintaining a sustained focus on amplifying production capabilities. This strategic investment in R&D is aimed at pushing boundaries and ensuring that every product we bring to market is firmly grounded in safety and efficacy.

By manufacturing enzymes in-house, we retain full control over the production process, allowing us to deliver products of unmatched quality, while simultaneously driving down costs. On the one hand, this approach solidifies our market position and on the other it facilitates ongoing innovation, empowering us to develop high-quality solutions that address the evolving needs of our customers.

But innovation doesn't end with product development – it extends seamlessly into branding and marketing. Our multifaceted approach to marketing and distribution, coupled with a strong online presence, ensures that our products are easily available and effortlessly accessible to customers across diverse regions and markets.

Our integrated business model is a hallmark of our commitment to quality control and cost-effectiveness, propelling us forward in our journey to success.





FINANCIAL CAPITAL

Navigating Growth through Financial Resilience

We, at Advanced Enzymes, thrive on our financial prowess. Our consistent revenue growth, strong cash reserves, prudent financial stewardship and adeptness in securing investments for research, development and expansion symbolise our firm financial footing. Harnessing this strength, we ensure stability and resilience that empower us to stay ahead of the league even in challenging market conditions. Furthermore, the solid financial standing also propels your Company to pursue strategic opportunities, drive innovation in enzyme technology and deliver value to shareholders and stakeholders alike.

| Fixed Asset Turnover | (x) | Free Cash Flow | (in ₹ million) | EBITDA | (in ₹ million) |
|----------------------|------|----------------|----------------|--------|----------------|
| FY 2018-19 | 2.51 | 1,163 | 1,819 | | |
| FY 2019-20 | 2.06 | 905 | 2,023 | | |
| FY 2020-21 | 1.99 | 1,435 | 2,316 | | |
| FY 2021-22 | 1.95 | 954 | 2,014 | | |
| FY 2022-23 | 1.87 | 1,024 | 1,564 | | |
| FY 2023-24 | 2.03 | 942 | 2,045 | | |

| EBITDA Margin | (%) | PAT | (in ₹ million) | PAT Margin | (%) |
|---------------|-----|-------|----------------|------------|-----|
| FY 2018-19 | 44 | 1,159 | 28 | | |
| FY 2019-20 | 46 | 1,330 | 30 | | |
| FY 2020-21 | 46 | 1,513 | 30 | | |
| FY 2021-22 | 38 | 1,238 | 23 | | |
| FY 2022-23 | 29 | 1,039 | 19 | | |
| FY 2023-24 | 33 | 1,370 | 22 | | |

| Net Working Capital | (Days) | Net Worth | (in ₹ million) | ROE | (%) |
|---------------------|--------|-----------|----------------|-----|-----|
| FY 2018-19 | 105 | 6,788 | 19 | | |
| FY 2019-20 | 115 | 8,397 | 18 | | |
| FY 2020-21 | 120 | 9,709 | 17 | | |
| FY 2021-22 | 132 | 10,886 | 12 | | |
| FY 2022-23 | 135 | 12,351 | 9 | | |
| FY 2023-24 | 135 | 13,241 | 11 | | |

| ROCE | (%) | Net Debt/Equity | (x) | ROIC | (%) |
|------------|-----|-----------------|-----|------|-----|
| FY 2018-19 | 24 | 0.05 | 29 | | |
| FY 2019-20 | 22 | 0.02 | 28 | | |
| FY 2020-21 | 22 | 0.02 | 32 | | |
| FY 2021-22 | 16 | 0.01 | 26 | | |
| FY 2022-23 | 10 | 0.01 | 15 | | |
| FY 2023-24 | 13 | 0.02 | 18 | | |

All the numbers are on Consolidated basis

Net working capital days = ((Trade receivables + inventories - Trade payables)/Net Sales)*365

Net Debt = Long-term debt + short-term debt + current maturities of long-term debt - Cash & Cash Equivalent

ROIC=EBITDA/(Equity + Net Debt)

Return ratio calculated based on average of shareholders' fund and average debt



FINANCIAL SUMMARY (CONSOLIDATED)

(numbers in ₹ million)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|--|------------|------------|------------|------------|------------|
| Revenue from Operations (including Export Incentives) | 6,239 | 5,406 | 5,294 | 5,018 | 4,440 |
| Net Sales (excluding Export Incentives) | 6,235 | 5,404 | 5,289 | 5,004 | 4,416 |
| EBITDA | 2,045 | 1,564 | 2,014 | 2,316 | 2,023 |
| Depreciation | 353 | 350 | 349 | 287 | 258 |
| EBIT | 1,692 | 1,214 | 1,665 | 2,029 | 1,765 |
| Finance Charge | 29 | 24 | 18 | 16 | 30 |
| Profit Before Tax & Exceptional Items | 1,663 | 1,190 | 1,647 | 2,013 | 1,735 |
| Exceptional Items | 151 | 41 | - | - | - |
| Profit After Tax & Exceptional Items | 1,512 | 1,149 | 1,647 | 2,013 | 1,735 |
| Other Income | 367 | 255 | 64 | 88 | 56 |
| Profit Before Tax | 1,879 | 1,404 | 1,711 | 2,101 | 1,791 |
| Tax | 509 | 365 | 473 | 588 | 461 |
| Profit After Tax Including Minority Interest (PAT) | 1,370 | 1,039 | 1,238 | 1,513 | 1,330 |
| Profit After Tax and Allocation of Minority Interest | 1,333 | 1,056 | 1,196 | 1,459 | 1,293 |
| Paid-Up Capital - Equity | 224 | 224 | 224 | 223 | 223 |
| Reserves & Surplus | 13,018 | 12,127 | 10,662 | 9,486 | 8,173 |
| Shareholders' Fund | 13,241 | 12,351 | 10,886 | 9,709 | 8,397 |
| Minority Interest | 470 | 491 | 518 | 617 | 278 |
| Long-Term Borrowings (including Current Maturities) | 70 | 78 | 81 | 99 | 72 |
| Working Capital Finance | 176 | 50 | 19 | 38 | 127 |
| Short-Term Borrowings | 6 | 5 | 9 | 54 | - |
| Total Debt | 251 | 132 | 109 | 191 | 199 |
| Current Liabilities (excluding Short-Term Borrowings and Current Maturities) | 882 | 721 | 576 | 584 | 437 |
| Other Liabilities | 511 | 523 | 587 | 461 | 372 |
| Tangible Fixed Assets (property, plant and equipment) (net)* | 3,073 | 2,888 | 2,718 | 2,510 | 2,143 |
| Intangible Assets (net) | 583 | 609 | 663 | 747 | 645 |
| Goodwill on Consolidation | 3,253 | 3,209 | 2,961 | 2,887 | 2,941 |
| Current Assets | 8,097 | 7,221 | 6,044 | 5,160 | 3,756 |
| Other Assets | 349 | 292 | 290 | 222 | 300 |

Note: Book value and EPS are based on face value of ₹ 2 per share

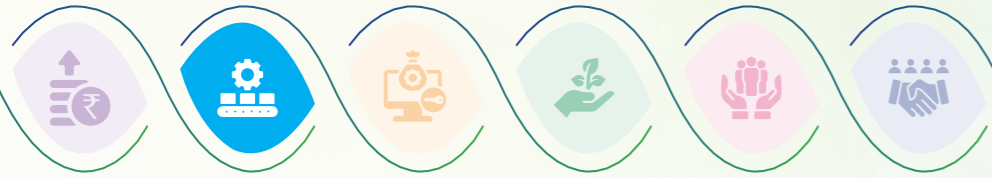
*Based on Net sales

All figures are in ₹ million, unless otherwise stated

*Return ratio calculated based on average shareholders' fund and average debt

(numbers in ₹ million)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|--|------------|------------|------------|------------|------------|
| Net Worth | 13,241 | 12,351 | 10,886 | 9,709 | 8,397 |
| Total Outside Liabilities (TOL) | 2,113 | 1,868 | 1,790 | 1,852 | 1,286 |
| Growth Indicators | | | | | |
| Net Sales | 15% | 2% | 6% | 13% | 6% |
| EBITDA | 31% | (22%) | (13%) | 14% | 11% |
| EBIT | 39% | (27%) | (18%) | 15% | 10% |
| PAT | 32% | (16%) | (18%) | 14% | 15% |
| Key Operating Ratio* | | | | | |
| Gross Margin | 77% | 76% | 79% | 80% | 82% |
| EBITDA Margin - EBITDA/Net Sales | 33% | 29% | 38% | 46% | 46% |
| EBIT Margin - EBIT/Net Sales | 27% | 22% | 31% | 41% | 40% |
| PAT Margin - PAT/Net Sales | 22% | 19% | 23% | 30% | 30% |
| Financial Leverage | | | | | |
| Net Debt/Equity | 0.02 | 0.01 | 0.01 | 0.02 | 0.02 |
| Interest Coverage | 58.34 | 50.57 | 92.68 | 126.07 | 58.14 |
| Debt/EBITDA | 0.12 | 0.09 | 0.05 | 0.08 | 0.10 |
| Return Ratios* | | | | | |
| RoE (PAT/Shareholders' Fund) | 11% | 9% | 12% | 17% | 18% |
| RoCE (EBIT/ (Shareholders' Fund + Total Debt)) | 13% | 10% | 16% | 22% | 22% |
| RoIC (EBITDA)/ (Equity+ Total Debt - Cash & Cash equivalent) | 18% | 15% | 26% | 32% | 28% |
| Other Ratios | | | | | |
| Turnover to Tangible Assets (Net) | 2.03 | 1.87 | 1.95 | 1.99 | 2.06 |
| TOL to Net Worth Ratio | 0.16 | 0.15 | 0.16 | 0.19 | 0.15 |
| Book Value/Share (₹) | 118.41 | 110.45 | 97.37 | 86.90 | 75.18 |
| EPS (Basic) | 11.92 | 9.45 | 10.70 | 13.09 | 11.58 |
| EPS (Diluted) | 11.92 | 9.45 | 10.68 | 13.07 | 11.56 |
| Working Capital Cycle (No. of Days)* | | | | | |
| Inventory Turnover | 87 | 84 | 83 | 68 | 66 |
| Accounts Receivable | 58 | 69 | 61 | 63 | 61 |
| Accounts Payable | 9 | 17 | 12 | 11 | 12 |
| Net Working Capital | 135 | 135 | 132 | 120 | 115 |
| R&D Spends | | | | | |
| Capital Expenditure | 24 | 50 | 16 | 54 | 22 |
| Recurring Expenditure | 173 | 173 | 150 | 124 | 115 |
| R&D Spends | 197 | 223 | 166 | 178 | 137 |
| As % of Net Sales | 3% | 4% | 3% | 4% | 3% |

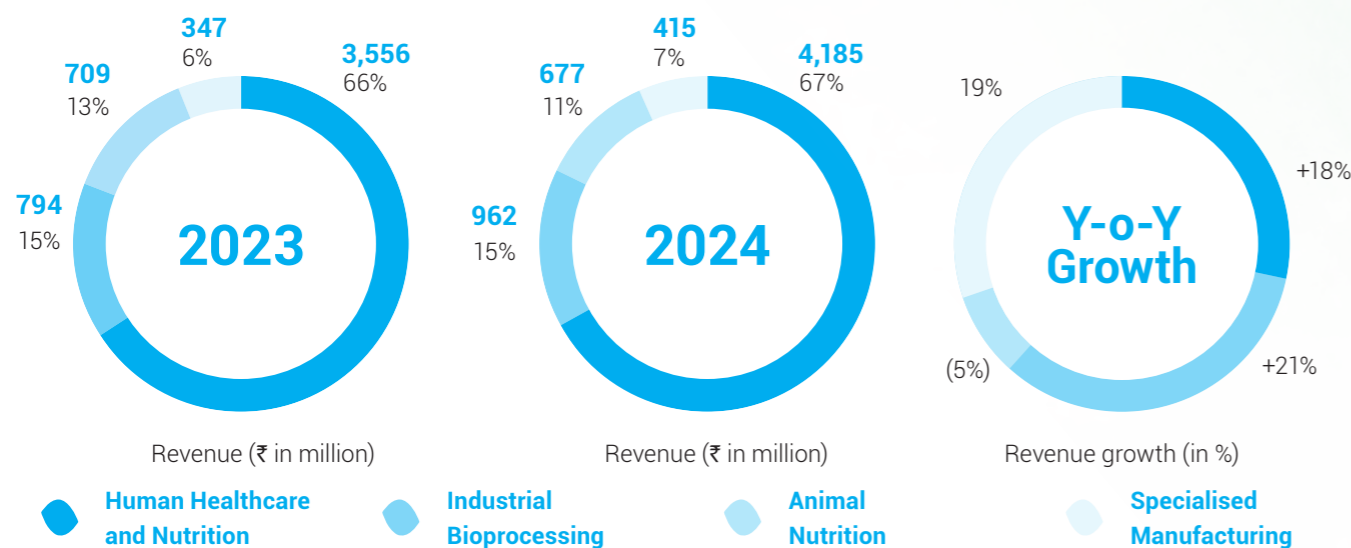


MANUFACTURING CAPITAL

Progressing through Cutting-edge Manufacturing Acumen

We, at Advanced Enzymes, recognise the pivotal role of manufacturing capital in our operations. It encompasses specialised facilities, equipped with state-of-the-art machinery and cutting-edge technology, specifically dedicated to enzyme production. Our sustained investment in manufacturing capital reflects our commitment to quality, innovation and scalability. Moreover, by continuously boosting our manufacturing capabilities, we ensure the consistent delivery of high-quality enzyme solutions to a wide range of industries. This strategic approach positions us as industry leaders and accelerates ongoing progress and innovation in enzyme technology.

Revenue Mix



HUMAN HEALTHCARE AND NUTRITION

We excel in serving the pharmaceutical and nutraceutical industries across key global markets, including India, North America, Asia (excluding India) and Europe. Internationally renowned for our groundbreaking enzyme solutions, our extensive product line fortifies the nutritional quality of food and offers bespoke solutions to meet diverse customer needs.

We leverage cutting-edge technologies like 'Directed Evolution', acquired from evocx technologies GmbH in Germany, to revolutionise the production and application of probiotics. These new-age probiotic solutions represent a new era in healthcare, offering pivotal treatments for a spectrum of health issues, particularly digestive disorders. This strategic adoption highlights your Company's commitment to advancing healthcare.

Moreover, AETL's research and development team made remarkable stride in developing bio-catalysis for API manufacturers. Through our best-in-class enzymatic-based solutions, your Company meets target-specific requirements and contributes to reducing costs, optimising energy consumption and minimising environmental impact associated with traditional chemical processes. This shows our dedication to sustainable innovation and improving efficiency across industries, further reinforcing our leadership in eco-friendly practices.

INDUSTRIAL BIO-PROCESSING

We excel in industrial bio-processing, utilising micro organisms to create sustainable products across diverse sectors, including agriculture and polymers. Our expertise plays a pivotal role in reducing environmental impact by minimising chemical use and energy consumption. We lead the industry with cutting-edge technologies like consolidated bio-processing, which in turn advance circular economy principles. Driven by our commitment to sustainability, we bolster our efforts in bio-processing, which offers efficient, cost-effective and scalable manufacturing solutions, positioning AETL as a leader in shaping a greener future for various industries.

NON-FOOD PROCESSING

Our enzymes play a crucial role as biocatalysts across various industries, significantly enhancing process efficiency and sustainability. AETL offers a diverse range of eco-friendly solutions tailored for non-food sectors such as textiles, leather, detergents and paper and pulp. Streamlining manufacturing processes and cutting down energy consumption and waste output, these solutions improve overall efficiency and generate cost efficiency.

FOOD PROCESSING

Our enzymes continue to be instrumental in enhancing product quality and nutritional value in the food processing sector. Specialising in providing safe and natural enzyme solutions, your Company enables manufacturers to produce healthier food and beverage options. Moreover, we deploy enzymatic technology and contribute to create food products that fulfil consumer demand for quality and nutritional excellence.

ANIMAL NUTRITION

We take a comprehensive and transformative approach to animal nutrition, pioneering the use of enzyme-based feed additives and cutting-edge probiotic solutions. Optimising nutrient absorption, promoting growth and boosting immune system, these innovative solutions offer a wide range of benefits, including reduced feed costs and minimised environmental impact. Our enzyme additives significantly enhance digestion, providing essential nutrients efficiently, resulting in cost-effective feed and minimised waste. Similarly, our probiotics, formulated with advanced metabolites, elevate animal performance, leading to greater efficiency and profitability. By prioritising sustainability and innovation, we create synergies between digestive health, feed optimisation and environmental stewardship in animal husbandry.



SPECIALISED MANUFACTURING

Our specialised manufacturing segment utilises effervescent technology to create products tailored for various industries, including health supplements, pharmaceuticals, baking, cleaning solutions and other specialised products. Enabling rapid dissolution and enhancing effectiveness of these products, this innovative technology efficiently serves a wide gamut of consumer demands and industry requirements.

We harness our strategic partnerships and cutting-edge technologies to deliver superior-quality, innovative solutions, best-suited for dynamic consumer and industrial landscapes. Thereby, positioning us as a leader in specialised manufacturing and fostering sustainable growth in the enzyme industry.

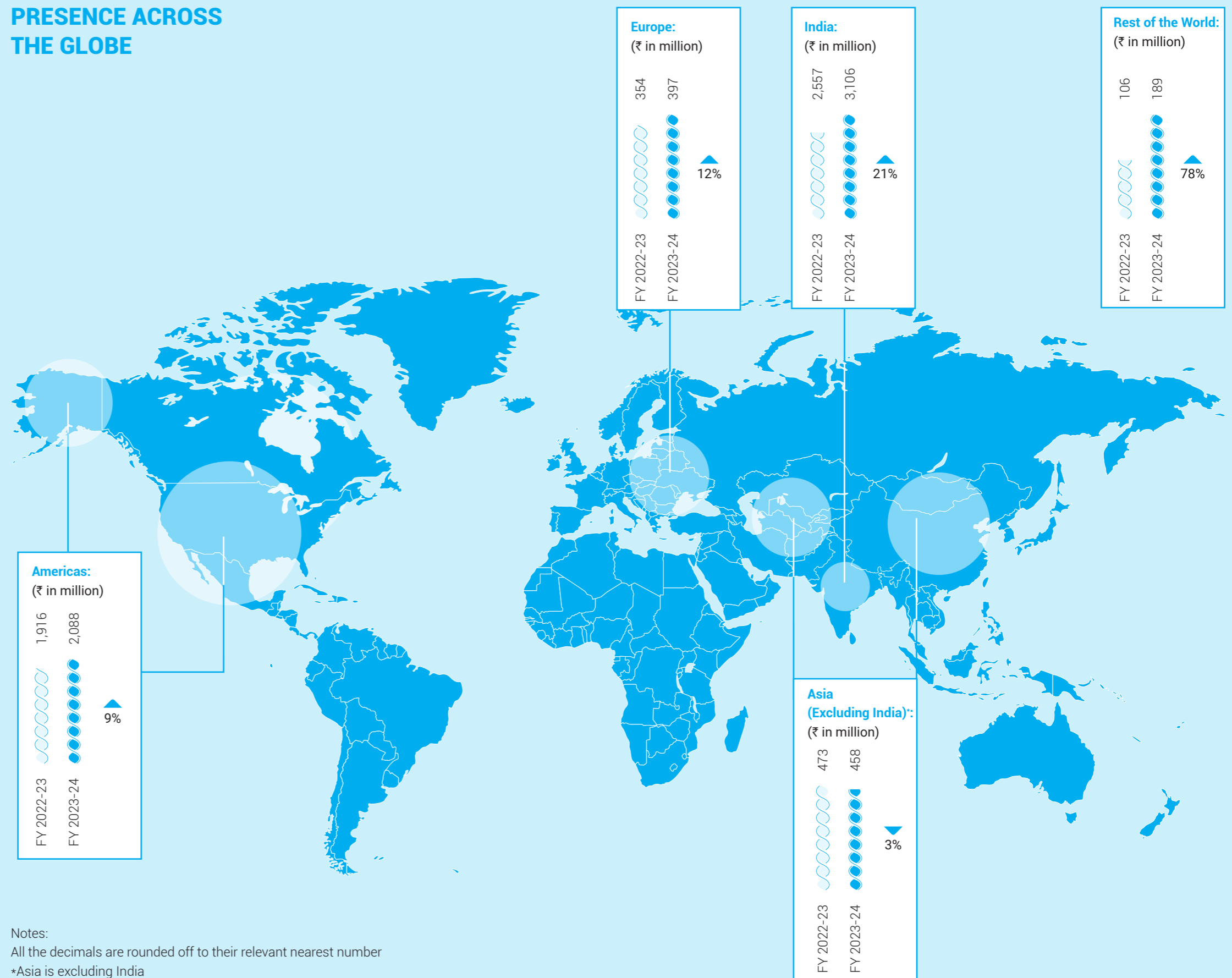
CUSTOMER-CENTRIC APPROACH

We place a strong emphasis on understanding the specific needs of our customers and providing them with tailored products, ensuring highest level of satisfaction. By maintaining close relationships with our clients and proactively gathering feedback, we refine our products and services to provide optimal solutions. This customer-centric approach guarantees exceptional satisfaction and fosters long-term partnerships.

GLOBAL EXPANSION AND MARKET PENETRATION

We are actively pursuing expansion into new markets and increasing our penetration in existing ones with the purpose of strengthening our global presence. Additionally, we are exploring strategic acquisitions, joint ventures and partnerships to enhance our market reach and capabilities. This global expansion strategy is aimed at capturing new growth opportunities and solidifying AETL's position as a leading player in the enzyme industry.

PRESENCE ACROSS THE GLOBE



Notes:
 All the decimals are rounded off to their relevant nearest number
 *Asia is excluding India



INTELLECTUAL CAPITAL

Empowering Growth with Intellectual Prowess

We, at Advanced Enzymes, excel in harnessing our intellectual capital, encompassing proprietary enzyme formulations, new-age research and development capabilities, a robust portfolio of patents and deep industry insights, garnered from years of experience. Our rich legacy in fermented enzyme manufacturing provides a solid foundation, empowering us to pioneer new applications, expand market reach and drive sustainable growth in the enzyme industry.

OUR R&D PROCESS

Enzymes & Probiotics Development

- Strengthens the enzyme engineering part of R&D
- Facilitates the precise design of enzyme sets, tailored to specific target applications

Proteomics & Applied Microbiology

- Specialises in the purification and characterisation of enzymes and probiotics
- Generates crucial data for regulatory dossier filings
- Focusses on enhancing the efficiency of downstream processes

Product Development & Customization

- Undertakes upscaling of fermentation
- Enhances efficiency of downstream processes
- Aims to improve recovery and purification yields

Application Development

- Innovates in developing cutting-edge enzyme and probiotics solutions for various food and non-food processing industries
- Offers assistance in valuable lab trials to test and optimise enzyme and probiotics applications

R&D Locations in India & Germany

7

Patents Granted

13*

Food Enzyme Dossiers Filed

14#

GRAS Dossiers Evaluated by the US FDA

8**

Novel Food Dossier Filed with EFSA is under evaluation

1

Scientists, Microbiologists, Engineers, Food Technologists, Biotechnologists

100+

*Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 5 are under evaluation

**No question letter received for 7 Dossier & another 1 Dossier is self-affirmed

TECHNOLOGICAL ADVANCEMENTS

We acknowledge the fact that to devise and execute innovative solutions, there needs to be a constant deployment of latest technologies. This approach of your Company streamlines problem-solving processes and ensures that we retain our competitive edge through research. In addition, technological advancement facilitates the identification of untapped opportunities and market gaps, which can be addressed through cutting-edge innovations and technologies. Recognising the critical importance of adapting to technological enhancements, your Company invested in high-end equipment and implemented cutting-edge technologies, including the regulatory element screening kit. Other initiatives include the development of industrial processes for API intermediates at customers' sites and continuous efforts to resolve ETP issues through the EnvisoSEB series.

TECH FOSTERING GROWTH

We are continuously focussed on enhancing our R&D capabilities, as evidenced by our sustained investments in this sphere. Our R&D investments amounted to ₹ 274 million on a standalone basis during FY 2023-24, reflecting our commitment to driving innovation and technological advancement.





KNOWLEDGE MANAGEMENT

We stay committed to advancing knowledge management to empower our team with the essential resources and techniques required to efficiently gather, analyse and comprehend information. This approach facilitates a comprehensive understanding of complex topics, enabling informed decision-making. With our persistent dedication, we strive to ensure that the employees are kept abreast of the latest breakthroughs and are provided with ample opportunities for professional growth. This commitment of your Company results in increased efficiency, fosters innovation and enhances overall processes.

PATENTS, TRADEMARKS AND INTELLECTUAL PROPERTY RIGHTS

We attach critical importance to patents and trademarks, essential for safeguarding proprietary innovations and fostering brand recognition within the industry. Your Company is committed to developing novel and sophisticated products that can be protected through patents to propel growth. Furthermore, the risk and complications related to litigation can be mitigated by adhering to intellectual property laws that provide a robust framework for addressing legal disputes. Additionally, we take it in our stride to continuously expand our intellectual property portfolio, reaffirming our leadership in innovation and technological advancement.

COLLABORATIVE INNOVATION

We believe in the transformative power of collaborative innovation. By forging strategic partnerships with leading academic institutions, coveted research organisations and industry leaders, your Company taps into a vast pool of expertise and resources to spearhead technological advancements. These synergistic collaborations foster a thriving ecosystem for free exchange of ideas, accelerating the development of groundbreaking solutions that set new industry standards.

ADVANCED DATA ANALYTICS

We seamlessly integrate advanced data analytics into our processes, allowing us to gather deeper insights into market trends, customer preferences and operational efficiencies. Harnessing big data and machine learning algorithms empower us to make more informed decisions, optimise product development and elevate customer satisfaction.

SUSTAINABLE TECHNOLOGY INTEGRATION

We persist in embedding sustainable technologies at every level of our operations. Our comprehensive approach encompasses a multitude of interventions, including the integration of renewable energy sources, deployment of waste reduction techniques and usage of eco-friendly materials in our manufacturing processes. By adopting sustainable practices, we deliver on our commitment to reduce our environmental footprint and align with the growing consumer demand for green products.





NATURAL CAPITAL

Embedding Sustainability in Every Action

We, at Advanced Enzymes, shape our holistic approach to growth through our belief in driving sustainability to unlock better opportunities. Our dedication to fostering sustainable living is reflected through our strategic business activities, which consistently prioritise environmental stewardship. We persistently implement initiatives such as solar installations, Zero Liquid Discharge (ZLD) facilities and responsible waste management practices. For us, minimising our environmental footprint is not just a credo, it is an enabler embedded in our ethos and integrated in our operations.



We prioritise the integration of renewable energy solutions into our operations to fulfil our firm resolve to pursue sustainable business practices. Through the implementation of a 160 KW solar plant installation, we aim to significantly reduce our carbon footprint and reliance on fossil fuels. Moreover, we are ramping up our solar capacity with a 350 KW system currently under construction, further accelerating our shift towards sustainable energy sources.

Energy Consumption from Renewable Sources

445 GJ

ENERGY EFFICIENCY MEASURES

We strive to optimise energy efficiency across all aspects of our operations in our effort to reduce our environmental footprint and operational costs. Your Company effectively deploys a host of measures in this direction. These include the following:

- Implementation of a Steam Condensate Recovery System, supplying hot water to boilers, significantly enhancing energy utilisation
- Installation of energy-efficient air conditioning systems with CFC-free refrigerant gases, ensuring efficient cooling and environmental safety
- Equipping fermenter agitation motors with VFD-grade, energy-efficient motors to further boost efficiency
- Conducting regular PM and dynamic balance checks on blowers to optimise performance and maximise energy efficiency

Reduction in Steam Requirement for Chilled Water Generation

25 Kg/hr

Reduction in Power Consumption from Blowers

8-16 Amp/hr

Generator kWh to Fuel Ratio Achieved

4%



WASTE MANAGEMENT PRACTICES

We maintain a set of comprehensive protocols for treating diverse waste types, demonstrating our commitment towards responsible waste management. From plastics to hazardous materials, we adopt an all-encompassing approach for safe disposal, highlighting our dedication to environmental stewardship and sustainability. Some of our key initiatives, undertaken to facilitate responsible waste management include:

- Ensuring responsible waste disposal through authorised dealers registered with State Pollution Control Board
- Adhering strictly to all relevant environmental regulations to ensure responsible operations.
- Undertaking in-house processing and utilisation of the waste generated
- Deploying resource optimisation measures across all plants and laboratories to minimise waste and maximise efficiency

Treated Water Discharge

6,700 KL

Waste Safely Disposed

388 MT

Waste Reused

327 MT

We employ a Zero Liquid Discharge (ZLD) mechanism at our plants, harnessing a three-stage forced feed evaporation system. Our facility comprises an Effluent Treatment Plant (ETP), a Mechanical Vapor Recompression Evaporator (MVR) and a dryer. The steam generated from heating the wastewater is cooled down and repurposed for use in boilers, water-cooled compressors and cooling towers. The resulting slurry is dried and used as a raw material for non-pharmaceutical application products, ensuring minimal waste generation and complying with our sustainability goal.

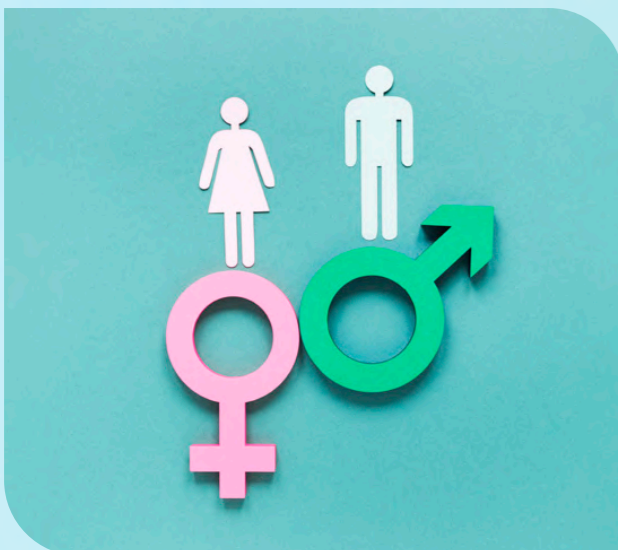
Note: All the data mentioned w.r.t. Natural capital is on standalone basis



HUMAN CAPITAL

Cultivating Talent with Holistic Endeavours

We, at Advanced Enzymes consider our employees to be one of our most critical stakeholders, instrumental in shaping AETL's achievements over the years. We acknowledge the importance of keeping our workforce abreast with the latest business landscape and its requirements. Therefore, we consistently invest in advanced training programmes, while fostering a fair, inclusive and diverse work environment. We prioritise recognition and appreciation to inspire our employees, empowering them to spearhead innovation and contribute to your Company's success. Furthermore, our commitment to fair and equal HR practices is reinforced by a stringent zero-tolerance policy against discrimination.



Number of Employees

350+

Number of Female Employees

80+

KEY HR FOCUS AREAS



Recruitment and Talent Nurturing

Your Company hires fresh graduates and postgraduates, offering them extensive training programmes, aimed at fostering the essential skill sets necessary for professional development.



Leaders in Making

Your Company builds a pipeline of future leaders by nurturing and developing leadership skills across various organisational levels.



Growth and Learning

Your Company designs customised on-the-job training modules and internal programmes to address specific development needs. In addition, external training opportunities are provided to further augment skill enhancement.

DIVERSITY, EQUITY AND INCLUSION

We are progressively working towards creating an empowering environment that champions diversity and inclusion through the implementation of our Equal Opportunity Policy. Furthermore, we ensure fair, respectful treatment for all, regardless of gender, age, abilities, beliefs, religion, sexual orientation, ethnicity, caste, or any other factor.

In our endeavour to create a welcoming environment for individuals with disabilities, depending on the accessibility requirement of an employee under different departments of our premises/offices, the arrangements are done accordingly.

We hold in high regard the varied perspectives and contributions of our workforce, recognising that this diversity is the catalyst for excellence and optimal performance. Your Company persists in fostering an environment of mutual trust and collaboration, supporting talent development and growth within your organisation.

ENVIRONMENT, HEALTH AND SAFETY

We proactively prioritise the well-being of all employees, prompting us to implement a robust Occupational Health and Safety (OHS) management system for all units. Certified under ISO 45001, this initiative exemplifies our dedication to fostering a safe and supportive work environment for all.

At the plant level, an Environment, Health and Safety (EHS) Committee, comprising management and worker representatives, convenes regularly. This committee addresses various aspects of EHS management, encompassing the identification of training needs, review of risk assessment processes, formulation of enhancement proposals and deliberation on relevant topics. Through their collaborative efforts, necessary corrective and preventive measures are implemented to ensure a secure and healthy work environment for all.

Moreover, your Company places significant emphasis on comprehensive fire safety arrangements. We implement stringent measures to mitigate risks and respond effectively to emergencies. As part of our focussed approach to uphold safety, regular inspections, drills and training sessions are conducted to enhance preparedness. This ensures a safe and healthy workplace, reflecting our commitment to achieve the highest security and well-being standards for our employees.

Trainings and Awareness Programmes Conducted

40+





DEVELOPING THE WORKFORCE

We believe that an organisation's growth is directly proportional to the growth and development of its workforce. We, at AETL, focus on strengthening workforce capabilities through a host of development programmes. Your Company is committed to fostering leadership and personal growth for every employee. From recruitment to career-progression, we offer extensive on-the-job and internal training to empower our employees. Moreover, to safeguard their well-being, we conduct training on lab best practices, fire safety drills and mock emergency exercises.

ENSURING WELL-BEING

We prioritise nurturing a work environment characterised by mutual trust and respect. We leverage a well-defined, structured and hierarchical procedure to tackle the probable instances of grievances, that may arise concerning supervisors, colleagues, or working conditions.

Additionally, our customised training modules and in-house programmes are designed to address specific development areas. Moreover, we extend a multitude of facilities, including annual health check-ups, doctor consultations, remote work options and other initiatives to promote employee health, engagement and productivity.

Employees Covered under Accidental Insurance

100%

POLICIES TO PROMOTE SAFE WORK CULTURE

Code of Conduct

Whistle Blower Policy

Harassment-free Workplace

Safe and Healthy Workplace

Policy on Human Rights and Employee Well-Being

TOP PRIORITIES

Designing and implementing reward and recognition programmes

Promoting employee retention and skill development programmes

Enhancing the scope of tailored internal training sessions

FOCUS AREAS

Skill-Based Hiring

Employee Well-Being

Higher Engagement Programmes

Leadership across All Levels in the Organisation

Employees Trained on Health and Safety

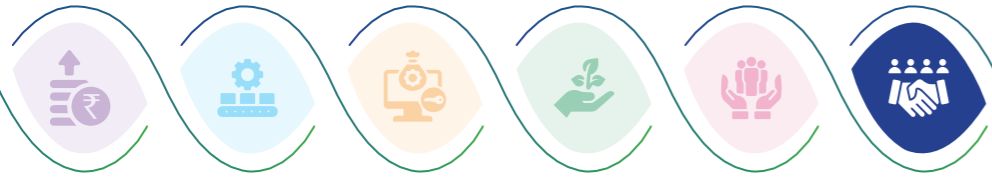
70% +

Lost Time Injury Frequency Rate

NIL

Note: All the data mentioned w.r.t. Human capital is on standalone basis







SOCIAL AND RELATIONSHIP CAPITAL

Sustaining Success with Inclusive Momentum

We, at Advanced Enzymes, stay committed to holistic growth and foster robust stakeholder engagement. As a responsible corporate entity and a global citizen, we embrace the duty of sharing the benefits of economic growth with those who form the backbone of our society. The mandate for inclusive progress is ingrained in our business ethos, underlining our conviction that uplifting the community is not just essential for our development, but also paramount for the overall well-being of society.

We are committed to transforming the lives of local communities through meaningful initiatives, particularly emphasising the upliftment of disadvantaged and marginalised sections of society. Through our comprehensive Corporate Social Responsibility (CSR) policy, we focus on a diverse range of initiatives, with the vision of promoting sustainable livelihoods and fostering human development.

Acknowledging the significance of addressing unique challenges encountered by various communities, your Company continues to focus on key areas to uplift the overall quality of life and create a more equitable society. To effectively realise our objectives, we enter into collaboration with reputable and reliable trusts and non-governmental organisations (NGOs) to finance and execute CSR initiatives. Facilitating a wide array of projects, including vocational training programmes for individuals with disabilities, initiatives to combat malnutrition and elevate educational standards among tribal children, provision of life-saving treatment for thalassemia patients and assistance for educational pursuits, we thrive in compassion and shared development.

-  Healthcare
-  Education

Total CSR Spend

~₹ 16 million

INITIATIVES TO BUILD A BETTER SOCIETY

Restoring Hope through Thalassemia Management

We have been supporting Arpan Thalassemia Society, Nashik for health care for those affected by the genetic blood disorder. Our efforts includes providing necessary medical resources for Thalassemia management. The project has brought hope and improved health outcomes to numerous patients and their families, ensuring they have the support needed to manage their condition more effectively.



Bridging the Health Gap

Understanding the critical need for accessible health care, we funded various health care initiatives with an allocation of ₹ 4,15,000. These initiatives were primarily designed for medical treatment of needy individuals. The project has significantly enhanced health care accessibility and support for various individuals, affirming our commitment to making a tangible difference in the lives of those most in need.

In collaboration with the Spread a Smile Foundation, we launched an initiative to offer free medical checkups and aids to unprivileged members of society in Mumbai. This project aims to run a health care centre that continuously provides necessary medical services to the needy. By ensuring that health care is accessible to all, this ongoing project strives to improve the overall health and well-being of the community, one patient at a time.

Transformative Infrastructure Development

With a vision to empower through education and skill development, we have been supporting the Shri Laxminarayan Rathi Bahuuddeshiya Seva Sanstha (SLRBSS) in Nashik by spending on the development of infrastructure. This project involves extensive interior work at a premises in Yeola Taluka, transforming it into a hub for education, skill development and vocational training activities. By creating a conducive environment for learning and skill acquisition, we are paving the way for individuals to gain meaningful employment and improve their socio-economic status, thereby fostering long-term community development.



Note: All the data mentioned w.r.t. Social & Relationship capital is on standalone basis.



Building Resilience with Strategic Imperatives

We, at Advanced Enzymes, employ a resilient risk management framework to navigate uncertainties adeptly and protect our interests. Through the establishment of precise risk management policies and procedures, delineation of risk appetite and tolerance levels and allocation of resources for risk mitigation efforts, we accelerate our growth and create greater value for our stakeholders. Our comprehensive Risk Assessment and Management policy is designed to facilitate decision-making processes and empower us to tackle uncertainties more effectively. Additionally, it fortifies our ability to embrace new opportunities with confidence and vigour.



Your Company's Risk Management Process encompasses the identification and analysis of potential risks related to business objectives, the evaluation of existing controls and the assessment of risk levels. As part of this ongoing process, we evaluate risks and rank them using established criteria and a Risk Map, assigning their priorities on the basis of current control activities. Subsequently, risk registers are compiled and specific risk management plans are formulated.

The proactive involvement of the Chief Risk Officer (CRO) and management ensures thorough planning and monitoring of risks. The senior management is responsible for devising and implementing risk mitigation plans and strategies. Additionally, an Independent Director serving as Chairperson, leads the oversight and governance of the Risk Management Committee, ensuring effective supervision.

Building Trust through Ethical Stewardship

We, at Advanced Enzymes, attach immense importance to robust corporate governance as an essential building block for promoting trust and confidence among stakeholders. Additionally, it upholds transparency, accountability and ethical behaviour, ultimately driving sustainable business growth. Since our modest inception days, a dedication to business integrity and responsibility remains deeply embedded at the core of our organisational ethos, guiding us all through our journey. Therefore, we prioritise setting exemplary standards in corporate governance and integrating ESG principles into our operations.

Your Company has established a comprehensive governance framework to improve transparency throughout our operations, reinforced by a clearly outlined code of conduct and ethics designed to serve the interests of every employee. The Board diligently oversees and sanctions all pivotal policies in accordance with relevant regulations. Moreover, we actively involve employees through consistent activities and initiatives, nurturing collaboration and cultivating a vibrant workplace culture.

CODE OF CONDUCT AND ETHICS

AETL is committed to maintaining the highest standards of ethical behaviour and integrity in every business dealing. Furthermore, we deploy an extensive compliance programme, comprising policies and frameworks, aiming to promote ethical behaviour and deter breaches of laws, regulations, and Company policies. Additionally, regular assessments ensure that this initiative remains adaptable to the dynamic business environment, with necessary adjustments made accordingly to guide us in our operations.

Moreover, we implement an anti-corruption and anti-bribery policy which strongly emphasises our unshakable opposition to corrupt practices and bribery. In addition, robust internal controls are in place to deter any unethical conduct by your Company and employees. The policy serves as a crucial resource, offering guidance on identifying and resolving instances of bribery and corruption. Furthermore, as part of our Code of Conduct initiative, we actively promote awareness among employees regarding anti-corruption and anti-bribery issues.

BOARD COMMITTEES

The Board has incorporated five key committees, each playing a crucial role in steering corporate governance and strategic decision-making at your Company. Comprising experienced professionals and experts, these committees oversee critical aspects such as audit, risk management and corporate social responsibility. Their efforts ensure adherence to regulatory requirements and industry best practices, fostering transparency and accountability. Through rigorous deliberations and thorough assessments, these committees significantly bolster your Company's resilience and drive its sustainable growth trajectory.

- Audit Committee
- Nomination and Remuneration Committee
- CSR Committee
- Stakeholders Relationship Committee
- Risk Management Committee

SUPPORTING POLICIES ADOPTED BY YOUR COMPANY

- Corporate Social Responsibility Policy
- Code of Conduct and Ethics
- Prohibition of Insider Trading Code
- Whistle Blower Policy
- Code for Fair Disclosure
- Policy on Material Subsidiaries
- Policy on Related Party Transactions
- Policy on Human Rights and Employee Well-Being
- Prevention of Sexual Harassment Policy
- Policy on Board Diversity
- Dividend Distribution Policy
- Nomination and Remuneration Policy

Board of Directors



Mr. Vasant Rathi Chairman & Non-Executive Director

Mr. Vasant Rathi is the Promoter Chairman and a Non-Executive Director of your Company, with over 44 years of experience in the enzyme industry. He holds a bachelor's degree in Pharmacy from Nagpur University and a Master's degree in Science from the University of Hawaii. He was one of the co-founders of Rathii Papains Private Limited, incorporated in 1978, which was engaged in the business of manufacturing enzymes from papain. Thereafter, he promoted and incorporated Cal-India in 1985 and has been associated with your Company/Group since 1985. Mr. Vasant Laxminarayan Rathi heads AETL's international subsidiaries based in the US.

Mr. Mukund Kabra Whole-time Director

Mr. Mukund Kabra is a Whole-time Director of AETL, bringing over 29 years of experience in the enzyme industry. He holds a bachelor's degree in Chemical Engineering from Sambalpur University and joined your Company in 1995. He oversees the manufacturing operations at our Sinnar and Indore plants. Additionally, he is responsible for optimising the fermentation of existing products, improving strains and spearheading downstream and analytical research.

Note: Appointed as the Chairperson of the CSR Committee w.e.f May 11, 2024

Mr. Kedar Desai Independent Director

Mr. Kedar Desai holds a bachelor's degree in Commerce and Law from the University of Mumbai. He is also a qualified solicitor from the Bombay Incorporated Law Society, having over 26 years of experience in the field of law. Mr. Desai's career includes a significant tenure at Messrs Kanga & Co., where he served from 1997 to 2007, becoming a partner in 2004. Since then, he has been a partner of Messrs Desai Desai Carrimjee & Mulla, Advocates and Solicitors.

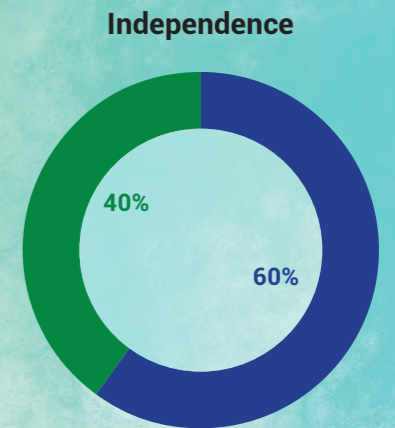
Note: Ceased to be the Director & the Member of the Committee w.e.f March 31, 2024

Mr. Pramod Kasat Independent Director

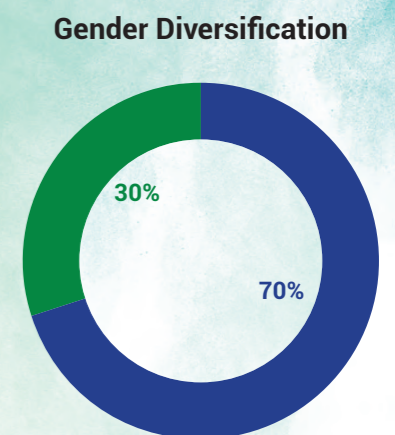
Mr. Pramod Kasat holds an engineering degree from BITS, Pilani and a master's degree in Finance from Sydenham Institute of Management Studies, Mumbai University. He is currently the Managing Director of Intellectap Advisory Services. Mr. Kasat holds a varied experience in leadership roles across various reputed organisations such as IndusInd Bank, Pioneer Investcorp, Credit Suisse, Deutsche Bank, Citibank NA and IL&FS Group. He serves as an Independent Director on the Board of Natural Capsules Limited, Sai Silks Kalamandir Limited and Fermenta Biotech Limited.

Ms. Rasika Rathi Non-Executive Director

Ms. Rasika Rathi is a Promoter Group Member and Non-Executive Director on the Board of AETL. She is a Juris Doctorate in Law from the University of Michigan Law School & B.A. Economics from the University of California. With over 19 years of rich experience, Ms. Rathi has served as Vice President, General Counsel & Secretary at Specialty Enzymes & Probiotics, Chino; California (SEB), since August 2013. Prior to this role, she worked at Allen & Overy LLP as an Associate, specialising in Tax and Litigation in New York, the US. She has also founded a Non-profit National Information Centre in California USA, named Pulmonary Fibrosis NOW to disseminate information about pulmonary fibrosis, conduct research and seek alternative therapies.



- Independent Directors
- Non-Independent Directors



- Directors
- Women Directors

- C** Chairperson of the Committee
- M** Member of the Committee
- A** Audit Committee
- N** Nomination and Remuneration Committee
- S** Stakeholders' Relationship Committee
- CSR** CSR Committee
- R** Risk Management Committee



Mr. Vinodkumar Jajoo
Independent Director

Mr. Vinodkumar Jajoo is a Chartered Accountant by profession. He holds a master's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has over 35 years of experience in the field of direct and indirect taxation, with sound expertise in the field of audit work.

Note: Appointed as the Chairperson of the Audit Committee w.e.f. May 11, 2024
Appointed as the Chairperson of the Stakeholder Relationship Committee w.e.f. April 01, 2024



Dr. Sunny Sharma
Non-Executive Director

Dr. Sunny Sharma holds an MBA from the Indian Institute of Management, Bangalore and a medical degree (M.B.B.S.) from the Christian Medical College, Ludhiana. Currently serving as a Senior Managing Director at Orbimed Asia, Dr. Sharma brings a wealth of experience to the table. Prior to joining Orbimed, he held key positions at Investor Growth Capital (IGC), the investment arm of Investor AB in North America and at Easton Capital in New York. Earlier in his career, Dr. Sharma worked in the healthcare investment banking group of Lehman Brothers in London, following his practice of medicine in Northern India.



Ms. Rajshree Patel
Independent Director

Ms. Rajshree Patel is a B.S (Bachelor of Science) from Stonybrook University, New York and a Juris Doctor from St. John's University, New York. As a lawyer, she was a prosecutor for the United States Attorney's Office and the Los Angeles District Attorney's Office before becoming a high-profile Leadership Consultant. With three decades of experience, she has facilitated over 6,500 workshops globally. Ms. Patel has served as the lead project manager for major global initiatives and raised millions of dollars for social service projects across the world.



Mr. Nitin Deshmukh
Independent Director

Mr. Nitin Deshmukh currently serves as an Advisor at Kotak Investment Advisors Limited and holds several Board and Advisory Board positions. With a rich background in investments and operations, Mr. Deshmukh has previously held significant roles at Kotak Investment Advisors Limited, ICICI Venture Funds Management Company Limited, Dresdner Kleinwort Benson Advisory Services (India) Private Limited and on the operations side at Cipla Limited. He holds a postgraduate degree in Pharmacy from the University of Mumbai and a postgraduate degree in Management from the University of Mumbai. He also completed a postgraduate programme in Pharmaceutical Technology from the University of Ghent, Belgium. He is a Distinguished Alumnus of the Institute of Chemical Technology, earlier known as UDCT.

Note: Appointed as the Chairperson of the Stakeholder Relationship Committee w.e.f. April 01, 2024



Mrs. Vandana Tilak
Independent Director

Mrs. Vandana R. Tilak, a social entrepreneur and visionary, possesses outstanding skills in sales, fundraising and marketing. She has successfully launched companies in filmmaking, Ayurveda and real estate, in addition to Almex USA Inc., a niche firm specialising in cast house technology for aerospace grade aluminium alloys. Currently, she serves as the Director and CEO of the Akshaya Patra Foundation USA.

- Chairperson of the Committee
- Member of the Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- CSR Committee
- Risk Management Committee



Management Team



Mr. Beni Prasad Rauka

Group CFO and Director - Advanced Bio-Agro Tech Limited, Advanced Enzytech Solutions Limited, JC Biotech Private Limited, SciTech Specialities Private Limited and Saiganesh Enzytech Solutions Private Limited

Mr. Dipak Roda

Sr. Vice President - Marketing & Business Development, Director - Advanced Enzytech Solutions Limited, India

Mr. Sanjay Basantani

Company Secretary & Head Legal



Mr. Harshad Doshi

Chief Financial Officer & Chief Operating Officer of the US subsidiaries

Ms. Martina Doering

Managing Director/Head of Business Development - evovx technologies GmbH, Germany

Dr. Michael Puls

Managing Director/Head of Business Development - evovx technologies GmbH, Germany



Member of the Committee



Risk Management Committee

Management Discussion & Analysis



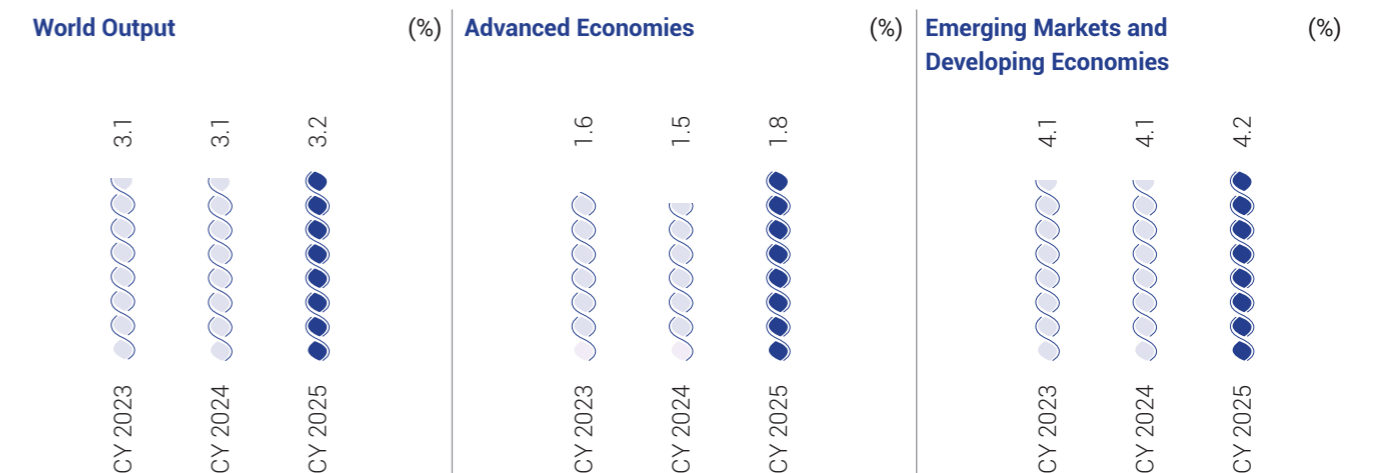
GLOBAL ECONOMY

A Year of Moderate Growth with Persistent Challenges

In CY 2023, the global economy underwent a modest recovery, growing at an estimated 3.1%. The resurgence in economic activity was an outcome of a strong increase in consumer demand. This surge was fuelled by the accumulation of savings due to pandemic restrictions and supported by labour markets marked by abundant job opportunities. However, geopolitical tensions, ongoing supply chain disruptions and the increase of interest rates by central banks to combat inflation posed challenges to the upswing in economic activity.

Advanced economies like the United States experienced a more modest growth of 2.5% due to robust consumer spending and a strong job market. However, the Eurozone

faced a challenging climb at 0.5% due to high energy prices and a less confident consumer base. In contrast, emerging and developing economies fared better, collectively experiencing a more rapid expansion at 4.1%. This can be attributed to China's reopening and India's strong domestic demand. Despite the overall growth, inflation remained a major global concern. While headline figures started to cool down towards the end of the year, they were still above central bank targets in most countries. This prompted major central banks like the Federal Reserve and the European Central Bank to maintain a hawkish stance, raising interest rates repeatedly and tightening financial conditions.



Source: WEO
CY: Calendar Year



OUTLOOK

In FY 2024-25, the global economy has a more precarious path to cover. Despite headwinds from tighter monetary policies, reduced government stimulus and sluggish productivity, growth is projected to reach a modest 3.1% and 3.2% in CY 2024 and CY 2025 respectively. Inflation is expected to cool off at 5.8% in CY 2024 and 4.4% in CY 2025, which calls for policymakers to exercise caution in managing its descent to prevent impeding growth. Faster disinflation and China's recovery presents an optimistic outlook, while geopolitical tensions and persistent inflation pose downside risks. Long-term growth, especially in emerging markets, hinges on structural reforms aimed at boosting productivity and ensuring debt sustainability.

Source: WEO



INDIAN ECONOMY

Robust Growth Trajectory

India has been experiencing robust economic growth due to resilient domestic demand and proactive policy measures by the Government. One such instance was the country's GDP growing by an impressive 8.4% in the October-December quarter of 2023, surpassing analysts' expectations. The strong performance delivered by India can be attributed to the Government's capital spending push and vigorous manufacturing activity. High-frequency indicators suggest that the economy's strong momentum from the September and December quarters of 2023 carried into the March quarter of 2024. Robust goods and services tax collections, rising auto sales, consumer optimism and double-digit credit growth indicate resilient urban consumption demand.

Bright Prospects and Policy Continuity

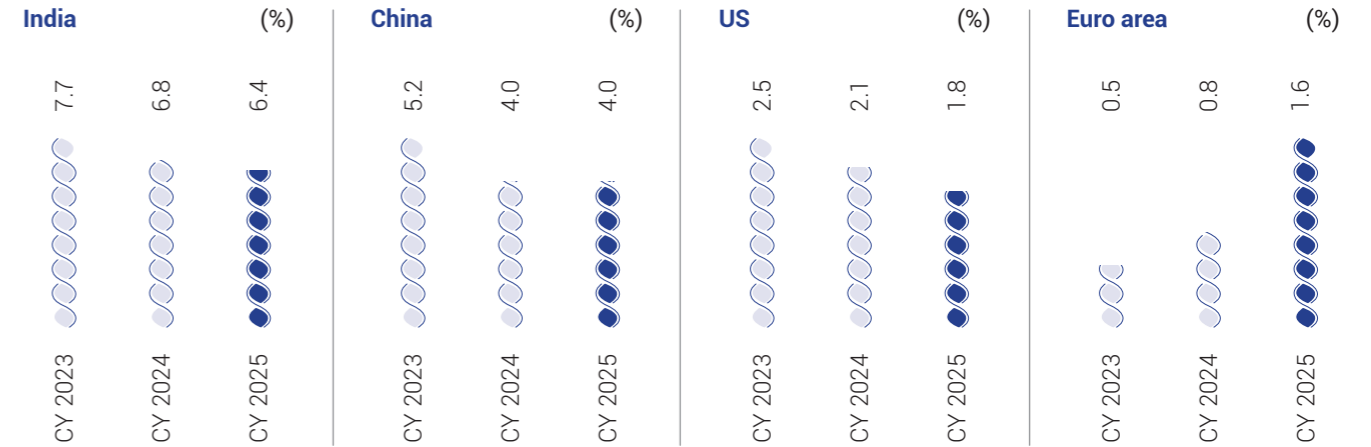
According to global rating agency Moody's, India's GDP is projected to grow at 6.8% in CY 2024, higher than the previous estimate of 6.1%. This upward revision reflects India's robust economic performance in CY 2023 and the diminishing impact of global economic challenges. Moody's expects the Indian economy to remain the fastest-growing among G-20 economies, anticipating policy continuity after the general election, with a sustained focus on infrastructure development. The interim budget has targeted a capital expenditure allocation of ₹ 11.1 lakh crore, or 3.4% of GDP, in FY 2024-25, an increase of 16.9% over the previous year's estimates, further bolstering economic growth prospects.

Addressing Growth Hurdles

While private industrial capital spending has been picking up slowly, it is expected to gain momentum, aided by the ongoing supply chain diversification benefits and the Government's Production Linked Incentive (PLI) scheme, which aims to boost key targeted manufacturing industries. However, the Indian economy faces certain challenges. Private consumption growth remained subdued at 3.5% in the third quarter of FY 2023-24. To address this, the Government has undertaken several measures, including targeted fiscal stimulus packages aimed at boosting consumer spending and confidence.

Moreover, growth has been uneven across sectors, as suggested by the moderation in core GDP growth and Gross Value Added (GVA) growth. Recognising the importance of balanced sectoral growth, the Government has closely monitored this moderation and has made strategic investments in key sectors, while continuing to support Micro, Small and Medium Enterprises (MSMEs) to sustain overall economic momentum.

Additionally, the escalation of global geopolitical tensions and slowing external demand pose potential downside risks for the external sector. To mitigate these risks, the Government is actively engaging in diplomatic efforts and implementing measures to bolster the resilience of the external sector.



Source: Economic Times

OUTLOOK

Despite all the challenges, India's economic outlook remains positive, supported by robust domestic demand, government initiatives and a focus on infrastructure development. The country's growth prospects are further bolstered by the implementation of game-changing policies, such as the PM GatiShakti, the National Logistics Policy and the PLI scheme, aimed at boosting manufacturing output and enhancing logistics efficiency.

INDUSTRY OVERVIEW

Global Industrial Enzymes Market

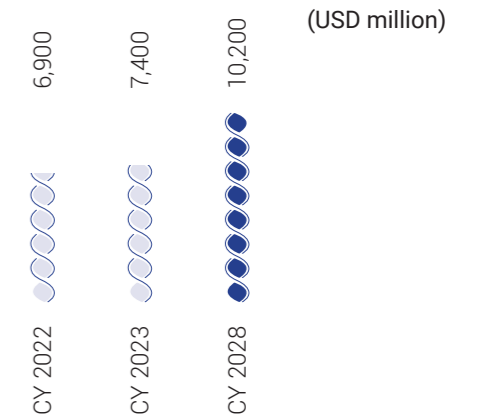
The global industrial enzymes market was valued at USD 7,400 million in CY 2023. It is expected to register a robust CAGR of 6.6% during the forecast period of CY 2023 to CY 2030, reaching a substantial USD 10,200 million by CY 2028. This growth is fuelled by the diverse capabilities of this market and the surging demand from various end-use industries. Some of these include biofuel, domestic cleaning, animal feed and the ever-expanding food & beverage sector. The market is expected to grow further due to the growing demand for carbohydrases and proteases. This is more so in the rapidly expanding economies of China, India and Japan, where the food and beverage applications are witnessing a significant upswing.

Advancements in genetic and protein engineering have played a pivotal role in enhancing the stability, cost-effectiveness, specificity and overall application potential of industrial enzymes.

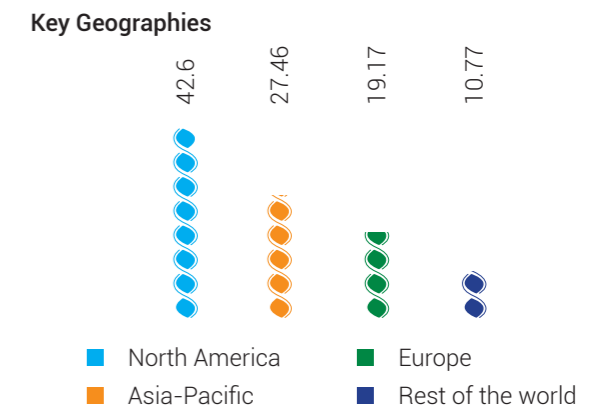
The increasing adoption of enzymes spans across a diverse range of applications, including food and beverages, pharmaceuticals, detergents, cosmetics and numerous other industries. This trend is expected to drive substantial market growth over the estimated period.

While North America currently dominates the market, the Asia-Pacific region is poised to register the highest CAGR through the forecast period. This is due to the region's burgeoning economic growth and increasing industrialisation.

Industrial Enzymes Market Global Forecast to CY 2028 (USD million)



Global Industrial Enzymes Market Share Analysis By Region (%)





The industrial enzymes market is further expected to benefit from the growing emphasis on sustainable and eco-friendly processes, as enzymes offer a greener alternative to traditional chemical catalysts. The trend towards clean-label and natural products is also expected to boost demand for industrial enzymes. This is because they are perceived as more natural and environment-friendly alternatives to synthetic additives.

Source: Global Industrial Enzymes Market Research Report - Forecast to CY 2030, MRFR Analysis

Human Healthcare Enzymes Market

Human nutrition focuses on providing the necessary nutrients from food to sustain life and promote wellness. Digestive enzymes play a vital role in this process by breaking down complex molecules into absorbable components for the body. Secreted by digestive organs, these enzymes are widely used in the pharmaceutical, biotechnology and diagnostics industries.

The digestive enzymes market is growing due to an increase in gastrointestinal disorders across all ages, a rapidly aging population, a growing middle class, rising disease rates, changing lifestyles and increased use of pharmaceutical

products after the COVID-19 pandemic.

Industrial sectors such as food and animal feed contribute to the highest demand for enzymes. However, they are also gaining popularity in personal care and cosmetic products like hair dyes and skin, oral and sun care products. Enzymes have proven useful for treating skin aging, acne, congestion and pigmentation issues, partially driven by a shift towards organic compounds over petrochemicals.

Pharmaceutical companies are increasingly using industrial enzymes as active ingredients in drugs and nutraceuticals to treat various diseases. In nutraceuticals, primarily in the US, these enzymes are used in dietary supplements and functional foods such as breakfast cereals and sports drinks.

Declining costs of DNA manipulation and sequencing are projected to drive the enzyme demand in research, biotechnology and pharmaceutical applications. An aging population in developed countries is also expected to boost the demand for healthcare specialty enzymes. Research and biotechnology applications of enzymes are estimated to increase rapidly due to advances in diagnostic tests and declining DNA sequencing costs. This is expected to lead to more testing for agricultural, food and medical applications.

Personal Care: Market Estimates and Forecast, By Region, 2019-2030

(USD million)

| Region | CY 2019 | CY 2020 | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 | CY 2030 | CAGR % (2022-2030) |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|
| North America | 141.45 | 145.76 | 151.71 | 158.15 | 164.87 | 172.07 | 179.85 | 228.07 | 4.68 |
| Europe | 63.57 | 66.20 | 69.63 | 73.33 | 77.30 | 81.57 | 86.19 | 115.39 | 5.83 |
| Asia-Pacific | 91.00 | 95.46 | 101.16 | 107.32 | 113.93 | 121.08 | 128.86 | 178.69 | 6.58 |
| Rest of the World | 34.43 | 36.10 | 38.22 | 40.45 | 42.97 | 45.68 | 48.61 | 66.98 | 6.51 |
| Total | 330.45 | 343.52 | 360.73 | 379.25 | 399.06 | 420.40 | 443.52 | 589.14 | 5.66 |

Source: Industry Experts, Secondary Research and MRFR Analysis

Feed Enzymes Market

The global feed enzymes market is expected to witness a substantial growth from USD 828.66 million in 2023 to USD 1,261.95 million by CY 2030, at a CAGR of 6.13% during the review period. This remarkable growth can be attributed to the increasing emphasis on cost-efficiency and the need to maintain optimal livestock performance and provide protein-rich meat diets to meet the growing global demand for animal-based products.

Feed enzymes have many benefits. They help in the digestive process of livestock animals, enhancing their immunity and improving the overall nutrient content of feed. These enzymes are extremely resilient and can sustain themselves under challenging conditions such as acidic pH levels and high temperatures during feed processing operations. By optimising nutrient utilisation

and enhancing animal gut health, feed enzymes contribute to reducing environmental pollution and minimising feed management costs, further amplifying their appeal in the market.

As consumer awareness and demand for naturally nutritious and healthy products continue to rise, the market for protein-based products, including dairy, eggs and meat, is expected to surge. This trend is poised to drive the demand for feed enzymes, enabling farmers and livestock owners to produce more meat per animal at a lower cost. It will also ensure the long-term health and well-being of their livestock, ultimately boosting profitability.

Animal Feed: Market Estimates & Forecast, By Region, 2019-2030

(USD million)

| Region | CY 2019 | CY 2020 | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 | CY 2030 | CAGR% (2022-2030) |
|-------------------|---------|---------|---------|---------|---------|---------|---------|----------|-------------------|
| North America | 291.05 | 301.93 | 316.38 | 331.93 | 348.47 | 366.25 | 385.48 | 505.80 | 5.41 |
| Europe | 127.80 | 133.50 | 140.86 | 148.79 | 157.33 | 166.56 | 176.57 | 240.24 | 6.17 |
| Asia-Pacific | 182.81 | 192.34 | 204.40 | 217.49 | 231.56 | 246.83 | 263.47 | 370.91 | 6.90 |
| Rest of the World | 72.42 | 76.11 | 80.80 | 85.72 | 91.30 | 97.30 | 103.81 | 145.00 | 6.79 |
| Total | 674.09 | 703.88 | 742.44 | 783.93 | 828.66 | 876.94 | 929.34 | 1,261.95 | 6.13 |

Source: Global Industrial Enzymes Market Research Report - Forecast to CY 2030, MRFR Analysis

Specialty Enzymes Market

Specialty enzymes are molecular compounds that regulate chemical reactions without altering the process itself. They are specifically employed in sustainable industrial processes across sectors like pharmaceuticals, chemical production, biofuels, food and beverage and consumer products. Recent advancements in bio-catalysis using isolated enzymes have proven more economical than utilising entire cells. This has contributed to the rapid growth of the industrial bio-catalysis market involving enzymes.

The ability of specialty enzymes to operate under mild conditions and exhibit exceptional properties during reactions has further augmented their demand. The growing pharmaceutical industry, driven by increased investments in drug production facilities to combat chronic diseases, is a significant contributor to the specialty enzymes market.

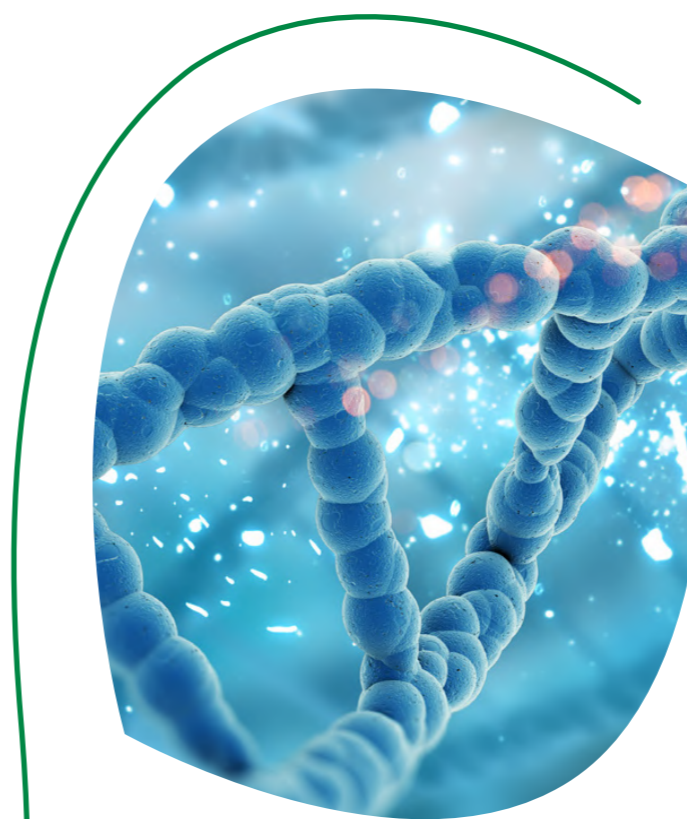
Market Drivers

- Shift toward specialty adhesives and sealants: The growing demand for specialty adhesives and sealants will drive market growth, enabling manufacturers to increase profits. The transition from traditional materials to plastics in industries like automotive and aircraft is driving the demand for specialty adhesives in product assembly.
- Growing demand for water-soluble polymers for water treatment: The demand for water-soluble polymers is increasing due to recent developments in the water and wastewater treatment industry. Water treatment plants are the largest consumers of water-soluble polymers. Developing nations like China and India are witnessing increased focus on wastewater treatment, driving the need for water-soluble polymers.
- Increasing demand from the agrochemical industry: The global population is increasing leading to a decrease in the arable land area per person. This has led to an increased focus on raising crop yields. Specialty chemical companies are developing various yield-enhancing agrochemicals to meet this requirement, driving market growth.

Source: Global Industrial Enzymes Market Research Report - Forecast to CY 2030, MRFR Analysis

Others

Enzymes also find applications in other sectors like the textile, leather processing and pulp and paper industries. They are gaining recognition for their non-toxic and environment-friendly properties in textile chemical processing worldwide. This is driven by growing demands for textile enterprises to reduce pollution from production. Enzymes help in reducing processing time, saving energy and water and improving product quality with potential for process integration. They are also seeing increased use in leather processing, which is one of the most polluting industrial activities. Their adoption helps mitigate the environmental impact of this polluting process.





Others: Market Estimates & Forecast, By Region, 2019-2030

(USD million)

| Region | CY 2019 | CY 2020 | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 | CY 2030 | CAGR % (2022-2030) |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|
| North America | 317.38 | 332.16 | 351.12 | 371.52 | 393.50 | 417.21 | 442.93 | 606.07 | 5.41% |
| Europe | 146.74 | 154.86 | 165.08 | 176.12 | 188.14 | 201.19 | 215.43 | 307.53 | 6.17% |
| Asia-Pacific | 188.92 | 200.61 | 215.17 | 231.04 | 248.24 | 267.01 | 287.58 | 423.11 | 6.90% |
| Rest of the World | 71.05 | 75.43 | 80.89 | 86.68 | 93.24 | 100.36 | 108.12 | 158.35 | 6.79% |
| Total | 724.09 | 763.07 | 812.26 | 865.37 | 923.13 | 985.77 | 1054.06 | 1495.07 | 7.07% |

Source: Industry Experts, Secondary Research, and MRFR Analysis

Global Probiotics Market

The global probiotics market is undergoing remarkable growth and holds immense potential. It is projected that this thriving market will continue its prosperous trajectory, attaining a substantial value of approximately USD 8,926.37 million by CY 2027.

The remarkable growth of this market can be attributed to several conducive factors. Notably, there has been an upsurge in new product launches catering to the evolving preferences and demands of discerning consumers. There is also a heightened awareness among consumers around the myriad health benefits of probiotic supplements. Some of these include improved digestive health and enhanced immune function. Apart from this, the burgeoning elderly population worldwide has contributed to the increased demand for health-promoting and preventive products such as probiotics.

Moreover, the expansion of retail channels, both traditional and online, has enhanced the accessibility and visibility of probiotic products, fostering greater consumer adoption. Companies investing heavily in research and development have created new formulas and delivery methods, improving the products available in the market. Lastly, an upswing in mergers and acquisitions activities has facilitated consolidation and synergies within the industry. This has further enabled companies to leverage complementary strengths and resources, thereby propelling the probiotics market to greater heights during the forecast period.

Source: Global Probiotic Supplements Market Research Report: Forecast (2022-2027F), MarkNtel Advisors

Global Pet Probiotics Market

The global pet probiotics market is expected to witness a remarkable growth from USD 3,645 million in CY 2024 to a projected USD 6,798 million by CY 2034, at a CAGR of 6.4% over the evaluation period. This can be attributed to the growing awareness among pet owners regarding the advantages of natural, safe and efficient solutions. Probiotics are valued for their ability to enhance the immune

system of pets by maintaining a healthy microbial flora in their digestive tracts.

Industry reports indicate that approximately 24% of pet owners have embraced probiotics to improve their pet's digestive health, immunity and overall wellness. Probiotics are available in both liquid and solid forms. They can thus be conveniently incorporated into animal feed, ensuring effective delivery of their health benefits. Moreover, probiotics used in animal nutrition have demonstrated notable impacts on how animals absorb nutrients from their feed, leading to weight gain. Their usage has also been linked to improved quality of milk, meat and eggs. Furthermore, administering probiotics in animal feed has proven effective in bolstering gut immunity, reducing bacterial shedding, aiding disease diagnosis and enhancing overall resilience and well-being.

Source: Animal Feed Probiotic Market Outlook from 2024 to 2034, Future Market Insights Inc.

Human Probiotics Market

The human probiotics market is growing. This growth is fuelled by increasing consumer awareness of the important role of gut health in improving overall well-being and enhancing digestive health and vitality. Probiotics are also gaining recognition for their potential to bolster immune function, aligning with the global emphasis on strengthening immunity in the wake of recent health challenges.

Furthermore, the application of probiotics has expanded into the realm of skincare. They have proven instrumental in nourishing beneficial bacteria that maintain skin pH balance, defend against free radical damage, enhance skin moisture barrier function, reduce oxidative stress and mitigate UV-induced skin damage. These multifaceted benefits are expected to fuel the growth of the global probiotics market.

Indian Enzymes Market

The Indian enzymes market is expected to grow from USD 440.5 million in CY 2023 to USD 669.76 million by CY 2030 at a CAGR of 7.69% during CY 2023- CY 2030. This can be attributed to the significant growth of the healthcare,

food and beverage and chemical sectors. Rapid population growth and rising consumer expenditure are also driving market growth across various industries. These include human healthcare and nutrition, animal nutrition, baking, fruit and vegetable processing, brewing and malting, grain processing, protein modification, dairy processing, specialty applications, textile, leather, biomass and paper and pulp processing, biofuels and biocatalysis. This and the rising awareness among people around the importance of digestive health is driving the demand for enzyme supplements. These supplements facilitate digestion and support gut health, which is becoming a crucial concern for many individuals.

Market Drivers

- Growing demand from food and beverage applications: Food processing industries like baking, brewing and fruit juice are the largest users of food enzymes. This is an outcome of the growing global population, increasing purchasing power and greater health awareness.
- Driving environment-friendly processes: Enzymes can replace chemicals or processes that cause environmental issues. They thus help in reducing hazardous industrial waste and protecting the environment, which aligns with the need for sustainable and renewable alternative sources.
- Increasing investments in research and development (R&D): Companies are investing in R&D activities to develop new and innovative enzyme products and improve existing production processes to meet the ever-increasing market demands. This is driving growth in the Indian enzymes market.
- Expanding biotechnology sector: India's growing biotechnology sector is contributing to the development of new enzyme applications across various industries thereby fuelling market expansion. This includes biofuels, biomass processing and biocatalysis.
- Government initiatives and supportive policies: The Government of India has implemented initiatives like 'Make in India' and introduced policies to promote the growth of industries like food processing, textiles and pharmaceuticals. These initiatives are indirectly driving the demand for enzymes in the country.
- Rising disposable incomes and changing lifestyles: Increasing disposable incomes and changing lifestyles of Indian consumers have led to a higher demand for processed and convenience foods. These require enzymes in their production processes, thereby boosting the enzyme market.

Source: Grand View Research, Enzymes Technology Association, WHO, The Association of Manufacturers and Formulators of Enzyme Products, Japan Enzyme Association, Annual Reports, Research Journals. White Papers. MRFR Analysis

Indian Nutraceutical Market

The Indian nutraceutical market was valued at USD 6113.20 million in CY 2023 and is expected to register a CAGR of 11.39% during CY 2023-2029. The rising demand for functional foods, which have certain health and medical benefits, is driving the growth of plant-based nutraceuticals in India. The growing demand for natural and safe health supplements, coupled with increasing awareness about the benefits of nutraceuticals for overall health and wellness has also contributed to the growth of the market. The demand for high-quality nutraceutical products in India has been further boosted by a segment of Indian consumers who are increasingly prioritising product quality and effectiveness over pricing. Rising veganism and an increasing vegetarian population in the country are further driving the adoption of plant-based products. This trend is being observed in a variety of industries, including nutraceuticals. The promising potential of the Indian market has captured the interest of global nutraceutical companies, resulting in increased focus towards the country.





Market Drivers

- **Rising Incidence of Chronic Diseases and Geriatric Population:** There is an increase in the prevalence of chronic diseases like diabetes, cardiovascular diseases, and obesity due to changing lifestyles, urbanisation, and dietary habits. This coupled with a growing aging population, heightened awareness of age-related health concerns, and preference for natural and holistic approaches is driving market growth. Nutraceuticals help in managing and preventing chronic ailments, maintaining wellness, and addressing age-associated issues.
- **Conducive Government Initiatives:** The Government established the Food Safety and Standards Authority (FSSAI) in 2006 to regulate nutraceutical products, dietary supplements, and functional foods. In 2014, the Ministry of AYUSH was formed to promote traditional healthcare practices and collaboration with the nutraceutical industry. There have also been other initiatives to improve healthcare infrastructure and funding, including provisions to invest in the development of nutraceutical products. All this along with efforts to strengthen the domestic pharmaceutical sector have benefitted the nutraceutical industry.
- **Rising Shift towards E-commerce and Online Retailing:** The emergence of e-commerce platforms has enabled wider reach and accessibility of nutraceutical products. Online shopping for nutraceuticals offers convenience and is time-saving and transparent. Manufacturers are now able to establish a global online presence and cope with supply chain issues. All this and the increased adoption of e-commerce for purchasing healthcare items has accelerated the demand for nutraceuticals.

- **Preventive Healthcare and Personalised Nutrition:** There is a growing consumer interest in using nutraceuticals for preventive healthcare, strengthening the immune system and improving overall health. There is also an increasing awareness and demand for personalised nutrition solutions based on age, gender, genetic factors and lifestyle patterns. Nutritional supplements help in addressing specific health issues or deficiencies.

Source: [Techsciresearch](#)

Indian Probiotics Market

The Indian probiotics market is witnessing robust growth due to the heightened awareness around wellness and nutrition in the younger generation amidst their fast-paced and demanding lifestyles. Traditional Indian cuisine, rich in oils, spices, refined sugars, tea and coffee, has contributed to a surge in digestive health issues. This has further fuelled the demand for functional foods and beverages such as probiotic-infused yogurts and cereals.

The expansion of the market is also catalysed by the increasing recognition of the benefits probiotics offer for gut health and immunity. Other factors include India's burgeoning elderly population and the broader shift towards functional foods. The increasing number of women in the workforce has led to a heightened emphasis on their health requirements. This trend has driven the demand for specialised probiotic formulations, with portable and flexible packaging to accommodate on-the-go lifestyles. The availability of dairy, allergen and sugar-free probiotic products has further bolstered the growth of this market in India.

India Probiotics Supplement Market Revenue, 2022-2027F

(USD million)

| Year | CY 2022E | CY 2023F | CY 2024F | CY 2025F | CY 2026F | CY 2027F | CAGR% |
|---------|----------|----------|----------|----------|----------|----------|-------|
| Revenue | 219.63 | 231.48 | 245.08 | 260.63 | 280.56 | 304.62 | 6.76% |

Source: [Research and Markets](#)

F: Forecast
E: Estimate



Market Drivers

- **Increasing consumer interest in gut health stimulated by rising prevalence of digestive disorders:** With about 25% of India's adult population suffering from constipation caused by metabolic disorders, there is growing awareness about the importance of gut health. This has increased consumer interest in probiotics for improving digestive wellbeing.
- **Fitness enthusiasts opting for probiotic supplements as physical training is linked to gut health:** Research has shown that modifications in gut microbiota can enhance physical performance. As a result, fitness enthusiasts are increasingly incorporating probiotic supplements into their regimens.
- **Evolving perceptions of modern parents about children's digestive health influencing demand for kids-specific probiotic supplements:** Parents are becoming more conscious about their children's digestive health, leading to a rise in demand for kid-friendly probiotic supplements. Medical associations like the Indian Academy of Pediatrics (IAP) have also recommended probiotics for treating childhood diarrhoea.
- **Increasing health awareness due to the COVID-19 pandemic and consumer inclination toward immunity-boosters:** The pandemic has made people more conscious about their overall health and immunity. As a result, probiotics, known for their immune-boosting properties, have gained popularity.
- **Growing geriatric population and risk of chronic gastrointestinal diseases:** India's aging population is more susceptible to chronic gastrointestinal diseases, driving the demand for probiotics as a preventive and therapeutic measure.
- **Increasing healthcare expenses and need for women and pediatric nutrition:** Rising healthcare costs and a focus on the nutritional needs of women and children have contributed to the demand for specialised probiotic supplements.



COMPANY OVERVIEW

Advanced Enzyme Technologies Limited ('AETL' or 'Company') is a research-driven global leader in the production of enzymes and probiotics. With over three decades of experience, AETL stands as India's largest enzyme manufacturer, offering an impressive portfolio of over 400 proprietary products crafted using over 68 indigenous enzymes and probiotics. Your Company has a strong global footprint, with a presence across the America, Europe, India and a 3% market share in the rest of the world.

AETL is committed to delivering eco-friendly solutions across diverse industries, including human healthcare, animal nutrition, food processing, brewing, textile, leather, paper, biofuels and biocatalysis.

AETL's mission is to empower consumers with side-effect-free healthcare solutions, optimise animal nutrition for farmers and enable industries to replace traditional chemical processes with sustainable enzyme-based alternatives. Your Company boasts a comprehensive portfolio of hundreds of enzyme and probiotics products, backed by cutting-edge manufacturing facilities and robust R&D centres in India, Germany and the US.

Your Company's expertise in fermented enzymes sets it apart as one of the few global manufacturers with extensive experience and proprietary knowledge in this domain. Leveraging its robust capabilities, global footprint, diverse offerings and industry-leading expertise, Your Company is well-positioned to drive growth across geographies and cement its position as a global enzyme and probiotics industry leader.

Furthermore, your Company has expanded its presence in the nutraceutical and dietary supplement market, tapping into the growing demand for natural and plant-based products. Your Company's focus on innovation, sustainability and customer-centric solutions, combined with its commitment to R&D, has enabled it to maintain a competitive edge in the market.

Growth

15%

Consolidated Expenditure on R&D

₹ 197 million





SUBSIDIARIES

AETL comprises eleven subsidiaries i.e. three wholly-owned direct subsidiaries, four direct subsidiaries and four step-down wholly-owned subsidiaries.

ADVANCED ENZYMES USA (AEU)

Advanced Enzymes USA Inc. ('AEU') is a body corporate and a wholly-owned direct subsidiary of your Company, specialising in researching, developing and marketing cutting-edge, all-natural, highly effective and innovative enzyme solutions. AEU's primary focus is on the markets of North America and Latin America. The subsidiary holds stakes in several corporations (subsidiaries) based in the United States. In FY 2023-24, AEU recorded consolidated revenue of ₹ 2,128 million and a profit after tax (PAT) of ₹ 616 million.

Advanced Supplementary Technologies Corporation (AST)

A wholly-owned subsidiary of AEU, Advanced Supplementary Technologies Corporation ('AST') was incorporated on December 30, 2010, with its registered address in Chino, California. Advanced Enzymes USA acquired AST on October 31, 2012. AST continues to be a leading manufacturer of professional-grade, enzyme-based strength supplements, formulated to support various health concerns, including cardiovascular issues, inflammation, joint pain, digestive disorders and colon-related problems. AST uses only non-genetically modified natural ingredients, ensuring the highest quality, activity, purity and safety.

Dynamic Enzymes, Inc. ('DEI') was a California-based wholly owned subsidiary of Advanced Enzymes USA that was incorporated on February 24, 2015. DEI offered high-quality systemic and digestive enzyme supplements through retail channels. During the last financial year, the Board of respective wholly-owned subsidiaries i.e. DEI and Advanced Supplementary Technologies Corporation, USA ('AST') approved the merger of DEI and AST. During the year 2023, DEI merged with and into AST and consequently DEI ceased to exist.

Cal-India Foods International (Doing Business as Specialty Enzymes and Biotechnologies)

Specialty Enzymes & Biotechnologies ('SEB') also known as Cal-India is a wholly-owned subsidiary of AEU and a leading producer of enzymes in the Western Hemisphere. With over 35 years of experience, SEB offers a complete range of enzyme solutions for healthcare and nutrition, primarily to North American and Latin American markets.

SEB specialises in creating custom enzyme blends from conception to finished products and offers highly effective and established enzyme products.

Enzyme Innovation (EI)

A wholly-owned subsidiary of SEB, Enzyme Innovation ('EI') offers customised enzyme solutions for various industries in the US, catering to sectors such as baking and milling, brewing and malting, craft brewing and distilling, fruit and vegetable processing, animal feed, protein modification, grain alcohol, paper and pulp, waste management, wine and detergents and cleaning aids.

ADVANCED BIO AGRO TECH LIMITED (ABTL)

Advanced Bio Agro Tech Limited ('ABTL') is a public limited company and a subsidiary (60%) of your Company. Established in 2004, ABTL has grown to emerge as an important player in the feed enzymes and animal nutrition industry. ABTL is engaged in promoting, developing, marketing and selling products of your company in the animal health and nutrition segment.

ABTL has positioned itself as a leader in poultry enzyme solutions in the Indian subcontinent and extends its offerings to the expansive Southeast Asian markets of Vietnam, Thailand, Malaysia and the Philippines. It specialises in manufacturing and marketing enzyme-based solutions for various industries, such as poultry and cattle. It also explores new markets for crop protection solutions and composting. In FY 2023-24, ABTL generated revenue of ₹ 448 million and a PAT of ₹ 40 million.

ADVANCED ENZYTECH SOLUTIONS LIMITED (AESL)

Advanced Enzytech Solutions Limited ('AESL') stands as a wholly-owned subsidiary of your Company. AESL was established on September 1, 2008, as a public limited company. AESL has solidified its position as a premier provider of eco-friendly enzyme solutions, catering to a diverse array of industries encompassing textiles, leather, paper, detergents and cleaning aids. With a core focus on bioprocessing in non-food sectors, AESL endeavours to revolutionise conventional chemical processes with sustainable alternatives, leveraging enzymes, micro-organisms and biodegradable compounds.

Dedicated to promoting, developing and marketing innovative solutions, AESL strives to address environmental challenges prevalent in process industries.

In FY 2023-24, AESL witnessed a commendable uptick in revenue, from ₹ 134 million to ₹ 153 million, underscoring its sustained growth trajectory. AESL maintained a robust PAT, with figures ₹ 18 million to ₹ 19 million.

JC BIOTECH PRIVATE LIMITED (JC Biotech)

JC Biotech Private Limited ('JC Biotech') embarked on its journey on December 31, 1991 dedicated to the production of nutraceuticals, biopharmaceuticals and biochemicals. Your Company acquired a significant stake in JC Biotech on December 01, 2016, marking a strategic alignment of vision and objectives. In FY 2023-24, JC Biotech showcased robust performance, with reported revenues reaching ₹ 626 million and a commendable PAT of ₹ 18 million. Demonstrating continued confidence and support, AETL augmented its stake in JC Biotech by 5.89% during the reviewed period. This culminated in a total ownership of 95.72%, further solidifying the integration and collaboration between both entities.

SCITECH SPECIALITIES PRIVATE LIMITED (SciTech)

SciTech Specialities Private Limited ('SciTech'), a technology-based manufacturing company was established on October 29, 2007, specialises in manufacturing effervescent granules and tablets, focusing on animal health, pharma and nutraceuticals. Your Company acquired 51% stake in SciTech on January 11, 2021. SciTech manufactures effervescent products with aqueous granulation technology and supplies its Efferceutical and Solugran products to major markets globally. In FY 2023-24, SciTech's revenue stood at ₹ 418 million, while its PAT was ₹ 37 million.

SAIGANESH ENZYTECH SOLUTION PRIVATE LIMITED

Saiganesh Enzytech Solutions Private Limited ('Saiganesh Enzytech') was incorporated on November 1, 2022 and is located in Burhanpur, Madhya Pradesh. Your Company acquired significant stake in Saiganesh Enzytech on January 03, 2023. Saiganesh Enzytech is primarily focused on extracting latex from papaya, purifying it and providing finished papain enzyme in liquid form for use in agricultural extraction of papain enzyme. Papain is one of the most important digestive enzymes used in formulated solutions for human health & nutrition, as well as in the food industry. Saiganesh Enzytech's revenue for FY 2023-24 was ₹ 267 million and its PAT for the same period was ₹ 26 million.

ADVANCED ENZYMES EUROPE B.V., AMSTERDAM (NETHERLANDS) (AEE BV)

Advanced Enzymes Europe B.V. ('AEE BV') is a wholly-owned subsidiary of your Company, incorporated on July 11, 2017, with an issued share capital of € 2 million. On April 07, 2023, consequent to conversion of the loan granted earlier by the Company to AEE BV, AEE BV issued 2,276,837 Equity shares of a par value of € 1 each at a share premium of € 0.63 each to your Company, against outstanding loan amount including interest aggregating to € 3.71 million. Consequent to the conversion of said loan, AEE BV's issued capital increased to € 4.28 million from € 2 million. AEE BV continues to be the wholly-owned subsidiary of your Company and there was no change in the percentage shareholding (100%) of your Company in AEE BV, post-conversion of the said loan. AEE BV is registered with the Chamber of Commerce and serves as a special purpose vehicle for the European market, holding 100% equity in evovx technologies GmbH. In FY 2023-24, on a consolidated basis, AEE BV's revenue stood at ₹ 230 million as compared to ₹ 240 million in FY 2022-23.





evoxx Technologies GmbH (evoxx)

evoxx is a wholly-owned subsidiary of Advanced Enzymes Europe B.V. ('AEE BV') and was officially incorporated on September 7, 2016. On August 15, 2017, AEE BV acquired evoxx Technologies GmbH ('evoxx'), an industrial biotech company that produces enzymes and oligosaccharides used in food applications. At the time of acquisition of evoxx, its total issued share capital was € 0.16 million. During the year, evoxx converted loan/Inter Corporate deposits granted by AEE BV to evoxx into the Equity Shares of the evoxx to the extent of outstanding principal and interest accrued aggregating to € 26,92,877. Consequent to the conversion of the aforesaid loan, evoxx issued 43,307 Equity shares of a par value of € 1 each at a share premium of € 61.18 each, to AEE BV resulting in increase in issued capital from € 0.16 million to € 0.21 million. After conversion of the said loan and increase in issued capital the evoxx continues to be the wholly-owned subsidiary of your AEE BV and there was no change in the percentage shareholding (100%) of AEE BV in evoxx.

In FY 2023-24, evoxx generated revenue of ₹ 230 million. With a team of scientists and technicians, evoxx continues to focus on developing best-in-class ingredients that offer consumer health benefits.

ADVANCED ENZYMES (MALAYSIA) SDN. BHD (AEM)

Your Company acquired AEM in the year 2017 (incorporated in 2016). During FY 2020, the Board of your Company approved the discontinuation of the business and closure of AEM and to initiate the process of closure thereto, since AEM was not giving the desired results. During FY 2023 and FY 2024, no business activities were carried out resulting into nil profit in the respective years.

During FY 2024, the Registrar of Companies, Malaysia has approved the voluntary application of AEM for its strike-off and status of AEM is appearing as 'Dissolved'. Consequently, AEM ceased to be the subsidiary of the Company, effective from November 08, 2023.

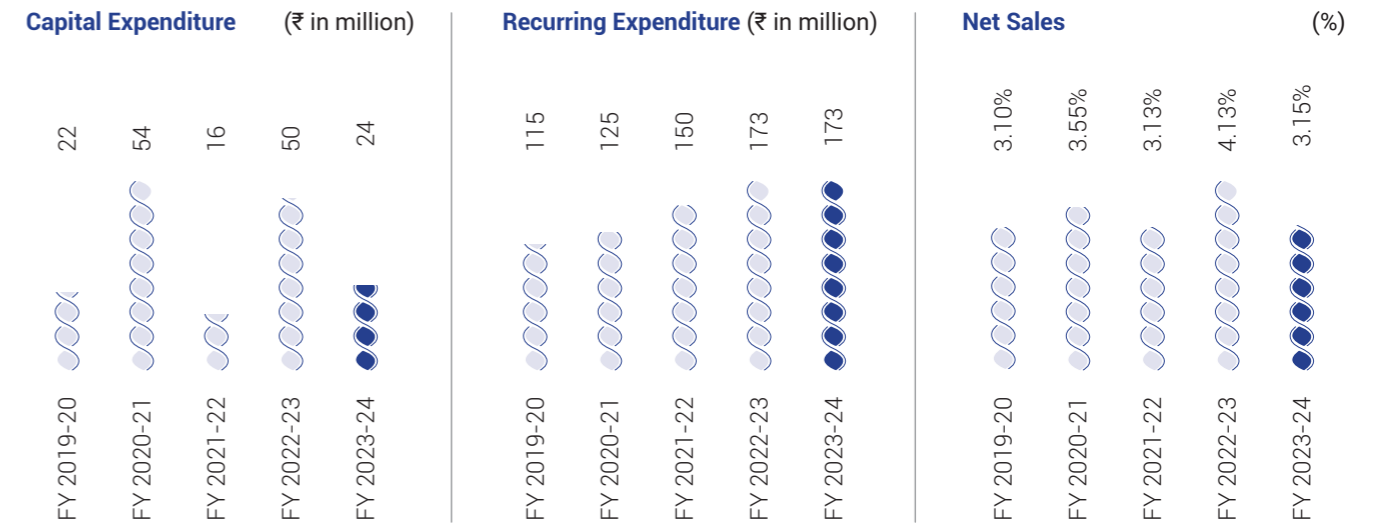
RESEARCH AND DEVELOPMENT (R&D)

Your Company operates cutting-edge R&D centres approved by the Department of Scientific and Industrial Research (DSIR). These facilities are dedicated to developing, validating and scaling up innovative technologies for commercial enzyme production. The centres specialise in cloning industrial enzymes in safe microbial hosts, including strains for thermostable and mesophilic enzymes. Additionally, specialised labs focus on process development, applied microbiology, life sciences and industrial applications, optimising enzyme solutions for diverse industries.

Your Company's R&D centres focus on developing innovative enzyme technologies and formulations. In FY 2023-24, your Company expanded enzyme libraries for biocatalysis, nutrition and food industries, developed next-gen engineered proteins for diverse applications and introduced new enzymatic solutions for pharmaceutical intermediates and bakery products. Your Company also worked on industrial waste biomass hydrolysis solutions, products for sugar reduction in baked products and improved protein digestion, new clinical indication developed for probiotics and antimicrobial studies on probiotics, alongside optimising fermentation processes and high-throughput screening methods.



Research & Development Spends (million) as % of Net Sales



Technological advancements included the adoption of high-throughput systems for efficient screenings, computational tools for protein engineering and process optimisation for large-scale fermentation. Your Company also took initiatives towards cleaner technologies, such as collaborative developments to replace chemicals with enzymes and addressing Environmental Treatment Plant (ETP) problems with enzyme solutions.

Looking ahead to FY 2024-25, your Company plans to expand enzymes and probiotics libraries, develop probiotic products for various applications, study probiotic viability under industrial conditions and create enzymes for health support and improving oil processing yields. The research expenditure for FY 2023-24 was 3.15% of net sales.

MANUFACTURING FACILITIES

Your Company operates nine state-of-the-art manufacturing facilities globally. These manufacturing facilities are equipped with large-scale fermentation, recovery, purification and formulation capabilities, catering to a wide range of industries, including animal nutrition, nutraceuticals, pharmaceuticals, poultry products, cosmetics and other specialty products.

The manufacturing facilities are certified with ISO (International Organisation for Standardisation) and WHO cGMP (World Health Organisation's Current Good Manufacturing Practices) standards, ensuring the highest quality and safety standards. Your Company's facilities in the US primarily focus on the blending and mixing of enzymes and probiotics.

BUSINESS VERTICAL DISCUSSION

Your Company caters to diverse industries and verticals, including human nutrition, animal nutrition and bioprocessing. Your Company's primary objective is to enhance nutrition for both humans and animals while promoting the adoption of enzyme-based processes. This is a sustainable and eco-friendly alternative to conventional thermal, mechanical and chemical methods.

For FY 2023-24, the human nutrition vertical, which provides active ingredients for nutraceuticals and pharmaceuticals, contributed 67% to AETL's total revenue. This was followed by the bioprocessing vertical at 16% and the animal nutrition vertical at 11%. Your Company's contract manufacturing subsidiary, SciTech Specialities Private Limited, contributed 6% to the overall revenue.

Your Company's innovative products across our business verticals are designed to meet the varied needs of end users. Your Company introduced probiotic products targeting gut health management and AGP reduction in monogastric animals, as well as products for gut and immune health in humans. In the enzyme segment, offerings include products aimed at promoting overall well-being in pets, supporting protein digestion in humans and enhancing the texture, volume and overall properties of baked goods.



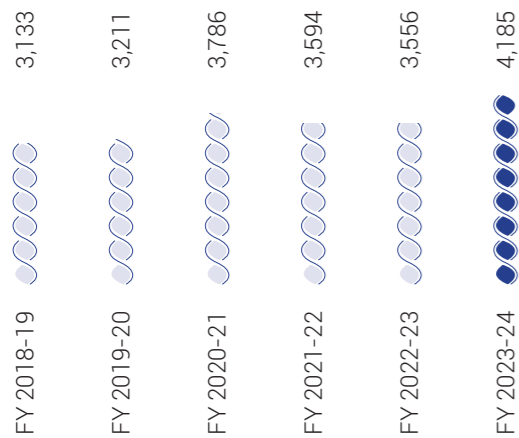


Human Nutrition

Your Company offers a broad range of enzyme products and customised solutions to pharmaceutical and nutraceutical companies worldwide. These enzymes are used as active ingredients in various formulations by Your Company's customers. In FY 2023-24, your Company's human nutrition sales stood at ₹ 4,185 million.

Your Company's top-selling anti-inflammatory enzyme, serratiopeptidase, contributed 21% of its total revenue, with sales of ₹ 1,310 million in FY 2023-24. Additionally, Your Company's direct-to-consumer (D2C) business in the human nutrition division contributed ₹ 394 million during the same period. Your Company is getting good traction from the latest product launches in weight management and sugar management in America.

Human Nutrition Sales (₹ in million)



Enzymes

Your Company provides exclusive enzyme products and personalised enzyme solutions to various pharmaceutical and nutraceutical companies globally. It caters to markets such as India, North America, Asia (excluding India), Europe and other regions.

Probiotics

Probiotics are live micro organisms that provide health benefits to humans and animals when consumed in adequate amounts. These beneficial bacteria are commonly used in treating various digestive disorders. Research is ongoing to explore their potential in treating a range of other diseases.

Biocatalysts

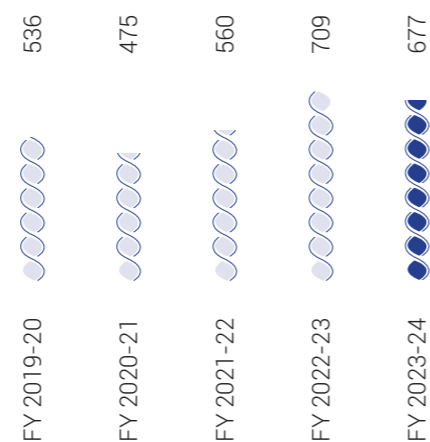
Enzymes that catalyse the transformation of non-natural compounds are known as biocatalysts. These enzymes are gaining popularity in chemical manufacturing processes due to their exceptional ability to catalyse almost all types of chemical reactions. This characteristic makes them a promising alternative to traditional catalysts. Biocatalysts are particularly valuable in the production of specialty chemicals, such as pharmaceutical actives, cosmeceuticals and oleo chemicals, due to their high value and low-volume usage.

Your Company has made significant progress in biocatalyst development for Active Pharmaceutical Ingredient (API) manufacturers. Your Company offers customised enzymatic solutions tailored to specific targets, helping them save on energy, time and chemical usage. In addition to supplying the necessary enzymes, your Company also provides guidance to API manufacturers in the process of developing their APIs through the enzymes.

Animal Nutrition

The animal nutrition vertical of your Company, delivered de-growth of 5% to register revenue of ₹ 677 million in FY 2023-24, compared to ₹ 709 million in FY 2022-23. In future, this segment is well positioned for its upward growth trajectory.

Animal Nutrition Sale (₹ in million)



Enzymes

Enzymes play a crucial role in improving the digestibility of animal feeds, leading to better feed-to-gain ratios for both ruminants and monogastric animals. Enzymes

like cellulase and hemicellulase enhance the nutritional content of silage, corn and soy-based feeds, while alpha-galactosidase boosts the nutritional value of Non-Starch Polysaccharides (NSP). Enzymes also improve the digestibility of pet foods for dogs and cats while promoting a stronger immune system. Your Company's enzyme products consistently deliver high quality and effective results while maintaining affordability.

Probiotics

Probiotics are live micro organisms that provide health benefits and are primarily known for their ability to promote a healthy gut microbiome. They are gaining widespread adoption in animal healthcare as an antibiotic alternative and growth promoter. Your Company has developed and tested probiotic formulations to improve nutrient absorption, boost immunity and reduce infection risks, making them an essential tool for animal well-being.

Bioprocessing

The bioprocessing business vertical exhibited mixed performance in FY 2023-24 with revenue of ₹ 962 million and ₹ 794 million in FY 2022-23. The food business grew 30% to attain ₹ 776 million, while the non-food business registered a de-growth of 6% to reach ₹ 186 million YoY (Year-on-Year).

Food Processing

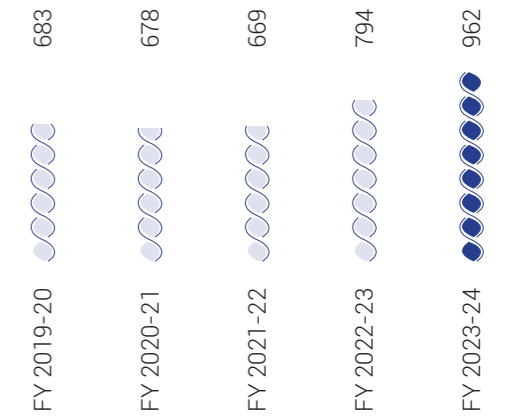
Enzymes play a crucial role in the creation of appealing and nutritious food and beverages today. They offer several advantages that go beyond traditional methods. Your Company provides exclusive enzyme products and tailored enzyme solutions for various food processing industries, including baking, dairy and cheese processing, fruit and vegetable processing cereal extraction, brewing, grain processing, protein processing and oil and fat processing. These specialised enzyme products help your Company's customers enhance their product quality, minimise waste, optimise resources, increase yields, lower costs and reduce environmental pollution.

Non-Food Processing

By utilising enzymes as potent biocatalysts, your Company provides eco-friendly solutions to multiple industries. These solutions are used for manufacturing a wide range of products in the textile, leather, detergent and pulp and paper industries. These biological solutions improve the effectiveness of industrial processes as they result in significant savings in energy, water and other resources. They also contribute to a reduction in waste and effluent loads. Adopting sustainable solutions can help companies meet pollution regulations and save on production costs.

Bioprocessing Sales

(₹ in million)



DEVELOPMENTS DURING FY 2023-24

Additional 5.89% acquisition of JC Biotech Private Limited

During the year under review, your Company further increased its stake in its existing subsidiary, JC Biotech Private Limited ('JCB'). This was achieved through the acquisition of an additional 5.89% shareholding in JCB. Your Company purchased 12,18,976 equity shares from certain selling shareholders of JCB for a total consideration of ₹ 56.07 million at ₹ 46 per equity share. Consequent to this transaction, your Company's shareholding increased from 89.83% to 95.72% of JCB's paid-up share capital. Your Company believes that this additional stake acquisition will further cement its position in the biotech industry and bolster its capabilities to deliver innovative solutions to esteemed customers.

Your Company remains firmly committed to its strategic growth and expansion initiatives, actively seeking opportunities that align with achieving its corporate objectives. Your Company continues to prioritise generating exceptional value for all its stakeholders while reinforcing its status as an eminent leader in the biotech sector. The management remains confident in capitalising on emerging prospects to propel Your Company's progress on its envisioned growth trajectory.





Acquisition of entire business undertaking of Shri Ganesh Industrial Enzymes through slump sale

During March 2023, the Board of Directors of Saighesh Enzytech Solutions Private Limited (50% Subsidiary) ["Saiganesh"] approved the purchase of entire business undertaking of Shri Ganesh Industrial Enzymes (a partnership firm based in Burhanpur, Madhya Pradesh) ("Shri Ganesh"), through a slump sale on a going concern basis for an amount not exceeding ₹ 9 million, for the purpose of market expansion and growth for products of Saiganesh. The said purchase of entire business undertaking of Shri Ganesh through slump sale was completed during the year under review. Shri Ganesh was involved in the business of processing latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme) i.e. same business activity as that of Saiganesh (Health care industry). The total turnover and net-worth of the Shri Ganesh for financial year 2021-22 was ₹ 57.6 million and ₹ 10.3 million respectively.

European Food Safety Authority, EU ("EFSA") / GRAS, US

Your Company received approval for two food enzyme dossiers i.e. TL lipase and CAL B lipase from EFSA. These enzymes will be used as a food processing aid in modification/esterification of oils and fats

Your Company received no question letter for two GRAS filings with USFDA:

- Lactiplantibacillus plantarum enzyme will be used in food products like yogurt and other dairy products, soy products, plant-based products, fruit drinks, chewing gum, confectionery snacks and other foods
- Maltogenic alpha-amylase enzyme preparation produced by E. coli BLASC will be used as a food processing aid in baking, brewing and starch processing.

MAJOR CHALLENGES DURING FY 2023-24

Energy and Utility Expenses

Enzyme production processes are often energy-intensive, requiring significant amounts of electricity, water and other utilities. The rising costs of energy and utilities, coupled with potential scarcity or disruptions in supply, can pose a significant challenge for your Company, affecting its production efficiency and overall cost structure.

Talent Acquisition and Retention

The enzyme industry requires a highly skilled and specialised workforce, including researchers, scientists and technical experts. Attracting and retaining top talent in a competitive job market can be a challenge for your Company. This is because there is a growing demand for skilled professionals in the biotechnology and life sciences sectors.

Intense Competition and Pricing Pressure

The enzyme market is highly competitive, with numerous players operating globally. Your Company faces intense competition from both established multinational companies and emerging local players. This can lead to pricing pressures, making it challenging for your Company to maintain its profit margins while remaining competitive in the market.

Geopolitical and Economic Uncertainties

Your Company operates in a global market, with customers and suppliers located in different regions. Geopolitical tensions, trade disputes and economic uncertainties can disrupt supply chains, affect raw material availability and impact your Company's ability to access certain markets or distribute its products effectively.

FINANCIAL ANALYSIS ON CONSOLIDATED BASIS

Revenue from Operations

Your Company's revenue from operations on a consolidated basis increased to ₹ 6,239 million from ₹ 5,406 million in FY 2022-23. The total revenue includes international sales of ₹ 3,133 million (FY 2022-23 - ₹ 2,850 million), Increase of 10% and domestic sales of ₹ 3,106 million (Including export incentive of ₹ 4 million) (FY 2022-23 - ₹ 2,557 million, (Including export incentive of ₹ 3 million), an increase of 21%. During FY 2023-24, domestic sales accounted for about 50% of your Company's revenue, up from 47% in FY 2023-24. In FY 2023-24, international sales accounted for 50% of revenue from operations versus 53% in FY 2022-23.

Financial Costs

Financial costs increased to ₹ 29 million in FY 2023-24 from ₹ 24 million in FY 2022-23.

Profit

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation excluding other income) for FY 2023-24 is marked at ₹ 2,045 million compared to ₹ 1,564 million in FY 2022-23. During FY 2023-24, profit before tax registered ₹ 1,878 million. Profit after tax Increased by 32% to ₹ 1,370 million in FY 2023-24 from ₹ 1,039 million in FY 2022-23.

Other Income

Other income for FY 2023-24 was ₹ 367 million in comparison to ₹ 255 million in FY 2022-23.

Details of significant changes (i.e. change of 25% or more as compared to the immediately preceding financial year) in key financial ratios, along with detailed explanation:

| Ratio | FY 2023-24 | FY 2022-23 | Variance | Reason for Variance |
|-----------------------------|-------------|-------------|----------|--------------------------------------|
| Debtors Turnover Ratio | 57.66 times | 68.80 times | (16%) | NA |
| Inventory Turnover Ratio | 86.85 times | 83.70 times | 4% | NA |
| Interest Turnover Ratio | 58.34 times | 50.16 times | 16% | NA |
| Current Ratio | 7.61 times | 9.31 times | (18%) | NA |
| Debt Equity Ratio | 0.02 times | 0.01 times | 77% | Increase in the cash credit facility |
| Operating Profit Margin (%) | 33% | 29% | 13% | NA |
| Net Profit Margin (%) | 22% | 19% | 14% | NA |

OUTLOOK

Your Company is committed to enhancing and fortifying its business model in all three divisions, including Human Nutrition, Animal Nutrition and Bio-Processing. Your Company's specific focus is to expand its enzymes and probiotics business through the development and launch of new products in its target markets. To achieve this, your Company is actively developing new molecules in the areas of enzymes, probiotics and biocatalysts. Your Company expresses a high level of confidence in its present capabilities and capital investments to effectively support its growth endeavours.



Depreciation and Amortisation

Depreciation and amortisation for FY 2023-24 increased to ₹ 352 million as compared to ₹ 350 million FY 2022-23.

Net Worth and Returns

As of March 31, 2024, the net worth of the shareholders was ₹ 13,241 million compared to ₹ 12,351 million the previous year. Return on Equity (ROE) for FY 2023-24 was 11% compared to the 9% previous year. (Return ratio is calculated based on average shareholders' funds).

Cash and Cash Equivalents

Cash and cash equivalents in FY 2023-24 stood at ₹ 1,435 million as opposed to ₹ 1,233 million in FY 2022-23.

Human Nutrition

Your Company is leveraging its successful B2C business model in the U.S. to drive growth in India. Your Company is focussing on expanding its B2C business in the human nutrition segment with the introduction of new products, in weight management, sugar management and immunity-boosting products like ImmunoSEB and Biome Ultra. As part of its strategy to drive growth, it has entered into a B2C brand – Wellfa – an online platform that caters specifically to the Indian market. The platform has products that will help consumers take supplement nutrients, enzymes and probiotics as per their body requirements. AETL's diverse range of products, available through Wellfa, cover immune support, skin care, gut health, metabolism boosters, detox aids, weight management solutions, stress relief and respiratory health support.

This move is expected to be a significant growth driver for your Company. It is also exploring other online avenues for selling its products, highlighting its commitment to staying ahead of the curve in the fast-paced digital marketplace.



Animal Nutrition

In the field of animal nutrition, your Company is committed to enhance the efficiency of animal feeds by creating high-quality nutritional products. To achieve this goal, your Company is continuously conducting trials and studies in its pursuit of excellence. Additionally, it is working on introducing and registering more products in both domestic and international markets. Furthermore, to expand market reach, it is targeting the U.S., MENA and Asian markets. It is also planning to appoint more distributors to achieve this goal. In order to fortify its distribution network, your Company is expanding its sales and marketing team



Probiotics

Your Company is focussed on introducing a range of probiotics products for both human nutrition and animal nutrition. In human nutrition, your Company is working towards introducing probiotics products that promote immunity development, improve gut health and support nutraceutical applications. Whereas, in animal nutrition, it is determined to launch products that boost immunity, enhance digestion and increase the nutritional value of animal feed. With the expansion of its product offerings in both sectors, your Company strives to offer effective solutions for enhancing overall health and well-being.



Biocatalysis

By developing bio catalases for API manufacturers, your Company has made substantial progress towards offering enzymatic solutions. These are tailored to specific targets, thereby reducing energy consumption, time and the use of chemicals. A few of these products are currently undergoing advanced trials at the plant level, highlighting this area as a key opportunity for your Company to persist in its efforts and focus.



Baking

Your Company has a line of enzymes, specifically tailored for the food processing sector. Your Company has submitted 14 product dossiers for review by the European Food Safety Authority (EFSA). Of these dossiers, 9 have received positive feedback (for food enzymes as processing aids). Your Company's product line performs equally well with its existing market offerings. Your Company is confident about its ability to expand in European and the North & South American baking industry, while it aims to leverage available and emerging opportunities in these regions.



Research & Development

Your Company is making substantial investments in state-of-the-art R&D centres. It is planning to lead in the formulation of new applications, with a particular emphasis on expanding its portfolio across various industries. To achieve this goal, your Company intends to expand and strengthen its R&D team.



Inorganic Expansion

Over the past five years, your Company has demonstrated a track record of successful inorganic growth through three internal accrual-based acquisitions, while maintaining its status as a zero-debt company. Your Company is committed to continue this trend by seeking out strategic acquisitions. This is aimed to further strengthen its front-end marketing capabilities, expand its geographic reach, broaden its product portfolio and enhance its B2C business.



RISKS & MITIGATION

Supply chain disruptions

The enzymes and probiotics industry depend on a global supply chain for raw materials. The industry is at risk of disruptions due to various factors, including geopolitical tension, climate change and increasing demand for natural and sustainable ingredients. These disruptions have the potential to impact production and availability of raw materials. Hence, the companies may need to diversify their sourcing, invest in technology and collaborate with suppliers to manage supply chain risks. Your Company is constantly improving its supply chain management, by maintaining good relations with its suppliers. This, in turn, is ensuring regular supply, alongside reducing the dependency on a particular supplier, thus, allowing flexibility

Regulatory changes

The enzymes and probiotics industry is subject to specific regulations in many countries. These regulations include requirements for safety, quality and labelling. In some markets, there may be changes in regulations related to the use of enzymes and probiotics, which could impact the ability of companies to sell their products in those markets. For example, new regulations on dietary supplements and food additives could impact the use of these solutions in food and beverage items. Your Company steadfastly follows the applicable regulatory norms that makes it industry compliant.

Competition

The enzymes and probiotics industry is witnessing growing competition, with numerous new companies entering the market and established players expanding their product offerings. This could lead to increased competition and pricing pressure, which could impact profitability for some companies. Furthermore, some companies may encounter difficulties in distinguishing their products from those of their competitors, which could potentially hinder their ability to acquire a significant market share. To mitigate this risk, your Company is constantly focussing on innovation and aligning itself to the market trend, enabling it to stay one step ahead of its competitors.

Consumer demand

Consumer demand for enzymes and probiotics have been growing in recent years, driven by increased interest in health and wellness. However, consumer preferences may shift in response to changing trends or unforeseen events, such as the Covid-19 pandemic. For example,

consumers may shift their spending priorities away from dietary supplements and towards other health and wellness products, such as fitness equipment or healthy foods. To keep pace with this ever-evolving consumer preference, your Company is constantly focussing on its R&D capabilities. It dedicatedly strives to innovate and improve products, but still may face obstacles in the form of insufficient funding, stricter regulations and technology bottleneck. To overcome these challenges, your Company can collaborate with external partners, invest in new technologies and explore new funding sources. It understands that innovation is essential for growth and it must continue to improve the quality of its products through robust R&D to suit consumer preference.

Product quality and safety

Enzymes and probiotics companies must maintain excellent product quality and safety standard, to ensure risk-free consumption by humans and animals. Any issues with quality or safety could result in product recalls, legal liabilities or damage to a company's reputation. Your Company is constantly improving products that undergoes multiple stages of R&D, resulting in globally accepted highest standards.

Intellectual property

Enzymes and probiotics companies invest significant resources in developing new products and processes. Protecting these investments requires a strong intellectual property portfolio, including patents, trademarks and trade secrets. These companies may face challenges in protecting their intellectual property from competitors or in enforcing their rights in cases of infringement. To mitigate this risk, your Company is filing for patents in a timely manner that protect it from competitors. While its experienced R&D team enables the Company to conduct thorough research and align its products with market demand.

Forex risk

Foreign exchange (forex) risk can impact enzymes and probiotics companies due to their reliance on global supply chains, international sales and foreign investments. Currency market volatility during the year has increased the effect of this risk. To manage this risk, companies may need to implement strategies, including hedging, diversification and monitoring market developments. Your Company is taking the necessary steps to counter forex risk and mitigate currency volatility.



OPPORTUNITIES

Enzymes and probiotics are essential for maintaining a healthy gut microbiome, which has been linked to various health benefits, such as improved skin health and weight loss. The world's growing population has led to an increased demand for enzymes and probiotics to address digestive issues and promote better overall health. As more people become aware of the benefits of these natural supplements, there is a surge in demand for high-quality products that meet their needs. This trend is particularly noticeable in countries, such as the US and India, where healthcare spending is increasing. As more people adopt vegan and vegetarian diets, the demand for plant-based enzymes and probiotics is also increasing. To cater to this demand, the supplement market is expanding its offerings, providing consumers with a range of natural digestive health solutions to choose from.

As per Healthcare Analytics Market Report published in December 2022, the global healthcare industry is expected to experience substantial revenue growth, increasing from USD 27.4 billion in CY 2022 to USD 85.9 billion by CY 2027, with a CAGR of 25.7% between CY 2022 and CY 2027.

According to National Health Expenditure Projections 2021-30, published in Health Affairs report, it is projected that healthcare spending in the US will continue to rise. With an estimated annual growth rate of 4.9% from 2022-24 and 5.3% per year after that, it will register a total spending of USD 6.8 trillion in CY 2030.

The growing global awareness of the health benefits associated with enzymes and probiotics has resulted in a significant increase in demand. According to industry reports, the global enzyme market is projected to reach USD 14.7 billion by CY 2028, with the food & beverage sector being the largest end-user. Similarly, the global probiotics market is projected to reach USD 94.4 billion by CY 2028 due to increased awareness of their ability to enhance gut health, immunity and reduce the risk of chronic diseases. The growth of both enzymes and probiotics is being fuelled by several factors, including increased consumer awareness of their health benefits, demand for natural and sustainable products and their growing use in various industries. As a result, the demand for these products is expected to continue increasing in the coming years.

Growing awareness of the health benefits of enzymes and probiotics has led to a surge in demand for these products in India. The use of enzyme has seen an uptick in various industries, including food & beverage, pharmaceuticals and textiles. Similarly, the demand for probiotics has increased due to the rising awareness about gut health and lifestyle diseases. The growing disposable income and changing dietary patterns of Indian consumers are expected to fuel the demand for functional foods and dietary supplements that contain enzymes and probiotics in the coming years. Therefore, the Indian market for enzymes and probiotics is expected to experience substantial growth in the foreseeable future.

Further, advancements in biotechnology and genetic engineering are also creating new opportunities to develop innovative solutions that meet current and future needs. Companies that are at the forefront of these developments may have a competitive advantage in the market.

Source: [Advisory Board, Markets and Markets](#)



THREATS

The enzymes and probiotics industry is facing a number of challenges that could impact its profitability and growth. One of the biggest challenges is the intense competition from newer entrants, as they are more innovative and have lower cost structures. This could lead to a reduction in market share and profitability for established companies.

Regulatory challenges are also a major concern for companies in this industry. Compliance with strict regulations and guidelines, both domestically and internationally, can result in significant costs, while non-compliance can lead to fines and penalties that can harm a company's financial health and reputation. Obtaining regulatory approval for products can also be time-consuming and expensive, which can delay time-to-market and increase costs. Supply chain disruptions are another potential threat to the enzyme and probiotics market. Natural disasters, political instability and other factors can disrupt the supply chain, making it difficult for companies to manufacture and distribute their products. The Covid-19 pandemic has highlighted the vulnerability of global supply chains and their potential impact on product availability and sales.

Intellectual property infringement is also a potential challenge for companies in this market. Competitors who infringe on a company's intellectual property rights can lead to costly legal battles and a decline in market share. Lastly, evolving consumer preferences could impact the enzymes and probiotics market. Shifts in consumer trends, such as a preference for plant-based diets or a focus on sustainability, could affect the demand for enzyme and probiotics products. Companies that are unable to adapt to these changes could lose market share to more innovative and adaptable competitors.

In today's highly competitive industry, it is imperative for companies to keep up with the latest technological advancements to thrive and succeed. Failing to do so, could put companies at a disadvantage and hinder their growth prospects.

In summary, the enzymes and probiotics market face several potential threats and your Company is navigating these challenges to thrive in this sector.



INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

There is an internal control system in place at your Company to ensure the efficiency and effectiveness of its operations. The internal control system is essential to the risk identification and mitigation process. It contributes to compliance with legal requirements. Within your Company, a proper communication channel from top-to-bottom and vice-versa safeguards the internal control system by considering both internal and external factors in an appropriate and timely manner.

Your Company's risk assessment and management policy is based on the concept that a robust risk management system ensures commensurate controls and monitoring mechanisms, for smooth and efficient management of the business. Various risks are identified, measured, evaluated, monitored and mitigated in the policy. A review of the risk management framework of your Company has been conducted by the internal auditors. Risk registers are prepared by the concerned departments. They contain information about the respective risks as well as their current control activities and mitigation plans, if any. Thereafter, the registers are reviewed.

On a continuous basis, IT systems are improved on a preventive basis as well as in response to hacking challenges. Evaluation of an internal control system is done by setting targets on a continuous basis, with corrective actions taken in case of any deficiency by comparing them to the actual results. According to its size and nature of operations, your Company maintains an appropriate internal control system and internal financial control. Internal auditors and Statutory auditors of your Company test and certify the internal control systems.





MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Your Company acknowledges the significance of its human resources. Your Company is dedicated to investing in its people and their processes to enrich the organisation's human capital and create value for its stakeholders. With the growth and execution of new projects, there has been an emphasis on recruitment. As a result, your Company has successfully attracted professional talent to fill gaps at various levels. The Management endeavours to create a supportive work environment through various employee engagement programmes to help employees excel. Currently, your Company has more than 350 employees (standalone basis) with diverse backgrounds.

To enhance employee performance, your Company provides better tools, technology and techniques at the workplace. It takes measures to ensure occupational safety and health at workplaces and manufacturing sites. The HR department organises training and development programmes to sharpen skills and update concepts. Furthermore, external technical training is provided to certain critical functional heads to prepare them for new projects. Your Company aims to create a culture of learning, sharing and helping others succeed, while emphasising on the importance of having a 'growth-oriented mindset.' Additionally, your Company places importance on de-stressing techniques, as it believes that a happy individual performs better.

Throughout the year, your Company has maintained cordial industrial relation as the HR department constantly strives to maintain a constructive work environment. Your Company's focus on personnel development has enabled it to attract and retain talented employees, ensuring continued growth and success.



CAUTIONARY STATEMENT

In this Management Discussion and Analysis Report, certain forward-looking statements may be made based on various assumptions about the Company's present and future business strategies, the environment in which it operates and other factors. Risks and uncertainties can cause actual results and information may differ materially from those stated or implied. Among these risks and uncertainties are the effects of economic and political conditions in India and abroad, volatility in interest rates and the securities market, new Government regulations and policies that may impact the Company's businesses and its ability to implement its strategies. The information contained herein, is as of the date referenced and the Company has no obligation to update it. Market data and other information have been obtained from sources deemed trustworthy by the Company or it has been estimated internally, but the accuracy or completeness can't be guaranteed.





BOARD'S REPORT

for the financial year ended March 31, 2024

Dear Members,

Your Board of Directors ("Board") is pleased to present the 35th Annual Report of Advanced Enzyme Technologies Limited ("Company") along with the Audited financial statements for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the financial year ended March 31, 2024 is summarized below:

(₹ in million)

| Particulars | Standalone | | Consolidated | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Revenue from operations | 3,655 | 3,115 | 6,239 | 5,406 |
| EBITDA | 1,052 | 749 | 2,045 | 1,564 |
| Less: | | | | |
| Finance Cost | 2 | 1 | 29 | 24 |
| Depreciation and Amortisation | 109 | 103 | 352 | 350 |
| Add: | | | | |
| Other income | 588 | 98 | 366 | 255 |
| Profit before exceptional items and Tax | 1,529 | 743 | 2030 | 1,445 |
| Exceptional items | 189 | - | 151 | 41 |
| Profit Before Tax (PBT) | 1,340 | 743 | 1,879 | 1,404 |
| Less: Provision for Taxation | | | | |
| Current tax | 270 | 183 | 566 | 428 |
| Deferred tax | (11) | 5 | (53) | (63) |
| MAT credit entitlement | | - | (4) | - |
| Tax adjustment for earlier years | | - | | - |
| Tax expenses | 259 | 188 | 509 | 365 |
| Profit for the year | 1,081 | 555 | 1370 | 1,039 |
| Surplus Brought Forward from the Previous Year | 4,175 | 3,827 | 10,023 | 9,173 |
| Amount Available for Appropriations | 5,256 | 4,175 | 11,393 | 10,023 |
| Earnings Per Share (Amount in ₹) | | | | |
| Basic | 9.67 | 4.97 | 11.92 | 9.45 |
| Diluted | 9.66 | 4.97 | 11.92 | 9.45 |

RESULTS FROM OPERATIONS

Revenue – Consolidated

Your Company's revenue from operations on consolidated basis increased to ₹ 6,239 million in the financial year 2023-24 ("FY24") from ₹ 5,406 million in the financial year 2022-23 ("FY23"), a growth rate of 15%. The total revenue comprises international sales amounting to ₹ 3,133 million (FY23 - ₹ 2,850 million), increase of 10% and domestic sales amounting to ₹ 3,106 million (including Export Incentives of ₹ 4 million) (FY23 - ₹ 2,557 million (including Export Incentives of ₹ 3 million)), an increase of 21%.

Your Company's domestic sales constitute about 50% of revenue from operations during FY24 as compared to 47% of revenue from operations during FY23. International sales were 50% of revenue from operations as compared to 53% of revenue from operations during FY23.

Revenue - Standalone

Your Company's revenue from operations on standalone basis increased to ₹ 3,655 million in FY24 from ₹ 3,115 million in FY23, at an increase of 17%. The total revenue comprises international sales of ₹ 1,134 million (FY23 - ₹ 975 million), an increase of 16% and Domestic sales at ₹ 2,520 million (including Export Incentives of ₹ 4 million) (FY23 - ₹ 2,140 million (including Export Incentives of ₹ 2 million)), an increase of 18%.

The domestic sales constitute 69% of revenue from operations during FY24 as compared to 69% of revenue from operations during FY23. International sales were 31% of revenue from operations during FY24 as compared to 31% of revenue from operations during FY23.

BOARD'S REPORT (Contd.)

Profits - Consolidated

EBITDA (Earnings before interest, tax, depreciation & amortisation excluding other income) during FY24 was ₹ 2,045 million (33%) as compared to ₹ 1,564 million (29%) during FY23, an increase of 31%.

Profit before tax stood at ₹ 1,879 million (30%) during FY24 as against ₹ 1404 million (26%) in the previous year, an increase of 34%. Profit after tax stood at ₹ 1,370 million during FY24 as compared to ₹ 1,039 million during FY23, an Increase of 32%.

Profits - Standalone

EBITDA during the year under review was at ₹ 1,052 million (29%) as compared to ₹ 749 million (24%) in FY23. Profit before tax stood at ₹ 1,340 million during FY24 as compared to ₹ 743 million in FY23, an increase of 80%. Profit after tax stood at ₹ 1,081 million during FY24 as compared to ₹ 555 million during FY23, an increase of 95%.

DIVIDEND

During the financial year under review, the Board of Directors of your Company had declared an Interim Dividend @ 200% i.e. ₹ 4/- per Equity Share of face value of ₹ 2/- each for the financial year 2023-24, aggregating to about ₹ 447.30 million (subject to deduction of taxes, as applicable).

Pursuant to the Dividend Distribution Policy of the Company, the Board recommends a final Dividend @ 55% i.e. ₹ 1.10/- per Equity Share of face value of ₹ 2/- each for the financial year 2023-24 ("FY24"), aggregating to about ₹ 123.01 million (subject to deduction of taxes, as applicable) i.e. an increase of 10% on the previous year final Dividend.

The final Dividend payout is subject to approval of the Members at 35th Annual General Meeting ("AGM") of your Company.

Further, the Board of Directors of your Company declared an Interim Dividend @ 200% i.e. ₹ 4/- per Equity Share of face value of ₹ 2/- each for the financial year 2024-25 ("FY25"), aggregating to about ₹ 447.30 million (subject to deduction of taxes, as applicable).

The Dividend Distribution Policy of the Company is available on the website of the Company at www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies.

The Dividend Distribution Tax payable by domestic companies on declaration of dividend has been abolished w.e.f. April 01, 2020. Pursuant to this amendment and consequential amendments brought vide Finance Act, 2020, as the dividend by the companies is taxable in the hands of the shareholders, the Company would be under

an obligation to deduct tax at source ("TDS") in accordance with the provisions of the Income Tax Act, 1961 (as amended from time to time).

RESERVES

During the FY24, your Company has not transferred any amount to the General Reserves.

EMPLOYEES STOCK OPTION PLAN

The Members of the Company have approved the AETL Employee Stock Option Scheme 2022' ("ESOP 2022") and related matters on August 19, 2022 at the 33rd Annual General Meeting of the Company. Your Company has received the In-principle approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the reporting period, the Nomination & Remuneration Committee of the Company in its meeting held on August 12, 2023 approved the first grant of 5,76,000 (Five Lakh Seventy Six Thousand) stock Options in aggregate having face value of ₹ 2 each to the eligible employees, divided in relevant categories under ESOP 2022. The said Options are yet to be vested and exercised as on the date of this report. In view of this, there has been no change in the share capital of the Company during the year under review.

The disclosure pertaining to the details of Employees Stock Option Scheme 2022 ("ESOP 2022") are provided in Annexure I and forms part of this Report. The said disclosure is displayed on the website of the Company under the tab 'Details of Employees Stock Option' at www.advancedenzymes.com/investors/shareholder-information

FINANCIAL STATEMENTS

The financial statements of your Company for the year ended March 31, 2024 are prepared in accordance with the Indian Accounting Standards ("IND AS"), read with the provisions of Section 129 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") rules framed thereunder and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force) ["SEBI Listing Regulations"] and forms part of this Integrated Annual Report.

The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2024.



BOARD'S REPORT (Contd.)

SUBSIDIARIES

Your Company has Eleven (11) subsidiaries as on March 31, 2024 as listed below:

Domestic Subsidiaries:

1. Advanced Bio-Agro Tech Limited (60%) ["**ABAT**"];
2. Advanced EnzyTech Solutions Limited (100%) ["**AESL**"];
3. JC Biotech Private Limited (95.72%) ["**JCB**"];
4. SciTech Specialities Private Limited (51%) ["**SciTech**"]
5. Saiganesh Enzytech Solutions Private Limited (50%) ["**Saiganesh**"]

In terms of the financial performances:

- i. ABAT's revenue for FY24 was ₹ 448 million (previous financial year ["FY23"] - ₹ 472 million), and Profit after Tax for FY24 was ₹ 40 million (FY23 - ₹ 60 million).
- ii. AESL's revenue for FY24 was ₹ 153 million (FY23 - ₹ 134 million), and Profit after Tax for FY24 was ₹ 19 million (FY23 - ₹ 18 million).
- iii. JCB's revenue for FY24 was ₹ 626 million (FY23 - ₹ 502 million), and Profit/(loss) after Tax for FY24 was ₹ 18 million (FY23 - ₹ (18) million).
- iv. SciTech's revenue for FY24 was ₹ 418 million (FY23 - ₹ 353 million), and Profit/(loss) after Tax for FY24 was ₹ 37 million (FY23 - ₹ (62) million).
- v. Saiganesh's revenue for FY24 was ₹ 267 million (FY23 - ₹ 26 million), and Profit after Tax for FY24 was ₹ 26 million (FY23 - ₹ 2 million). [Saiganesh became subsidiary of the Company effective from January 03, 2023]

International Subsidiaries:

1. Advanced Enzymes USA (100%)
 - A. Advanced Supplementary Technologies Corporation (100% Subsidiary of Advanced Enzymes USA) *;
 - B. Cal-India Foods International (doing Business as Specialty Enzymes and Biotechnologies) (100% Subsidiary of Advanced Enzymes USA);
 - C. Enzyme Innovation Inc. (100% Subsidiary of Cal-India Foods International);

*Note: As reported in the Board Report for financial year 2022-23, the Board of Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("**DE**") and Advanced Supplementary Technologies Corporation, USA ("**AST**") approved

the merger of DE and AST. Further, the State of California (USA) had approved the merger of DE into AST and consequently thereafter, during the year 2023, DE merged into AST, and DE ceased to exist.

In terms of the consolidated financial performance of Advanced Enzymes USA, the revenue for FY24 was ₹ 2,128 million (FY23 - ₹ 1,933 million), and Profit after Tax for FY24 was ₹ 616 million (FY23 - ₹ 583 million).

2. Advanced Enzymes Europe B.V. (100%) ["**AEE**"]

In terms of the consolidated financial performance (including its subsidiary, evoxx technologies, GmbH), AEE's revenue for FY24 was ₹ 230 million (FY23 - ₹ 240 million), and (loss) for FY24 was ₹ 78 million (which includes about ₹ 11 million of operational loss, ₹ 9 million of other income, ₹ 10 million of deferred tax reversal, ₹ 59 million of amortization expense and ₹ 28 million of finance cost) as compared to loss of ₹ (39) million for FY23.

3. evoxx technologies GmbH [100% subsidiary of AEE] ["**evoxx**"]

For FY24, the revenues for evoxx was ₹ 230 million (FY23 - ₹ 240 million) and had a negative impact on the bottom line by ₹ 26 million including operational loss of ₹ 15 million (FY23 - positive impact on the bottom line by ₹ 18 million including operational gain of ₹ 36 million) and charge of ₹ 11 million (FY23 - ₹ 12 million) of an amortization expense.

4. Advanced Enzymes (Malaysia) Sdn. Bhd. (100%) ["**AEM**"] (Voluntary Strike off during reporting period)

The Company acquired AEM in the year 2017 (incorporated in 2016). During FY20, the Board of your Company approved the discontinuation of the business and closure of AEM and to initiate the process of closure thereto, since AEM was not giving the desired results. During FY23 and FY24, no business activities were carried out resulting into Nil profit in the respective years. During FY24, the Registrar of Companies, Malaysia has approved the voluntary application of AEM for its strike-off, and status of AEM is appearing as 'Dissolved'. Consequently, AEM ceases to be the subsidiary of the Company, effective from November 08, 2023.

The Policy for determining Material Subsidiaries is available on the website of the Company: www.advancedenzymes.com/investors/corporate-governance. During the year under review, Cal-India

BOARD'S REPORT (Contd.)

Foods International in USA was Material Subsidiary of your Company based on the criteria specified in the SEBI Listing Regulations.

A separate statement containing the salient features of the financial performance of subsidiaries in the prescribed Form AOC-1 is annexed to the financial statements of the Company. The Audited Consolidated financial statements together with Auditors' Report form an integral part of the Annual Report.

The individual financial statements and other reports of the Company's subsidiaries have not been attached to the financial statements of the Company for FY24. Pursuant to the provisions of Section 136 of the Act read with the SEBI Listing Regulations, the financial statements of the subsidiaries and related information are uploaded on the website of your Company and can be accessed on the web link, www.advancedenzymes.com/investors/quarterly-updates/financial-results and also available for inspection, during working hours at the registered office of the Company on working days except Saturdays and Sundays, up to the date of 35th AGM of the Company. Any Member desirous of conducting inspection and/or of seeking information on the Annual financial statements of the Company's subsidiaries may write and intimate in advance, to the Company Secretary.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review:

- (i) The Company completed the acquisition of an additional stake of 5.89% in JC Biotech Private Limited, subsidiary ["JCB"] by way of purchase of 12,18,976 Equity Shares from few selling shareholders of JCB, for a consideration of ₹ 56.07 million i.e. ₹ 46 per Equity Share. In view of this, the shareholding of the Company in JCB has increased from 89.83% to 95.72% of paid-up share capital of JCB. The said acquisition was approved by the Board in its meeting held on February 10, 2024 and the acquisition was completed on March 05, 2024.
- (ii) Conversion of loan/Inter Corporate deposits granted by your Company to Advanced Enzymes Europe B.V, Netherlands (wholly owned subsidiary) ("AEE") in to the Equity Shares of AEE. On April 7, 2023, consequent to conversion of the loan including interest, AEE issued 2,276,837 Equity Shares of a par value of EUR 1 each at a share Premium of EUR 0.63 each, to your Company against outstanding loan amount including interest aggregating to EUR 3,711,244.60. AEE continues to be the wholly-owned subsidiary of your Company and there was no change in the percentage shareholding (100%) of your Company in AEE, post conversion of the aforesaid loan.
- (iii) Conversion of loan/Inter Corporate deposits granted by Advanced Enzymes Europe B.V, Netherlands (wholly owned subsidiary) ("AEE") to evovx technologies GmbH ("evovx") in to the Equity Shares of the evovx. On June 28, 2023, consequent to conversion of the said loan including interest, evovx issued 43,307 Equity Shares of a par value of EUR 1 each at a share Premium of EUR 61.18 each, to your Company against outstanding loan amount including interest aggregating to EUR 26,92,877. evovx continues to be the wholly-owned subsidiary of your AEE and there was no change in the percentage shareholding (100%) of AEE in evovx, post conversion of loan given by AEE to evovx.
- (iv) As reported in the Board Report for financial year 2022-23, the Board of Directors of Saigesh Enzytech Solutions Private Limited (50% Subsidiary) ["Saiganesh"] approved the purchase of entire business undertaking of Shri Ganesh Industrial Enzymes (a partnership firm based in Burhanpur, Madhya Pradesh) ("Shri Ganesh"), through a slump sale on a going concern basis for an amount not exceeding ₹ 9 million, for the purpose of Market expansion & growth for products of Saiganesh. The acquisition was completed during the year under review. Shri Ganesh was involved in the business of processing Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme) i.e. same business activity as that of Saiganesh (Health care industry). The total turnover and net-worth of the Shri Ganesh for financial year 2021-22 was ₹ 57.6 million and ₹ 10.3 million respectively.
- (v) As reported in the Board Report for financial year 2022-23, the Board of Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("DE") and Advanced Supplementary Technologies Corporation, USA ("AST") approved merger of DE and AST. Further, the State of California (USA) had approved the merger of DE into AST and consequently thereafter, during the year 2023, DE merged into AST, and DE ceased to exist.
- (vi) Advanced Enzymes (Malaysia) Sdn. Bhd. (100%) ["AEM"] (Voluntary Strike off during reporting period). The Company acquired AEM during the year 2017. During FY20, the Board of your Company approved the discontinuation of the business and closure of AEM and to initiate the process of closure thereto, as



BOARD'S REPORT (Contd.)

AEM was not giving the desired results. During FY23 and FY24, no business activities were carried out resulting into Nil profit in the respective years. During FY24, the Registrar of Companies, Malaysia approved the application of AEM for its voluntary strike-off. Consequently, AEM ceased to be the subsidiary of the Company effective from November 08, 2023.

The details are available on the website of the Company at www.advancedenzymes.com/investors/announcements-notices

Except as mentioned above, no other entity has become or ceased to be a Subsidiary, Joint Venture or Associate of the Company during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of your Company, Subsidiaries and its Business including Risks, Opportunities and Threats are given in the Management Discussion and Analysis, as required under the SEBI Listing Regulations, which is provided in separate section and forms an integral part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief and based on the information and explanations provided to them, confirm that:

- a. in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. appropriate accounting policies have been selected and applied consistently and judgments and estimates are made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a 'going concern' basis;
- e. Proper internal financial controls are devised to ensure compliance with all the provisions of the applicable

laws and that such internal financial controls are adequate and are operating effectively; and

- f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT

Your Company understands that controlling risks through a formal program is a necessary component and an integral cornerstone of Corporate Governance. Your Company has adopted Risk Assessment & Management policy which embeds the vision that a robust Risk Management system ensures commensurate controls and monitoring mechanism for smooth and efficient management of Business. The Policy outlines the framework for identification, measurement, evaluation, monitoring and mitigation of various risks. The Management has also reviewed the Risk Management framework of the Company. The Risk Registers are prepared by the concerned departments wherein the respective risks are identified along with its current control activities and the mitigation plans. Thereafter, the registers are reviewed.

The Risk Management Committee constituted by the Board assists the Board in monitoring and review of Risk Management Policy of the Company including associated systems, processes, controls & strategies thereto, various risks exposures of the Company, on a periodic basis and then inform the Board about the risks assessed, their concerns and action plan with strategy for mitigation of the risks and such other functions related to risk management & mitigation as may be required by the Board, from time to time.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions with the Related Parties were placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee was obtained for the Related Party transactions which are repetitive in nature. The Audit Committee and the Board, reviewed all the transactions entered into pursuant to the omnibus approvals on a quarterly basis. All the transactions with Related Parties, entered into during the year under review, were in the ordinary course of business and on arms' length basis in accordance with the provisions of the Act, Rules made thereunder and the SEBI Listing Regulations. Approval of the Members of the Company is also obtained in case any Related Party transaction exceeds the prescribed limits and as good corporate governance practice as there may be few transactions that may be carried out in the long-term interest of the Company. The transactions of the

BOARD'S REPORT (Contd.)

Company with its wholly-owned subsidiaries are exempted from approval of the Members, and hence such approvals are not obtained by the Company.

The Policy on Related Party Transactions (as amended) is available on the Company's website and can be accessed at www.advancedenzymes.com/investors/corporate-governance

As prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Account) Rules, 2014, particulars of contracts/arrangements with Related Parties are given in Form AOC-2, annexed as Annexure II to this Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124(6) of the Companies Act, 2013, all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund ("IEPF"). In view of this, your Company has transferred 10,000 unclaimed Equity Shares pertaining to financial year 2015-16 to the Demat account of IEPF during May 2023. The details of the said shares are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

During the year under review, the Company has transferred unclaimed Dividend of ₹ 1,14,000 for the financial year 2015-16. As on March 31, 2024, the total amount lying in the Unpaid Dividend accounts of the Company in respect of the last seven years is around ₹ 1.10 million. In addition, the total amount lying in the Unpaid (Interim) Dividend account of the Company for FY24 is around ₹ 0.49 million. Details of unclaimed Dividend and Shares due for transfer with due dates and procedure to claim the same are provided in the Notes to the Notice convening 35th AGM of the Company ("AGM Notice" / "Notice of 35th AGM") and briefly in the Corporate Governance Report which forms an integral part of this Report.

Details of Nodal Officer are displayed on the Company's website at:

www.advancedenzymes.com/investors/shareholder-information

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Annual Report on Corporate Social Responsibility activities has been provided in Annexure III and the report along with all the details thereto, forms an integral part of this Report. The Composition of CSR Committee is disclosed in the said Annual Report on CSR Activities and in the Corporate Governance report section.

The Corporate Social Responsibility Policy may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance.

POLICY ON CRITERIA FOR APPOINTMENT / REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

As per the Nomination & Remuneration Policy of the Company ("Policy"), the Nomination and Remuneration Committee *inter alia* recommends the appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The Policy lays down the criteria for such appointments and the framework in relation to remuneration of Directors including Managerial Personnel, KMPs and employees of the Company. The Nomination & Remuneration Committee oversees the matter of remuneration to the Executive Directors, KMPs and Senior Management Personnel and recommends to the Board, revision, if any, in the remuneration of the said Directors / Personnel subject to limits as may be approved by the Members.

The Nomination and Remuneration Policy may be accessed on the website of the Company at www.advancedenzymes.com/investors/corporate-governance.

The Board of your Company affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes occurred in the composition of the Board and the Key Managerial Personnel of your Company:

- (i) The Board of your Company approved the appointment of Mrs. Vandana R. Tilak (DIN: 10048021) as an Additional Director (Independent) with effect from July 01, 2023 and the Members of the Company in the 34th AGM of the Company held on August 12, 2023 approved her appointment as an Independent Director of the Company for a period of five years effective from July 01, 2023.
- (ii) The Board of your Company approved the re-appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) as an Independent Director for second term with effect from February 09, 2024 to hold office for the term of five years. The Members of the Company in the 34th AGM of the Company held on August 12, 2023 approved his re-appointment as an Independent Director of the Company for a period of five years effective from February 09, 2024.



BOARD'S REPORT (Contd.)

- (iii) The Board of your Company approved the re-appointment of Ms. Rajshree Patel (DIN: 08761022) as an Independent Director for second term with effect from June 12, 2023 to hold office for the term of three years. The Members of the Company in the 34th AGM of the Company held on August 12, 2023 approved her re-appointment as an Independent Director of the Company for a period of three years effective from June 12, 2023.
- (iv) Mr. Rajesh Sharma, Independent Director, ceased to be the Director of the Company due to completion of his tenure as the Independent Director of the Company effective from August 10, 2023. Mr. Rajesh Sharma was eligible for re-appointment as an Independent Director for his second term, however due to pre-occupation and increased responsibilities in his professional engagements in USA, he conveyed his un-willingness for re-appointment for the subsequent term as an Independent Director.
- (v) Mr. Kedar Desai, Independent Director, ceased to be the Director of the Company due to completion of his second tenure as the Independent Director of the Company effective from March 31, 2024.

Except as mentioned above, there has been no change in the composition of Board and Key Managerial Personnel of the Company, during the year under review.

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given the following declarations stating that:

- (i) they meet the 'criteria of Independence' as defined under Regulation 16(1) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 read with Schedule IV and the relevant Rules made thereunder;
- (ii) they have complied with the provisions of the Code of Conduct & Ethics of the Company. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.
- (iii) they have complied with the provisions of Rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended) with regards to the registration on the Independent Directors' databank.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

The Independent Directors of your Company have registered on the Independent Directors' Databank pursuant to the provisions of Section 149 of the Companies Act, 2013 and the applicable rules thereunder ("Act"). The Independent Directors, as on March 31, 2024, have informed the Company, that they have either claimed exemption or passed the online proficiency test prescribed under the Act.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder and the Articles of Association of the Company, Mr. Vasant Rathi (DIN: 01233447), Director, retires by rotation at the 35th AGM and being eligible offers himself for re-appointment. The Board recommends the said re-appointment of Mr. Vasant Rathi at the 35th AGM and his brief profile is provided in the Notice convening 35th AGM of the Company.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s. MSKA & Associates, Chartered Accountants [Firm's Registration No: 105047W] were appointed as Statutory Auditors for a term of five consecutive years to hold office from the conclusion of 32nd AGM up to the conclusion of the 37th AGM. The Auditors' Report to the Members on the financial statements of the Company for the year ended March 31, 2024 forms a part of the Annual Report and the Auditors' Report does not contain any qualification, reservation or adverse remark.

COST RECORDS AND AUDIT

The Company has maintained Cost records in accordance with the provisions of Section 148(1) of the Companies Act, 2013, during the year under review. Based on the criteria specified under the Act, the Cost Audit was not applicable for the financial year 2023-24.

The Board of Directors of your Company, based on the recommendations of the Audit Committee, at its meeting

BOARD'S REPORT (Contd.)

held on May 11, 2024, appointed M/s. Shilpa & Co., Cost Accountants (Firm Registration Number: 100558), as the Cost Auditors of the Company for the financial year ending March 31, 2025 (FY25).

Your Company has received the consent of the Cost Auditors *inter alia* stating that the said appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Cost Auditors have confirmed they are free from any disqualifications to be appointed as the Cost Auditors of your Company. Based on recommendations of the Audit Committee, the remuneration of Cost Auditors has been approved by the Board and recommended to the Members and therefore the requisite resolution for ratification of remuneration of the Cost Auditors by the Members is set out in the Notice of the 35th AGM of your Company. The Cost Audit was not applicable for the financial year 2023-24. As per the applicable provisions of the Act, the Cost Auditor is required to forward the Cost Audit Report to the Company within 180 days from the end of the financial year, by September 27, 2025. Once the Cost Audit Report is received, the same shall be filed by the Company within the due date prescribed under the Act.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Mr. Shiv Hari Jalan, Practising Company Secretary (FCS No. 5703 C.P. No. 4226) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2023-24 is annexed as Annexure IV and forms an integral part of this Report. The Secretarial Audit Report for the year ended March 31, 2024 does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance and the Certificate of the Practising Company Secretary regarding compliance of the conditions of Corporate Governance as required pursuant to the provisions of the SEBI Listing Regulations, are enclosed as Annexure V. Declaration signed by the Whole-time Director affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel also forms part of this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to the provisions of Regulation 34 of the SEBI Listing Regulations (as amended), the Business Responsibility and Sustainability Report ("BRSR Report") for FY24 is provided in a separate section of this Annual Report

FY24 and may be accessed on the website of the Company at <https://www.advancedenzymes.com/investors/stock-exchange-compliance/#other-compliance>

COMMITTEES OF THE BOARD

As per the Companies Act, 2013 and the SEBI Listing Regulations, during the year under review, the Board has five statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee. The details of the composition of these Committees along with number of meetings held and attendance at the meetings are provided in the Corporate Governance Report, which forms an integral part of this Report.

VIGIL MECHANISM

Your Company had adopted Whistle Blower Policy / Vigil Mechanism Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations. Details on the Vigil Mechanism of your Company have been outlined in Corporate Governance Report, which forms an integral part of this Report.

The Whistle Blower Policy may be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance

MEETINGS OF THE BOARD

During the year, 4 (four) meetings of the Board of Directors were held. The requisite details of the Board Meetings and the details of the Directors present are provided in the Corporate Governance Report, which forms part of this Report.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board and General Meetings, as notified by the Ministry of Corporate Affairs of India.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has undertaken an Annual Evaluation of its own performance, its various Committees and individual Directors. The manner in which



BOARD'S REPORT (Contd.)

the performance evaluation has been carried out has been given in the Corporate Governance Report, annexed to this Report. The Board expressed its satisfaction of the evaluation process and outcome.

The Board Evaluation policy can be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, the details of familiarization program is available on the website of your Company at www.advancedenzymes.com/investors/corporate-governance. Further, upon appointment of an Independent Director, the Company issues a letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on the Company's website at: www.advancedenzymes.com/investors/corporate-governance

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has in place a Code of Conduct for Prohibition of Insider Trading (known as the AETL Insider Trading Code), which lays down the process for trading in securities of the Company by the Designated Persons and to regulate, monitor and report trading by the employees of the Company either on his/her own behalf or on behalf of any other person, on the basis of Unpublished Price Sensitive Information.

The aforementioned Code, as amended, is available on the website of the Company at www.advancedenzymes.com/investors/corporate-governance

INTERNAL CONTROL AND ITS ADEQUACY

Your Company has adopted procedures and systems for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of financial disclosures. Your Company maintains appropriate and adequate Internal Control System / Internal Financial Control commensurate to its size and nature of operations. Your Company's Internal Control systems are tested and certified by the Internal Auditors and Statutory Auditors of the Company.

The Audit Committee periodically reviews the report(s) of the independent Internal Auditors along with the adequacy and effectiveness of Internal Control systems.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and its future operations.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of Business of your Company during the year under review affecting the financial position of the Company.

MATERIAL CHANGES FROM THE DATE OF END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Except as otherwise mentioned in this report, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial year of the Company to which the financial statements relates and the date of this report.

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

The details of Loans and Investments under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended), for the FY24 are given in the Standalone financial statements (Note No. 56 to the Standalone financial statements). Your Company has not provided any guarantee or security under Section 186 of the Act during the year under review.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company as on March 31, 2024 is available on the website of the Company at www.advancedenzymes.com

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended) is furnished in Annexure VI and forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended ("Rules"), the details are disclosed in Annexure VII to this report. In

BOARD'S REPORT (Contd.)

terms of Section 136(1) of the Act read with second proviso to the Rule 5 of the said Rules, the Integrated Annual Report with Annexure VII is being sent to the Members excluding the statement of particulars of employees under Rule 5(2) and (3) of the Rules ("Information"), which forms part of this report. The Annexure VII / Information under Rule 5(2) and (3) is available for inspection by the Members at the registered office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member interested in conducting inspection and/or obtaining a copy of the said Annexure/ Information may write to the Company Secretary at the Registered Office address of your Company.

DEPOSITS

During the year under review, your Company did not invite or accept any Deposits covered under Chapter V of the Act. There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014 (as amended), at the end of the year under review or the previous financial year.

CREDIT RATING

During the year under review, there is no change in the Credit Rating obtained by the Company i.e. a long term rating of CRISIL A+/Stable (Reaffirmed) and a short term rating of CRISIL A1 (Reaffirmed) for outstanding Bank loan facilities (outstanding facilities), by Credit Rating Information Services of India Limited (CRISIL).

GENERAL DISCLOSURES

During the year under review:

- The Whole-time Director of your Company has not received any remuneration or commission from any of the subsidiaries.
- Your Company has not issued Shares with Differential Rights as to Dividend, Voting or otherwise.
- Your Company has devised a policy on Prevention of Sexual Harassment to comply with the provisions of the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013. The said policy is hosted on the Company's website at www.advancedenzymes.com. During the year under review, there were no cases / grievances reported or pending and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- There are no details to be disclosed under Section 134(3)(ca) of the Act as there has been no such fraud reported by the Auditors under Section 143(12) of the Act.
- There are no applications made by or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.
- The details regarding the difference in valuation between a one-time settlement and valuation for obtaining loans from banks or financial institutions, along with reasons, are not applicable.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support received by the Company from the Banks, Government agencies/ organizations and employees of your Company.

Your Directors also acknowledge with thanks the faith reposed by the Investors in the Company and look forward to their continued support for times to come.

**For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited**

Mukund Kabra

Whole-time Director

DIN: 00148294

Place: Thane

Date: May 11, 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik



ANNEXURE I

DETAILS OF EMPLOYEES STOCK OPTION SCHEME 2022 (ESOP 2022)

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ["SEBI SBEB REGULATIONS"] READ WITH PART F OF SCHEDULE - I OF SEBI SBEB REGULATIONS AND RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 (AS AMENDED) ["DISCLOSURES"]

The Members, at the Annual General Meeting of the Company held on August 19, 2022, passed a Special Resolution approving Advanced Enzyme Technologies Limited - Employee Stock Option Scheme 2022 and Grant of stock options to the employees of the Subsidiaries of the Company under AETL - Employee Stock Option Scheme 2022 ("AETL-ESOP 2022" / "ESOP Scheme")

The detailed note on the disclosure in terms of the accounting standards and the 'Guidance note on accounting for employee share-based payments' is under Note No. 44 & 44A to the Standalone financial statements for the year ended March 31, 2024 and forms an integral part of this Report.

Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 - Details of same are provided under Note No. 41 to the aforesaid Standalone financial statements and forms an integral part of this Report.

Employee Stock Option Scheme 2022 (Scheme 2022 / Scheme)

1) Brief Description:

| Sr. No. | Particulars | Details | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|---|-----------------|-----------------------|--------------------------------|------|---------------------------------|---|---------------------------------|---|---------------------------------|---|---------------------------------|---|-----------------|-----------------------|--------------------------------|--|---------------------------------|---|---------------------------------|---|---------------------------------|---|---------------------------------|---|
| 1. | Date of Shareholders' approval | Approval of the Scheme by the Members at 33 rd Annual General Meeting held on August 19, 2022 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Total number of options approved under ESOS | 2,500,000 Options (Maximum number of Options, in aggregate, that can be Granted shall not exceed 2,500,000 Options, in aggregate and shall not exceed 600,000 Options per financial year) | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Vesting requirements | The Options shall not vest for a period of one year after grant. After the expiry of one year, the vesting of Options shall take place over a term of five years, as follows: For Category – I <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th>Year of Vesting</th> <th>Percentage of Vesting</th> </tr> </thead> <tbody> <tr> <td>1 year after the date of grant</td> <td>100%</td> </tr> <tr> <td>2 years after the date of grant</td> <td>-</td> </tr> <tr> <td>3 years after the date of grant</td> <td>-</td> </tr> <tr> <td>4 years after the date of grant</td> <td>-</td> </tr> <tr> <td>5 years after the date of grant</td> <td>-</td> </tr> </tbody> </table> For Category – II <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th>Year of Vesting</th> <th>Percentage of Vesting</th> </tr> </thead> <tbody> <tr> <td>1 year after the date of grant</td> <td>For first 500 Options - 100% For remaining Options - 5%</td> </tr> <tr> <td>2 years after the date of grant</td> <td>10% of remaining Options (excluding first 500 Options as mentioned above)</td> </tr> <tr> <td>3 years after the date of grant</td> <td>20% of remaining Options (excluding first 500 Options as mentioned above)</td> </tr> <tr> <td>4 years after the date of grant</td> <td>30% of remaining Options (excluding first 500 Options as mentioned above)</td> </tr> <tr> <td>5 years after the date of grant</td> <td>35% of remaining Options (excluding first 500 Options as mentioned above)</td> </tr> </tbody> </table> | Year of Vesting | Percentage of Vesting | 1 year after the date of grant | 100% | 2 years after the date of grant | - | 3 years after the date of grant | - | 4 years after the date of grant | - | 5 years after the date of grant | - | Year of Vesting | Percentage of Vesting | 1 year after the date of grant | For first 500 Options - 100% For remaining Options - 5% | 2 years after the date of grant | 10% of remaining Options (excluding first 500 Options as mentioned above) | 3 years after the date of grant | 20% of remaining Options (excluding first 500 Options as mentioned above) | 4 years after the date of grant | 30% of remaining Options (excluding first 500 Options as mentioned above) | 5 years after the date of grant | 35% of remaining Options (excluding first 500 Options as mentioned above) |
| Year of Vesting | Percentage of Vesting | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 year after the date of grant | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 years after the date of grant | - | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 years after the date of grant | - | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 years after the date of grant | - | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 years after the date of grant | - | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year of Vesting | Percentage of Vesting | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 year after the date of grant | For first 500 Options - 100% For remaining Options - 5% | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 years after the date of grant | 10% of remaining Options (excluding first 500 Options as mentioned above) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 years after the date of grant | 20% of remaining Options (excluding first 500 Options as mentioned above) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 years after the date of grant | 30% of remaining Options (excluding first 500 Options as mentioned above) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 years after the date of grant | 35% of remaining Options (excluding first 500 Options as mentioned above) | | | | | | | | | | | | | | | | | | | | | | | | | |

ANNEXURE I (Contd.)

| Sr. No. | Particulars | Details | | | | | | | | | | | | |
|---------------------------------|--|--|-----------------|-----------------------|--------------------------------|----|---------------------------------|-----|---------------------------------|-----|---------------------------------|-----|---------------------------------|-----|
| | | <p>For Category – III</p> <table border="1"> <thead> <tr> <th>Year of Vesting</th> <th>Percentage of Vesting</th> </tr> </thead> <tbody> <tr> <td>1 year after the date of grant</td> <td>5%</td> </tr> <tr> <td>2 years after the date of grant</td> <td>10%</td> </tr> <tr> <td>3 years after the date of grant</td> <td>20%</td> </tr> <tr> <td>4 years after the date of grant</td> <td>30%</td> </tr> <tr> <td>5 years after the date of grant</td> <td>35%</td> </tr> </tbody> </table> <p>The Nomination & Remuneration Committee ("Committee") will determine the criteria based on the provisions of Clause 8 and other provisions of the Scheme including any other relevant factors for the eligibility of the employees for Options under Category – I, Category – II and Category – III.</p> | Year of Vesting | Percentage of Vesting | 1 year after the date of grant | 5% | 2 years after the date of grant | 10% | 3 years after the date of grant | 20% | 4 years after the date of grant | 30% | 5 years after the date of grant | 35% |
| Year of Vesting | Percentage of Vesting | | | | | | | | | | | | | |
| 1 year after the date of grant | 5% | | | | | | | | | | | | | |
| 2 years after the date of grant | 10% | | | | | | | | | | | | | |
| 3 years after the date of grant | 20% | | | | | | | | | | | | | |
| 4 years after the date of grant | 30% | | | | | | | | | | | | | |
| 5 years after the date of grant | 35% | | | | | | | | | | | | | |
| 4. | Exercise price or pricing formula | <p>The Exercise Price including method for arriving at it, shall be determined by the Committee, from time to time at the time of Grant, provided that the said Exercise Price shall not be higher than the prevailing Market Price of the Shares discounted by minimum 33.33% (ceiling); as may be determined by the Committee based on the criteria as specified in the Scheme, subject to the provisions of the Applicable Law including Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI SBEB Regulations"] and that the Exercise Price per Option shall not be less than the then prevailing face value of the Equity Shares of the Company.</p> <p>"Market Price" means the average of Closing Price of the Equity Shares of the Company on the recognized Stock Exchange for last 90 (ninety) Trading Days preceding the date of Grant (Relevant Date).</p> <p>Explanation: If the Equity Shares of the Company are listed on more than one recognized Stock Exchange, then the Closing Price on the recognized Stock Exchange having higher trading volume, in aggregate is recorded for the said last 90 (ninety) Trading Days shall be considered for the purpose of determining the Market Price.</p> | | | | | | | | | | | | |
| 5. | Maximum term of options granted | The maximum period within which the vested Options shall be exercised is 6 (six) months from the date of Vesting, unless otherwise extended by the Committee, in exceptional circumstances. If not exercised by the eligible employee(s) within the said period, the relevant Options shall lapse. | | | | | | | | | | | | |
| 6. | Source of shares (primary, secondary or combination) | Primary | | | | | | | | | | | | |
| 7. | Variation in terms of options | The Company shall not vary the terms of the Scheme, in any manner, which may be detrimental to the interests of the Eligible Employees. | | | | | | | | | | | | |

- 2) **Method used to account for ESOS:** Fair Value as at the grant date (Black-Scholes-Option Valuation Model)
- 3) **Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed:** Not Applicable



ANNEXURE I (Contd.)

4) Option movement during the year (For each ESOS):

| | |
|---|---------|
| Number of options outstanding at the beginning of the period | NA |
| Number of options granted during the year | 576,000 |
| Number of options forfeited / lapsed during the year | 6,000* |
| Number of options vested during the year | NA |
| Number of options exercised during the year | NA |
| Number of shares arising as a result of exercise of options | NA |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | NA |
| Loan repaid by the Trust during the year from exercise price received | NA |
| Number of options outstanding at the end of the year | 570,000 |
| Number of options exercisable at the end of the year | NA |

* Lapsed due to Resignation / Non-receipt of acceptance letter of grant of options by concerned grantee.

Note: During the financial year 2023-24, the Nomination & Remuneration Committee of the Company in its meeting held on August 12, 2023 (Grant Date), approved the first grant of 5,76,000 stock Options in aggregate having face value of ₹ 2 each to the eligible employees, divided in relevant categories under the ESOP Scheme 2022. The said Options are yet to be vested and exercised as on the date of this report.

5) Weighted-average exercise prices and weighted-average fair values of options :

a) as it is less than market price of the stock

| Date of Vesting | (in ₹) | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | August 13, 2024 | August 13, 2025 | August 13, 2026 | August 13, 2027 | August 13, 2028 |
| Weighted-average exercise prices* | 64.37 | 156.21 | 156.21 | 156.21 | 156.21 |
| Weighted-average fair value of options | 268.77 | 194.92 | 207.95 | 218.95 | 226.52 |

* Weighted-average exercise prices are calculated based on the total exercise amount on fully exercising the vested options divided by the total number of options being vested and exercised.

b) as it is equals or exceeds the market price of the stock

| Date of Vesting | August 13, 2024 | August 13, 2025 | August 13, 2026 | August 13, 2027 | August 13, 2028 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Weighted-average exercise prices | | | NA | | |
| Weighted-average fair value of options | | | NA | | |

6) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

a) Senior Managerial Personnel;

During the year under review, below are the details of stock option granted to the Senior Managerial Personnel(s) of your Company.

| Sr. No. | Name of the Employee | Designation | Number of Options Granted | Exercise Price |
|---------|-----------------------|---|---------------------------|---|
| 1. | Mr. Beni Prasad Rauka | Chief Financial Officer | 23,500 | Exercise Price per Option as mentioned below* |
| 2. | Mr. Sanjay Basantani | Company Secretary & Head –Legal | 15,000 | |
| 3. | Mr. Dipak Roda | Sr. VP – Marketing & Business Development | 18,000 | |
| 4. | Mr. Satish Pagar | Plant Manager, Nashik | 15,000 | |
| 5. | Mr. Pradeep Bhosale | Plant Manager, Indore | 14,000 | |

*₹ 2 per Option for 500 Options (i.e. on face value), ₹ 141 per Option for 4,500 Options (50% discount on the Market Price (as defined in ESOP Scheme 2022) i.e. 50% discount on ₹ 282 = ₹ 141 per Option) and ₹ 188 per Option for balance Options (i.e. 33.33% discount on the Market Price of ₹ 282, which comes to the Exercise Price of ₹ 188 per Option)

ANNEXURE I (Contd.)

- b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: Nil
- c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

7) **A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

| Sr. No. | Particulars | Details | | | | |
|---------|--|--|------------------------|------------------------|------------------------|------------------------|
| 1. | The weighted-average values of share price: | | | | | |
| | Date of Vesting | August 13, 2024 | August 13, 2025 | August 13, 2026 | August 13, 2027 | August 13, 2028 |
| | exercise price: | ₹ 64.37 | ₹ 156.21 | ₹ 156.21 | ₹ 156.21 | ₹ 156.21 |
| | expected volatility: | 31.41% | 33.82% | 40.78% | 43.12% | 42.13% |
| | expected option life: | 1.25 years | 2.25 years | 3.25 years | 4.25 years | 5.25 years |
| | expected dividends : | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| | the risk-free interest rate: | 6.69% p.a. | 6.77% p.a. | 6.80% p.a. | 6.81% p.a. | 6.82% p.a. |
| | any other inputs to the model | - | | | | |
| 2. | The method used and the assumptions made to incorporate the effects of expected early exercise | Black-Scholes-Option Valuation Model | | | | |
| 3. | How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | <ul style="list-style-type: none"> • Fair value calculated by using Black-Scholes option pricing model. • Share price: The closing price on NSE as on the date of grant has been considered for fair valuation of the options granted. | | | | |
| 4. | Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. | <ul style="list-style-type: none"> • Exercise Price: Exercise Price is the price as determined by the Nomination and Remuneration Committee, as defined under the ESOP Scheme 2022. • Expected Volatility: Volatility of the Company's stock price based on the NSE price data from May 12, 2018, up to the date of grant. • Expected Option Life: The expected life of the options i.e. the average of the period up to the vesting date and the exercise period corresponding to each vesting. • Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the five financial years preceding the date of the grant. • Risk free interest rate: Zero coupon Government Bond rate representing the risk free interest rate. | | | | |



ANNEXURE II

FORM NO. AOC-2

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

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO.

1. Details of contracts or arrangements or transactions not at Arm's Length basis: Nil

- Name(s) of the related party and nature of relationship: Not Applicable
- Nature of contracts/arrangements/transactions: Not Applicable
- Duration of the contracts/arrangements/transactions: Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- Justification for entering into such contracts or arrangements or transactions: Not Applicable
- Date(s) of approval by the Board: Not Applicable
- Amount paid as advances, if any: Not Applicable
- Date on which the Special Resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

| Sr. No. | Particulars | Transaction – Sales / Purchase |
|---------|--|--|
| a) | Name(s) of the related party and Nature of relationship | JC Biotech Private Limited ("JC Biotech") Subsidiary (95.72%) |
| b) | Nature of contracts/arrangements/transactions | Sales / Purchase of Goods |
| c) | Duration of the contracts/arrangements/ transactions | Transactions during the year ended March 31, 2024 |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Total (Sales & Purchase of goods): ₹ 632 million (Sales : ₹ 13 million, Purchase : ₹ 619 million) Shareholders' approval received in the Annual General Meeting held on August 19, 2022 and August 12, 2023 for aggregate limit of Sales and Purchase of ₹ 750 Million (annual limit) for the period from October 01, 2022 to September 30, 2023 and for the period from October 01, 2023 to September 30, 2024 respectively |
| e) | Date(s) of approval by the Board, if any | May 13, 2023 and February 10, 2024 |
| f) | Amount paid as advances, if any | Advances, if any and as may be paid by the Company, during the year, were only towards the supply of goods by JC Biotech to the Company, under the limits as mentioned above |

Notes:

- The above disclosure of material related party transaction(s) is based on the aggregate transaction value exceeding 10% of annual consolidated turnover of the Company pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Policy on Related Party Transactions of the Company, as amended from time to time.
- During the year under review, the Company has completed the acquisition of additional stake of 5.89% in JC Biotech by way of purchase of 12,18,976 Equity Shares from few selling shareholders of JC Biotech, for a consideration of ₹ 56.07 million i.e. ₹ 46 per Equity Share. In view of this, the shareholding of the Company in JC Biotech has increased from 89.83% to 95.72% of paid-up share capital of JC Biotech.

For and on behalf of the Board of Directors of

Advanced Enzyme Technologies Limited

Mukund Kabra

Whole-time Director

DIN: 00148294

Place: Thane

Date: May 11, 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

ANNEXURE III

ANNUAL REPORT ON

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1) A brief outline of the CSR policy of the Company:

The CSR policy of the Company intends to focus on certain long term projects which includes initiatives in the field of Education, Skill development/Vocational training, Health Care, Sanitation, Safe Drinking Water, Environment Sustainability, Women Empowerment and Rural Development which will *inter alia* enable creation of a sustainable livelihood in society and better human capital culture.

The CSR policy of the Company covers the proposed CSR activities in line with the provisions of Section 135 of the Companies Act, 2013 (as amended) and Schedule VII thereto. The CSR Policy of the Company including the overview of projects or programme may be accessed from the website of the Company, at www.advancedenzymes.com/investors/corporate-governance

2) The Composition of the CSR Committee is as under:

| Sr. No. | Name of Director | Designation / nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------|--|--|--|
| 1. | Mr. Kedar Desai [§] | Independent Director & Chairman of Committee | 2 | 2 |
| 2. | Mr. Mukund Kabra* | Whole-Time Director | 2 | 2 |
| 3. | Mr. Vasant Rathi | Non-Executive Director | 2 | 2 |
| 4. | Ms. Rajshree Patel | Independent Director | 2 | 2 |

[§] Mr. Kedar Desai, Independent Director ceased to be the Director & Chairman of the Committee effective from March 31, 2024 (end of business hours) due to the completion of his second term of five years as an Independent Director on the Board of the Company.

* Appointed as the Chairperson of the Committee effective from May 11, 2024.

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.advancedenzymes.com/investors/corporate-governance

4) Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5) (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 779,393,594

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 15,587,872

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b) + (c) - (d)]: ₹ 15,587,872

6) (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 11,280,895

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹ 11,280,895

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|--|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 11,280,895 | 4,306,977 | April 23, 2024 * | - | - | - |

* Out of total amount of ₹ 4,306,977 transferred to Unspent CSR Account, ₹ 6,977 have been transferred on April 16, 2024 and balance amount of ₹ 4,300,000 have been transferred on April 23, 2024



ANNEXURE III (Contd.)

(f) Excess amount for set-off, if any:

| Sr. No | Particulars | Amount (in ₹) |
|--------|---|----------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | Not Applicable |
| (ii) | Total amount spent for the Financial Year | |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | |

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1. | 2. | 3. | 4. | 5. | 6. | | 7. | 8. |
|---------|--------------------------|--|--|---|---|------------------|--|--------------------|
| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under subsection (6) of Section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) * | Amount spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (₹) | Deficiency, if any |
| | | | | | Amount | Date of transfer | | |
| 1. | 2020-21 | 3,695,000 | 1,673,000 | 1,673,000 | - | - | - | - |
| 2. | 2021-22 | 11,019,640 | 3,087,284 | 2,927,142 | - | - | 160,142 | - |
| 3. | 2022-23 | 12,319,425 | 12,319,425 | 11,884,721 | - | - | 434,704 | - |

*Note: Unspent balance as on April 1, 2023

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No✓

If Yes, enter the number of Capital assets created/ acquired: NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of Creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if Applicable | Name | Registered address |
| - | - | - | - | - | - | - | - |

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per as per subsection (5) of section 135.: Not Applicable

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Mukund Kabra

Whole time-Director & Chairman of CSR Committee

DIN: 00148294

Place: Thane

Date: May 11, 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

ANNEXURE IV

SECRETARIAL AUDIT REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

Advanced Enzyme Technologies Limited

Sun Magnetica, 5th Floor,

Near LIC Service Road, Louis Wadi,

Thane- 400604.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in Practice have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Advanced Enzyme Technologies Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- | | |
|---|--|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 (the Act) and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; | <ul style="list-style-type: none"> (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- <ul style="list-style-type: none"> (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the review period) (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the review period) (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review) (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the company during the review period) (i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period) (j) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; (vi) Other laws applicable specifically to the Company namely: <ul style="list-style-type: none"> (a) Factories Act, 1948; |
|---|--|



ANNEXURE IV (Contd.)

- (b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;
- (c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
- (d) Environment Protection Act, 1986
- (e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
- (f) The Petroleum Act, 1934;
- (g) Drugs & Cosmetics Act, 1940;
- (h) Food Safety and Standard Act, 2006 & rules made thereunder;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in accordance with the provisions of Companies Act, 2013 and a system exists for seeking

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had no specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai

Date: 11.05.2024

UDIN: F005703F000352302

For Shiv Hari Jalan & Co.

Company Secretaries

FRN: S2016MH382700

(Shiv Hari Jalan)

Proprietor

FCS No: 5703

C.P.No.: 4226

PR No. 1576/2021

This report is to be read with my letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

ANNEXURE IV (Contd.)

'Annexure A'

To,

The Members,

Advanced Enzyme Technologies Limited

Sun Magnetica, 5th Floor,

Near LIC Service Road, Louis Wadi,

Thane - 400604.

My Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai

Date: 11.05.2024

UDIN: F005703F000352302

For Shiv Hari Jalan & Co.

Company Secretaries

FRN: S2016MH382700

(Shiv Hari Jalan)

Proprietor

FCS No.: 5703

C.P. No.: 4226

PR No. 1576/2021



ANNEXURE V

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about maximizing shareholders value legally, ethically and sustainably with a goal to ensure fairness for every stakeholder. We are dedicated to ensure to adopt and attain the best practices in Corporate Governance. The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in the functioning of the Company and believes that these are pre-requisites for attaining sustainable growth in this competitive corporate world.

BOARD OF DIRECTORS

Composition of the Board of Directors as on March 31, 2024

The Board of Directors of the Company (hereinafter referred as "the Board") comprises an optimum combination of Executive and Non-Executive Directors. As on March 31, 2024, the Board comprised 10 (Ten) Directors i.e. 1 (One) Executive Director and 9 (Nine) Non-Executive Directors, out of which 6 (Six) were Independent Directors (including two Woman Independent Director). The Chairman of the Board is a Non-Executive Director (Promoter) and more than half of the Board members are Independent. The composition of the Board is in line with requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred as the "SEBI Listing Regulations"). The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgment in any manner. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. The Board members are eminently qualified and experienced professionals in business, finance and / or corporate management.

The relevant details of composition of the Board are as follows:

| Sr. No. | Name | Director Identification Number | Category |
|---------|----------------------------------|--------------------------------|--|
| 1. | Mr. Vasant L. Rathi | 01233447 | Chairman & Non-Executive Director (Promoter) |
| 2. | Mr. Mukund Kabra | 00148294 | Whole-time Director |
| 3. | Ms. Rasika Rathi | 08300682 | Non-Executive Director (Promoter Group Member) |
| 4. | Mr. Kedar Desai [#] | 00322581 | Independent Director |
| 5. | Mr. Pramod Kasat | 00819790 | Independent Director |
| 6. | Mr. Vinodkumar Jajoo | 08224980 | Independent Director |
| 7. | Dr. Sunny Sharma | 02267273 | Non-Executive Director |
| 8. | Ms. Rajshree Patel | 08761022 | Independent Director |
| 9. | Mr. Nitin Deshmukh | 00060743 | Independent Director |
| 10. | Mrs. Vandana Tilak ^{**} | 10048021 | Independent Director |

[#] Mr. Kedar Desai (DIN: 00322581) Independent Director ceased to be the Director of the Company effective from March 31, 2024 (end of business hours) due to the completion of his second term of five years as an Independent Director on the Board of the Company.

^{**} Mrs. Vandana Tilak (DIN: 10048021) appointed as an Independent Director effective from July 01, 2023 for a term of 5 (five) consecutive years.

Note: During the year under review, all the recommendations of the Committees of the Board, which are mandatorily required, were approved by the Board.

None of the Directors of the Company are related to any other Director on the Board in terms of the definition of 'Relative' under the Companies Act, 2013 read with the corresponding Rules framed thereunder ("Act") except Ms. Rasika Rathi who is a daughter of Mr. Vasant Rathi.

ANNEXURE V (Contd.)

Number of Board or Board Committees of which a Director is a member or Chairperson; the names of Other Listed entities where the Directors of the Company are Directors and the Category of their Directorship:

| Sr. No. | Name of Directors | No. of Directorship held in other companies (\$) | No. of Committee membership in other companies(*) | No. of Committees in which Director is a Chairperson (other companies)(*) | Name of the listed entities where the person is a Director (Category of Directorship) |
|---------|----------------------|--|---|---|--|
| 1. | Mr. Vasant Rathi | - | - | - | - |
| 2. | Mr. Mukund Kabra | 5 | 1 | - | - |
| 3. | Ms. Rasika Rathi | 1 | - | - | - |
| 4. | Mr. Kedar Desai | 3 | 3 | - | - |
| 5. | Mr. Pramod Kasat | 5 | 3 | 1 | Natural Capsules Limited, Fermenta Biotech Limited and Sai Silks (Kalamandir) Limited (Independent Director) |
| 6. | Mr. Vinodkumar Jajoo | - | - | - | - |
| 7. | Dr. Sunny Sharma | 1 | 1 | - | Marksans Pharma Limited (Non-Executive Director) |
| 8. | Ms. Rajshree Patel | - | - | - | - |
| 9. | Mr. Nitin Deshmukh | 3 | 3 | - | - |
| 10. | Mrs. Vandana Tilak | - | - | - | - |

§ Excludes Directorship in private companies, foreign companies and Section 8 companies.

* Audit Committee and Stakeholders' Relationship Committee in listed and unlisted public limited companies have been considered.

Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year 2023-24 ("FY24"), the meetings of the Board of Directors of the Company was held four (4) times i.e. on May 13, 2023 (No. 02/2023), August 12, 2023 (No. 03/2023), November 07, 2023 (No. 04/2023) and February 10, 2024 (No. 01/2024). The maximum gap between any two Board meetings was less than 120 days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations. Details of attendance at the Board meetings and General Meeting as the Directors of the Company, during the year under review, are as follows:

| Sr. No. | Name | No. of the Board Meetings attended | | Attended - last AGM held on August 12, 2023 |
|---------|--------------------------------|------------------------------------|----------|---|
| | | Held | Attended | |
| 1. | Mr. Vasant Rathi | 4 | 4 | Yes |
| 2. | Mr. Mukund Kabra | 4 | 4 | Yes |
| 3. | Mr. Kedar Desai [#] | 4 | 4 | Yes |
| 4. | Mr. Pramod Kasat | 4 | 3 | Yes |
| 5. | Mr. Rajesh Sharma [§] | 1 | 0 | NA |
| 6. | Ms. Rasika Rathi | 4 | 3 | No |
| 7. | Mr. Vinodkumar Jajoo | 4 | 4 | Yes |

| Sr. No. | Name | No. of the Board Meetings attended | | Attended - last AGM held on August 12, 2023 |
|---------|---------------------|------------------------------------|----------|---|
| | | Held | Attended | |
| 8. | Dr. Sunny Sharma | 4 | 4 | No |
| 9. | Ms. Rajshree Patel | 4 | 2 | No |
| 10. | Mr. Nitin Deshmukh | 4 | 3 | Yes |
| 11. | Mrs. Vandana Tilak* | 3 | 2 | No |

Mr. Kedar Desai, Independent Director ceased to be the Director of the Company effective from March 31, 2024 (end of business hours) due to the completion of his second term of five years as an Independent Director on the Board of the Company.

§ Mr. Rajesh Sharma, Independent Director ceased to be the Director of the Company effective from August 10, 2023 (end of business hours) due to the completion of his first term of five years as an Independent Director on the Board of the Company as he conveyed his unwillingness to get re-appointed for the second term, considering his pre-occupation and increased responsibilities in his professional engagements.

* Mrs. Vandana Tilak (DIN: 10048021) appointed as an Independent Director with effect from July 01, 2023 for a term of 5 (five) consecutive years.



ANNEXURE V (Contd.)

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board comprises of qualified personnel who have the key skills, competencies and expertise required for the Board members' effective contribution to the Board & its Committees and also for the Board to function effectively.

Following is the chart / matrix setting out the requisite skills/competencies/expertise of the Board:

| SKILLS/COMPETENCIES/EXPERTISE OF THE BOARD OF DIRECTORS OF THE COMPANY | |
|--|--|
| Experience in the enzyme business / industry | The experience in the enzyme business / industry is seen as most critical, considering the nature of business of the company |
| Leadership | Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth |
| Finance | Finance field skills/competencies/expertise is seen as important for intricate and high quality financial management and financial reporting processes |
| Legal | In order to strengthen and maintain the governance levels & practices in the organization |
| Understanding of Global Business | Owing to presence across the globe, the understanding of global business & markets is seen as pivotal |

The aforementioned skills are only indicative and not possessing any skill/competency/expertise need not be seen as a disqualifying ability. The nominations to the Board was made on the recommendations of the Nomination and Remuneration Committee, which may consider various other factors.

Following is the chart/matrix setting out the Name of the Directors of the Company possessing the requisite skills/competencies/expertise:

| Name of Directors | Skills/Competencies/expertise (to be read along with profile as provided elsewhere in the Annual report under the heading "Board of Directors") |
|-------------------|--|
| Mr. Vasant Rathi | Immense experience in Enzyme business / industry, Business strategic planning & development, Finance, Leadership with experience of business at global level and international markets |
| Mr. Mukund Kabra | Experience in Enzyme business, Business Strategy, Sales, Marketing, Leadership with understanding of global business and markets |

| Name of Directors | Skills/Competencies/expertise (to be read along with profile as provided elsewhere in the Annual report under the heading "Board of Directors") |
|----------------------|---|
| Ms. Rasika Rathi | Experience in Enzyme business, Legal including Risk Management, Leadership and understanding of global business |
| Mr. Kedar Desai | Legal with rich experience in field of law, Leadership and understanding of global business |
| Mr. Pramod Kasat | Finance with rich experience in Investment Banking, Leadership and understanding of global business |
| Mr. Vinodkumar Jajoo | Finance with rich experience in Direct/Indirect Taxation and Audit |
| Dr. Sunny Sharma | Finance, rich experience in Investment Banking / Fund, Leadership and understanding of global business |
| Ms. Rajshree Patel | Prolific Organizational, Strategy and Executive Leadership Consultant |
| Mr. Nitin Deshmukh | Dynamic experience in Investment Banking/Private equity, Advisory, Leadership skills, understanding of global business. |
| Mrs. Vandana Tilak | Social entrepreneur and visionary with exceptional sales, fundraising and marketing skills. |

CERTIFICATION FROM THE COMPANY SECRETARY IN PRACTICE

Mr. Shiv Hari Jalan, Practicing Company Secretary (FCS No.: 5703), has issued a certificate as required under the SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as an Annexure to this report.

AUDIT COMMITTEE

Brief Description of term of reference

The terms of reference of Audit Committee articulates the roles, responsibilities and powers of the Audit Committee under Regulation 18(3) read with Schedule II (Part C) of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 (hereinafter referred to as "the Act"). The Role of the Audit Committee is as prescribed under Regulation 18 of the SEBI Listing Regulations.

ANNEXURE V (Contd.)

The role of the Audit Committee *inter alia* includes the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review with the management, the statement of uses / application of funds, if any, raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under the Act and the SEBI Listing Regulations.
- Review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders



ANNEXURE V (Contd.)

Composition, Name of Members and Chairman, Meetings of the Committee and Attendance during the year

In accordance with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act, the Audit Committee of the Board comprises three (3) Independent Directors and one (1) Non-Executive Director as on March 31, 2024. All the members of the Audit Committee are financially literate. The Committee invites the representatives of the Statutory and Internal Auditors. Further, the Chief Financial Officer also attends the Audit Committee meetings. The Company Secretary acts as a Secretary to the Audit Committee.

During the FY24, the Audit Committee met four (4) times i.e. on May 13, 2023 (No. 02/2023), August 12, 2023 (No. 03/2023), November 07, 2023 (No. 04/2023) and February 10, 2024 (No. 01/2024).

The composition of the Audit Committee along with the details of the meetings held and attended during the aforesaid period, is detailed below:

| Name of Members | Designation | No. of Meetings | |
|-----------------------------------|-------------|-----------------|----------|
| | | Held | Attended |
| Mr. Kedar Desai [#] | Chairman | 4 | 4 |
| Mr. Pramod Kasat | Member | 4 | 4 |
| Mr. Rajesh Sharma [§] | Member | 1 | 0 |
| Mr. Vasant Rathi | Member | 4 | 4 |
| Mr. Vinodkumar Jajoo [*] | Member | 3 | 3 |

[#] Ceased to be the Director / Member of the Audit Committee effective from March 31, 2024

[§] Ceased to be the Director / Member of the Audit Committee effective from August 10, 2023.

^{*} Appointed as the member of the Audit Committee effective from August 10, 2023 and as the Chairperson of the Audit Committee effective from May 11, 2024.

NOMINATION AND REMUNERATION COMMITTEE

Brief Description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act:

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

The role of the Nomination and Remuneration Committee *inter alia* includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on diversity of the Board;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, the remuneration, in whatever form, payable to the senior management.

Composition, Name of Members and Chairman, Meetings of the Committee and Attendance during the year

During the FY24, Nomination and Remuneration Committee met three (3) times i.e. on May 13, 2023 (No. 01/2023), August 12, 2023 (No. 02/2023) and February 10, 2024 (No. 01/2024).

The composition of the Nomination and Remuneration Committee as on March 31, 2024 along with the details of the meetings held and attended during the aforesaid period, is detailed below:

| Name of Members | Designation | No. of Meetings | |
|---------------------------------|-------------|-----------------|----------|
| | | Held | Attended |
| Mr. Pramod Kasat | Chairman | 3 | 3 |
| Mr. Kedar Desai [#] | Member | 3 | 3 |
| Mr. Vasant Rathi | Member | 3 | 3 |
| Mr. Rajesh Sharma [§] | Member | 1 | 0 |
| Ms. Rajshree Patel [*] | Member | 2 | 2 |
| Mr. Nitin Deshmukh [*] | Member | 2 | 2 |

[#] Ceased to be the Director / Member of the Nomination and Remuneration Committee effective from March 31, 2024.

[§] Ceased to be the Director / Member of the Nomination and Remuneration Committee effective from August 10, 2023.

^{*} Appointed as member of the Nomination and Remuneration Committee effective from August 10, 2023.

ANNEXURE V (Contd.)

Familiarization Programme for Independent Directors

The Familiarization programme for the Directors during the year covered topics such as Operations, Financials, Risk Management, Performance, Annual Budget and update on amendment of statutory & regulatory laws.

The details of the Familiarization programme are available on the website of the Company at: www.advancedenzymes.com/investors/corporate-governance

Performance Evaluation of Board and Individual Directors

The Board has adopted a formal policy for evaluating the performance of its Board, Committees and Directors, including the Chairman of the Board ("Board Evaluation Policy"). The said evaluation typically examines the role of the Board and the entailing responsibilities and assesses their effectiveness by the Board. The effectiveness of the Board depends on various factors, some of which are derived from the functions of the Board. A structured performance evaluation exercise was carried out based on criteria such as Board / Committee compositions, dynamics and functioning of the Board, Business Strategy, Governance & Monitoring role, Financial reporting, Internal Audit, Internal Controls and Advisory role etc.

Pursuant to provisions of the Act, SEBI Listing Regulations and Board Evaluation Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and the Independent Directors (excluding the Director being evaluated), as per evaluation forms circulated to them. The evaluation of Independent Directors was conducted on the basis of the parameters which included the participation & contribution at the Board & Committee meetings, understanding of the governance, regulatory, financial, fiduciary and ethical requirements of the Board & Committees, standards of ethics & integrity, ability to exercise objective independent judgment in the best interests of the Company and its stakeholders.

A meeting of Independent Directors of the Company was held through video conference on March 28, 2024 to: (a) review the performance of Chairperson, Non-Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board. The results of the performance evaluation were placed for review at the meeting of the Independent Directors, Nomination and Remuneration Committee and the Board.

REMUNERATION OF DIRECTORS

There were no pecuniary relationships or transactions between the Non-Executive Directors (including Independent Directors) and the Company, except the following:

1. Sitting fees to the Independent Directors for attending the meetings of the Board, Committee(s) thereof and Independent Directors' Meeting.

2. Commission to the Non-Executive Directors of the Company.

Criteria for making payment to Non-Executive Directors

The Company has formulated a Nomination and Remuneration Policy, which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force. The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committees. Limits of Remuneration / Commission to be paid shall be within the monetary limits as approved by Members, and not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

The said Policy is available on the website of the Company. The web-link for the same is www.advancedenzymes.com/investors/corporate-governance.

Details of Remuneration to Directors:

Remuneration to Executive Director

The details of the Remuneration of Mr. Mukund Kabra, Whole-time Director of the Company, for the year ended March 31, 2024 is as follows:

| Particulars | | (in ₹) |
|--|------------------|--------------------|
| Basic Salary | A | 66,94,956 |
| Other Allowances | | 1,47,77,441 |
| Bonus | | 5,57,913 |
| | B | 1,53,35,354 |
| Sub-total | (A+B) | 2,20,30,310 |
| Contribution to : | | |
| Provident fund | | 8,70,344 |
| Super Annuation Fund | | 6,69,496 |
| Gratuity | | 3,21,873 |
| | C | 18,61,713 |
| Total | (A+B+C) | 2,38,92,023 |
| Commission for FY24 | D | 53,67,626 |
| Grand Total | (A+B+C+D) | 2,92,59,649 |
| *Stock Options (Granted during the year) | | 25,000 Options |

Note: The aforesaid amount is on payable basis and is excluding leave encashment.

* During the FY24, the Nomination & Remuneration Committee has granted 25,000 Options to Mr. Mukund Kabra (Whole-time Director), as per the provisions of Advanced Enzyme Technologies Limited – Employees Stock Option Scheme 2022 of the Company. The said Options are yet to be vested and exercised.



ANNEXURE V (Contd.)

Remuneration and Shareholding (as on March 31, 2024) of the Non-Executive Directors

The Independent Directors receive remuneration by way of sitting fees for attending meetings of the Board/Committees and for meeting of the Independent Directors. The details of Sitting Fees / Commission paid/payable to Independent Directors and Non-Executive Directors for the FY24 along with the Shareholding of the Non-Executive Directors as on March 31, 2024 are as under:

| Names of Directors | Category of Non-Executive Directorship | Sitting Fees (Note 1) (₹ In million) | Commission (Note 2) (₹ In million) | No. of Shares (Face Value ₹ 2/- each) | % of Shareholding |
|----------------------|--|---|---------------------------------------|---------------------------------------|-------------------|
| Mr. Vasant Rathi | Non Executive Non-Independent | - | 1.13 | 3,70,53,702* | 33.14 |
| Ms. Rasika Rathi | Non-Executive Non-Independent | - | 0.26 | 26,65,825 | 2.38 |
| Dr. Sunny Sharma | Non-Executive Non-Independent | - | 0.35 | NIL | NIL |
| Mr. Kedar Desai# | Independent Director | 0.42 | 1.22 | 2,000 | 0.002 |
| Mr. Pramod Kasat | Independent Director | 0.31 | 0.87 | 5000^ | 0.004 |
| Mr. Rajesh Sharma§ | Independent Director | - | - | NIL | NIL |
| Mr. Vinodkumar Jajoo | Independent Director | 0.32 | 0.87 | NIL | NIL |
| Ms. Rajshree Patel | Independent Director | 0.20 | 0.52 | NIL | NIL |
| Mr. Nitin Deshmukh | Independent Director | 0.18 | 0.44 | NIL | NIL |
| Mrs. Vandana Tilak** | Independent Director | - | - | NIL | NIL |

* Including 75,00,000 Equity Shares held by Vasant and Prabha Rathi Generation Trust and shown/clubbed basis PAN of Mr. Vasant Rathi. Mr. Vasant Rathi and Mrs. Prabhavati Rathi are the trustees and the settlor of the Trust and Ms. Rasika Rathi, Ms. Reshma Rathi & Ms. Rachana Rathi are the beneficiaries of the Trust.

^ Holding 5000 Equity Shares on behalf of Pramod Kasat HUF.

Mr. Kedar Desai ceased to be the Director of the Company effective from March 31, 2024 (end of business hours) due to the completion of his second term of five years as an Independent Director on the Board of the Company.

§ Mr. Rajesh Sharma ceased to be the Director of the Company effective from August 10, 2023 (end of business hours) due to the completion of his first term of five years as an Independent Director on the Board of the Company and had conveyed his unwillingness to get re-appointed for the second term, considering his pre-occupation and increased responsibilities in his professional engagements.

** Mrs. Vandana Tilak (DIN: 10048021) appointed as an Independent Director effective from July 01, 2023 for a term of 5 (five) consecutive years and she voluntarily waived the receipt of the sitting fees, and the Commission (FY24) amounting to ₹ 0.10 million and ₹ 0.17 million respectively.

Note 1: During the year under review, ₹ 35,000/- was paid/payable for each Board Meeting thereafter and ₹ 25,000/- was paid/payable for each Committee Meeting and Independent Directors' Meeting.

Note 2: Commission payable to Non-Executive Directors is pursuant to the approval of the Members at the 30th Annual General Meeting held on August 08, 2019. The amount of commission is determined and approved by the Board in proportion to the number of meetings of the Board and its Committees thereto attended by the respective Non-Executive Director(s) during the financial year 2023-24. The total amount of commission to Non-Executive Directors is within the limit of 1% of the Net profits of the Company for the year under review, calculated as per the provisions of the Act.

Details of service contracts, notice period and severance fees of the Executive Director

| Name of Director | Mr. Mukund Kabra, Whole-time Director |
|------------------|--|
| Date of contract | October 06, 2021 |
| Term of contract | Five years w.e.f April 01, 2022 |
| Notice Period | Three Months |
| Severance Fees | - |

ANNEXURE V (Contd.)**Particulars of Senior Management including the changes therein since the close of the previous Financial Year**

Details of Senior Management Personnel(s) including Key Managerial Personnel (KMP) as on March 31, 2024, are as follows:

| Sr. No. | Name | Designation |
|---------|----------------------|---|
| 1. | Mr. Beni P Rauka | Chief Financial Officer (KMP) |
| 2. | Mr. Sanjay Basantani | Company Secretary & Head – Legal (KMP) |
| 3. | Mr. Dipak Roda | Sr. VP – Marketing & Business Development |
| 4. | Mr. Satish Pagar | Plant Manager, Nashik |
| 5. | Mr. Pradeep Bhosale | Plant Manager, Indore |

Kindly note that there has been no changes in the Senior Management Personnel(s) since the close of the previous financial year.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations read with Part D of Schedule II thereto, the Company has in place, a Stakeholders' Relationship Committee ("SRC"). The SRC comprises two Independent Directors and the Whole-time Director as on March 31, 2024. The Chairman of the Committee is an Independent Director. The Company Secretary acts as a Secretary to the Committee.

During the FY24, Stakeholders' Relationship Committee met once i.e. on November 07, 2023 (No. 01/2023).

Following is the constitution of the Stakeholders' Relationship Committee along with the meeting and attendance during the year:

| Name of Members | Type of Membership | No. of Committee Meeting | |
|-----------------------------------|--------------------|--------------------------|----------|
| | | Held | Attended |
| Mr. Kedar Desai [#] | Chairman | 1 | 1 |
| Mr. Mukund Kabra | Member | 1 | 1 |
| Mr. Vinodkumar Jajoo [*] | Member | 1 | 1 |

[#] Ceased to be the Director / Member of the Stakeholder Relationship Committee effective from March 31, 2024

^{*} Effective from April 01, 2024, Mr. Vinodkumar Jajoo, Member of the Committee has been appointed as a Chairman of Stakeholders' Relationship Committee and Mr. Nitin Deshmukh has been appointed as a Member of Stakeholders' Relationship Committee.

The role of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and as per Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations and *inter alia* includes:-

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Other matters as may be required for aforesaid purposes.

Name and Designation of Compliance Officer

Mr. Sanjay Basantani - 'Company Secretary & Head - Legal'

Status Report of Investor Complaints for the year ended March 31, 2024

| | | |
|--|---|-----|
| No. of Complaints as on April 01, 2023 | - | NIL |
| No. of Complaints Received during the year | - | NIL |
| No. of Complaints Resolved during the year | - | NIL |
| No. of Complaints not resolved to the satisfaction of the shareholders | - | NA |
| No. of Complaints Pending as on March 31, 2024 | - | NIL |

All valid requests for dematerialization wherein the complete documentation was received during the year have been acted upon and no such valid dematerialization request is pending for more than prescribed period, as on date of this report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

In line with the provisions of Section 135 of the Act read with the corresponding Rules framed thereunder, as on March 31, 2024, the CSR Committee comprises two (2) Independent Directors, a Non-Executive Director and the Whole-time Director. The Company Secretary as a Secretary to the Committee.

During the FY24, the CSR Committee has met twice i.e. on May 13, 2023 (No. 01/2023) and November 07, 2023 (No. 02/2023).



ANNEXURE V (Contd.)

Constitution of the CSR Committee along with the number of meetings held during the year and attendance is as follows:

| Name of Members | Type of Membership | No. of Committee Meetings | |
|--------------------|--------------------|---------------------------|----------|
| | | Held | Attended |
| Mr. Kedar Desai# | Chairman | 2 | 2 |
| Mr. Mukund Kabra* | Member | 2 | 2 |
| Mr. Vasant Rathi | Member | 2 | 2 |
| Ms. Rajshree Patel | Member | 2 | 2 |

Ceased to be the Director / Chairman of the CSR Committee effective from March 31, 2024

* Appointed as the Chairman of the CSR Committee effective from May 11, 2024

The terms of reference of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act and *inter alia* includes:

- a) To formulate and recommend to the Board, a CSR Policy (including any modification thereto) which shall indicate the framework within which the proposed CSR activities would be undertaken;
- b) To formulate and recommend to the Board, the Annual Action Plan, which shall include the following:
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
 - the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- c) To monitor the implementation of the CSR Policy from time to time and take such other action as it may deem fit in pursuance of the CSR Vision of AETL; and
- d) Any other role, as may be specified in the Act/Rules from time to time and as may be required by the Board.

RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, constitution of Risk Management Committee is mandatory for top 1000 listed entities determined on the basis of the market capitalization as at

the end of the immediate previous financial year. Pursuant to the composition of the Risk Management Committee prescribed under the provisions of Regulation 21 of the SEBI Listing Regulations, the Risk Management Committee, as on March 31, 2024, comprises an Independent Director, Whole-time Director, a Non-Executive Director, Chief Financial Officer and Company Secretary.

During the FY24, the Risk Management Committee met twice i.e. on June 03, 2023 (No. RMC 01/2023) and on November 24, 2023 (No. RMC 02/2023).

Following is the constitution of the Risk Management Committee along with number of meetings held and attendance during the year:

| Name of Members | Type of Membership | No. of Committee Meetings | |
|----------------------|--------------------|---------------------------|----------|
| | | Held | Attended |
| Mr. Vinodkumar Jajoo | Chairman | 2 | 2 |
| Mr. Mukund Kabra | Member | 2 | 2 |
| Ms. Rasika Rathi | Member | 2 | - |
| Mr. Beni P Rauka | Member | 2 | 1 |
| Mr. Sanjay Basantani | Member | 2 | 2 |

The terms of reference of the Risk Management Committee *inter alia* includes:

- a) To monitor & review Risk Management Policy of the Company including associated systems, processes, controls & strategies thereto;
- b) To monitor & review various risks exposures of the Company, on a periodic basis and then inform the Board about the risks assessed, their concerns and action plan with strategy for mitigation of the risks;
- c) To assist Audit Committee in assessment of internal financial controls, monitoring of the risk management plan, overview of processes for identification & assessment of the risks, reviewing the outcomes of risk management processes and for advising the Committee, as may be necessary, from time to time;
- d) To perform such other functions related to risk management & mitigation as may be required by the Board of Directors and/or SEBI Listing Regulations, from time to time;
- e) To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

ANNEXURE V (Contd.)

- Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- f) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- h) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- i) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- j) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

GENERAL BODY MEETINGS

Details of location, time and date of last three Annual General Meetings, are provided below:

| Financial Year | Date | Location | Time |
|----------------|---|--|------------|
| 2022-23 (FY23) | August 12, 2023 (34 th AGM) | Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India) 400604 | 3:00 p.m. |
| 2021-22 (FY22) | August 19, 2022 (33 rd AGM) | Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India) 400604 | 10:00 a.m. |
| 2020-21 (FY21) | September 08, 2021 (32 nd AGM) | Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India) | 10:00 a.m. |

Special Resolutions passed in the previous three Annual General Meetings (AGMs)

During the Annual General Meetings held in the last 3 years i.e. for FY21 to FY23 approvals of the Members were obtained by passing special resolutions in AGMs, as follows:

| Sr. No. | Special Resolutions | Date of Meeting |
|---------|---|--------------------|
| 1. | Appointment of Ms. Vandana R. Tilak (DIN: 10048021) as an Independent Director of the Company for the period of five years effective from July 01, 2023 | August, 12, 2023 |
| 2. | Re-Appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) as an Independent Director of the Company for the period of five years effective from February 09, 2024 | August, 12, 2023 |
| 3. | Re-Appointment of Ms. Rajshree Patel (DIN: 08761022) as an Independent Director of the Company for the period of three years effective from June 12, 2023 | August, 12, 2023 |
| 4. | Continuation of Directorship of Mr. Vasant Rathi, Non-Executive Director (DIN: 01233447) in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) | August, 19, 2022 |
| 5. | Appointment of Mr. Nitin Jagannath Deshmukh (DIN: 00060743) as an Independent Director of the Company for the period of five years effective from July 01, 2022 | August, 19, 2022 |
| 6. | Approval of AETL - Employee Stock Option Scheme 2022 | August, 19, 2022 |
| 7. | Grant of stock options to the employees of the Subsidiaries of the Company under AETL – Employee Stock Option Scheme 2022 | August, 19, 2022 |
| 8. | Re-appointment of Mr. Pramod Kasat (DIN: 00819790) as an Independent Director of the Company for the period of five years effective from December 14, 2021 | September 08, 2021 |

Resolutions passed through postal ballot & details of voting pattern

During the year under review, no resolution was passed through postal ballot.

MEANS OF COMMUNICATION

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with Members through multiple channels of communication such as results announcement and Newspaper publications,



ANNEXURE V (Contd.)

Annual Report, media releases, website of the Company and specific communications to the Stock Exchanges, where the Equity Shares of the Company are listed.

Quarterly Results

The unaudited quarterly financial results of the Company were published in English and regional newspaper. The financial results were not sent individually to the Members.

Newspapers wherein results are normally published

The results are normally published in an English Newspaper viz. The Free Press Journal and a Regional Newspaper viz. Navshakti.

Website

The Company has in place a website addressed as www.advancedenzymes.com. The Website contains the basic information about the Company viz. details of its Business, financial information, Annual Reports, Company's policies & Code of Conduct & Ethics as required under the Act and the SEBI Listing Regulations, Shareholding Pattern, Compliance with Corporate Governance report, contact information of the Designated officials of the Company, who is responsible for assisting and handling Investor Grievances and such other details as may be required under sub Regulation (2) of Regulation 46 of the SEBI Listing Regulations. The Company ensures that the contents of this website are periodically updated. In addition, the Company publishes official news release and presentations, if any, made to institutional investors /analysts on its website.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| Annual General Meeting | 35 th Annual General Meeting (AGM) July 25 th , 2024 (Thursday), at 10:00 a.m. IST |
| Date, Time and Venue | Through Video Conference or Other Audio Visual Means with Registered Office of the Company deemed to be the venue for the proceedings of the AGM. |
| Financial Year | April 01 to March 31 |
| Schedule (Tentative) for declaration of financial results during the FY25 | First quarter - Up to August 14, 2024 Second quarter - Up to November 14, 2024 Third quarter - Up to February 14, 2025 Annual & fourth quarter - Up to May 30, 2025 Annual General Meeting - Up to August 31, 2025 |

| | |
|----------------------------------|---|
| Dividend Payment Date | On or after July 29, 2024 (subject to declaration of dividend by the Members at the 35 th AGM) |
| Listing on Stock Exchanges | Company's Equity Shares are listed at: BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Mumbai 400051 The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and National Stock Exchange of India Limited. |
| Stock Code / Symbol | BSE: 540025 NSE: ADVENZYMES |
| ISIN | INE837H01020 |
| Registrar & Share Transfer Agent | Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel: (+91 22) 49186270 Fax: (+91 22) 49186060 Email ID: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in |

Share Transfer System

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, the Securities of the listed entity can be transferred only in dematerialized form. The operational guidelines for transfer and dematerialization of re-lodged physical shares were laid down by SEBI vide circular SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020.

Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that the listed entities shall henceforth issue Securities in dematerialized (demat) form while processing the following requests:

- Issue of duplicate securities certificate
- Claim from Unclaimed Suspense Account
- Renewal/Exchange of securities certificate
- Endorsement
- Sub-division / Splitting of securities certificate
- Consolidation of securities certificates/folios

ANNEXURE V (Contd.)

- vii. Transmission
viii. Transposition

Members holding Equity Shares of the Company in physical form are requested to consider converting their holdings to dematerialized form. Transfers of Equity Shares in electronic form are effected through the depositories with no involvement of the Company. SEBI also vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May 2022 and circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022 has simplified the procedure and standardized the format of documents for transmission of securities & issuance of duplicate securities certificates respectively.

Further, SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has mandated that the Securities pursuant to the transmission shall be issued in demat mode only, and also mandated that duplicate share certificates shall be issued in demat mode only by way of issue of Letter of Confirmation.

Updation of PAN, KYC and Nomination details:

As per Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("SEBI Circular") and the FAQs released by the SEBI has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details. As per the said SEBI Circular, the Members holding shares in physical form and who have not updated their KYC details (viz. PAN; Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature) against their folio with Link Intime India Private Limited, Registrar and Transfer Agent of the Company ("RTA"), their dividend shall be withheld by the Company and the same shall be immediately released electronically, upon updation of KYC. In this regard, the Company through its RTA have sent the letter during March / April 2024 to its physical Members for updating their KYC details as mentioned above.

The certificate received from a Practicing Company Secretary pursuant to the provisions of Regulation 40(9) of the SEBI Listing Regulations (as amended) is submitted by the Company to the Stock Exchanges, on an annual basis. The Certificate was received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, with respect to timely dematerialization of shares of the Company and reconciliation of the share capital of the Company, as required under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

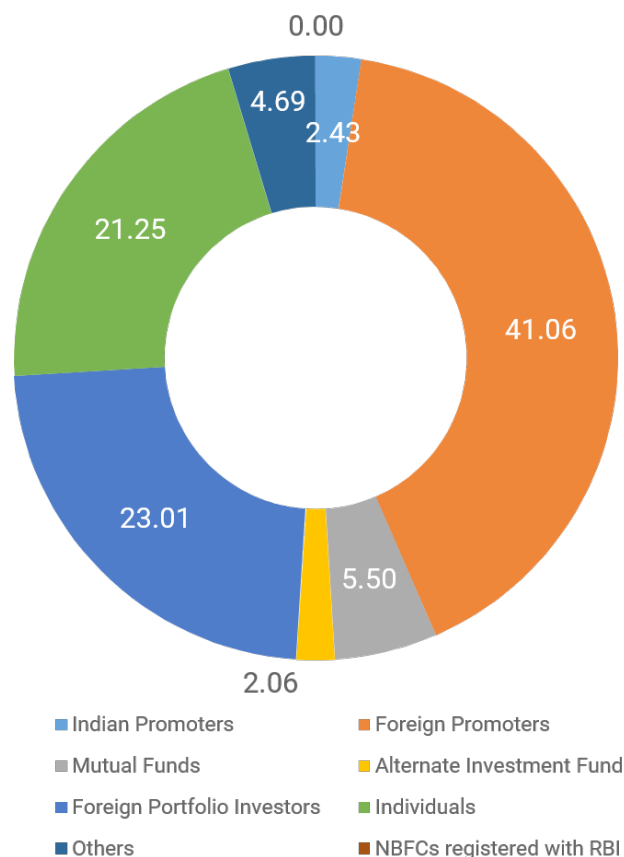
The Company has designated the e-mail ID: investor.grievances@advancedenzymes.com, for addressing the investors' grievances.

Shareholding Pattern of the Company as on March 31, 2024:

| Category of Shareholder | No. of Shares held | % of holding |
|--|---------------------|---------------|
| (S)Promoter and Promoter Group: | | |
| -Indian | 27,15,709 | 2.43 |
| -Foreign | 4,59,20,885 | 41.06 |
| Sub-Total (A) | 4,86,36,594 | 43.49 |
| Public: | | |
| Institutions: | | |
| -Mutual Funds | 61,47,198 | 5.50 |
| -Alternate Investment Fund | 23,01,539 | 2.06 |
| -Foreign Portfolio Investors | 2,57,31,522 | 23.01 |
| -Financial Institutions/Banks | 0.00 | 0.00 |
| Non Institutions: | | |
| -Individuals | 2,37,59,987 | 21.25 |
| -HUF/ NRI/ Trust/ Bodies Corporate/ IEPF/ Clearing Members/ Others | 52,44,735 | 4.69 |
| NBFCs registered with RBI | 2,500 | 0.00 |
| Sub-Total (B) | 6,31,87,481 | 56.51 |
| Grand Total (A+B) | 11,18,24,075 | 100.00 |

Shareholding Pattern

As on March 31, 2024





ANNEXURE V (Contd.)

(\$)

Pursuant to the Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Company received approval from the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") dated April 17, 2023 for the Company's application dated September 14, 2022 submitted to BSE/NSE for reclassification from Promoter group category to Public category of few Promoter Group Members. Accordingly the summary of the Shareholding Pre-Reclassification and Post-Reclassification are as follows:

| Quarter (March 2023) | Promoter / Promoter Group Holding | | Public Holding | |
|---------------------------|--------------------------------------|------------|----------------|------------|
| | Shares Held | Percentage | Shares Held | Percentage |
| Pre- Reclassification | 5,57,70,121 | 49.87 | 5,60,53,954 | 50.13 |
| Post- Reclassification | 5,54,31,704 | 49.57 | 5,63,92,371 | 50.43 |

Distribution of Shareholding as on March 31, 2024:

| Shareholding (Range) | No. of Shareholders | % | Shares | % |
|-------------------------|------------------------|---------------|---------------------|---------------|
| up to 500 | 63,992 | 91.51 | 49,94,973 | 4.47 |
| 501 to 1000 | 2,900 | 4.15 | 22,03,822 | 1.97 |
| 1001 to 2000 | 1,493 | 2.14 | 21,94,886 | 1.96 |
| 2001 to 3000 | 479 | 0.69 | 11,96,846 | 1.07 |
| 3001 to 4000 | 258 | 0.37 | 9,21,045 | 0.82 |
| 4001 to 5000 | 168 | 0.24 | 7,79,190 | 0.70 |
| 5001 to 10000 | 311 | 0.44 | 23,44,451 | 2.10 |
| 10001 and above | 325 | 0.46 | 9,71,88,862 | 86.91 |
| Total | 69,926 | 100.00 | 11,18,24,075 | 100.00 |

Note: The above distribution summary of Shareholding Pattern is folio based and not PAN based.

Dematerialization of shares and liquidity

As on March 31, 2024, 99.79% of shareholding was held in Dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

Note: Trading in the Equity Shares of the Company is permitted only in Dematerialized form in accordance with the circular issued by SEBI.

Particulars of Unclaimed Dividend of the Company

| Financial Year | Type of Dividend | Date of Declaration | Due date to transfer to IEPF |
|-------------------|---------------------|------------------------|------------------------------------|
| 2016-2017 | Final Dividend | September 11, 2017 | October 17, 2024 |
| 2017-2018 | Final Dividend | September 14, 2018 | October 16, 2025 |
| 2018-2019 | Final Dividend | August 08, 2019 | September 13, 2026 |

| Financial Year | Type of Dividend | Date of Declaration | Due date to transfer to IEPF |
|-------------------|---------------------|------------------------|------------------------------------|
| 2019-2020 | Final Dividend | July 15, 2020 | August 20, 2027 |
| 2020-2021 | Final Dividend | September 08, 2021 | October 09, 2028 |
| 2021-2022 | Final Dividend | August 19, 2022 | September 22, 2029 |
| 2022-2023 | Final Dividend | August 12, 2023 | September 13, 2030 |
| 2023-2024 | Interim Dividend | May 13, 2023 | June 15, 2030 |

The Company will transfer the Unclaimed dividend to Investor Education and Protection Fund (IEPF) within thirty (30) days from the aforesaid due dates.

Equity Shares lying with the Company in Suspense Account

Pursuant to the provisions of Regulation 39(4) read with Schedule V (F) of the SEBI Listing Regulations, details of Equity Shares in Advanced Enzyme Technologies Limited – Unclaimed Securities Suspense Account as on March 31, 2024 are as follows:

| | Particulars | No. of Shareholders | No. of Equity Shares |
|--------------------|--|------------------------|----------------------------|
| Opening Balance | Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2023 | 11 | 42,700 |
| | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year | - | - |
| (Less) | Number of shareholders to whom shares were transferred from suspense account during the year | - | - |
| (Less) | Number of shareholders whose shares got transferred from suspense account to the IEPF Authority during the year | (1) | (10,000) |
| Closing Balance | Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024 | 10 | 32,700 |

All the corporate benefits if any against the above shares like bonus shares, split, etc., are also required to be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company, the voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.

ANNEXURE V (Contd.)

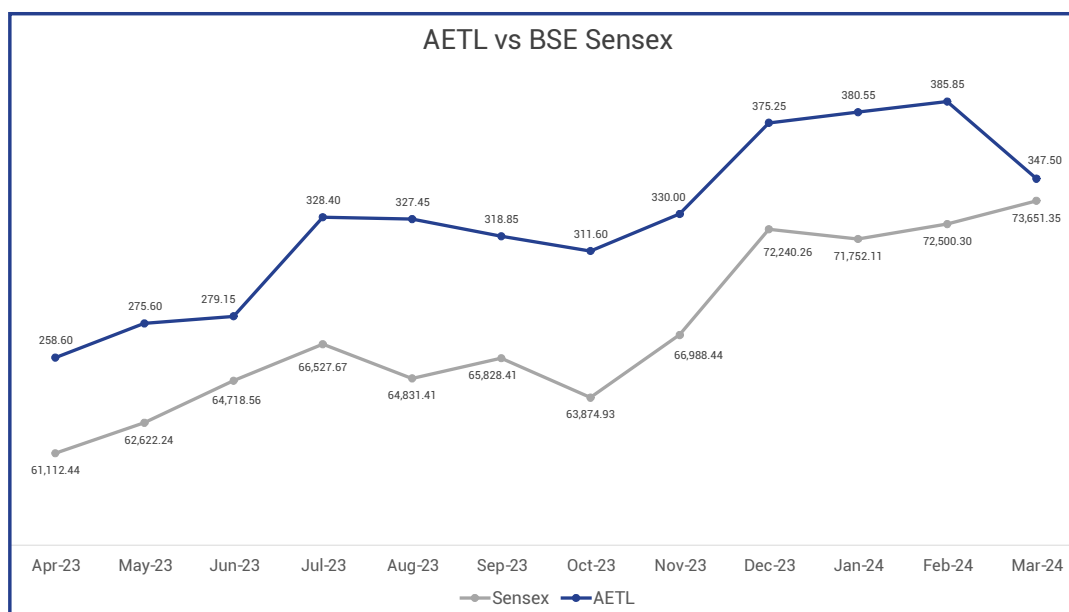
Pursuant to Section 124(6) of the Companies Act, 2013, all Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund ("IEPF"). The details are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

Market Price Data of the Shares of the Company listed on BSE and NSE:

(in ₹)

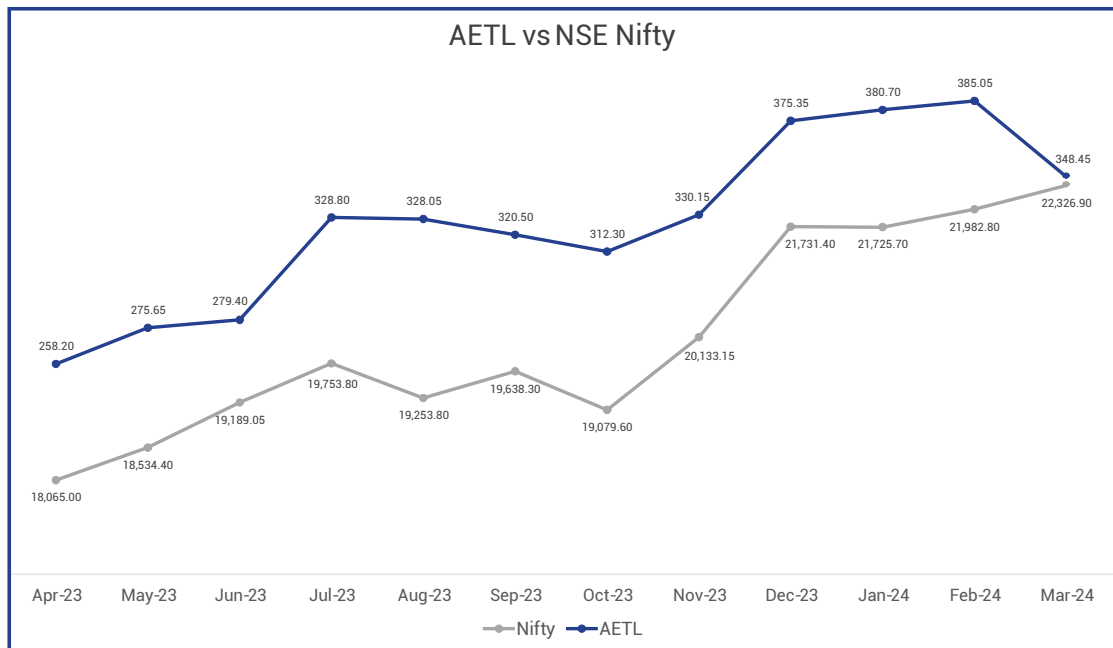
| Month | BSE | | NSE | |
|--------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April-23 | 263.05 | 232.95 | 264.00 | 232.00 |
| May-23 | 312.00 | 258.35 | 306.70 | 258.20 |
| June-23 | 293.85 | 265.85 | 293.75 | 265.60 |
| July-23 | 339.35 | 273.65 | 339.75 | 273.80 |
| August-23 | 346.15 | 316.45 | 346.55 | 317.00 |
| September-23 | 333.75 | 301.10 | 330.00 | 301.00 |
| October-23 | 344.00 | 292.00 | 344.15 | 291.10 |
| November-23 | 344.95 | 306.00 | 345.00 | 304.90 |
| December-23 | 384.00 | 325.30 | 384.15 | 325.30 |
| January-24 | 391.90 | 359.10 | 391.95 | 358.10 |
| February-24 | 425.10 | 366.60 | 425.15 | 367.00 |
| March-24 | 396.35 | 340.15 | 397.30 | 340.05 |

Share Price performance in comparison to broad based indices – S & P BSE Sensex & NSE Nifty





ANNEXURE V (Contd.)



*The above graphs are prepared on the basis of closing prices on the last trading day of every month

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not trade in commodities. The relevant details of foreign exchange exposure & risk / hedging activities are provided in Note No. 42 of Standalone financial statements.

Custodian Fees

The Company has paid custodian fees for folios maintained by National Securities Depository Limited and Central Depository Services (India) Limited for the FY24, as per the Invoices received.

Plant Locations of the Company

1. A-61/62, M.I.D.C. Area, Sinnar, Nashik - 422 103, Maharashtra
2. SORL, H-17, M.I.D.C, Satpur Area, Nashik - 422 007, Maharashtra
3. Survey No.30, Pali, Vasind, Shahpur, Thane - 421 601, Maharashtra
4. Plot No. B-5-13, SEZ, Pithampur, Dhar - 452774, Madhya Pradesh

Address for Correspondence

Advanced Enzyme Technologies Limited
5th Floor, 'A' wing, Sun Magnetica, LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: investor.grievances@advancedenzymes.com
Website: www.advancedenzymes.com

Company Secretary and Compliance Officer / Nodal Officer

Mr. Sanjay Basantani
Company Secretary & Head - Legal
5th Floor, 'A' wing, Sun Magnetica, LIC Service Road, Louiswadi, Thane, Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: sanjay@advancedenzymes.com
Website: www.advancedenzymes.com

Registrar & Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Tel: +91-22-49186270; Fax: +91-22-49186060
Email Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

CREDIT RATING

Your Company has received a long term rating of CRISIL A+/Stable (Reaffirmed) and a short term rating of CRISIL A1 (Reaffirmed) for outstanding Bank loan facilities (outstanding facilities), by Credit Rating Information Services of India Limited (CRISIL).

ANNEXURE V (Contd.)

OTHER DISCLOSURES

Materially Significant Related Party Transactions

During the year under review, the Related Party Transactions were done on an arm's length basis and in ordinary course of business. The Company presents a statement of the Related Party Transactions before the Audit Committee on a quarterly basis specifying *inter alia* the nature and value of the transactions. The transactions with Related Parties were conducted in a transparent manner in the interest of the Company, were approved by the Audit Committee and had no potential conflict with the interest of the Company at large. There were no significant Related Party transactions, monetary transactions or relationships between the Company and Directors, the Management, Subsidiaries or Relatives except as disclosed in the Note No. 43 of the Standalone financial statements for the year ended March 31, 2024 and AOC - 2 annexed as Annexure II to this Board's report.

Whistle Blower Policy

The Board had adopted Vigil Mechanism/Whistle Blower Policy pursuant to the provisions of Section 177(9) of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 22 of the SEBI Listing Regulations, in order to establish a Vigil Mechanism for the Directors and Employees to report the genuine concerns in such manner as may be prescribed. Your Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and open communication. Accordingly, the Whistle Blower Policy has been formulated with a view to provide a mechanism for associates of the Company to approach the Chairperson of the Audit Committee of the Company to, *inter alia*, report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's policy.

No personnel was denied access to the Audit Committee of the Company.

Details of Utilization of Funds Raised through Preferential allotment or Qualified Institutions placement as specified under Regulation 32(7) of SEBI Listing Regulations

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount

The Company and its Subsidiaries have not given any loans and advances in the nature of loans to firms/companies in which Directors are interested.

Details of total fees paid to the Statutory Auditors

The details of total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

(₹ in million)

| Particulars | Year ended March 31, 2024 |
|---|------------------------------|
| Company to Statutory Auditors: | |
| Statutory Audit | 2.15 |
| Limited review | 1.38 |
| Certification work | 0.07 |
| Transfer pricing | - |
| Reimbursement of expenses | 0.17 |
| Advisory Services | - |
| Total | 3.77 |
| Company to network entity of Statutory Auditors: | |
| Issuing Form 3CEB | - |
| Transfer Pricing Report for FY 2022-23 | - |
| Reimbursement of expenses | - |
| Total | - |
| Subsidiaries | 0.08 |

Compliance with mandatory / Non-mandatory requirements

The Company has complied with the mandatory Corporate Governance requirements under the SEBI Listing Regulations.

The provisions of Schedule V Part C read with Schedule II Part E, further states that the non-mandatory requirements adopted by the Company be highlighted in the Corporate Governance Report. Accordingly, the Company has complied with the following non-mandatory requirements:

- During the year, the Office of Chairman and the Whole-Time Director or CEO was held by distinct individuals.
- The Internal Auditors have direct access to the Audit Committee and present their Internal Audit observations to the Audit Committee.



ANNEXURE V (Contd.)

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

| Sr. No. | Particulars | No. |
|---------|--|-----|
| 1. | Number of Complaints filed during the financial year | NIL |
| 2. | Number of Complaints disposed of during the financial year | NA |
| 3. | Number of Complaints pending as on the end of the financial year | NA |

Disclosures

The Company has a Risk Management Policy. Minutes of Risk Management Committee meetings were placed before the Board, during the year under review.

During the last three years, there were no instances of non-compliance reported by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or the SEBI or any statutory authority, on any matter related to the capital markets.

Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Whole-time Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2024. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. The Certificate of the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance for the year ended March 31, 2024 by the Company, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations is annexed to this report and forms an integral part of this Report.

Web link for Policy for determining Material Subsidiaries and Related Party Transactions

In accordance with the requirements of the SEBI Listing Regulations, the Company has formulated a Policy for determining Material Subsidiary and Policy on Related Party Transactions. These policies, as amended, are hosted on the website of the Company at: www.advancedenzymes.com/investors/corporate-governance

Details of Material Subsidiaries; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Cal-India Foods International incorporated on March 25, 1985, State of California (US) was the material subsidiary of the Company during the year under review. The law of the country of its incorporation does not mandatorily requires to get its Standalone financial statements audited and hence details of its Statutory Auditors are not applicable.

Shareholders' Right

The Quarterly / Half-Yearly / Annual Results of the Company were published in English and Vernacular newspapers and have been displayed on the Company's website, www.advancedenzymes.com and at the website of the Stock Exchanges, where the shares of the Company are listed / traded, as soon as the results were approved by the Board. These were not sent individually to the Members.

Disclosure of certain types of Binding Agreements

Pursuant to Regulation 30(A)(5) of SEBI Listing Regulations, no such agreements were disclosed to Stock Exchanges and accordingly the same is not applicable.

Auditors' Report

The Auditors' Report to the Members on the financial statements of the Company for the year ended March 31, 2024 does not contain any qualification, reservation or adverse remark.

ANNEXURE V (Contd.)

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT & ETHICS

**[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To

The Members of

Advanced Enzyme Technologies Limited

This is to confirm that the Company has adopted Code of Conduct and Ethics for all the Members of Board of Directors, Senior Management/Officers of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management / Officers of the Company have affirmed compliance with this Code of Conduct & Ethics for the financial year ended on March 31, 2024.

For Advanced Enzyme Technologies Limited**Mukund Kabra**

Whole-time Director

DIN: 00148294**Place:** Thane**Date:** May 11, 2024**CERTIFICATION ON CORPORATE GOVERNANCE**

To,

The Members of

Advanced Enzyme Technologies Limited

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in Practice have examined the compliance of conditions of Corporate Governance by **Advanced Enzyme Technologies Limited** ('the Company') for the year ended March 31, 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Mumbai**Date:** 11.05.2024**UDIN:** F005703F000352346**For Shiv Hari Jalan & Co.**

Company Secretaries

FRN: S2016MH382700**(Shiv Hari Jalan)**

Proprietor

FCS No: 5703**C.P.NO:** 4226**PR No.:** 1576/2021



ANNEXURE V (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members of
Advanced Enzyme Technologies Limited
Sun Magnetica, 5th Floor,
Near LIC Service Road,
Louis Wadi, Thane- 400604.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in Practice have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advanced Enzyme Technologies Limited having CIN L24200MH1989PLC051018 and having registered office at Sun Magnetica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane- 400604 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company * |
|---------|----------------------|----------|----------------------------------|
| 1 | Mr. Vasant Rathi | 01233447 | 05/03/1993 |
| 2 | Mr. Mukund Kabra | 00148294 | 04/09/1999 |
| 3 | #Mr. Kedar Desai | 00322581 | 27/08/2010 |
| 4 | Mr. Pramod Kasat | 00819790 | 14/12/2016 |
| 5 | Mr. Vinodkumar Jajoo | 08224980 | 09/02/2019 |
| 6 | Ms. Rasika Rathi | 08300682 | 08/01/2019 |
| 7 | Mr. Sunny Sharma | 02267273 | 02/11/2019 |
| 8 | Ms. Rajshree Patel | 08761022 | 12/06/2020 |
| 9 | Mr. Nitin Deshmukh | 00060743 | 01/07/2022 |
| 10 | Mrs. Vandana Tilak | 10048021 | 01/07/2023 |

*The date of appointment is as per the MCA Portal.

#Mr. Kedar Desai, Independent Director ceases to be the Director of the Company effective from March 31, 2024 (end of business hours) due to the completion of his second term of five years as an Independent Director on the Board of the Company.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 11.05.2024
UDIN: F005703F000352335

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226
PR No.: 1576/2021

ANNEXURE VI

INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2024

A) CONSERVATION OF ENERGY

(I) Steps taken for conservation of energy:

1. Completed installation of 160KW Solar Power Plant. Solar Power Plant installation for 350KW is under progress.
2. Steam condensate recovery done to feed hot water to Boiler.
3. Installation of Energy Efficient Air conditioning system using chlorofluorocarbons (CFC) free clean refrigerant gas.
4. Installation and operation of energy efficient & Variable Frequency Drive (VFD) grade motors, for main Fermenter and few other machines. Installed Variable Frequency Drive panel for Seed Vessel 3.0 KL
5. Installation of LED lamps for the various sections of the Plant.
6. Installation of extra capacitor bank to maintain power factor.
7. Preventive maintenance of electrical substation and power distribution network to enhance electrical power efficiency. Implementation of preventive maintenance plan to enhance energy efficiency for all the critical and utility equipment.
8. Fermentation and recovery utility area insulation maintenance work.

(II) Impact of measures taken:

1. Electrical power generation and utilization from 160KW Solar Power Plant started during the year. Basis the average units per month generated, it has resulted in an average reduction in the electricity bill of approx. ₹ 1 lakh per month.
2. Provided hot insulation for steam lines and other utility systems resulting in reduction in steam consumption up to 75-85 kg/hour.
3. Electrical current utilisation of Blowers reduced by 8-16 Amp/hour due to enhanced preventive maintenance of Blowers.
4. Ratio of Generator power generation (KWH) to Fuel consumption improved to around 4%. By installation of capacitor bank, the Plant can maintain power factor.
5. Preventive maintenance of all Critical and Utility equipment had enhanced energy efficiency and reduction in consumption of power and fuel.

6. Installation of LED light resulted in reduction of the light power consumption by around 8% and in reduced maintenance cost.
7. Efficient performance of Electrical equipment.

(III) The steps taken by the company for utilizing alternate sources of energy:

1. Completed installation of 160KW Solar Power Plant.
2. Solar Power Plant installation for 350KW is under progress.

(IV) The capital investment on energy conservation equipment:

| Sr. No. | Item Description | Amount (₹ in million) |
|--------------|--|--------------------------|
| 1. | Installation of 350 KW Solar Power Plant | 12.35 |
| 2. | Energy saving lighting Fixtures | 1.18 |
| 3. | Energy saving frequency drive & motor | 1.10 |
| 4. | Energy saving CFC free clean gas air conditioner | 0.13 |
| 5. | Insulation for heat loss | 0.57 |
| 6. | Installation of Capacitor for maintaining power factor | 0.12 |
| Total | | 15.45 |

B) TECHNOLOGY ABSORPTION

(I) Efforts in brief made towards technology absorption:

1. Robust absorption of cutting edge technologies enabling researchers to engineer microbial strains for production and commercialization of enzymes for industrial applications, biocatalyst, human nutrition and animal feed.
2. The hi-end equipment like the high throughput systems were upgraded to continuously improve the enzyme screening efficiency.
3. A virtual laboratory was set up to engineer the proteins through *in silico* analysis.
4. The screening of virtual libraries was made efficient by developing in-house scripts allowing screening through limited manual intervention.
5. Efficient virtual screening methods led to multiple successful projects leading to development and engineering of biocatalysts and the reaction processes for



ANNEXURE VI (Contd.)

production of API (Active Pharmaceutical Ingredient) intermediates. These processes were successfully reproduced at the large scale applications at customer ends.

6. New enzymes and formulations for baking (shelf life improvement) and food applications been developed. The products been well accepted in the market.
7. New enzymes and solutions for improving digestibility in human and pets. Research has been validated by *in vitro* & clinical research followed.

(II) Benefits derived as a result of the above efforts:

1. The engineered enzymes developed using the above technologies are advantageous as they are designed to suit the desired application.
2. Biocatalysis: Based on the high throughput screening, new enzymes with required properties were generated for producing API intermediate chiral/non-chiral molecules.
3. Probiotics: The Company is actively working on the production processes and safety aspects to make the products more economically viable.
4. Food/ Baking Enzymes: New enzymes/ formulations developed are bringing one-stop solutions to the baking industry. The new enzymes / formulations are complementary to existing products in the baking industry. It will be add on solution to the existing customer.
5. Human Nutrition: New enzymes / formulations developed are digestive health and immune health solutions in modern workplace. With more self-awareness towards health and health care supplements we expect demands for nutraceuticals to grow further.

(III) Imported technology:

Technology imported: NIL

1. the details of technology imported: Not Applicable

2. Year of Import: Not Applicable
3. Has the technology been fully absorbed: Not Applicable
4. If not fully absorbed areas where absorption has not taken place, and the reasons thereof: Not Applicable

(IV) Benefits derived as a result of the above efforts pertaining to Imported Technology: Not Applicable

(V) Expenditure incurred on Research and Development:

(₹ in million)

| Sr. No. | Particulars | 2023-24 | 2022-23 |
|---------|--|---------------|---------------|
| (a) | Capital | 18.86 | 44.75 |
| (b) | Recurring | 255.21 | 244.98 |
| (c) | Total | 274.07 | 289.73 |
| (d) | Total R&D expenditure as a % of Net Sales of the Company | 7.50% | 9.30% |

Notes: Net Sales of ₹ 3,654.69 million (previous year ₹ 3,115.29 million)

On consolidated basis, the Research and Development expenditure for FY 2023-24 is ₹ 197 million (3.15% of Net sales) and for FY 2022-23 was ₹ 223.35 million (4.13% of Net sales).

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in million)

| Sr. No. | Particulars | 2023-24 | 2022-23 |
|---------|---------------------------|----------|---------|
| (a) | Foreign Exchange Earnings | 1,096.62 | 937.47 |
| (b) | Foreign Exchange Outgo | 594.36 | 419.96 |

For and on behalf of the Board of Directors of Advanced Enzyme Technologies Limited

Mukund Kabra
Whole-Time Director
DIN: 00148294
Place: Thane
Date: May 11, 2024

Vinodkumar Jaoo
Director
DIN: 08224980
Place: Nashik

ANNEXURE VII

DISCLOSURE IN BOARD'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

| Sr. No. | Requirements | Disclosure | | |
|---------|--|---|-----------------------------|------------------------------|
| | | Name of the Directors | Remuneration (₹ in million) | Ratio to median remuneration |
| 1. | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year | Mr. Vasant L. Rathi (Chairman & Non-Executive Director) | 1.13 | 2.22 |
| | | Mr. Mukund M. Kabra (Whole-time Director) Refer notes below | 29.26 | 57.37 |
| | | Ms. Rasika Rathi (Non-Executive Director) | 0.26 | 0.51 |
| | | Mr. Kedar Desai (Independent Director upto March 31, 2024) Refer notes below | 1.22 | 2.39 |
| | | Mr. Pramod Kasat (Independent Director) | 0.87 | 1.71 |
| | | Mr. Vinodkumar H. Jajoo (Independent Director) | 0.87 | 1.71 |
| | | Dr. Sunny Sharma (Non-Executive Director) | 0.35 | 0.69 |
| | | Ms. Rajshree Patel (Independent Director) | 0.52 | 1.02 |
| | | Mr. Nitin Deshmukh (Independent Director) | 0.44 | 0.86 |
| | | Mrs. Vandana Tilak (Independent Director, effective from July 01, 2023) Refer notes below | - | - |
| | | Mr. Rajesh Sharma (Independent Director upto August 10, 2023) Refer notes below | - | - |

Notes:

- (i) The median remuneration of employees of the Company was ₹ 0.51 million.
- (ii) The Commission for financial year 2023-24 (FY24) payable to Directors is also included in the total remuneration.
- (iii) For this purpose, the sitting fees have not been considered as remuneration.
- (iv) Figures have been rounded off wherever necessary.
- (v) The remuneration of Mr. Mukund Kabra as mentioned above is on payable basis and excludes leave encashment and Stock Options granted. During the FY24, the Nomination & Remuneration Committee has granted 25,000 Options to Mr. Kabra under Advanced Enzyme Technologies Limited – Employees Stock Option Scheme 2022 of the Company ("ESOP Scheme 2022"). The said Options granted are yet to be vested as on the date of this report.
- (vi) Mr. Kedar Desai (DIN: 00322581), Independent Director, ceased to be the Director of the Company due to completion of his second tenure as an Independent Director of the Company, effective from March 31, 2024.
- (vii) Mrs. Vandana Tilak (DIN: 10048021) appointed as an Independent Director for a term of 5 (five) consecutive years, effective from July 01, 2023 and she has voluntarily waived the receipt of commission (₹ 0.17 million for FY24) and accordingly amount is show as Nil under the above field of Remuneration.
- (viii) Mr. Rajesh Sharma (DIN: 08195715) ceased to be the Director of the Company effective from August 10, 2023 due to the completion of his first term of five years as an Independent Director on the Board of the Company and he conveyed his unwillingness to get re-appointed for the second term, considering his pre-occupation and increased responsibilities in his professional engagements.



ANNEXURE VII (Contd.)

| | | Name of the Directors and Key Managerial Personnel | Designation | % change (to be read with notes) |
|----------------------|--|---|---|---|
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year (Name with % change in the financial year 2023-24) (To be read with notes) | Mr. Vasant L. Rathi | Chairman & Non-Executive Director | 14.14 |
| | | Mr. Mukund M. Kabra | Whole-time Director | 10.00 |
| | | Mr. Kedar Desai | Independent Director (upto 31 st March, 2024) | 14.02 |
| | | Mr. Pramod Kasat | Independent Director | (4.40) |
| | | Ms. Rasika Rathi | Non-Executive Director | (55.17) |
| | | Mr. Vinodkumar H. Jajoo | Independent Director | 31.82 |
| | | Dr. Sunny Sharma | Non-Executive Director | 6.06 |
| | | Ms. Rajshree Patel | Independent Director | 4.00 |
| | | Mr. Nitin Deshmukh | Independent Director | 76.00 |
| | | Mrs. Vandana Tilak | Independent Director | NA |
| | | Mr. Rajesh Sharma | Independent Director (upto 10 th August, 2023) | NA |
| | | Mr. Beni P Rauka | Chief Financial Officer | 10.00 |
| Mr. Sanjay Basantani | Company Secretary and Head-Legal | 15.00 | | |

Notes:

- (i) The % increase in remuneration of Mr. Mukund Kabra, Whole-time Director is determined after excluding commission, leave encashment and Stock Options.
- (ii) The percentage change in remuneration of Mr. Vasant Rathi and Ms. Rasika Rathi as shown in the above table are from the standalone perspective (i.e. commission payable). In addition, pursuant to the resolution passed by the Members of the Company in its meeting held on July 15, 2020, recommendation of the Nomination & Remuneration Committee and approval of the Board, as Mr. Vasant Rathi heads the US Operations and Ms. Rasika Rathi is Vice President, General Counsel & Secretary there, they were paid remuneration aggregating to ₹ 43.05 million (excluding commission of ₹ 6.10 million from US Subsidiary) and ₹ 17.39 million respectively for FY24 by the Company's subsidiary in US for the services rendered.
- (iii) The amount of commission as mentioned above is determined and approved by the Board in proportion to the number of meetings of the Board and its Committees thereto attended by the respective Non-Executive Director(s) during the financial year 2023-24.
- (iv) The % increase in remuneration of Mr. Beni P Rauka, CFO and Mr. Sanjay Basantani, Company Secretary and Head-Legal of the Company, is determined after excluding the annual incentives, leave encashment and grant of 23,500 and 15,000 stock Options respectively, under ESOP Scheme 2022. The said Options are yet to be vested as on the date of this report.

| | | |
|----|---|---|
| 3. | The percentage increase in the median remuneration of employees in the financial year | During financial year 2023-24, the percentage increase in the median remuneration of employees as compared to previous year was approximately 13.85% (based on the increments given to the permanent employees associated for the entire financial year). |
| 4. | The number of permanent employees on the rolls of company (As on March 31, 2024) | 323 |
| 5. | Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration. | Average increase in remuneration is around 11.29% for employees other than Managerial Personnel and around 10% for Managerial Personnel. |

Note: The average percentage increase was based on the financial performance of the Company as summarised in the Board's Report including the relevant factors mentioned in the Nomination and Remuneration Policy of the Company.

ANNEXURE VII (Contd.)

| | | |
|----|---|---|
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company | Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company. |
| 7. | Pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended ("Rules"), the details are disclosed in this Annexure VII. In terms of Section 136(1) of the Act read with second proviso to the Rule 5 of the said Rules, the Annual Report with Annexure VII is being sent to the Members excluding the statement of particulars of employees under Rule 5(2) and (3) of the Rules ("Information"), which forms part of this report. The Annexure VII / Information under Rule 5(2) and (3) is available for inspection by the Members at the registered office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member interested in conducting inspection and/or obtaining a copy of the said Annexure/Information may write to the Company Secretary at the Registered Office address of your Company. | |

For and on behalf of the Board of Directors of

Advanced Enzyme Technologies Limited

Mukund Kabra

Whole-time Director

DIN: 00148294

Place: Thane

Date: May 11, 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | |
|-----|--|--|
| 1. | Corporate Identification Number (CIN) of the Listed Entity | L24200MH1989PLC051018 |
| 2. | Name of Listed Entity | Advanced Enzyme Technologies Limited ("AETL") |
| 3. | Year of incorporation | 1989 |
| 4. | Registered office address | 5th Floor, 'A' wing, Sun Magnetica, LIC Service Road, Louiswadi, Thane (W) - 400 604, Maharashtra, India |
| 5. | Corporate office address | |
| 6. | E-mail | info@advancedenzymes.com |
| 7. | Telephone | +91-22-4170 3200 |
| 8. | Website | www.advancedenzymes.com |
| 9. | Financial year for which the reporting is done | FY 2023-24 (April 01, 2023 to March 31, 2024) |
| 10. | Name of the Stock Exchange(s) where shares are listed | BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) |
| 11. | Paid-up Capital | ₹ 223.65 million (as of March 31, 2024) |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Ronak Saraf, Manager-Investor Relations ir@advancedenzymes.com; +91 22-4170 3200 |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Disclosures under this report are made on a standalone basis for Advanced Enzyme Technologies Limited |
| 14. | Name of assurance provider | NA |
| 15. | Type of assurance obtained | NA |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of main activity | Description of business activity | % of turnover of the entity |
|--------|------------------------------|--|-----------------------------|
| 1. | Manufacturing | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 100% |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

| S. No. | Product/service | NIC Code | % of total turnover contributed |
|--------|------------------------|----------|---------------------------------|
| 1. | Enzymes and Probiotics | 21001 | 100% |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

| Location | Number of Plants | Number of Offices | Total |
|------------------|------------------|-------------------|-------|
| National (India) | 4 | 2 | 6 |
| International | 0 | 0 | 0 |

Note: The Company has 2 R&D laboratories

BRSR (Contd.)**19. Markets served by the entity**

- a. Number of locations

| Locations | Numbers |
|----------------------------------|---|
| National (No. of States) | PAN India presence across all 28 states and 8 Union Territories |
| International (No. of Countries) | Exported to 50 countries across 5 continents |

*Note: During FY 2023-24, the Company dispatched its materials to 21 states and 3 Union Territories

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports account for 31% of the revenues.

- c. A brief on types of customers

The Company provides proprietary enzymes & probiotics products and customized solutions to Human Nutrition, Animal Nutrition, Bio-Processing Industry (Food & Non-Food processing).

IV. Employees**20. Details as at the end of Financial year: 2023-24**

- a. Employees and Workers (Including differently abled)

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|------------------------------|------------|------------|--------------|-----------|--------------|
| | | | No. (B) | %(B/A) | No. (C) | %(C/A) |
| Employees | | | | | | |
| 1. | Permanent (D) | 273 | 207 | 75.82 | 66 | 24.18 |
| 2. | Other than permanent (E) | 90 | 71 | 78.89 | 19 | 21.11 |
| 3. | Total Employees (D+E) | 363 | 278 | 76.58 | 85 | 23.42 |
| Workers | | | | | | |
| 4. | Permanent (F) | 50 | 50 | 100.00 | 0 | 0.00 |
| 5. | Other than permanent (G) | 222 | 215 | 96.85 | 7 | 3.15 |
| 6. | Total Workers (F+G) | 272 | 265 | 97.43 | 7 | 2.57 |

Note: In FY 2024, there were 84 trainees who are included in 'Other than permanent' above.

- b. Differently abled Employees and Workers

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|----------|---------------|----------|----------|
| | | | No. (B) | %(B/A) | No. (C) | %(C/A) |
| Differently abled Employees | | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100.00 | 0 | 0 |
| 2. | Other than permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total differently abled Employees (D + E) | 1 | 1 | 100.00 | 0 | 0 |
| Differently abled Workers | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total differently abled Workers (F + G) | 0 | 0 | 0 | 0 | 0 |

21. Participation/Inclusion/Representation of Women

| | Total (A) | No. and Percentage of Females | |
|---------------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 10 | 3 | 30 |
| Key Management Personnel* (KMP) | 2 | 0 | 0 |

*Note: KMP includes Chief Financial Officer (CFO) and Company Secretary (CS)



BRSR (Contd.)

22. Turnover rate for permanent Employees and Workers

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|----------------------------|---------------|---------------|---------------|------------|--------|--------|------------|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 11.21% | 12.40% | 11.49% | 10.50% | 30.09% | 14.52% | 13.77% | 37.46% | 25.62% |
| Permanent Workers | 7.69% | 0 | 7.69% | 1.83% | 0 | 1.83% | 1.80% | 0 | 1.80% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of Holding / Subsidiary / Associate companies / Joint ventures

| S. No. | Name of the Holding / Subsidiary/ Associate companies/ Joint ventures (A) | Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1. | JC Biotech Private Limited* | Subsidiary | 95.72% | No, the subsidiaries are separate entities, and hence they follow BR initiatives as per the laws as may be applicable to them. |
| 2. | Advanced Bio-Agro Tech Limited | Subsidiary | 60% | |
| 3. | Advanced EnzyTech Solutions Limited | Subsidiary | 100% | |
| 4. | Advanced Enzymes USA | Subsidiary | 100% | |
| 5. | Cal-India Foods International | Subsidiary (Step-down) | 100% | |
| 6. | Advanced Supplementary Technologies Corporation | Subsidiary (Step-down) | 100% | |
| 7. | Enzyme innovation Inc. | Subsidiary (Step-down) | 100% | |
| 8. | Advanced Enzymes (Malaysia) Sdn. Bhd.# | Subsidiary | 100% | |
| 9. | Advanced Enzymes Europe B.V. | Subsidiary | 100% | |
| 10. | evoxx technologies GmbH | Subsidiary (Step-down) | 100% | |
| 11. | SciTech Specialities Private Limited | Subsidiary | 51% | |
| 12. | Saiganesh Enzytech Solutions Private Limited | Subsidiary | 50% | |

Note:

*AETL augmented its stake in JC Biotech by 5.89% during the reviewed period. This culminated in a total ownership of 95.72%, further solidifying the integration and collaboration between both entities.

#During FY 2019-20, the Board of your Company approved the discontinuation of the business and closure of Advanced Enzymes (Malaysia) Sdn. Bhd. (AEM) and to initiate the process of closure thereto, since AEM was not giving the desired results. During FY 2022-23 and FY 2023-24, no business activities were carried out resulting into Nil profit in the respective years. During FY 2023-24, the Registrar of Companies, Malaysia approved the voluntary application of AEM for its strike-off, and status of AEM appeared as 'Dissolved'. Consequently, AEM ceased to be the subsidiary of the Company.

During the financial year 2022-23, the Board Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("DE") and Advanced Supplementary Technologies Corporation, USA ("AST") approved merger of DE and AST. Further, the State of California (USA) had approved the merger of DE into AST and consequently thereafter, DE merged into AST, and DE ceased to exist.

BRSR (Contd.)**VI. CSR Details**

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes
- (ii) **Turnover (in million) – ₹ 3,654.69 million** (on standalone basis)
- (iii) **Net worth (in million) – ₹ 5,801.74 million** (on standalone basis)

VII. Transparency and Disclosures Compliances**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|--|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | No | NIL | NIL | | NIL | NIL | |
| Investors (other than shareholders) | No | NIL | NIL | | NIL | NIL | |
| Shareholders | Yes* | NIL | NIL | | NIL | NIL | |
| Employees and workers | Yes | NIL | NIL | | NIL | NIL | |
| Customers | Yes | 34 | NIL | | 35 | NIL | |
| Value Chain Partners | No | 1 | NIL | | NIL | NIL | |
| Other (please specify) | No | NIL | NIL | | NIL | NIL | |

Note:

Value Chain Partners include entities with which the organisation has a direct or indirect business relationship and which either (a) supply products or services that contribute to the organisation's own products or services or (b) receive products or services from the organisation.

Weblink of all the policies: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

*The Grievance Redressal Mechanism is as per the applicable regulations

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|---|--|
| 1. | Climate Risk | Risk | The Company may face significant changes in its operating environment due to climate change, such as disruptions in production, shifts in customer preferences, and other potential impacts | The Company stays up to date with the latest developments and implements necessary risk mitigation strategy. This may include analysing and assessing the potential consequences that could impact the business | Negative Increased production costs for adaptation |
| | | Opportunity | The Company may consider climate change an opportunity since addressing it will necessitate the development of new and improved products across the globe | The Company is preparing to adapt to the evolving market conditions due to climate change | Positive Increased revenue from new product development and market adaptation |



BRSR (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|----------------------------|--|---|---|--|
| 2. | Environmental Impact | Risk | As a manufacturing company, the plants run by AETL always carry the risk of having a negative impact on the environment | The Company has a strong system in place for establishing its 'Standard Operating Procedures' with a key focus on protecting the environment. e.g. the complete range of enzymes produced by the Company is eco-friendly | Negative Potential fines, remediation costs, and damage to reputation |
| 3. | Energy Conservation | Opportunity | The Company conserves energy, which results in using less energy to achieve the same or even higher output, reducing costs and significantly reducing environmental impact | The Company consistently implements measures to conserve energy, such as installing more energy-efficient technology and products | Positive Cost savings from reduced energy consumption and environmental benefits |
| 4. | Carbon Emissions | Risk | Scientific studies have shown that industry carbon emissions contribute significantly to the greenhouse effect, which is the primary cause of global climate change | The Company is developing a strategy to decrease its emissions and conform to the 'net zero' goals within its specific regions | Negative As the Company is a manufacturing concern, carbon emission will remain a certain part of operations for certain time period but nevertheless the Company endeavours for Cost savings from emission reduction |
| 5. | Water Usage and Management | Opportunity | Using and managing water efficiently results in lower costs and also aids in reducing the adverse effects of groundwater depletion and water pollution | The Company understand its responsibility towards water usage and its efficient usage. Hence, a system is in place to recycle wastewater, that can be used in different operations. Water usage monitoring across various facilities enables us to strategize the reduction efforts | Positive Cost savings from reduced water consumption and environmental benefits |
| | | Risk | There is a great degree of dependency on uninterrupted supply of water for continued operations. Therefore, water management becomes crucial for the Company's operations. With changing climate and drought like conditions, water availability is increasingly becoming a risk across different geographies | | Negative High dependency on uninterrupted water supply creates risk for plant operations |
| 6. | Waste Reduction | Opportunity | Minimising waste involves an all-encompassing approach of utilising fewer materials to decrease waste production. Such a practice results in conserving natural resources and cost savings | The Company is dedicated to minimising waste to attain environmental and economic advantages | Positive Cost savings from reduced waste disposal and resource conservation |

BRSR (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|--|---|
| 7. | Material handling | Risk | Being an industrial manufacturer, the Company deals with material handling, which involves transporting and storing materials and products. This encompasses several stages: raw material handling, manufacturing processes, warehousing and distribution | The Company employs industry-leading practices to manage both raw materials and finished products, ensuring the most efficient and effective material handling | Negative Increased operational costs and potential damages from mishandling |
| 8. | Supply chain management | Risk | External and internal events may result in challenges related to the sourcing and transporting of raw materials and finished products, potentially leading to missed business opportunities and revenue losses | The Company continuously strives to optimise cost-effectiveness and timely deliveries. To ensure delivery timelines, raw materials are procured from reputable manufacturers. The Company also maintains adequate buffer stock to prevent potential delivery delays | Negative Increased costs from supply chain disruptions and potential revenue losses |
| 9. | Customer Experience | Risk | The survival and success of any business heavily rely on its customers. A decrease or discontinuation in customer demand can negatively impact the Company's revenue and profitability | The Company has been proactively improving the quality and consistency of the customer experience while also diversifying its client base, thereby reducing business risks | Negative Decreased revenue from declining customer demand and potential loss of market share |
| 10. | Health & Safety | Risk | Due to the nature of its operations, the Company must contend with risks that could potentially threaten the health and safety of its employees and customers. This necessitates objectively assessing potential hazards that may lead to harm, injury, illness, or even death of employees or customers | The Company has 'zero tolerance' for any compromise or deviation from accepted norms and everyone is expected to abide with them. The Company also endeavors and strives to fulfil all applicable compliance requirements related to health and safety. The health and safety of our people and customers was, is and will continue to be our topmost priority | Negative Increased costs from workplace accidents, legal liabilities, and damage to reputation |
| 11. | Employee engagement | Opportunity | Employee engagement is the assessment of the commitment, enthusiasm and interest employees feel towards their job and overall responsibilities within the organisation. It presents an opportunity for the Company as studies have shown that employees who are more engaged tend to be more conscientious about their work and the Company's performance | The Company is dedicated to creating a work environment that encourages and supports its employees to excel by implementing employee engagement programmes. The Management is focused on providing employees with better tools, technology, and techniques to optimise their potential and improve teamwork | Positive Increased productivity, morale, and retention lead to cost savings and revenue growth |



BRSR (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|----------------------------|--|---|---|---|
| 12. | Community engagement | Opportunity | In order to foster resilience in business and establish a positive, sustainable, long-term relationship with the community, organisations must have a clear vision and work collaboratively. The individuals who are directly or indirectly connected with the Company are significant stakeholders | The Company strives to monitor its initiatives aimed at benefiting the community. The senior management regularly reviews and evaluates the programmes and their progress | Positive Enhanced brand reputation, customer loyalty and potential revenue growth |
| 13. | Data Privacy & Security | Risk | Data privacy has become a significant risk factor in the modern world, but it can also be a valuable source of competitive advantage if managed properly. Despite this, effective information and data management continues to pose compliance challenges, which may lead to reputation risks | The Company has a strong framework in place to identify cybersecurity risks. Recognising the growing significance of data privacy concerns, the Company takes a comprehensive and coordinated approach to information security and data privacy systems | Negative Financial losses from data breaches, legal penalties, and damaged reputations |
| 14. | Product quality and safety | Opportunity | Improving product quality and safety and meeting customer expectations can attract more customers and subsequently increase revenue | By ensuring high product quality, the company can build a strong reputation for delivering reliable and effective enzymes which can lead towards attracting and retaining customers. Quality and safety measures also minimize product recalls, warranty claims and customer complaints, leading to cost savings | Positive Increased customer satisfaction, reduced warranty claims and improved brand reputation |
| | | Risk | The retention of customers is heavily reliant on maintaining high levels of product quality and safety. Any shortcomings in meeting customer expectations can negatively impact revenue | The Company follows quality control and quality assurance processes to ensure that each product manufactured meets the high quality standards established by the Company | Negative Can lead to product withdrawals, recalls, regulatory action, decreased sales, reputational risk, increased litigation followed by increase in litigation cost |
| 15. | Corporate governance | Opportunity/ Risk | Ensuring robust corporate governance is fundamental to fulfilling the objectives of the organization, as any risks have the potential to erode the trust of the stakeholders, dent the reputation of the organization, and may disrupt its business | The Board effectiveness is enhanced by selecting the right mix of individuals to serve on the Board, with the requisite qualifications, expertise and experience, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability | Positive Improved stakeholder trust and potential revenue growth Negative Decreased trust leading to loss of investors or customers |

BRSR (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 16. | Investment in R&D | Opportunity | To attain operational excellence and generate value for our stakeholders, we aim to bolster our research capabilities by utilizing state-of-the-art technologies and establishing world-class laboratories | The Company has wide talent pool for every division it operated in. By adopting new technological innovations, Advanced Enzymes can gain a competitive edge and explore new opportunities for sustainable growth in the long run | Positive Potential for new product development and revenue growth |
| | | Risk | The Company operates in highly volatile & evolving industry that needs continuous and efficient R&D. Many a times R&D takes more than expected time & resources, leading to the cost escalation. At times, despite quality research the Company may not get the desired output which may lead to the delayed product launch resulting in the lower ROI from R&D | | Negative Cost escalation due to elongated R&D timeline and revenue loss due to delayed product launch |
| 17. | Regulatory compliance | Risk | The enzymes and probiotics industry is subject to extensive regulation, and the regulatory framework is continuously evolving in response to the impacts of globalization, the emergence of new markets, the introduction of new technologies, and the increasing expectations of patients, investors, and regulators | Maintaining the highest standards of quality and adhering to applicable regulatory requirements are top priorities for us. Our facilities located nationwide follow Good Manufacturing Practice (GMP) guidelines | Negative Fines, penalties, and potential revenue losses due to non-compliance |



BRSR (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements referred as P1-P9 as given below:

- P1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
- P2 - Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 - Businesses should respect the interests of and be responsive to all their stakeholders.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect and make efforts to protect and restore the environment.
- P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 - Businesses should promote inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their consumers in a responsible manner.

| S. No. | Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7# | P 8 | P 9 |
|--|--|--|-----|-----|-----|-----|-----|------|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1. | a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | N | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | N | Y | Y |
| | c. Web Link of the Policies, if available | https://www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No)* | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 4. | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | Food Safety System Certifications (FSSC) 22000 Global Organic Textile Standard (GOTS) ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 Halal Certification Kosher Certificate WHO-GMP Certification GMP Plus Certification Written Confirmation Certification Export Inspection Agency Certification Input for Organic Processing/Production | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any | N | N | N | N | N | N | NA | N | N |

BRSR (Contd.)

| S. No. | Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7# | P 8 | P 9 | |
|--------|---|---|-----|-----|-----|-----|-----|------|-----|-----|--|
| 6. | Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met | <p>The Company uses eco-friendly methods to create sustainable products, making it a comprehensive offering for both customers and end users. The Company is currently working on establishing emission targets that align with the Science Based Targets initiative, which offers a specific plan for companies to decrease their carbon emissions.</p> <ul style="list-style-type: none"> The Company has implemented a human rights policy distributed to all its employees. The employees are fully informed about workplace ethics, labor laws, and other relevant policies through various means of communication such as display boards, handbooks, and other forms of communication. The Company takes measures to prevent the use of forced or child labor within the workplace and conduct thorough compliance audit to ensure this policy is upheld The Company takes measures to abide by the laws and regulations in India and in other countries where it conducts business. Additionally, a Whistle Blower Policy is in place that enables directors and employees to report any concerns without fear of retaliation The Company strives to strengthen its relationships with stakeholders by actively seeking their perspectives on topics that are important to them. This includes issues related to the environment, society, and the economy that may impact the Company ability to generate value. By gaining these insights, the Company can better understand how the stakeholders perceive value, pinpoint emerging trends, identify potential risks and opportunities, and develop appropriate strategic responses | | | | | | | | | |

Governance, leadership and oversight

| | | | | | | | | | | | |
|----|--|--|--|--|--|--|--|--|--|--|--|
| 7. | Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements | <p>In our Annual Report and Business Responsibility and Sustainability Report, we have addressed all crucial matters concerning business responsibility and sustainability at Advanced Enzyme Technologies Limited. However, I would like to take this opportunity to articulate our unchanging values and strategic priorities regarding business resilience and sustainability. These times are challenging for everyone in various ways, as humanity grapples with combating climate change, eradicating violent conflict, fostering community development, and conducting ethical, transparent, and responsible business. We must prioritize inclusive growth and sustainable development without sacrificing the unique developmental requirements of different regions and the welfare of the poor and marginalized. We have consistently endeavored to include all stakeholders in our journey of growth and progress. It is imperative that we always conduct our business responsibly and sustainably, with trust and transparency. We also encourage and support our suppliers, vendors, distributors, partners, and other stakeholders to adopt the same principles. On behalf of the board and management, I would like to express our commitment to continue conducting our business ethically and responsibly, with the interests of all stakeholders guiding our conduct.</p> | | | | | | | | | |
| 8. | Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies) | Mr. Vasant Rathi Chairman & Non-Executive Director DIN: 01233447 | | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details | Yes. Mr. Mukund Kabra Whole-time Director DIN: 00148294 | | | | | | | | | |



BRSR (Contd.)

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|-----|-----|-----|-----|-----|------------------|-----|-----|--|-----|-----|-----|-----|-----|------------------|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 [#] | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 [#] | P 8 | P 9 |
| Performance against above policies and follow up action | Board Members or senior leadership team review the effectiveness of policies and procedures and recommend necessary changes | | | | | | | | | Periodic or need-based | | | | | | | | |
| Compliance with Statutory requirements of relevance to the principles, and, rectification of any non-compliances | Senior management reviews and issues a Statutory Compliance Certificate to the Board of Directors | | | | | | | | | Periodic or need-based | | | | | | | | |

| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 [#] | P 8 | P 9 |
|--|-----|-----|-----|-----|-----|-----|------------------|-----|-----|
| | | | | | | | | | |
| The independent assessment has not been carried out by the Company. However, an internal evaluation is carried out on a periodical basis. | | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 [#] | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|------------------|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |
| Not Applicable | | | | | | | | | |

[#]Note: Presently, AETL is not engaged in influencing public and regulatory policy.

*The value chain partners are encouraged to adhere to these policies, as applicable or expected from responsible businesses.

BRSR (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % age of persons in respective category covered by awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors | 4 | The Company acquaints its director(s) about operations, financials, risk management framework, business, annual budget and other important information update, primarily during the Board and Committee meetings | 100% |
| Key Managerial Personnel | 7 | Programs for familiarisation as mentioned above including Prevention of Sexual Harassment awareness training | 100% |
| Employees other than BoD and KMPs | 40 | Leadership Workshop, Prevention of Sexual Harassment, Data Integrity, Labour law-new labour codes, fire safety training, pharma regulations codes, Awareness regarding FSSC 22000 Ver. 5.1 | 73% |
| Workers | 46 | Labour law-new labour codes, fire safety trainings, pharma regulations codes, Awareness regarding FSSC 22000 Ver. 5.1, Awareness of ISO standards, current Good Manufacturing Practices (CGMP), Good Distribution Practices (GDP), HALAL, etc. | 78% |

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format:

| Monetary | | | | | |
|-----------------|-----------------|---|-------------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | | | | |
| Settlement | | | NIL | | |
| Compounding fee | | | | | |
| Non-Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment | | | | | |
| Punishment | | | NIL | | |



BRSR (Contd.)

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| NA | NA |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, AETL has a robust anti-corruption and anti-bribery policy outlined in its Code of Conduct and Ethics Policy. The policy applies to the Board of Directors, senior management personnel, and all employees. It strictly prohibits the acceptance or offering of gifts, donations, remuneration, or any other benefits to influence business favours. Bribery, whether direct or indirect, is strongly discouraged, aligning with the Prevention of Corruption Act, 1988, and other relevant legislation globally.

www.advancedenzymes.com/investors/corporate-governance#codes-and-policies.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | NIL | NIL |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| | FY 2023-24 | | FY 2022-23 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | | NIL | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

| | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 37.71 | 33.90 |

BRSR (Contd.)

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | - | - |
| | b. Number of trading houses where purchases are made from | - | - |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | - | - |
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 23.39% | 23.14% |
| | b. Number of dealers/distributors to whom sales are made | 84 | 80 |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/Distributors | 71% | 65% |
| Shares of RPT in | a. Purchases (Purchases with related parties/Total purchases) | 34.12% | 29.95% |
| | b. Sales (Sales to related parties/Total sales) | 24.87% | 25.20% |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | - | 100% |
| | d. Investments (Investments in related parties/ Total investments made) | 80% | 92% |

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness campaign held | Topics/Principles covered under the training | % age of value chain programme partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|---|
| NO | | |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same:

Yes, AETL implements stringent measures to prevent and manage conflict of interest among its Board members, senior management personnel, and employees. The Code of Conduct and Ethics policy prohibits Board members from engaging in activities conflicting with the Company's interests. Independent Directors are granted freedom in their professional endeavours, while ensuring transparency. Specific scenarios leading to conflicts, such as interference with duties or investments compromising responsibility, are outlined. Transactions involving related parties are disclosed to the Board as per legal requirements, with ordinary business dealings exempted.



BRSR (Contd.)

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

| | FY 2023-24 | FY 2022-23 | Details of improvement in environmental and social impacts |
|-------|------------|------------|---|
| R&D | 100% | 100% | <ul style="list-style-type: none"> Developed next-generation engineered proteins Developed an Enzyme and probiotics |
| Capex | 100% | 100% | Enzymes can often replace chemicals or processes that present safety or environmental issues. |

2. a. **Does the entity have procedures in place for sustainable sourcing (Yes/No)**

Yes, the Company sources its raw materials locally, thereby reducing its carbon footprint. The Company has established a supplier sustainability criterion and implemented a process for vendor selection. This encompasses adhering to the Safety, Health, and Environment Policy, complying with legal requirements, and obtaining ISO certification, among others. Additionally, the Company makes a sincere effort to procure raw materials from suppliers who comply with regulatory requirements.

- b. **If yes, what percentage of inputs were sourced sustainably?**

Approximately 90% of sourcing is procured in a sustainable manner.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

- Plastics, E-waste, Hazardous waste, and other waste are disposed of through authorised scrap dealers registered with the State Pollution Control Board
- Hazardous waste generated in the process is reprocessed in-house at one of the plants and used as one of the raw materials in the manufacturing of other application products
- Liquid waste from the R&D centre is treated according to the State Pollution Control Board protocol, and the treated waste is used for watering plants

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, given the nature of business, Extended Producer Responsibility (EPR) is not applicable to the Company.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product /Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link |
|----------|--------------------------|---------------------------------|--|---|---|
| NO | | | | | |

BRSR (Contd.)

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| NA | | |

3. Percentage of recycled or reused input material to total material (in metric tonnes) used in production (for manufacturing industry) or providing services (for service industry):

| Indicate input material | Recycled or re-used input material to total material (%) | |
|-------------------------|--|------------|
| | FY 2023-24 | FY 2022-23 |
| Raw Material* | 22.10 | 22.30 |

*As multiple raw materials are consumed during the process, the name of each raw material is not mentioned.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|------------|------------|-----------------|------------|------------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | NIL | NIL | NIL | NIL | NIL | NIL |
| E-waste | NIL | NIL | NIL | NIL | NIL | NIL |
| Hazardous waste | NIL | NIL | NIL | NIL | NIL | NIL |
| Other waste | NIL | NIL | NIL | NIL | NIL | NIL |
| Total | NIL | NIL | NIL | NIL | NIL | NIL |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in the respective category |
|---------------------------|---|
| NIL | |



BRSR (Contd.)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
Essential Indicators
1. a. Details of measures for the well-being of Employees:

| Category | % of Employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|---------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|---------------------|--------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 207 | 143 | 69.08% | 207 | 100% | NA | NA | 67 | 32.37% | NA | NA |
| Female | 66 | 14 | 21.21% | 66 | 100% | 66 | 100% | NA | NA | NA | NA |
| Total | 273 | 157 | 57.51% | 273 | 100% | 66 | 100% | 67 | 24.54% | NA | NA |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 71 | 59 | 83.10% | 71 | 100% | NA | NA | 13 | 18.31% | NA | NA |
| Female | 19 | 04 | 21.05% | 19 | 100% | 19 | 100% | NA | NA | NA | NA |
| Total | 90 | 63 | 70.00% | 90 | 100% | 19 | 100% | 13 | 14.44% | NA | NA |

b. Details of measures for the well-being of Workers:

| Category | % of Workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 50 | 50 | 100% | 50 | 100% | NA | NA | NA | NA | NA | NA |
| Female | 0 | 0 | 0 | 0 | 0 | NA | NA | NA | NA | NA | NA |
| Total | 50 | 50 | 100% | 50 | 100% | NA | NA | NA | NA | NA | NA |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 215 | 215 | 100% | 215 | 100% | NA | NA | NA | NA | NA | NA |
| Female | 7 | 7 | 100% | 7 | 100% | 07 | 100% | NA | NA | NA | NA |
| Total | 222 | 222 | 100% | 222 | 100% | 07 | 100% | NA | NA | NA | NA |

c. Spending on measures towards well-being of Employees and Workers (including permanent and other than permanent) in the following format:

| Indicate input material | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 13.77% | 13.30% |

BRSR (Contd.)

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | 100% | 100% | Y | 100% | 100% | Y |
| Others – Superannuation | 20.05% | 0% | Y | 21.25% | 0% | Y |

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Depending on the accessibility requirement of an employee under different departments of our premises / offices, the arrangements are done accordingly. In compliance with the requirements of the Rights of Persons with Disabilities Act, 2016, the plants and offices are accessible by differently abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.:

Yes. AETL is committed to maintaining an Equal Opportunity Policy aimed at nurturing an inclusive workplace environment. The Company provides equal employment opportunities and ensures fair treatment for all employees, regardless of gender, age, physical ability, beliefs, religion, sexual orientation, ethnicity, caste, or any other discriminatory factor. The Company values the diversity within its workforce and actively supports the development and growth of talent within the organisation. Moreover, AETL believes that optimal performance is achieved when there is an environment of mutual trust and collaboration among all employees.

Weblink: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

5. Return to work and Retention rates of permanent Employees and Workers that took parental leave:

| Gender | Permanent Employees | | Permanent Workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

AETL prioritises fostering a work culture based on mutual trust and respect. Recognising that grievances may arise regarding supervisors, co-workers, or working conditions, the Company has implemented a well-defined, structured, and hierarchical procedure for addressing such concerns. Employees are encouraged to first raise their grievances with their reporting managers and HR representatives. If the grievances remain unresolved, they have the option to escalate the matter to AETL's senior management team. Furthermore, the Company regularly reviews and adjusts this process as needed based on evolving circumstances and the specific needs of different employee categories.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent Workers | Yes (as mentioned above) |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |



BRSR (Contd.)

7. Membership of Employees and Workers in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------------|--|--|-----------|--|---|-----------|
| | Total Employees / Workers in respective category (A) | No. of Employees/ Workers in respective category who are part of association(s) or Union (B) | % (B / A) | Total Employees / Workers in respective category (C) | No. of Employees / Workers in respective category who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | 273 | NIL | NIL | 284 | NIL | NIL |
| - Male | 207 | NIL | NIL | 221 | NIL | NIL |
| - Female | 66 | NIL | NIL | 63 | NIL | NIL |
| Total Permanent Workers | 50 | 50 | 100% | 54 | 54 | 100% |
| - Male | 50 | 50 | 100% | 54 | 54 | 100% |
| - Female | NIL | NIL | NIL | NIL | NIL | NIL |

8. Details of training given to Employees and Workers:

| Category | FY 2023-24 | | | | | | FY 2022-23 | | | |
|------------------|------------|-------------------------------|---------------|----------------------|---------------|------------|-------------------------------|-----------|----------------------|-----------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 278 | 195 | 70.14% | 180 | 64.75% | 252 | 180 | 71.43% | 189 | 75.00% |
| Female | 85 | 62 | 72.94% | 68 | 80.00% | 70 | 54 | 77.14% | 59 | 84.29% |
| Total | 363 | 257 | 70.80% | 248 | 68.32% | 322 | 234 | 72.67% | 248 | 77.02% |
| Workers | | | | | | | | | | |
| Male | 265 | 210 | 79.25% | 158 | 59.62% | 240 | 192 | 80.00% | 142 | 59.17% |
| Female | 07 | 05 | 71.43% | 05 | 71.43% | 10 | 08 | 80.00% | 06 | 60.00% |
| Total | 272 | 215 | 79.04% | 163 | 59.93% | 250 | 200 | 80.00% | 148 | 59.20% |

9. Details of performance and career development reviews of Employees and Workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|------------|------------|-------------|------------|---------|-----------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 278 | 278 | 100% | 252 | 252 | 100% |
| Female | 85 | 85 | 100% | 70 | 70 | 100% |
| Total | 363 | 363 | 100% | 322 | 322 | 100% |
| Workers | | | | | | |
| Male | 265 | 265 | 100% | 240 | 240 | 100% |
| Female | 07 | 07 | 100% | 10 | 10 | 100% |
| Total | 272 | 272 | 100% | 250 | 250 | 100% |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. AETL has established a robust occupational health & safety management system certified under ISO 45001, meeting the requirements for an Occupational Health & Safety (OH&S) management system across all its units. The system covers all employees, including regular staff and contractors, encompassing 100% of the organisation. Additionally, the Company adheres to legal regulations, such as the Factories Act, the Indian Boilers Act, the Environment Protection Act and other relevant government mandates, ensuring comprehensive compliance with health & safety standards.

BRSR (Contd.)**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

AETL is committed to fostering a safe and healthy work environment across its premises, prioritising the prevention of safety incidents and work-related illnesses. The Company has established an organised and systematic procedure for identifying potential hazards, evaluating associated risks, and implementing measures to mitigate and control them effectively. Moreover, the Company's approach focusses on taking appropriate actions to eliminate or minimise risks, while creating awareness among all staff and workers to actively participate in maintaining workplace safety.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes, AETL actively promotes a culture of reporting near-miss incidents among its employees to identify potential risks and prevent future incidents. Additionally, each site has a dedicated procedure for reporting work-related hazards, injuries, unsafe conditions, and acts, ensuring that any concerns are promptly addressed and appropriate measures are implemented to maintain a safe working environment.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, AETL ensures the well-being of its employees by conducting periodic medical check-ups and providing personal accident insurance coverage.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NIL | NIL |
| | Workers | | |
| Total recordable work-related injuries | Employees | | |
| | Workers | | |
| No. of fatalities | Employees | | |
| | Workers | | |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | | |
| | Workers | | |

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

AETL has established an EHS Committee at the plant level, comprising both management and worker representatives, to oversee environmental, health, and safety (EHS) initiatives. Regular meetings of the EHS Committee are held to address various issues, including identifying training needs, reviewing Hazard Identification and Risk Assessment (HIRA) and proposing enhancements. Following these discussions, necessary corrective and preventive measures are implemented to maintain a secure and healthy work environment. Additionally, comprehensive fire safety arrangements are in place, ensuring a safe and healthy workplace for all employees & workers.

13. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL | | | NIL | | |
| Health & Safety | NIL | | | NIL | | |



BRSR (Contd.)

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|------------------------------------|--|
| Health and safety practices | 100% of the plants were assessed as follows: <ul style="list-style-type: none"> Nashik: Entire plant assessment as per ISO 45001:2018, assessment by Jt. Director Health and Safety |
| Working Conditions | <ul style="list-style-type: none"> Pithampur: Entire plant has been assessed by IR class as per FSSAI guidelines for FSSC 22000 certification |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N):

(A) **Employees** - Yes AETL provides either in form of mediclaim or accidental death insurance policy and other benefits

(B) **Workers** - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

AETL commits to complying with current regulations by withholding and depositing all applicable statutory dues related to its transactions. This adherence undergoes rigorous examination as part of internal statutory audits.

3. Provide the number of Employees / Workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected Employees / Workers | | No. of Employees / Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|------------------|---|------------|---|------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | NIL | NIL | NIL | NIL |
| Workers | | | | |

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|------------------------------------|---|
| Health and safety practices | NIL |
| Working Conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

NIL

BRSR (Contd.)**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity:**

AETL considers anyone or any entity directly or indirectly influencing its operations or business chain as a crucial stakeholder. This includes customers, shareholders, suppliers, communities, government and regulatory bodies and employees. The Company conducts periodic mapping exercises to identify and engage with these stakeholders effectively.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement, including key topics and concerns raised during such engagement |
|-----------------------------------|---|--|---|---|
| Employees | No | One-on-one interactions, e-mail, senior management meet and internal communication platforms | Quarterly, annually and need-based | Career development, salary and other perquisites, work ethics, policy communication and team building |
| Shareholders | No | Press releases, e-mail, media releases, annual general meeting, stock exchange(s) intimations and website | Quarterly, half-yearly, annual and need-based | Financial performance, key risks and mitigation, operational highlights, share price appreciation and dividend distribution |
| Customers | No | E-mail, SMS, pamphlets, advertisement, website and meetings | Ongoing & need-based | Superior customer service throughout the life cycle |
| Suppliers | No | E-mail, website and meetings | Ongoing and need-based | Timely delivery, payment terms & conditions and the quality of goods procured |
| Communities | Yes | E-mail, meetings, telecommunications and one-on-one meetings | Ongoing | CSR, community complaints, awareness programme and community development |
| Media | No | Press meets, management interviews, conference calls, newspaper, advertisement and website | Quarterly or need-based | Business and industry updates and quarterly results |
| Governments and Regulatory bodies | No | Meetings and visits | Need-based | Compliance, governance practices and regulatory approvals |

Leadership Indicators**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

AETL employs multiple communication channels to actively engage with its diverse stakeholders. This indomitable dedication to ongoing, proactive dialogue with key stakeholders empowers the Company to consistently enhance its strategies and performance. Priority is given to crafting policies and programmes that uphold principles of equity and transparency, fostering a well-rounded approach that considers the interests of all stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Yes, AETL actively collaborates with a diverse range of stakeholders to gain profound insights into their expectations and benchmark its practices against industry standards. Continuously and actively striving to understand the impact of its sustainability strategy and future priorities, the Company engages in regular consultations with both internal and external stakeholders. These consultations play a pivotal role in shaping the Company's CSR agenda and sustainability initiatives, ensuring alignment with stakeholder needs and preferences.



BRSR (Contd.)

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

AETL is dedicated to enhancing the well-being of marginalised and disadvantaged groups in society, emphasising sustainable livelihoods and nurturing a robust human capital ethos. Through its Corporate Social Responsibility (CSR) policy, the Company directs its efforts across various sectors, including education, skills development, healthcare, sanitation, environmental sustainability, women's empowerment, and rural development. By concentrating on specific areas requiring improvement, AETL strives to elevate living standards and contribute to overall societal advancement through the following initiatives.

- Collaborating with trusts and NGOs to allocate resources for CSR activities.
- Initiating specific initiatives, such as vocational training for differently-abled adults, addressing malnutrition and educational deficiencies among tribal children, treating thalassemia patients and supporting educational endeavours.
- Prioritising assistance to children, the elderly, women, differently-abled individuals and impoverished communities.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and Workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------------|------------|--|-------------|------------|--|-------------|
| | Total (A) | No. of Employees / Workers covered (B) | % (B / A) | Total (C) | No. of Employees / Workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 273 | 273 | 100% | 284 | 284 | 100% |
| Other than Permanent | 90 | 90 | 100% | 38 | 38 | 100% |
| Total Employees | 363 | 363 | 100% | 322 | 322 | 100% |
| Workers | | | | | | |
| Permanent | 50 | 50 | 100% | 54 | 54 | 100% |
| Other than Permanent | 222 | 222 | 100% | 196 | 196 | 100% |
| Total Workers | 272 | 272 | 100% | 250 | 250 | 100% |

In FY 2024, 84 trainees and in FY 2023, 33 trainees are categorised above under "Other than permanent."

2. Details of minimum wages paid to Employees and Workers, in the following format:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------------------------|------------|-----------------------|-----------|------------------------|-----------|------------|-----------------------|-----------|------------------------|-----------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 207 | 15 | 7.25% | 192 | 92.75% | 221 | 22 | 9.95% | 199 | 90.05% |
| Female | 66 | 14 | 21.21% | 52 | 78.79% | 63 | 09 | 14.29% | 54 | 85.71% |
| Other than Permanent | | | | | | | | | | |
| Male | 71 | 08 | 11.27% | 63 | 88.73% | 31 | - | - | 31 | 100% |
| Female | 19 | 14 | 73.68% | 05 | 26.32% | 07 | - | - | 07 | 100% |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 50 | 50 | 100% | - | - | 54 | 54 | 100% | - | - |
| Female | - | - | 100% | - | - | - | - | 100% | - | - |
| Other than Permanent | | | | | | | | | | |
| Male | 215 | 215 | 100% | - | - | 186 | 186 | 100% | - | - |
| Female | 07 | 07 | 100% | - | - | 10 | 10 | 100% | - | - |

BRSR (Contd.)**3. Details of remuneration/salary/wages, in the following format:**

a. (Median remuneration / wages is in ₹ million)

| | Male | | Female | |
|---|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 6 | 0.87 | 3 | 0.26 |
| Key Managerial Personnel | 3 | 13.04 | 0 | 0 |
| Employees other than BoD and KMP | 271 | 0.48 | 83 | 0.49 |
| Workers | 50 | 0.85 | 0 | 0 |
| Contractual workers | 215 | 0.15 | 7 | 0.15 |

Notes:

1. The Commission payable to Board members as of March 31, 2024, has been considered to determine the median remuneration of BoD. Sitting fees paid to Independent Directors have not been considered.
2. For the purpose of the above disclosure, the remuneration (excluding Commission) of Mr. Mukund Kabra (Whole-Time Director & KMP) has been considered to determine the median remuneration for KMPs.
3. The median remuneration calculated for KMPs excludes the Commission/Annual Incentives, Leave encashment, gratuity and ESOP (as may be/wherever applicable).

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-24 | FY 2022-23 |
|--|---------------|------------|
| Gross wages paid to females as % of total wages | 17.78% | 15.82% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Human Resources Department, Board and Senior Management hold responsibility for addressing human rights issues at AETL. The Company's human rights policy extends its applicability to all relevant stakeholders.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

The core principle at the Company is that any stakeholder should be able to raise their grievances and should be able to report any breach or perceived violation, with complete confidence and trust, confidentially and anonymously and without fear of retaliation. They should be able to report any breach of policies and procedures in the Company. The grievance can be reported in the following manner, a) General Human Right Grievances – To be addressed to Human Resource Department, Immediate supervisor, team lead of the department, with adequate arrangement for escalation, b) Any Sexual Harassment related incidents should be reported to Prevention of Sexual Harassment Committee (i.e. Internal Complaints Committee), Head - Human Resources / the Board.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|---|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | NIL | NIL | NIL | NIL | NIL | NIL |
| Discrimination at workplace | | | | | | |
| Child Labour | | | | | | |
| Forced Labour / Involuntary Labour | | | | | | |
| Wages | | | | | | |
| Other human rights related issues | | | | | | |



BRSR (Contd.)

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | NIL | NIL |
| Complaints on POSH as a % of female employees/workers | | |
| Complaints on POSH upheld | | |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

AETL is committed to maintaining a safe and secure workplace, free from violence, harassment, intimidation, or any other unsafe or disruptive conditions stemming from internal or external threats. Responsibility for preventing negative repercussions for those reporting discrimination or harassment is shared by the Head of Human Resources, departmental team leads/managers, Management and the Board, supported by appropriate escalation procedures. This dedication extends to interactions with third-parties during business operations. Furthermore, employees are encouraged to express their opinions openly.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the human rights requirements is covered in detail in AETL Code of Conduct. The 'AETL Code of Conduct and Ethics' is available at: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100% (Assessed during various audits) |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

Not Applicable

BRSR (Contd.)**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints:**

Despite no grievances or complaints regarding human rights issues, AETL remains proactive in implementing measures to uphold and protect the rights of all employees and workers. The Company's human rights policy is publicly accessible. It encompasses several essential principles, including the prohibition of child labour and forced labour, the promotion of a harassment-free workplace, ensuring non-discrimination through equal opportunity practices, fostering diversity and freedom of association, providing compensation above legal requirements, and adhering to standard working hours as mandated by relevant laws.

2. Details of the scope and coverage of any Human rights due-diligence conducted:

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. AETL ensures that the accessibility needs of visitors are accommodated at its offices or premises. In accordance with the Rights of Persons with Disabilities Act, 2016, the Company's plants and offices are designed to be accessible to individuals with different abilities.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|--|
| Sexual Harassment | Nil, the Company holds its value chain partners to the same high standards of corporate values, ethical principles, and human rights that it adheres to in all of its business operations. Although no specific evaluation regarding value chain partners has been conducted, this is an ongoing commitment. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

Not Applicable



BRSR (Contd.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|-------------------------------|-------------------------------|
| From renewable sources | | |
| Total electricity consumption (A) | 445 | NIL |
| Total fuel consumption (B) | - | |
| Energy consumption through other sources (C) | - | |
| Total energy consumed from renewable sources (A+B+C) | 445 | |
| From non-renewable sources (in GJ) | | |
| Total electricity consumption (D) | 40,475 | 34,492 |
| Total fuel consumption (E) | 1,73,985 | 1,33,047 |
| Coal | 1,39,650 | 1,13,957 |
| Furnace oil & LDO | 32,773 | 15,532 |
| Diesel | 1,561 | 3,558 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 2,14,460 | 167,540 |
| Total energy consumed (A+B+C+D+E+F) | 2,14,904 | 167,540 |
| Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations) | 5.88 * 10 ⁻⁵ GJ/₹ | 5.38 * 10 ⁻⁵ GJ/₹ |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) | 1.59 * 10 ⁻⁵ GJ/₹ | 1.48 * 10 ⁻⁵ GJ/₹ |
| Energy intensity in terms of physical output | 4.89 * 10 ⁻² GJ/kg | 3.31 * 10 ⁻² GJ/kg |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency:

Independent assessment was not carried out by any external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|-------------------------------|-------------------------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 1,54,291 | 1,12,016 |
| (ii) Groundwater | NIL | NIL |
| (iii) Third-party water | NIL | NIL |
| (iv) Seawater/desalinated water | NIL | NIL |
| (v) Others - Recycled water | 21,410 | 20,779 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 1,75,701 | 1,32,795 |
| Total volume of water consumption (in kilolitres) | 1,58,012 | 1,30,082 |
| Water intensity per rupee of turnover (water consumed/turnover) | 4.32 * 10 ⁻⁵ kL/₹ | 4.18 * 10 ⁻⁵ kL/₹ |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) | 1.17 * 10 ⁻⁵ kL/₹ | 1.15 * 10 ⁻⁵ kL/₹ |
| Water intensity in terms of physical output | 3.59 * 10 ⁻² kL/Kg | 2.57 * 10 ⁻² kL/Kg |
| Water intensity (optional) – the entity may select the relevant metric | - | - |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency.

No independent assessment was carried out by any external agency.

BRSR (Contd.)

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|---------------|---------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (ii) To Groundwater | | |
| - No treatment (Potable water use for Gardening) | 7,750 | 7,200 |
| - With treatment – (Toilet wash water - Passed through brick-bite Soak Pits) | 6,700 | 5,580 |
| (iii) To Seawater | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (iv) Sent to third-parties | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| (v) Others | | |
| - No treatment | NIL | NIL |
| - With treatment – please specify level of treatment | NIL | NIL |
| Total water discharged (in kilolitres) | 14,450 | 12,780 |

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, AETL has implemented a mechanism for Zero Liquid Discharge (ZLD), featuring a three-stage forced feed evaporation plant. This system efficiently treats both process effluent and equipment wash water, generating steam that is condensed to create recycled water suitable for various utilities like boilers, water-cooled compressors, and cooling towers.

After the evaporation process, resulting slurry and sludge undergo further treatment by drying them in a cage mill. This step yields a non-hazardous powder used as a raw material for non-pharmaceutical application products, ensuring minimal waste generation.

This ZLD system, operational since 2003, highlights its longstanding effectiveness and reliability. It comprises key components, such as an Effluent Treatment Plant (ETP), Mechanical Vapor Recompression Evaporator (MEE) and a dryer. Together, these components form a closed-loop system that efficiently manages liquid waste, while minimising environmental impact.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|--|---------------------|--------------|------------|
| NOx | Mg/Nm ³ | 16.21 | 19.32 |
| SOx | Mg/Nm ³ | 12.27 | 11.92 |
| Particulate matter (PM) | Mg/Nm ³ | 37.42 | 29.80 |
| Persistent organic pollutants (POP) | Mg/Nm ³ | 1.05 | 1.23 |
| Volatile organic compounds (VOC) | Mg/Nm ³ | 1.17 | 1.42 |
| Hazardous air pollutants (HAP) | Mg/Nm ³ | 25.62 | 1.70 |
| Others - please specify | Mg/Nm ³ | NA | NA |

Note: POP, VOC and HAP data is available for Sinnar plant only for FY 2022-23

POP, VOC and HAP data is considered for Sinnar & Pithampur plant for FY 2023-24

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency.**

Yes

- Ashwamedh Engineers & Consultants- Laboratory services division, Nashik
- Azis Labs, Pithampur, Madhya Pradesh



BRSR (Contd.)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|--|---|-------------------------------|--|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 23,083 | In FY 2022-23, AETL implemented environmental monitoring and stack emission monitoring through an external agency approved by the respective State Pollution Control Board |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | - | |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of CO ₂ equivalent | 23,083 | |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | Metric tonnes of CO ₂ equivalent | 1.71 * 10 ⁻⁶ MT/₹ | |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | Metric tonnes of CO ₂ equivalent | 5.25 * 10 ⁻³ MT/Kg | |
| Total Scope 1 and Scope 2 emission intensity (optional) – the entity may select the relevant metric | - | - | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details:

Yes, AETL has undertaken several projects to reduce greenhouse gas emissions as part of its commitment to environmental sustainability. These initiatives include:

- **Solar Power Installations:** Installed a 160KW solar plant, with a 350KW system in progress, reducing reliance on fossil fuels for electricity
- **Steam Condensate Recovery:** Implemented steam condensate recovery systems, to recycle hot water to feed boilers, thereby reducing the need for additional energy input and minimising greenhouse gas emissions associated with boiler operations
- **Energy Efficient Systems:** Invested in energy-efficient air conditioning systems that utilise CFC-free refrigerant gas, reducing both energy consumption and the release of ozone-depleting substances into the atmosphere
- **LED Lighting:** Deployed LED lamps throughout the plant reduce electricity consumption compared to traditional lighting systems, consequently lowering greenhouse gas emissions associated with electricity generation
- **Efficient Motor Operation:** Installed energy efficient and Variable-Frequency Drive (VFD)-grade motors for fermenter agitation, optimising energy usage and decreasing greenhouse gas emissions resulting from motor operation
- **Preventive Maintenance:** Incorporated preventive maintenance plans for critical and utility equipment ensures efficient performance, reducing energy consumption and greenhouse gas emissions associated with equipment operation

These projects collectively contribute to AETL's efforts to reduce greenhouse gas emissions and mitigate its environmental impact.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 6.05 | 4.47 |
| E-waste (B) | 4.83 | 0.53 |
| Bio-medical waste (C) | NIL | NIL |
| Construction and demolition waste (D) | NIL | NIL |
| Battery waste (E) | 0.71 | 0.29 |
| Radioactive waste (F) | NIL | NIL |
| Other hazardous waste – Spent Oil (G) | 330.79 | 272.45 |

BRSR (Contd.)

| Parameter | FY 2023-24 | FY 2022-23 |
|---|--|-------------------------|
| Other non-hazardous waste generated (H) | | 1.69 |
| Corrugated Box & Packaging waste | 23.61 | |
| Cotton waste | 0.37 | |
| MS Scrap | 21.65 | |
| Semi-solid waste | 0.036 | |
| Total (A + B + C + D + E + F + G + H) | 388.04 | 279.43 |
| Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) | $1.06 * 10^{-7}$ MT/₹ | $8.97 * 10^{-8}$ MT/₹ |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) | $2.87 * 10^{-8}$ MT/₹ | $2.48 * 10^{-8}$ MT/₹ |
| Waste intensity in terms of physical output | $8.82 * 10^{-5}$ MT/Kg | $5.51 * 10^{-5}$ MT/ Kg |
| Waste intensity (optional) – the relevant metric may be selected by the entity | - | - |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | NIL | NIL |
| (ii) Re-used | 326.50 | 271.00 |
| (iii) Other recovery operations | NIL | NIL |
| Total | 326.50 | 271.00 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | NIL | NIL |
| (iii) Other disposal operations - By sale to authorized scrap dealers | 10.1 | 8.43 |
| Total | 10.1 | 8.43 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency:

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

AETL ensures waste management in its operations by ensuring the following:

- **Safety and Chemical Usage:** Prioritises safe handling and minimizes the usage of hazardous chemicals in products and processes. Implements best practices for managing the resulting waste
- **Environmental Compliance:** Adheres strictly to all relevant environmental regulations to ensure responsible operations
- **Resource Optimisation:** Optimises resource utilisation across all plants and laboratories to minimise waste and maximise efficiency
- **Energy Efficiency:** Commits to improving energy efficiency through innovative techniques and ideas to reduce waste and optimise consumption

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|---|
| NIL | | | |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA | | | | | |



BRSR (Contd.)

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. AETL adheres to all applicable environmental laws, regulations, and guidelines in India.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts | Corrective taken, if any action |
|--------|---|---------------------------------------|--|---------------------------------|
| NA | | | | |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable, we are established away from water stress locations.

For each facility / plant located in areas of water stress, provide the following information: NA

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 | FY2022-23 |
|--|------------|-----------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | NA | NA |
| (ii) Groundwater | | |
| (iii) Third-party water | | |
| (iv) Seawater/desalinated water | | |
| (v) Others | | |
| Total volume of water withdrawal (in kilolitres) | | |
| Total volume of water consumption (in kilolitres) | | |
| Water intensity per rupee of turnover (water consumed/turnover) | | |
| Water intensity (optional) – the entity may select the relevant metric | | |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into surface water | NA | NA |
| - No treatment | | |
| - With treatment – please specify the level of treatment | | |
| (ii) Into groundwater | | |
| - No treatment | | |
| - With treatment – please specify the level of treatment | | |
| (iii) Into seawater | | |
| - No treatment | | |
| - With treatment – please specify the level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment – please specify the level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify the level of treatment | | |
| Total water discharged (in kilolitres) | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

NA

BRSR (Contd.)**2. Please provide details of total Scope 3 emissions & their intensity in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|----------------|----------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | Not Applicable | Not Applicable |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emission intensity (optional) – the entity may select the relevant metric | | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency:

Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|--------|--|---|---|
| 1. | Hot insulation of steam and utility systems | Installed hot insulation on steam and utility systems to minimise heat loss | Resulted in a reduction of steam consumption by 75- 85 kg/hr |
| 2. | Chilled water generation system heat recovery improvement | Implemented enhancements in the chilled water generation system to recover heat, reducing the steam requirement | Resulted in a reduction of 25 kg/hr in steam consumption |
| 3. | Electrical current utilisation of blowers | Incorporated measures to optimise the electrical current utilisation of blowers | Reduced electrical current usage by 8-16 Amp/hr |
| 4. | Preventive maintenance of all critical and utility equipment | Incorporated a preventive maintenance plan for critical and utility equipment | Enhanced energy efficiency and reduction in consumption of power and fuel |
| 5. | Efficient performance of electrical equipment | Implemented measures to ensure the efficient performance of electrical equipment | Improved overall efficiency and reduced energy consumption |
| 6. | Power bill incentive and other rebates | Received power bill incentives and rebates from MSEDCL | Received total incentives and rebates amounted to ₹ 16.31 lakhs |
| 7. | Generator set KWH to fuel ratio improvement | Achieved a generator set KWH to fuel ratio of around 4% | Improved fuel efficiency, reducing fuel consumption and emissions |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

Yes, AETL has a comprehensive business continuity plan in place which encompasses the following:

- **Multi-Location Production Facilities:** AETL operates production facilities located in Sinnar, Pithampur, Vasind, and subsidiary plants
- **Backup Locations:** In the event of a disaster or cyberattack, work can commence from alternative sites like the New Thane Research Centre, Wagle Research Centre, and Thane Corporate Office
- **Regular Data Backups:** The Company follows a policy of regularly backing up systems to ensure swift restoration of data with minimal loss

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

NIL



BRSR (Contd.)

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations:

The Company is affiliated with the following 8 chambers/associations (refer point (b) below).

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1. | Confederation of Indian Industry | National |
| 2. | Health Foods and Dietary Supplements | National |
| 3. | The Council of EU Chambers of Commerce | International |
| 4. | Bombay Chamber of Commerce and Industry | State |
| 5. | Pharmaceuticals Export Promotion Council of India | National |
| 6. | Confederation of Indian Food Trade and Industry | National |
| 7. | Confederation of Indian Food Regulatory Cell | National |
| 8. | Pithampur Audyogik Sangathan | State |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NA | | |

Leadership Indicators

1. Details of public policy positions advocated by the entity:

| S. No. | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|-------------------------|-----------------------------------|--|---|------------------------|
|--------|-------------------------|-----------------------------------|--|---|------------------------|

Not Applicable, AETL stands firm in its commitment to supporting the growth of the supplement and nutrition industry, while persistently striving to enhance the health and well-being of people worldwide.

BRSR (Contd.)

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated In public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| NIL | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--------|--|-------|----------|---|--------------------------|---------------------------------------|
| NIL | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community:

AETL acknowledges the crucial importance of establishing an effective system to address community concerns. In pursuit of this objective, the Company has developed a well-defined process to promptly handle inquiries, grievances, comments and suggestions from its external stakeholders, particularly members of the local community. Upon receiving any communication, the Company swiftly assign it to the relevant personnel within its organization to guarantee immediate and appropriate action. Additionally, AETL maintains a designated 'point of contact' available through various communication channels to streamline interactions. This structured approach empowers both its internal and external stakeholders, including the communities it serves, to utilise its reporting platform effectively. Through this platform, the Company addresses a wide array of issues, including ethics, fraud, financial matters, and human resources concerns, promptly underscoring AETL's indomitable commitment to community engagement and responsiveness.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Directly sourced from MSMEs/small producers | 19% | 9% |
| Directly from within India | 21% | 20% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 16.38% | 13.39% |
| Semi-urban | 14.69% | 16.12% |
| Urban | 23.49% | 30.11% |
| Metropolitan | 45.44% | 40.38% |

(Categorised as rural, semi-urban, urban, or metropolitan based on the RBI Classification System)



BRSR (Contd.)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| NA | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In ₹) |
|--------|-------|-----------------------|---------------------|
| NIL | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/vulnerable groups.

- (b) From which marginalized /vulnerable groups do you procure? NA

- (c) What percentage of total procurement (by value) does it constitute? NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned / Acquired (Yes / No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--------|--|-----------------------------|---------------------------|------------------------------------|
| NA | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NA | | |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|--------|---|---|--|
| 1. | Contribution towards promotion of Health Care / Preventive Health Care including various activities for management of Thalassaemia Patients | 138 | 90% + |

BRSR (Contd.)**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

AETL has established a structured mechanism to promptly address any customer complaints or feedback regarding its products and services. Customers are provided with multiple contact options, and the Company's representatives maintain regular communication to ensure swift resolution of any issues. Resolving customer feedback promptly and carefully is essential to prevent future dissatisfaction and enhance overall customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| As a percentage to total turnover | |
|---|------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | |
| Recycling and/or safe disposal | NA |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|--------------------------------|--------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
| | Received during the year | Pending resolution at the end of year | | Received during the year | Pending resolution at the end of year | |
| Data privacy | | | NIL | | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | | | | | | |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--|
| Voluntary recalls | 1 | To check the transport worthiness trails |
| Forced recalls | 0 | NA |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy:

Yes. AETL has implemented a system to identify potential cybersecurity risks. Considering the growing importance of data privacy, the Company has adopted a comprehensive and coordinated approach to information security and data privacy systems. The policy primarily concerns internal users and verified external entities, is selectively shared with relevant entities, and is not publicly available.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services:

NA

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - NIL
- Percentage of data breaches involving personally identifiable information of customers – Not Applicable
- Impact, if any, of the data breaches – Not Applicable



BRSR (Contd.)

Leadership Indicators

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

www.advancedenzymes.com

www.wellfa.com and

other leading platforms in the market

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company's products include information on safe and responsible usage to educate customers accordingly.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

The Company maintains continuous communication with its customers to address any potential issues that may impact customer relationships and business operations proactively. If there are any delays in customer delivery due to factors within or beyond the Company's control, such as transportation disruptions or local disturbances, it promptly notifies its customers to prevent misunderstandings. Furthermore, AETL aims to minimise the occurrence of such incidents through diligent efforts.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No, the Company adheres to the applicable laws and regulations regarding displaying the product label and related information.

INDEPENDENT AUDITOR'S REPORT

To the Members of Advanced Enzyme Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Advanced Enzyme Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|--|---|
| <p>Advanced Enzyme Technologies Limited (AETL or the "Company") has made investment in Advanced Enzymes Europe B.V. (AEEBV). The carrying value of the investment in AEEBV prior to impairment testing was ₹ 481.22 million. AEEBV has further investment in Evoxx Technologies GmbH (Evoxx) (taken together the AEEBV group). Due to continuing losses in Evoxx the net worth of AEEBV group is negative as on 31 March 2024 as per its consolidated financial statements. Hence, Management of the Company has recognised an impairment provision of ₹ 189.48 million during the current year.</p> <p>The Management has performed the testing of impairment in relation to the Investments as per the requirements of Ind AS 36 "Impairment of Assets".</p> <p>As per Ind AS 36, in regard to the impairment testing on its investments, the determination of the fair value of the AEEBV group requires management of the Company to estimate significant assumptions including future revenue and terminal growth rates apart from margin assumptions and discount rates to estimate future cash flows.</p> <p>Since the amount of provision for impairment is material to the financial statements of the Company and involves significant management judgement and estimation, we have identified this as a key audit matter (KAM).</p> | <p>Our audit procedures to address the impairment of Investments included and were not limited to the following:</p> <ol style="list-style-type: none"> 1. Obtained an understanding from the Management of the Company with respect to policies and procedures followed by the Management with respect to measurement and testing of impairment on the Company's Investment in AEEBV group. 2. Reviewed valuation reports of AEEBV group provided by the management of the Company by involvement of registered valuer. 3. Assessed the reasonableness of inputs used in valuation report provided by management for the future revenue and margin projections, the accuracy of the cash flow forecasts and analyzed the underlying key assumptions, including discounting rates and terminal growth rates. 4. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board of AEEBV and tested the mathematical accuracy of management's calculations. 5. Involved our internal experts to assess the consistency and reasonableness of Company's valuation methodology and assumptions, applied in determining the fair value of the subsidiary, in order to assess related impairment on investment made in subsidiary. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework. |



INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take necessary action under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 54 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - 1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v.
 - 1) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
 - 2) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - 3) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared



INDEPENDENT AUDITOR'S REPORT (Contd.)

is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 50 to the Standalone financial statements)

- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRV8086

Place: Mumbai

Date: May 11, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRV8086

Place: Mumbai
Date: May 11, 2024



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.
 - B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
 - (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.
- iii. (a) During the year, the Company has made investment in a company. According to the information and explanation provided to us, the Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii)(c) to (f) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made are not prejudicial to the interest of the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount Demanded ₹ | Amount Paid ₹ | Period to which the amount relates | Forum where dispute is pending |
|--|-----------------------------------|-------------------|---------------|------------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 0.40 | - | AY 2004-05 | Bombay High Court |
| Income Tax Act, 1961 | Income Tax | 24.37 | 4.87 | AY 2012-13 | Commissioner Appeals |
| Income Tax Act, 1961 | Income Tax | 0.85 | - | AY 2021-22 | Commissioner Appeals |
| Income Tax Act, 1961 | Income Tax | 0.18 | - | AY 2013-14 | Commissioner Appeals |
| Income Tax Act, 1961 | Income Tax | 0.12 | - | AY 2020-21 | Commissioner Appeals |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Service Tax, Interest and Penalty | 12.51 | 10.38 | July 2010 to January 2015 | Customs, Excise and Service Tax Appellate Tribunal, West Zone |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty, Interest and Penalty | 2.84 | 2.50 | April 2012 to January 2015 | Additional Commissioner of Central Excise, Customs and Service Tax |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty | 4.19 | - | July 2010 to January 2015 | Additional Commissioner of Central Excise, Customs and Service Tax |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty, Interest and Penalty | 2.79 | 2.79 | July 2011 to January 2015 | Commissioner of Central Excise, Customs and Service Tax |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty, Interest and Penalty | 0.53 | 0.53 | March 2015 to October 2015 | Customs, Excise and Service Tax Appellate Tribunal, West Zone |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Service Tax, Interest and Penalty | 1.37 | 1.13 | March 2015 to December 2015 | Customs, Excise and Service Tax Appellate Tribunal, West Zone |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty | 0.60 | - | March 2015 to December 2015 | Commissioner of Central Excise, Customs and Service Tax |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty | 2.11 | - | Jan 2016 to June 2017 | Commissioner of Central Excise, Customs and Service Tax |
| Central Excise Act, 1944 read with Cenvat Credit Rules, 2004 | Excise Duty | 0.64 | 0.13 | Dec 2015 to January 2017 | Customs, Excise and Service Tax Appellate Tribunal, West Zone |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (c) and sub-clause (e) and (f) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order are not applicable to the Company
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3(xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 53 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, the Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to a Fund specified in schedule VII in compliance with second proviso to sub-section (5) of Section 135 of the Act read with schedule VII to the Act. Refer Note 48 to the standalone financial statements.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Act. Refer Note 48 to the standalone financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Place: Mumbai

Date: May 11, 2024

Membership No.: 101739

UDIN: 24101739BKEZRV8086

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Advanced Enzyme Technologies Limited on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Advanced Enzyme Technologies Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.



INDEPENDENT AUDITOR'S REPORT (Contd.)

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRV8086

Place: Mumbai

Date: May 11, 2024

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in million)

| Particulars | Note | As at 31 March 2024 | As at 31 March 2023 |
|--|------|------------------------|------------------------|
| I. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 7 | 1,418.21 | 1,424.45 |
| (b) Capital work-in-progress | 7A | 164.45 | 56.06 |
| (c) Other intangible assets | 8 | 3.10 | 4.13 |
| (d) Intangible assets under development | 8A | 54.12 | 54.19 |
| (e) Financial assets | | | |
| (i) Investments | | | |
| - investment in subsidiaries | 9 | 2,054.26 | 1,854.20 |
| - other investment | 9 | 0.62 | 0.62 |
| (ii) Loans | 10 | 0.37 | 329.40 |
| (iii) Other financial assets | 11 | 22.45 | 19.69 |
| (f) Income tax asset (net) | | 113.44 | 110.91 |
| (g) Other non-current assets | 12 | 14.91 | 8.94 |
| Total non-current assets | | 3,845.93 | 3,862.59 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 968.84 | 767.89 |
| (b) Financial assets | | | |
| (i) Investment | 14 | 508.02 | 159.90 |
| (ii) Trade receivables | 15 | 751.72 | 666.68 |
| (iii) Cash and cash equivalents | 16 | 14.95 | 94.49 |
| (iv) Bank balances other than (iii) above | 16A | 170.72 | 152.74 |
| (v) Loans | 17 | 0.42 | 0.42 |
| (vi) Other financial assets | 18 | 7.09 | 7.10 |
| (c) Other current assets | 19 | 61.64 | 46.19 |
| Total current assets | | 2,483.40 | 1,895.41 |
| Total assets | | 6,329.33 | 5,758.00 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 20 | 223.65 | 223.65 |
| (b) Other equity | 21 | 5,581.06 | 5,029.67 |
| Equity attributable to equity holders | | 5,804.71 | 5,253.32 |
| (2) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liability | 22 | 10.93 | 14.45 |
| (b) Provisions | 23 | 6.61 | 3.15 |
| (c) Deferred tax liabilities (net) | 24 | 106.94 | 118.10 |
| Total non-current liabilities | | 124.48 | 135.70 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 25 | - | 0.07 |
| (ii) Lease liabilities | 22 | 4.11 | 7.96 |
| (iii) Trade payables | 26 | | |
| a) total outstanding dues of micro enterprises and small enterprises | | 18.91 | 17.54 |
| b) total outstanding dues other than micro enterprises and small enterprises | | 198.33 | 163.76 |
| (iv) Other financial liabilities | 27 | 120.08 | 120.58 |
| (b) Other current liabilities | 28 | 30.41 | 36.23 |
| (c) Provisions | 23 | 25.41 | 19.92 |
| (d) Current tax liabilities (net) | | 2.89 | 2.92 |
| Total current liabilities | | 400.14 | 368.98 |
| Total equity and liabilities | | 6,329.33 | 5,758.00 |

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

Amrish Vaidya

Partner

Membership No: 101739

Place: Thane

Date: 11 May 2024

For and on behalf of Board of Directors

Mukund Kabra

Wholetime Director

DIN : 00148294

Place: Thane

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in million)

| Particulars | Notes | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 29 | 3,654.69 | 3,115.29 |
| Other income | 30 | 588.09 | 98.08 |
| Total income | | 4,242.78 | 3,213.37 |
| Expenses | | | |
| Cost of materials consumed | 31 | 1,395.61 | 1,214.26 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 32 | (78.34) | 14.80 |
| Employee benefits expense | 33 | 499.71 | 414.20 |
| Finance costs (including exchange difference) | 34 | 1.57 | 1.35 |
| Depreciation and amortisation expense | 35 | 108.98 | 102.83 |
| Other expenses | 36 | 785.85 | 723.15 |
| Total expenses | | 2,713.38 | 2,470.59 |
| Profit before tax | | 1,529.40 | 742.78 |
| Exceptional items | 52 | 189.48 | - |
| Profit before tax after exceptional items | | 1,339.92 | 742.78 |
| Tax expense | 37 | | |
| Current tax | | 269.51 | 182.54 |
| Deferred tax charge/(credit) | | (10.82) | 4.97 |
| Total tax expense | | 258.69 | 187.51 |
| Profit for the year | | 1,081.23 | 555.27 |
| Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit charge/(credit) | | (1.38) | 6.59 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 0.35 | (1.66) |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax related to items that will be reclassified to profit or loss | | - | - |
| | | (1.03) | 4.93 |
| Total Comprehensive Income for the year | | 1,080.20 | 560.20 |
| Earnings per equity share (face value ₹ 2 each fully paid up) | 41 | | |
| Basic | | 9.67 | 4.97 |
| Diluted | | 9.66 | 4.97 |

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya

Partner

Membership No: 101739

Mukund Kabra

Wholetime Director

DIN: 00148294

Place: Thane

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

Place: Thane

Date: 11 May 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in million)

(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 | 111,824,075 | 223.65 | 111,800,675 | 223.60 |
| Changes in equity share capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the current reporting year | 111,824,075 | 223.65 | 111,800,675 | 223.60 |
| Changes in equity share capital during the year | - | - | 23,400 | 0.05 |
| Balance at the end of the year | 111,824,075 | 223.65 | 111,824,075 | 223.65 |

(b) Other equity (refer note 21)

| Particulars | Reserves and Surplus | | | | | Total Equity |
|--|-----------------------|--------------------|--------------------|-------------------------------------|----------------------|-----------------|
| | Securities Premium | Capital Reserve | General reserve | Employee stock option account | Retained earnings | |
| Balance at 1 April 2022 | 811.37 | 3.00 | 32.53 | 6.40 | 3,726.63 | 4,579.93 |
| Profit for the year | - | - | - | - | 555.27 | 555.27 |
| Other comprehensive income for the year | - | - | - | - | 4.93 | 4.93 |
| Total comprehensive income for the year | - | - | - | - | 560.20 | 560.20 |
| Add : Options granted during the year | - | - | - | 0.56 | - | 0.56 |
| Add / (Less): Exercise of Share options | 7.76 | - | - | (6.96) | - | 0.80 |
| Less: Dividend | - | - | - | - | (111.82) | (111.82) |
| Balance at 31 March 2023 | 819.13 | 3.00 | 32.53 | - | 4,175.01 | 5,029.67 |
| Profit for the year | - | - | - | - | 1,081.23 | 1,081.23 |
| Other comprehensive income for the year | - | - | - | - | (1.03) | (1.03) |
| Total comprehensive income for the year | - | - | - | - | 1,080.20 | 1,080.20 |
| Options granted during the year | - | - | - | 30.31 | - | 30.31 |
| Less: Dividend | - | - | - | - | (559.12) | (559.12) |
| Balance at 31 March 2024 | 819.13 | 3.00 | 32.53 | 30.31 | 4,696.09 | 5,581.06 |

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya
Partner
Membership No: 101739

Mukund Kabra
Wholtime Director
DIN: 00148294
Place: Thane

Vinodkumar Jajoo
Director
DIN: 08224980
Place: Nashik

Place: Thane
Date: 11 May 2024

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 11 May 2024

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Thane



STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in million)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 1,339.92 | 742.78 |
| Adjustments for non-cash transactions | | |
| Depreciation and amortization expense | 108.98 | 102.83 |
| Property, plant and equipment written off | 0.68 | 6.87 |
| (Profit) on sale of property, plant and equipment | (0.14) | 7.85 |
| Bad debts written off | 4.32 | - |
| Provision for doubtful trade receivables provided | (1.30) | 4.40 |
| Employee stock compensation expense | 25.83 | - |
| Excess provision written back | (7.14) | (1.28) |
| Sundry balances written off/ (back) (net) | 0.56 | 0.42 |
| Unrealized foreign exchange (gain)/loss | (0.77) | (0.96) |
| Fair value adjustment on investments | (20.08) | (5.12) |
| Provision for investments and loans given to subsidiary | 189.48 | - |
| | 1,640.34 | 857.79 |
| Items considered separately | | |
| Interest income | (11.16) | (34.04) |
| Interest expenses | 1.57 | 1.35 |
| Dividend income | (526.71) | (31.60) |
| Operating profit before working capital changes | 1,104.04 | 793.50 |
| Adjustments for working capital changes. | | |
| (Increase) / Decrease in Non-current loans | (0.19) | - |
| (Increase) / Decrease in Other non-current financial assets | (2.76) | (5.62) |
| (Increase) / Decrease in Other non-current assets | (1.64) | 0.52 |
| (Increase) / Decrease in Inventories | (200.96) | 32.89 |
| (Increase) / Decrease in Trade receivables | (87.24) | (179.22) |
| (Increase) / Decrease in Current loans | (0.01) | (0.26) |
| (Increase) / Decrease in Other current financial assets | 0.22 | 10.71 |
| (Increase) / Decrease in Other current assets | (15.45) | 10.70 |
| (Decrease) / Increase in Provisions | 7.61 | 0.48 |
| (Decrease) / Increase in Trade payables | 42.47 | (20.49) |
| (Decrease) / Increase in Other current financial liabilities | (10.11) | 15.53 |
| (Decrease) / Increase in Other current liabilities | (5.82) | 8.77 |
| Cash generated from operating activities | 830.16 | 667.51 |
| Income taxes paid (net of refund) | (272.06) | (164.55) |
| Net cash generated from operating activities | 558.10 | 502.96 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (206.12) | (234.24) |
| Proceeds from sale of property, plant and equipment | 1.30 | 1.51 |
| Purchase of intangible assets (net of refunds) | (0.25) | (0.54) |
| Purchase of non-current investments | (56.07) | (127.97) |
| Proceeds / (Purchase) from sale of current investments (net) | (328.05) | 12.05 |
| Interest received | 11.20 | 1.93 |
| Dividend received | 526.71 | 31.60 |
| (Increase) in bank deposits with maturity more than 3 months but less than 12 months | (17.55) | (107.88) |
| (Increase) / Decrease in bank deposits with maturity of more than 12 months # | (0.00) | (0.00) |
| Net cash (used in) investing activities | (68.83) | (423.54) |

STANDALONE CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in million)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| C. Cash flows from financing activities | | |
| Proceeds from issue of share capital including securities premium | - | 1.42 |
| Proceeds from short-term borrowings (net) | (0.07) | (1.69) |
| Interest paid | (1.57) | (1.35) |
| Payment of Lease liabilities | (8.05) | (6.47) |
| Dividends paid | (559.12) | (111.82) |
| Net cash (used in) financing activities | (568.81) | (119.91) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (79.54) | (40.49) |
| Cash and cash equivalents as at the beginning of the year | 94.49 | 134.98 |
| Cash and cash equivalents as at the end of the period* | 14.95 | 94.49 |
| * Composition of cash and cash equivalents (refer note 14) | | |
| Cash in hand | 0.31 | 0.45 |
| Balance with banks: | | |
| Current account | 14.64 | 94.04 |
| | 14.95 | 94.49 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities

| Particulars | Notes | 31 March 2023 | Cashflows | Non cash changes | | | | 31 March 2024 |
|--|-------|---------------------|---------------|------------------|---------------------------------|-------------------------|----------------------|---------------------|
| | | | | Acquisitions | Foreign exchange movement | Fair value change | Other adjustments | |
| Cash credit, packing credit, working capital demand loans and deferred sales tax liabilities | 25 | 0.07 | (0.07) | - | - | - | - | - |
| Total liabilities from financing | | 0.07 | (0.07) | - | - | - | - | - |

Notes to the standalone cash flow statement

- 1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya

Partner

Membership No: 101739

Mukund Kabra

Wholetime Director

DIN: 00148294

Place: Thane

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

Place: Thane

Date: 11 May 2024



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in million)

1 CORPORATE INFORMATION

Advanced Enzyme Technologies Limited ('the Company') (CIN: L24200MH1989PLC051018) is engaged in the business of manufacturing and sales of enzymes.

The Company is a public limited company and was incorporated on 15 March 1989 under the provisions of Companies Act, 1956 and is domiciled in India. The corporate office of the Company is situated at Sun Magnetica, A Wing, 5th floor, Near LIC Service Road, Louis Wadi, Thane (West) - 400 604.

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) via Id ADVENZYMES and on BSE Limited (BSE) via Id 540025.

The Board of Directors approved the standalone financial statements for the year ended 31 March 2024 and authorised for issue on 11 May 2024.

2 STATEMENT OF COMPLIANCE

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time

3 BASIS OF PREPARATION

These Standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All the 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 Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature,

any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents

Functional and presentation currency:

These Standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

Going concern:

These standalone financial statements are prepared on going concern basis.

4 USE OF ESTIMATES

The preparation of standalone financial statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying standalone financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized 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. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. The management estimates the useful lives of tangible assets similar to the useful life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

b. Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

All assumptions are reviewed at each reporting date.

c. Provision for income tax and deferred tax assets

The Company uses judgements based on the relevant rulings in the areas of allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and unabsorbed depreciation can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Provision for expected credit losses (ECL) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns (i.e., by aging of receivables after considering letters of credit and other forms of security).

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

f. Measurement of fair values

The Company's material 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

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.

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6 MATERIAL ACCOUNTING POLICIES:

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

a. Revenue and other income

Revenue recognition

- i. The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point of time when the control of goods is transferred to the customer. Revenue is measured based on transaction price, which is the consideration, adjusted for estimated returns and allowances, discounts and volume rebates, if any, as specified in the contracts with the customers. Sales are exclusive of Goods and Service Tax (GST).

- ii. Export incentives received pursuant to the Duty Drawback Scheme and Remission of Duties and Taxes on Exported Products (RoDTEP) are accounted on an accrual basis, to the extent it is probable that realization is certain.

Other income

- i. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.
- ii. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

b. Property, plant and equipment and depreciation

Recognition and measurement

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. An asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Statement of Profit and Loss.
- iv. Capital work-in-progress includes assets not ready for their intended use and related incidental expenses and attributable interest.
- v. The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

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.

Subsequent expenditure

- vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Useful life

- vii. The Company has reviewed its policy for providing depreciation on its tangible assets and has also reassessed their useful lives as per Part C of Schedule II of the Act. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II of the Act, for all classes of tangible assets.

The estimated useful life of assets are as follows:

| Particulars | Estimated useful life |
|--|-----------------------|
| Building | 30 - 60 years |
| Plant and equipment | 10 - 25 years |
| Furniture and fixture | 10 years |
| Vehicles | 8 years |
| Office equipments | 5 years |
| Computer and data processing equipment | 3 - 6 years |

Depreciation

- viii. Depreciation on tangible fixed assets other than plant and equipment and residential flat included under buildings has been provided on Written Down Value method and on plant and equipment and on residential flat included under buildings on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.
- ix. Leasehold improvements and leasehold land are amortized on Straight Line Method over the unexpired primary period of lease.

c. Intangible assets

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

- ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of intangible asset.
- iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.
- iv. An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.
- v. Any expected loss is recognized immediately in the Statement of Profit and Loss.
- vi. Intangible assets that are ready for use are amortized on a straight line basis as follows:

| Particulars | Estimated useful life |
|-------------------|-----------------------|
| Computer software | 4 years |
| Product dossiers | 10 years |

d. Impairment of non-financial 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 Statement 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

e. Foreign currency transactions

- i. Functional and presentation currency - Items included in these standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These standalone financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.
- ii. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of Profit and Loss in the period in which they arise.
- iii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

f. Share-based payments

Employees Stock Option Plans ("ESOPs"):

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 "Employee Stock Option account". On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

Employee stock options provided to the employees of subsidiary under a group plan is accounted as capital contribution to the subsidiary, if no payments for related costs from the subsidiary to the Company is agreed, and recorded as investments in the standalone financial statements.

g. Inventories

- i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.
- ii. Cost of raw materials, consumables and packing materials is determined on weighted average basis. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

h. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of Profit and Loss, when the contribution to the Fund is due.

ii. Defined benefit plans

The Company provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement

benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

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

i. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

j. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

k. Research and development costs

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

l. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

m. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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, the 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 fixed payments, including in substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The Company's leases mainly comprise office premises. The Company's leases land and buildings for warehouse facilities.

n. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments 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 the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement 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 Statement 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, 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.

vi. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

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 the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or 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 Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the 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.

v. Financial guarantee contract

Financial guarantee contracts issued on behalf of a subsidiary is accounted as capital contribution to the subsidiary, if no payments from the subsidiary to the Company is agreed, and recorded as investments in the standalone financial statement.

p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| | Land freehold | Land leasehold | Buildings | Plant and equipments | Furniture and fixtures | Vehicles | Office equipments | Leasehold improvements | Computer and data processing equipments | Right to use asset (Refer note b) | Total |
|--|------------------|-------------------|---------------|-------------------------|------------------------------|--------------|----------------------|---------------------------|--|--|-----------------|
| Gross block | | | | | | | | | | | |
| Balance as at 1 April 2022 | 327.22 | 5.22 | 250.33 | 1,084.88 | 24.75 | 31.91 | 15.20 | 2.99 | 24.42 | 33.49 | 1,800.41 |
| Additions | 40.83 | - | 64.46 | 75.16 | 8.58 | 13.16 | 5.53 | 0.61 | 3.50 | 14.79 | 226.62 |
| Disposals | - | - | - | 0.68 | 0.10 | 11.83 | 0.66 | - | 0.01 | - | 13.28 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - |
| Reversal on account of assets written off | - | - | - | 10.92 | 0.66 | - | 0.35 | - | 0.47 | - | 12.40 |
| Balance as at 31 March 2023 | 368.05 | 5.22 | 314.79 | 1,148.44 | 32.57 | 33.24 | 19.72 | 3.60 | 27.44 | 48.28 | 2,001.35 |
| Additions | - | - | 5.00 | 73.08 | 2.12 | 1.85 | 7.95 | - | 12.59 | 0.65 | 103.24 |
| Disposals | - | - | - | 1.95 | 0.14 | 1.33 | 0.09 | - | 0.22 | - | 3.73 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - |
| Reversal on account of assets written off | - | - | - | - | - | - | 0.68 | - | 6.55 | - | 7.23 |
| Balance as at 31 March 2024 | 368.05 | 5.22 | 319.79 | 1,219.57 | 34.55 | 33.76 | 26.90 | 3.60 | 33.26 | 48.93 | 2,093.63 |
| Accumulated depreciation and amortization | | | | | | | | | | | |
| Balance as at 1 April 2022 | - | 0.42 | 93.15 | 319.98 | 14.86 | 14.64 | 9.37 | 1.85 | 18.57 | 12.20 | 485.04 |
| Depreciation and amortisation | - | 0.07 | 16.12 | 61.00 | 3.36 | 5.94 | 3.35 | 0.39 | 3.48 | 7.62 | 101.33 |
| Reversal on disposal of assets | - | - | - | 0.01 | 0.09 | 3.26 | 0.56 | - | 0.01 | - | 3.93 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - |
| Reversal on account of assets written off | - | - | - | 4.51 | 0.46 | - | 0.24 | - | 0.33 | - | 5.54 |
| Balance as at 31 March 2023 | - | 0.49 | 109.27 | 376.46 | 17.67 | 17.32 | 11.92 | 2.24 | 21.71 | 19.82 | 576.90 |
| Depreciation and amortisation | - | 0.07 | 17.83 | 61.26 | 3.68 | 5.05 | 4.84 | 0.44 | 5.80 | 8.67 | 107.64 |
| Reversal on disposal of assets | - | - | - | 0.96 | 0.11 | 1.24 | 0.07 | - | 0.19 | - | 2.67 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - |
| Reversal on account of assets written off | - | - | - | - | - | - | 0.62 | - | 5.93 | - | 6.55 |
| Balance as at 31 March 2024 | - | 0.56 | 127.10 | 436.76 | 21.24 | 21.13 | 16.07 | 2.68 | 21.39 | 28.49 | 675.42 |
| Net block | | | | | | | | | | | |
| Balance as at 31 March 2023 | 368.05 | 4.73 | 205.52 | 771.98 | 14.90 | 15.92 | 7.80 | 1.36 | 5.73 | 28.46 | 1,424.45 |
| Balance as at 31 March 2024 | 368.05 | 4.66 | 192.69 | 782.81 | 13.31 | 12.63 | 10.83 | 0.92 | 11.87 | 20.44 | 1,418.21 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

7A CAPITAL WORK-IN-PROGRESS (CWIP)

| PARTICULARS | Amount |
|---------------------------------|---------------|
| CWIP as at 1 April 2022 | 32.45 |
| Addition during the year | 155.04 |
| Capitalised during the year | 131.43 |
| CWIP as at 31 March 2023 | 56.06 |
| Addition during the year | 210.98 |
| Capitalised during the year | 102.59 |
| CWIP as at 31 March 2024 | 164.45 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

(a) For Capital-work-in progress ageing schedule

| CWIP as at 31 March 2024 | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 121.64 | 39.59 | 0.36 | 2.86 | 164.45 |
| Projects temporarily suspended | - | - | - | - | - |

| CWIP as at 31 March 2023 | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|--------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 52.84 | 0.36 | 2.86 | - | 56.06 |
| Projects temporarily suspended | - | - | - | - | - |

(b) For Right to use asset

| | Buildings | Land Leasehold | Total |
|--|--------------|----------------|--------------|
| Gross block | | | |
| Balance as at 1 April 2022 | 20.87 | 12.62 | 33.49 |
| Additions | 14.79 | - | 14.79 |
| Disposals | - | - | - |
| Balance as at 31 March 2023 | 35.66 | 12.62 | 48.28 |
| Additions | 0.65 | - | 0.65 |
| Disposals | - | - | - |
| Balance as at 31 March 2024 | 36.31 | 12.62 | 48.93 |
| Accumulated depreciation and amortization | | | |
| Balance as at 1 April 2022 | 10.72 | 1.48 | 12.20 |
| Depreciation and amortization | 6.88 | 0.74 | 7.62 |
| Reversal on disposal of assets | - | - | - |
| Balance as at 31 March 2023 | 17.60 | 2.22 | 19.82 |
| Depreciation and amortization | 7.93 | 0.74 | 8.67 |
| Reversal on disposal of assets | - | - | - |
| Balance as at 31 March 2024 | 25.53 | 2.96 | 28.49 |
| Net block | | | |
| Balance as at 31 March 2023 | 18.06 | 10.40 | 28.46 |
| Balance as at 31 March 2024 | 10.78 | 9.66 | 20.44 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

8 INTANGIBLE ASSETS

| Gross block | Computer software | Product dossiers | Total |
|------------------------------------|-------------------|------------------|--------------|
| Balance as at 1 April 2022 | 30.22 | 3.83 | 34.05 |
| Additions | 0.75 | - | 0.75 |
| Disposals | - | - | - |
| Balance as at 31 March 2023 | 30.97 | 3.83 | 34.80 |
| Additions | 0.31 | - | 0.31 |
| Disposals | - | - | - |
| Balance as at 31 March 2024 | 31.28 | 3.83 | 35.11 |
| Accumulated amortisation | | | |
| Balance as at 1 April 2022 | 27.92 | 1.25 | 29.17 |
| Amortisation | 1.12 | 0.38 | 1.50 |
| Balance as at 31 March 2023 | 29.04 | 1.63 | 30.67 |
| Amortisation | 0.96 | 0.38 | 1.34 |
| Balance as at 31 March 2024 | 30.00 | 2.01 | 32.01 |
| Net block | | | |
| Balance as at 31 March 2023 | 1.93 | 2.20 | 4.13 |
| Balance as at 31 March 2024 | 1.28 | 1.82 | 3.10 |

8A INTANGIBLE ASSETS UNDER DEVELOPMENT

| | AMOUNT |
|------------------------------------|--------------|
| Balance as on 1 April 2022 | 54.39 |
| Addition during the year | 1.11 |
| Capitalised during the year | 1.31 |
| Balance as on 31 March 2023 | 54.19 |
| Addition during the year | 0.24 |
| Capitalised during the year | 0.31 |
| Balance as at 31 March 2024 | 54.12 |

(a) Intangible assets under development ageing schedule

| Intangible assets under development As at 31 Mar 2024 | Projects in progress | Projects temporarily suspended |
|---|----------------------|--------------------------------|
| Less than 1 year | 0.09 | - |
| 1 - 2 years | 0.04 | - |
| 2 - 3 years | 0.30 | - |
| More than 3 years | 53.69 | - |
| Total | 54.12 | - |

| Intangible assets under development As at 31 March 2023 | Projects in progress | Projects temporarily suspended |
|---|----------------------|--------------------------------|
| Less than 1 year | 0.20 | - |
| 1 - 2 years | 0.30 | - |
| 2 - 3 years | - | - |
| More than 3 years | 53.69 | - |
| Total | 54.19 | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

9 NON-CURRENT INVESTMENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Investment in Equity Instruments (Unquoted) | | |
| Investment in subsidiaries (Valued at cost unless stated otherwise) | | |
| 60,000 Equity shares (31 March 2023 - 60,000) of ₹ 10 each fully paid up of Advanced Bio-Agro Tech Limited | 0.60 | 0.60 |
| 70,000 Equity shares (31 March 2023 - 70,000) of ₹ 10 each fully paid up of Advanced Enzytech Solutions Limited | 1.57 | 1.57 |
| 5,839 Equity shares (31 March 2023 - 5,839) of USD 1,000 each fully paid up of Advanced Enzymes USA, Inc. * | 532.77 | 531.19 |
| 19,824,656 Equity shares (31 March 2023 - 18,605,680) of ₹ 10 each fully paid up of JC Biotech Private Limited (refer note 49) *# | 851.34 | 794.75 |
| 500,000 Equity shares (31 March 2023 - 500,000) of MYR 1 each fully paid up of Advanced Enzymes (Malaysia) Sdn. Bhd. (refer note 58) | - | 8.38 |
| 4,276,837 Equity shares (31 March 2023 - 2,000,000) of Euro 1 each fully paid up of Advanced Enzymes Europe B.V. * (refer note 57) | 481.22 | 149.85 |
| 520,408 Equity shares (31 March 2023 - 520,408) of ₹ 10 each fully paid up of Scitech Specialities Pvt. Ltd. | 316.26 | 316.26 |
| 19,991,663 Equity shares (31 March 2023 - 19,991,663) of ₹ 1 each fully paid up of Saiganesh Enzytech Solutions Private Limited (refer note 51) | 59.98 | 59.98 |
| Less: Provision for diminution in the value of investment (refer note 52 and 58) | (189.48) | (8.38) |
| | 2,054.26 | 1,854.20 |
| Other investments (unquoted) | | |
| Equity shares at fair value through profit and loss | | |
| 19,100 Equity shares (31 March 2023 - 19,100) of ₹ 10 each fully paid up of Advanced Vital Enzymes Private Limited | 0.57 | 0.57 |
| 1,666 Equity shares (31 March 2023 - 1,666) of ₹ 30 each fully paid up of Bombay Mercantile Co-op. Bank Limited | 0.05 | 0.05 |
| | 0.62 | 0.62 |
| | 2,054.88 | 1,854.82 |
| Aggregate value of unquoted investments | 2054.88 | 1,854.82 |
| Provision for diminution in value of investments | 189.48 | 8.38 |

* refer note 43

* Includes cost of shares options issued to employees of subsidiary under the group plan as per Ind AS 102.

Includes Guarantee commission income recorded for accounting of fair value for financial guarantee contract as per Ind AS 109

10 LONG-TERM LOANS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Loans to related parties (Refer note 43) | 0.02 | 247.91 |
| Less: Provision for diminution of loan given (refer note 58) | - | (1.95) |
| Interest receivable | 0.35 | 83.63 |
| Less: Provision for diminution of interest receivable (refer note 58) | - | (0.19) |
| | 0.37 | 329.40 |

| 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 | - | 245.96 |
| Total amount | - | 245.96 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Type of borrower | Percentage to the total loans and advances in the nature of loans | |
|-------------------------|---|---------------|
| | 31 March 2024 | 31 March 2023 |
| Promoters | 0% | 0% |
| Directors | 0% | 0% |
| KMPs | 0% | 0% |
| Related Parties | 0% | 100% |
| Total percentage | 0% | 100% |

11 OTHER NON-CURRENT FINANCIAL ASSETS (unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non-current bank balances having maturity of more than 12 months | 0.06 | 0.06 |
| Security deposits | 22.39 | 19.63 |
| | 22.45 | 19.69 |

12 OTHER NON-CURRENT ASSETS (unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------|------------------------|------------------------|
| Prepaid expenses | 3.50 | 1.87 |
| Capital advances | 11.41 | 7.07 |
| | 14.91 | 8.94 |

13 INVENTORIES (valued at lower of cost and net realizable value)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Raw materials and packing materials [including goods-in-transit of ₹ 37.77 million (31 March 2023: ₹ 25.53 million)] | 388.56 | 270.93 |
| Work-in-progress | 354.56 | 315.86 |
| Finished goods [including goods-in-transit of ₹ 36.64 million (31 March 2023 ₹ 35.36 million)] | 157.90 | 118.24 |
| Consumables and fuel [including goods-in-transit of ₹ 2.50 million (31 March 2023 ₹ Nil)] | 67.82 | 62.86 |
| | 968.84 | 767.89 |

As at 31 March 2024, the Company has written down the value for slow moving inventory including net realisable value aggregating Rs 69.60 million (31 March 2023: Rs 52.08 million). Charge during the year ended 31 March 2024 is ₹ 17.52 million (31 March 2023: reversal of charge of ₹ 34.48 million) is included in cost of materials consumed and changes in inventories.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

14 CURRENT INVESTMENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Mutual funds (Quoted) | | |
| <i>(carried at fair value through profit and loss)</i> | | |
| ICICI Ultra short term fund | - | 20.00 |
| (No. of units 31 March 2024: Nil; 31 March 2023: 790,248.040) | | |
| (Market value 31 March 2023: 25.301/unit) | | |
| Aditya Birla Sunlife Limited Money Manager Fund - Growth - Direct | 72.58 | - |
| (No. of units 31 March 2024: 212,983.146, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 340.7909/unit) | | |
| Aditya Birla Sunlife Limited Overnight Fund - Growth - Direct | - | 20.03 |
| (No. of units 31 March 2024: Nil; 31 March 2023: 16,528.047) | | |
| (Market value 31 March 2023: 1,212.4461/unit) | | |
| UTI Liquid Cash Plan Direct Growth | - | 44.30 |
| (No. of units 31 March 2024: Nil; 31 March 2023: 12,006.607) | | |
| (Market value 31 March 2023: 3,689.0471/unit) | | |
| UTI Money Market Fund - Direct - Growth | 192.23 | 75.57 |
| (No. of units 31 March 2024: 67,752.111, 31 March 2023: 28,680.837) | | |
| (Market value 31 March 2024: 2,837.2161/unit; 31 March 2023: 2,634.8639/unit) | | |
| UTI Overnight Fund -Direct - Growth | 14.43 | - |
| (No. of units 31 March 2024: 4,404.003, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 3,277.4011/unit) | | |
| Tata Overnight Fund - Direct - Growth | 18.29 | - |
| (No. of units 31 March 2024: 14,478.958, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 1,263.236/unit) | | |
| Tata Money Market Fund - Direct - Growth | 139.20 | - |
| (No. of units 31 March 2024: 31,872.195, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 4,367.520/unit) | | |
| HDFC Overnight Fund - Direct Plan Growth | 2.77 | - |
| (No. of units 31 March 2024: 779.253, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 3,553.188/unit) | | |
| HDFC Money Market Fund - Direct Plan Growth | 68.52 | - |
| (No. of units 31 March 2024: 12,929.034, 31 March 2023: Nil) | | |
| (Market value 31 March 2024: 5,300.037/unit) | | |
| | 508.02 | 159.90 |

15 TRADE RECEIVABLES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Secured, considered good | 0.08 | 0.13 |
| Unsecured, considered good | 751.64 | 666.55 |
| Unsecured, credit impaired | 5.60 | 6.90 |
| Less: Impairment loss allowance | (5.60) | (6.90) |
| | 751.72 | 666.68 |
| (Refer note 42 for information about credit risk and market risk of trade receivables) | | |
| The above balance includes amounts due by private companies in which directors are interested (Refer note 43) | 207.59 | 75.81 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Outstanding as on 31 March 2024 | | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---------------|--------------------|-------------------|---------------|---------------|-------------------|---------------|
| Particulars | | | | | | | | |
| i) | Undisputed Trade Receivables – considered good | 463.04 | 282.08 | 1.28 | 4.99 | 0.33 | - | 751.72 |
| ii) | Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) | Undisputed Trade Receivables – credit impaired | 0.84 | 0.96 | 0.36 | 1.88 | 1.33 | 0.23 | 5.60 |
| iv) | Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| v) | Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi) | Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total trade receivables | | 463.88 | 283.04 | 1.64 | 6.87 | 1.66 | 0.23 | 757.32 |
| Provision for doubtful trade receivables | | (0.84) | (0.96) | (0.36) | (1.88) | (1.33) | (0.23) | (5.60) |
| Net receivable | | 463.04 | 282.08 | 1.28 | 4.99 | 0.33 | - | 751.72 |

Outstanding as on 31 March 2023

| Particulars | | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---------------|--------------------|-------------------|---------------|---------------|-------------------|---------------|
| i) | Undisputed Trade Receivables – considered good | | | | | | | |
| ii) | Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) | Undisputed Trade Receivables – credit impaired | 0.52 | 1.15 | 1.39 | 2.23 | 0.32 | 1.29 | 6.90 |
| iv) | Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| v) | Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi) | Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total trade receivables | | 390.23 | 269.22 | 7.89 | 4.15 | 0.42 | 1.67 | 673.58 |
| Provision for doubtful trade receivables | | (0.52) | (1.15) | (1.39) | (2.23) | (0.32) | (1.29) | (6.90) |
| Net receivable | | 389.71 | 268.07 | 6.50 | 1.92 | 0.10 | 0.38 | 666.68 |

16 CASH AND CASH EQUIVALENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------|---------------------|---------------------|
| Cash on hand | 0.31 | 0.45 |
| Balances with banks | | |
| - in current accounts | 14.64 | 94.04 |
| | 14.95 | 94.49 |

16A OTHER BANK BALANCES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Unpaid dividend accounts | 1.59 | 1.17 |
| Bank deposits with original maturity more than three months but less than twelve months | 168.54 | 146.82 |
| Earmarked bank balances * | 0.59 | 4.75 |
| | 170.72 | 152.74 |

* These balances represent unspent Corporate Social Responsibility (CSR) amount of prior years and are transferred to separate bank account as per Section 135(6) of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

17 LOANS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|-------------------|------------------------|------------------------|
| Loan to employees | 0.42 | 0.42 |
| | 0.42 | 0.42 |

18 OTHER CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------|------------------------|------------------------|
| Interest receivable | 4.21 | 4.03 |
| Export incentives receivable | 2.87 | 2.76 |
| Others | 0.01 | 0.31 |
| | 7.09 | 7.10 |

19 OTHER CURRENT ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Prepaid expenses | 13.06 | 7.83 |
| Advance to suppliers | 21.05 | 8.62 |
| Balance with Government authorities | 17.29 | 25.78 |
| Others | 10.24 | 3.96 |
| | 61.64 | 46.19 |

20 EQUITY SHARE CAPITAL

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|---------------|------------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | |
| Equity shares of Face Value ₹ 2 each | 17,50,00,000 | 350.00 | 17,50,00,000 | 350.00 |
| | 17,50,00,000 | 350.00 | 17,50,00,000 | 350.00 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of Face Value ₹ 2 each | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |
| Total | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |

a) Reconciliation of equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 11,18,24,075 | 223.65 | 11,18,00,675 | 223.60 |
| Add : Issued during the year (refer note 20 d below) | - | - | 23,400 | 0.05 |
| Balance at the end of the year | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| b) Shareholders holding more than 5% of the equity shares | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of Face Value ₹ 2 each | | | | |
| Mr. Vasant L. Rathi * | 3,70,53,702 | 33.14% | 3,65,03,702 | 32.64% |
| Advanced Vital Enzymes Private Limited (Chandrakant Rathi Innovations and Projects Private limited merged with Advanced Vital Enzymes Private Limited) | 4,87,609 | 0.44% | 72,32,844 | 6.47% |
| Nalanda India Equity Fund Limited | 99,63,685 | 8.91% | 99,63,685 | 8.91% |
| Orbimed Asia III Mauritius Limited | 1,10,53,245 | 9.88% | 1,10,53,245 | 9.88% |
| | 5,85,58,241 | 52.37% | 6,47,53,476 | 57.91% |

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2024: 7,500,000 shares (6.71%) [31 March 2023: 7,500,000 shares (6.71%)]

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) Shares reserved for issue under "Employees Stock Option Scheme 2015 (ESOS 2015)"

The Company had reserved issuance of 220,000 Equity shares having face value of ₹ 2 each (31 March 2023: 220,000) for offering to eligible employees of the Company under AETL Employees Stock Option Scheme 2015 (ESOS 2015). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 44).

e) Shares reserved for issue under "Employees Stock Option Scheme 2022 (ESOS 2022)"

The Company had reserved issuance of 576,000 Equity shares having face value of ₹ 2 each for offering to eligible employees of the Company under AETL Employees Stock Option Scheme 2022 (ESOS 2022). The option would vest on graded basis over a maximum period of 6 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 44A)

20A EQUITY SHARE CAPITAL

Details of Shares held by Promoters at the end of the year

| Sr. No. | Promoter name | As at 31 March 2024 | | As at 31 March 2023 | | % change between 31 Mar 24 vs 31 Mar 23 | As at 31 March 2022 | | % change between 31 Mar 23 vs 31 Mar 22 |
|---------|---------------------------------|---------------------|-------------------|---------------------|-------------------|---|---------------------|-------------------|---|
| | | No. of shares | % of total shares | No. of shares | % of total shares | | No. of shares | % of total shares | |
| 1 | Vasant Rathi * | 3,70,53,702 | 33.14% | 3,65,03,702 | 32.64% | 0.49% | 3,65,03,702 | 32.65% | -0.01% |
| 2 | Chandrakumar Laxminarayan Rathi | 46,500 | 0.04% | 46,500 | 0.04% | 0.00% | 46,500 | 0.04% | 0.00% |
| 3 | Reshma Namita Rathi | 26,46,858 | 2.37% | 26,46,858 | 2.37% | 0.00% | 26,46,858 | 2.37% | 0.00% |
| 4 | Rachana Vasant Rathi | 26,41,500 | 2.36% | 26,41,500 | 2.36% | 0.00% | 26,41,500 | 2.36% | 0.00% |
| 5 | Rasika Vasant Rathi | 26,65,825 | 2.38% | 26,36,700 | 2.36% | 0.03% | 26,36,700 | 2.36% | 0.00% |
| 6 | Prabhavati Vasant Rathi | 9,13,000 | 0.82% | 9,13,000 | 0.82% | 0.00% | 9,13,000 | 0.82% | 0.00% |
| 7 | Kishor Laxminarayan Rathi | 14,66,000 | 1.31% | 14,66,000 | 1.31% | 0.00% | 14,66,000 | 1.31% | 0.00% |
| 8 | Madhusudan Kabra | 7,15,600 | 0.64% | 7,15,600 | 0.64% | 0.00% | 7,15,600 | 0.64% | 0.00% |
| 9 | Savita Chandrakumar Rathi | - | 0.00% | - | 0.00% | 0.00% | 3,71,500 | 0.33% | -0.33% |
| 10 | Radhika Ashish Pujara | - | 0.00% | - | 0.00% | 0.00% | 31,500 | 0.03% | -0.03% |
| 11 | Piyush Chandrakumar Rathi | - | 0.00% | - | 0.00% | 0.00% | 23,500 | 0.02% | -0.02% |
| 12 | Jayesh Madhusudan Soni # | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 13 | Sanju Madhusudan Soni # | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 14 | Tejasvi Madhusudan Soni # | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 15 | Abhijit Kishor Rathi # | - | 0.00% | 82,835 | 0.07% | -0.07% | 82,835 | 0.07% | 0.00% |
| 16 | Ankit Kishor Rathi # | - | 0.00% | 1,00,000 | 0.09% | -0.09% | 1,00,000 | 0.09% | 0.00% |
| 17 | Amit Kishor Rathi # | - | 0.00% | 75,001 | 0.07% | -0.07% | 75,000 | 0.07% | 0.00% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Sr. No. | Promoter name | As at 31 March 2024 | | As at 31 March 2023 | | % change between 31 Mar 24 vs 31 Mar 23 | As at 31 March 2022 | | % change between 31 Mar 23 vs 31 Mar 22 |
|---------|--|---------------------|-------------------|---------------------|-------------------|---|---------------------|-------------------|---|
| | | No. of shares | % of total shares | No. of shares | % of total shares | | No. of shares | % of total shares | |
| 18 | Sunita Sunil Attal# | - | 0.00% | 11,760 | 0.01% | -0.01% | 11,860 | 0.01% | 0.00% |
| 19 | Anisha Sunil Attal# | - | 0.00% | 9,421 | 0.01% | -0.01% | 10,333 | 0.01% | 0.00% |
| 20 | Megha Jhavar# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 21 | Nikita Madhusudan Soni# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 22 | Payal Shamsunder Soni# | - | 0.00% | 5,000 | 0.00% | 0.00% | 5,000 | 0.01% | -0.01% |
| 23 | Snehal Shamsunder Soni# | - | 0.00% | 4,400 | 0.00% | 0.00% | 5,000 | 0.01% | -0.01% |
| 24 | Advanced Vital Enzymes Pvt Ltd (Chandrakant Rathi Innovations And Projects Private Limited merged with Advanced Vital Enzymes Pvt. Ltd.) | 4,87,609 | 0.44% | 72,32,844 | 6.47% | -6.03% | 99,56,344 | 8.91% | -2.44% |
| 25 | Atharva Green Ecotech LLP | - | 0.00% | 6,29,000 | 0.56% | -0.56% | 6,29,000 | 0.56% | 0.00% |
| 26 | Mangala Madhusudan Kabra | - | - | - | 0.00% | 0.00% | - | 0.00% | 0.00% |
| | Total | 4,86,36,594 | 43.49% | 5,57,70,121 | 49.87% | -6.38% | 5,89,21,732 | 52.72% | -2.85% |

* includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2024: 7,500,000 shares (6.71%) [31 March 2023: 7,500,000 shares (6.71%)]

Reclassified from Promoter / Promoter group with effect from 17 April 2023.

21 OTHER EQUITY

| | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Capital reserves | | |
| Balance at the beginning of the year | 3.00 | 3.00 |
| Add: Additions made during the year | - | - |
| Less: Deletions made during the year | - | - |
| Balance at the end of the year | 3.00 | 3.00 |
| Securities premium account | | |
| Balance at the beginning of the year | 819.13 | 811.37 |
| Add: Premium on issue of equity shares under ESOP scheme | - | 7.76 |
| Balance at the end of the year | 819.13 | 819.13 |
| Employee stock option account | | |
| Balance at the beginning of the year | - | 6.40 |
| Add: Options granted during the year (refer note 44) | 30.31 | 0.56 |
| Less: Exercised during the year | - | (6.96) |
| Less: Lapsed during the year | - | - |
| Balance at the end of the year | 30.31 | - |
| General reserve | | |
| Balance at the beginning of the year | 32.53 | 32.53 |
| Add: Additions made during the year | - | - |
| Less: Deletions made during the year | - | - |
| Balance at the end of the year | 32.53 | 32.53 |
| Retained earnings | | |
| Balance at the beginning of the year | 4,175.01 | 3,726.63 |
| Add: Transferred from Statement of Profit and Loss | 1,081.23 | 555.27 |
| Add: Transferred from Other comprehensive income | (1.03) | 4.93 |
| Less: Dividend | (559.12) | (111.82) |
| Balance at the end of the year | 4,696.09 | 4,175.01 |
| | 5,581.06 | 5,029.67 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Nature and purpose of reserves

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Dividends

The following dividends were declared and paid by the Company during the year

| Particulars | Paid during 01-Apr-23 to 31-Mar-24 | Paid during 01-Apr-22 to 31-Mar-23 |
|---|--|--|
| ₹ 5.00 per equity share (31 March 2023: ₹ 1.00 share) | 559.12 | 111.82 |
| | 559.12 | 111.82 |

22 LEASE LIABILITIES

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---------------------------------------|------------------------|-------------|------------------------|-------------|
| | Non-current | Current | Non-current | Current |
| Lease liability (refer note 39) | 10.93 | 4.11 | 14.45 | 7.96 |
| Balance at the end of the year | 10.93 | 4.11 | 14.45 | 7.96 |

23 PROVISIONS

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|--------------|------------------------|--------------|
| | Non-current | Current | Non-current | Current |
| Provision for employee benefits | | | | |
| Compensated absences | 0.58 | 8.33 | 0.71 | 8.24 |
| Gratuity (Refer note 38) | 6.03 | 6.82 | 2.44 | 5.78 |
| Provision for sales return (Also, refer note below) | - | 10.26 | - | 5.90 |
| | 6.61 | 25.41 | 3.15 | 19.92 |

Note:

As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Movement in provision for sales return | | |
| Provision at the beginning of the year | 5.90 | 6.51 |
| Provision created during the year | 10.26 | 5.90 |
| Provision reversed/utilised during the year | (5.90) | (6.51) |
| Balance at the end of the year | 10.26 | 5.90 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

24 DEFERRED TAX LIABILITIES (NET)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Deferred tax liabilities | | |
| Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in standalone financial statements | 120.55 | 129.32 |
| | 120.55 | 129.32 |
| Deferred tax assets | | |
| Provision for employee benefits | 9.62 | 8.00 |
| Others | 3.99 | 3.22 |
| | 13.61 | 11.22 |
| | 106.94 | 118.10 |

Refer note 37

Movement in deferred tax balances

| Particulars | 31 March 2024 | | | | | |
|---|--------------------------------|---|----------------------|--|--------------------------|------------------------------|
| | Net balance 1 April 2023 | Recognised in Statement of Profit and Loss | Recognised in OCI | Net deferred tax asset/ (liability) | Deferred tax asset | Deferred tax liability |
| Deferred tax asset/(liabilities) | | | | | | |
| Property, plant and equipment | (129.32) | 8.77 | - | (120.55) | - | (120.55) |
| Provision for employee benefits | 8.00 | 1.28 | 0.34 | 9.62 | 9.62 | - |
| Other items | 3.22 | 0.77 | - | 3.99 | 3.99 | - |
| Tax assets/(liabilities) | (118.10) | 10.82 | 0.34 | (106.94) | 13.61 | (120.55) |
| Offsetting of deferred tax assets and liabilities | - | - | - | - | (13.61) | 13.61 |
| Net deferred tax assets/(liabilities) | (118.10) | 10.82 | 0.34 | (106.94) | - | (106.94) |

| Particulars | 31 March 2023 | | | | | |
|---|--------------------------------|---|----------------------|--|--------------------------|------------------------------|
| | Net balance 1 April 2022 | Recognised in Statement of Profit and Loss | Recognised in OCI | Net deferred tax asset/ (liability) | Deferred tax asset | Deferred tax liability |
| Deferred tax asset/(liabilities) | | | | | | |
| Property, plant and equipment | (122.66) | (6.66) | - | (129.32) | - | (129.32) |
| Provision for employee benefits | 8.91 | 0.75 | (1.66) | 8.00 | 8.00 | - |
| Other items | 2.27 | 0.95 | - | 3.22 | 3.22 | - |
| Tax assets/(liabilities) | (111.48) | (4.96) | (1.66) | (118.10) | 11.22 | (129.32) |
| Offsetting of deferred tax assets and liabilities | - | - | - | - | (11.22) | 11.22 |
| Net deferred tax assets/(liabilities) | (111.48) | (4.96) | (1.66) | (118.10) | - | (118.10) |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

25 CURRENT BORROWINGS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Secured | | |
| Loans repayable on demand: | | |
| From banks in rupees | - | 0.07 |
| | - | 0.07 |
| Current maturities of long term borrowings | | |
| - Deferred sales tax payment liabilities | - | - |
| | - | - |
| | - | 0.07 |

a) Details of security for each type of borrowings as at 31 March 2023

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

b) Terms of loans repayable on demand

(i) Cash Credit from bank as at 31 March 2024: Rs Nil (31 March 2023: ₹ 0.07) carries an interest rate of 9% to 11%.

26 TRADE PAYABLES

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues to micro and small enterprises (refer note below) | 18.91 | 17.54 |
| Total outstanding dues to others | 198.33 | 163.76 |
| | 217.24 | 181.30 |
| Amount due to related parties | 137.61 | 55.56 |

Note:

Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Principal amount remaining unpaid | 18.91 | 17.54 |
| Interest due thereon | - | - |
| Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| Interest accrued and remaining unpaid as at balance sheet date | 0.05 | 0.05 |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | 0.05 | 0.05 |

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the standalone financial statements based on information received and available with the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Outstanding as at 31 March 2024 | | | | | | |
|---------------------------------|---------------|------------------|-----------|-----------|-------------------|---------------|
| Particulars | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 18.70 | 0.21 | - | - | - | 18.91 |
| Others | 134.78 | 63.43 | - | - | 0.12 | 198.33 |
| Disputed dues (MSMEs) and | - | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - | - |
| Total | 153.48 | 63.64 | - | - | 0.12 | 217.24 |

| Outstanding as at 31 March 2023 | | | | | | |
|---------------------------------|---------------|------------------|-------------|-------------|-------------------|---------------|
| Particulars | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 8.92 | 8.62 | - | - | - | 17.54 |
| Others | 125.68 | 35.97 | 1.62 | 0.23 | 0.26 | 163.76 |
| Disputed dues (MSMEs) and | - | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - | - |
| Total | 134.60 | 44.59 | 1.62 | 0.23 | 0.26 | 181.30 |

27 OTHER CURRENT FINANCIAL LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Unpaid dividends (refer note below) | 1.59 | 1.17 |
| Security deposits from customers | 0.17 | 0.17 |
| Payable for purchase of property, plant and equipment | 17.43 | 8.25 |
| Employee benefits payable | 73.66 | 66.08 |
| Other payables | 27.23 | 44.91 |
| | 120.08 | 120.58 |

Note :

The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.11 million (31 March 2023: 0.07 million).

28 OTHER CURRENT LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Statutory dues: | | |
| Provident fund payable | 2.95 | 2.62 |
| Employees' State Insurance Scheme contribution payable | 0.03 | 0.02 |
| Other dues payable | 5.93 | 6.07 |
| Advance from customers | 17.26 | 25.11 |
| Others | 4.24 | 2.41 |
| | 30.41 | 36.23 |

29 REVENUE FROM OPERATIONS

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Revenue from operations | | |
| Sale of goods (refer note 40) | | |
| Export | 1,134.38 | 974.89 |
| Domestic | 2,516.52 | 2,137.92 |
| | 3,650.90 | 3,112.81 |
| Other operating revenues | | |
| Export incentives | 3.79 | 2.48 |
| | 3,654.69 | 3,115.29 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

DISAGGREGATION OF REVENUE

Following table provides disaggregation of revenue and a reconciliation of product category wise revenue and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Human nutrition | 2,448.39 | 2,084.62 |
| Animal nutrition | 562.58 | 540.56 |
| Bio-process | 652.40 | 495.18 |
| | 3,663.37 | 3,120.36 |
| Adjustments | | |
| Reversal for sales return | (4.37) | 0.62 |
| Discount | (8.10) | (8.17) |
| | (12.47) | (7.55) |
| Total revenue from contract with customers | 3,650.90 | 3,112.81 |

30 OTHER INCOME

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Interest income | | |
| - on loan to related parties (refer note 43) | - | 28.00 |
| - on others | 11.16 | 6.04 |
| Liabilities no longer required written back | 7.14 | 1.28 |
| Profit on sale of property, plant and equipment (net) | 0.14 | - |
| Net gain on foreign currency transactions and translations | 3.51 | 8.93 |
| Dividend income (refer note 43) | 526.71 | 31.60 |
| Miscellaneous income | 39.43 | 22.23 |
| | 588.09 | 98.08 |

31 COST OF MATERIALS CONSUMED

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Opening stock | 270.93 | 287.66 |
| Add : Purchases during the year | 1,513.24 | 1,197.53 |
| Less : Closing stock | 388.56 | 270.93 |
| | 1,395.61 | 1,214.26 |

32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------|-----------------------------|-----------------------------|
| Opening stock | | |
| - Finished goods | 118.24 | 166.83 |
| - Work-in-progress | 315.86 | 282.07 |
| | 434.10 | 448.90 |
| Closing stock | | |
| - Finished goods | 157.89 | 118.24 |
| - Work-in-progress | 354.56 | 315.86 |
| | 512.45 | 434.10 |
| | (78.34) | 14.80 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

33 EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 423.56 | 368.66 |
| Contribution to provident and other funds (refer note 38) | 17.44 | 15.30 |
| Retirement benefits expense (refer note 38) | 10.83 | 10.77 |
| Staff welfare expenses | 22.05 | 19.47 |
| Employee stock compensation expense (refer note 44A) | 25.83 | - |
| | 499.71 | 414.20 |

34 FINANCE COSTS

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interest expenses on financial liabilities - borrowings carried at amortised cost | 0.17 | 0.00 |
| Interest expenses on lease liabilities (refer note 39) | 1.40 | 1.35 |
| | 1.57 | 1.35 |

35 DEPRECIATION AND AMORTISATION EXPENSE

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment (refer note 7) | 98.97 | 93.71 |
| Amortisation of intangible assets (refer note 8) | 1.34 | 1.50 |
| Amortisation of right to use assets (refer note 7) | 8.67 | 7.62 |
| | 108.98 | 102.83 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

36 OTHER EXPENSES

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------------|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 92.74 | 70.02 |
| Power and fuel | 227.29 | 195.84 |
| Water charges | 5.56 | 4.00 |
| Laboratory expenses | 25.93 | 26.34 |
| Repairs and maintenance | | |
| - Buildings | 20.79 | 9.64 |
| - Plant and equipment | 33.38 | 26.79 |
| - Others | 7.29 | 8.45 |
| Travel, conveyance and car hire | 23.95 | 22.75 |
| Commission | 8.97 | 7.65 |
| Sales promotion and advertisement | 7.17 | 0.94 |
| Freight outward and forwarding | 41.58 | 45.70 |
| Selling and distribution expenses | 17.59 | 15.74 |
| Rent (refer note 39) | 2.00 | 1.68 |
| Rates and taxes | 49.27 | 51.75 |
| Insurance | 8.67 | 8.77 |
| Printing and stationery | 2.28 | 1.92 |
| Communication expenses | 4.89 | 5.27 |
| Directors' sitting fees | 1.51 | 1.47 |
| Legal and professional charges | 50.94 | 53.92 |
| Technical services | 107.94 | 102.45 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Payment to Auditors (refer note 46) | 3.77 | 3.72 |
| Bad debts | 4.32 | - |
| Provisions of doubtful accounts receivable (net) | (1.30) | 4.40 |
| Net bad debts | 3.02 | 4.40 |
| Donations | 0.64 | 0.80 |
| Loss on sale of property, plant and equipment (net) | 0.00 | 7.85 |
| Property, plant and equipment written off | 0.68 | 6.87 |
| Bank charges | 2.30 | 1.95 |
| Corporate Social Responsibility expenditure (refer note 48) | 15.59 | 15.37 |
| Miscellaneous expenses | 20.11 | 21.10 |
| | 785.85 | 723.15 |

37 INCOME TAXES

Tax expense

(a) Income tax recognised in Statement of profit and loss

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Current income tax | 269.51 | 182.54 |
| Deferred income tax liability/(asset) net | | |
| Origination and reversal of temporary differences | (10.82) | 4.97 |
| Tax expense for the year | 258.68 | 187.51 |

(b) Income tax recognised in Other Comprehensive Income

| | For the year ended 31 March 2024 | | | For the year ended 31 March 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 | (1.38) | 0.35 | (1.03) | 6.59 | (1.66) | 4.93 |
| | (1.38) | 0.35 | (1.03) | 6.59 | (1.66) | 4.93 |

(c) Reconciliation of effective tax rate

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Profit before tax after exceptional item | 1,339.92 | 742.78 |
| Tax using the Company's domestic tax rate (31 March 2024: 25.168% and 31 March 2023: ₹ 25.168%) | 337.23 | 186.94 |
| Tax effect of: | | |
| Tax-exempt income | (132.56) | (7.95) |
| Non tax deductible items | 51.91 | 7.78 |
| Ind AS impacts | 1.97 | 0.29 |
| Investment allowance deduction | - | 2.79 |
| Others | 0.13 | (2.34) |
| Tax expense as per profit or loss | 258.68 | 187.51 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

38 EMPLOYEE BENEFITS

The Group contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The Company recognised ₹ 16.62 million for the year ended 31 March 2024 (31 March 2023: ₹ 14.56 million) towards provident fund and employee deposit linked insurance contribution and ₹ 3.49 million for the year ended 31 March 2024 (31 March 2023: ₹ 3.48 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan:

The Company provides for gratuity benefit, which is defined benefit plans, covering all its eligible employees. The Company has taken a Group Gratuity for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| | Gratuity | Gratuity |
| Defined benefit obligation | 82.79 | 71.29 |
| Fair value of plan assets | 69.94 | 63.07 |
| Net defined benefit obligation/(assets) | 12.85 | 8.22 |

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

| | Defined benefit obligation | |
|-------------------------------------|----------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| Opening balance | 71.29 | 72.82 |
| Included in profit or loss | | |
| Current service cost | 6.94 | 6.55 |
| Interest cost | 5.00 | 4.72 |
| | 83.23 | 84.09 |
| Included in OCI | | |
| Remeasurement loss (gain): | | |
| Actuarial loss (gain) arising from: | | |
| Financial assumptions | 1.07 | (3.21) |
| Experience adjustment | 0.73 | (3.03) |
| | 85.03 | 77.85 |
| Benefits paid | (2.24) | (6.56) |
| Closing balance | 82.79 | 71.29 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

ii) Change in fair value of plan assets

| | Fair value of plan assets | |
|-------------------------------------|---------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| | Gratuity | Gratuity |
| Opening balance | 63.07 | 60.52 |
| Included in profit or loss | | |
| Expected return on plan assets | 4.62 | 4.10 |
| | 67.69 | 64.62 |
| Included in OCI | | |
| Remeasurement loss /(gain): | | |
| Actuarial (loss)/gain arising from: | | |
| Experience adjustment | 0.43 | 0.35 |
| | 68.12 | 64.97 |
| Other | | |
| Contributions paid by the employer | 3.80 | 4.66 |
| Benefits paid | (1.98) | (6.56) |
| Closing balance | 69.94 | 63.07 |

Impact on Standalone Statement of Profit and Loss for the current year

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | Gratuity | Gratuity |
| Service cost: | | |
| Current service cost | 6.94 | 6.55 |
| Past service cost and loss/(gain) on curtailments and settlement | - | - |
| Net interest cost | 0.38 | 0.62 |
| Total included in Employee Benefit expenses | 7.32 | 7.17 |
| Expenses deducted from the fund | - | - |
| Total Charge to Standalone Statement of Profit and Loss | 7.32 | 7.17 |

Impact on Other comprehensive income for the current year

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| | Gratuity | Gratuity |
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | 1.07 | (3.21) |
| Due to experience adjustments | 0.73 | (3.03) |
| Return on plan assets excluding amounts included in interest income | (0.43) | (0.35) |
| Amounts recognized in Other Comprehensive Income | 1.37 | (6.59) |

Plan assets

Plan assets comprise the following

| Gratuity | 31 March 2024 | 31 March 2023 |
|---------------------|---------------|---------------|
| Policy of insurance | 100% | 100% |
| | 100% | 100% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | 31 March 2024 | 31 March 2023 |
|-------------------------------|--|---|
| | Gratuity | Gratuity |
| Policy of insurance | 100.00% | 100.00% |
| Discount rate | 7.20% | 7.40% |
| Rate of return on plan assets | 7.20% | 7.40% |
| Salary Escalation | 8.50% | 8.50% |
| Withdrawal rates | 12% at younger ages reducing to 2% at older ages | 12% at younger ages reducing to 2% at older ages |
| Retirement age | 58 years | 58 years |
| Mortality rates | As published under the Indian assured lives mortality (2012-14) table | As published under the Indian assured lives mortality (2012- 14) table |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

| | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| | Gratuity | Gratuity |
| Increase in | ₹ in million | ₹ in million |
| Discount rate (0.5% movement) | 80.15 | 68.53 |
| Future salary growth (0.5% movement) | 85.50 | 73.96 |
| Withdrawal rates (10% movement) | 82.58 | 71.09 |

| | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| | Gratuity | Gratuity |
| Decrease in | ₹ in million | ₹ in million |
| Discount rate (0.5% movement) | 85.56 | 74.17 |
| Future salary growth (0.5% movement) | 80.18 | 68.71 |
| Withdrawal rates (10% movement) | 82.96 | 71.45 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

v. Expected future cash flows

Expected contribution

The expected contributions for the defined benefit plan for the next financial year is Rs 6.82 million

Expected future benefit payments

| | |
|----------------|-------|
| March 31, 2025 | 8.59 |
| March 31, 2026 | 5.80 |
| March 31, 2027 | 14.63 |
| March 31, 2028 | 8.13 |
| March 31, 2029 | 9.28 |
| Thereafter | 45.15 |

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

39 LEASES

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

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Less than one year | 5.21 | 9.44 |
| One to five years | 10.01 | 14.31 |
| More than five years | 2.59 | 2.59 |
| Total undiscounted lease liabilities at 31 March | 17.81 | 26.34 |
| Discounted Lease liabilities included in the statement of financial position at 31 March | | |
| Current lease liability | 4.11 | 7.96 |
| Non-Current lease liability | 10.93 | 14.45 |

- (b) The Weighted average incremental borrowing rate of 9.00% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.
- (c) The Company incurred ₹ 12.07 million for the year ended 31 March 2024 (31 March 2023: ₹ 10.65 million) towards expenses relating to leases. Lease rent incurred not falling under the scope of Ind AS 116 amounted to ₹ 2.00 million for the year ended 31 March 2024 (31 March 2023: ₹ 1.68 million). (refer Note 36).
- (d) Total cash outflow for leases for year ended 31 March 2024 is ₹ 9.44 million (31 March 23: ₹ 7.81 million).
- (e) General Description of leasing agreements:
- Leased Assets: Office
 - 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.
- (f) Please refer note 7 for carrying value of Right of Use Assets for the year ended 31 March 2024

(g) Changes in the lease liabilities

| Particulars | Building | Leasehold land |
|--|--------------|----------------|
| Opening balance as at 1 April 2022 | 10.66 | 3.42 |
| Add: Additions during the year | 14.79 | - |
| Add: Interest for the year | 1.13 | 0.22 |
| Less: Lease payments during the year | 7.43 | 0.38 |
| Less: Other adjustments | - | - |
| Closing balance as at 31 March 2023 | 19.15 | 3.26 |
| Add: Additions during the year | - | - |
| Add: Interest for the year | 1.19 | 0.21 |
| Less: Lease payments during the year | 9.06 | 0.38 |
| Add: Other adjustments | 0.67 | - |
| Closing balance as at 31 March 2024 | 11.95 | 3.09 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

40 SEGMENT REPORTING

Basis of segmentation

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

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

Geographic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Segment revenue (based upon location of customers) | | |
| India | 2,516.52 | 2,137.92 |
| Europe | 230.31 | 183.09 |
| USA | 479.18 | 420.57 |
| Asia | 332.74 | 324.47 |
| Others | 92.14 | 46.76 |
| | 3,650.90 | 3,112.81 |
| | As at 31 March 2024 | As at 31 March 2023 |
| Segment assets (based upon location of assets) | | |
| India | 1,712.73 | 1,602.80 |
| Europe | 53.69 | 53.69 |
| USA | 1.81 | 2.19 |
| | 1,768.23 | 1,658.68 |

Major customer

Revenue from a customer i.e. a subsidiary based in U.S.A. is ₹ 456.40 million is in excess of 10% of the Company's revenue for the year (31 March 2023: ₹ 379.91 million from a subsidiary based in U.S.A) (Refer note 43 for related party disclosures).

41 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

| | 31 March 2024 | 31 March 2023 |
|---------------------------------------|-----------------|---------------|
| Profit attributable to equity holders | 1,081.23 | 555.27 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

ii. Weighted average number of equity shares

| | 31 March 2024 | 31 March 2023 |
|--|---------------------|---------------------|
| Issued equity shares at 1 April | 11,18,24,075 | 11,18,00,675 |
| Effect of fresh issue of shares for cash under ESOP scheme | - | 15,324 |
| Weighted average number of shares at 31 March for basic EPS | 11,18,24,075 | 11,18,15,999 |
| Effect of exercise of share options | 55,236 | - |
| Weighted average number of shares at 31 March for diluted EPS | 11,18,79,311 | 11,18,15,999 |

Basic and Diluted earnings per share

| | 31 March 2024 | 31 March 2023 |
|-----------------------------------|---------------|---------------|
| Basic earnings per share | 9.67 | 4.97 |
| Diluted earnings per share | 9.66 | 4.97 |

42 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.

| 31 March 2024 | Note No. | Carrying amount | | | | Fair value | | | |
|------------------------------|----------|-----------------|----------|----------------|-----------------|---|---|---|---------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets | | | | | | | | | |
| Investments - Non-current | 9 | 0.62 | - | - | 0.62 | - | - | 0.62 | 0.62 |
| Loans - Non-current | 10 | - | - | 0.37 | 0.37 | - | - | - | - |
| Others - Non-current | 11 | - | - | 22.45 | 22.45 | - | - | - | - |
| Investments | 14 | 508.02 | - | - | 508.02 | 508.02 | - | - | 508.02 |
| Trade receivables | 15 | - | - | 751.72 | 751.72 | - | - | - | - |
| Cash and cash equivalents | 16 | - | - | 14.95 | 14.95 | - | - | - | - |
| Bank balances | 16A | - | - | 170.72 | 170.72 | - | - | - | - |
| Loans - Current | 17 | - | - | 0.42 | 0.42 | - | - | - | - |
| Others - Current | 18 | - | - | 7.09 | 7.09 | - | - | - | - |
| | | 508.64 | - | 967.72 | 1,476.36 | 508.02 | - | 0.62 | 508.64 |
| Financial liabilities | | | | | | | | | |
| Leases - Non current | 22 | - | - | 10.93 | 10.93 | - | - | - | - |
| Leases - Current | 22 | - | - | 4.11 | 4.11 | - | - | - | - |
| Trade payables | 26 | - | - | 217.23 | 217.23 | - | - | - | - |
| Other financial Liabilities | 27 | - | - | 120.08 | 120.08 | - | - | - | - |
| | | - | - | 352.35 | 352.35 | - | - | - | - |

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| 31 March 2023 | Note No. | Carrying amount | | | | Fair value | | | |
|------------------------------|----------|-----------------|----------|-----------------|-----------------|---|---|---|---------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets | | | | | | | | | |
| Investments - Non-current | 9 | 0.62 | - | - | 0.62 | - | - | 0.62 | 0.62 |
| Loans - Non-current | 10 | - | - | 329.40 | 329.40 | - | - | - | - |
| Others - Non-current | 11 | - | - | 19.69 | 19.69 | - | - | - | - |
| Investments | 14 | 159.90 | - | - | 159.90 | 159.90 | - | - | 159.90 |
| Trade receivables | 15 | - | - | 666.68 | 666.68 | - | - | - | - |
| Cash and cash equivalents | 16 | - | - | 94.49 | 94.49 | - | - | - | - |
| Bank balances | 16A | - | - | 152.74 | 152.74 | - | - | - | - |
| Loans - Current | 17 | - | - | 0.42 | 0.42 | - | - | - | - |
| Others - Current | 18 | - | - | 7.10 | 7.10 | - | - | - | - |
| | | 160.52 | - | 1,270.52 | 1,431.04 | 159.90 | - | 0.62 | 160.52 |
| Financial liabilities | | | | | | | | | |
| Borrowings - Current | 25 | - | - | 0.07 | 0.07 | - | - | - | - |
| Leases - Non current | 22 | - | - | 14.45 | 14.45 | - | - | - | - |
| Leases - Current | 22 | - | - | 7.96 | 7.96 | - | - | - | - |
| Trade payables | 26 | - | - | 181.29 | 181.29 | - | - | - | - |
| Other financial Liabilities | 27 | - | - | 120.58 | 120.58 | - | - | - | - |
| | | - | - | 324.35 | 324.35 | - | - | - | - |

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

B. Measurement of fair values

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following their levels:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices included within 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

C. Financial risk management

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

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

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.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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.

At 31 March 2024, the carrying amount of the Company's most significant customer accounted for ₹ 167.44 million (31 March 2023 - ₹ 84.33 million)

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

| | 31 March 2024 | | |
|--------------------|-----------------|----------------------------|----------------|
| | Carrying Amount | Weighted Average Loss Rate | Loss Allowance |
| Not due | 463.88 | 0.18% | 0.84 |
| 0-90 days | 272.06 | 0.30% | 0.82 |
| 91-180 days | 10.98 | 1.25% | 0.14 |
| 181-270 days | 0.70 | 0.00% | 0.13 |
| 271-360 days | 0.94 | 24.91% | 0.23 |
| More than 360 days | 8.76 | 39.30% | 3.44 |
| | 757.32 | | 5.60 |

| | 31 March 2023 | | |
|--------------------|-----------------|----------------------------|----------------|
| | Carrying Amount | Weighted Average Loss Rate | Loss Allowance |
| Not due | 390.23 | 0.13% | 0.52 |
| 0-90 days | 256.00 | 0.21% | 0.53 |
| 91-180 days | 13.22 | 4.71% | 0.62 |
| 181-270 days | 6.06 | 0.00% | 0.99 |
| 271-360 days | 1.83 | 22.18% | 0.40 |
| More than 360 days | 6.24 | 61.54% | 3.84 |
| | 673.58 | | 6.90 |

Expected credit loss assessment for customers as at 31 March 2023 and 31 March 2024

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

| Particulars | Amount |
|------------------------------------|-------------|
| Balance as at 1 April 2022 | 2.50 |
| Impairment loss recognised | 4.40 |
| Amounts written back | - |
| Balance as at 31 March 2023 | 6.90 |
| Impairment loss recognised | 3.02 |
| Amounts written off | 4.32 |
| Balance as at 31 March 2024 | 5.60 |

The impairment loss at 31 March 2024 and 31 March 2023 related to certain customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 14.95 million at 31 March 2024 (31 March 2023: ₹ 94.49 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

There are no derivatives contracts outstanding as on 31 March 2024.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted except in case of lease liabilities where the amounts are mentioned on discounted basis, and include estimated interest payments:

Contractual cash flows

| 31 March 2024 | Carrying amount | Total | Upto 1 year | 1-3 years | 3-5 years | More than 5 years |
|---------------------------------|-----------------|--------|-------------|-----------|-----------|-------------------|
| Lease liabilities - Non-current | 10.93 | 10.93 | - | 8.26 | 0.62 | 2.04 |
| Lease liabilities - Current | 4.11 | 4.11 | 4.11 | - | - | - |
| Trade payables | 217.24 | 217.24 | 217.24 | - | - | - |
| Other financial liabilities | 120.08 | 120.08 | 120.08 | - | - | - |

Contractual cash flows

| 31 March 2023 | Carrying amount | Total | Upto 1 year | 1-3 years | 3-5 years | More than 5 years |
|---------------------------------|-----------------|--------|-------------|-----------|-----------|-------------------|
| Lease liabilities - Non-current | 14.45 | 14.45 | - | 8.42 | 3.98 | 2.04 |
| Lease liabilities - Current | 7.96 | 7.96 | 7.96 | - | - | - |
| Short-term borrowings | 0.07 | 0.07 | 0.07 | - | - | - |
| Trade payables | 181.30 | 181.30 | 181.30 | - | - | - |
| Other financial liabilities | 120.58 | 120.58 | 120.58 | - | - | - |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e. foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

| | 31 March 2024 | 31 March 2024 | 31 March 2024 |
|------------------------------|---------------|---------------|---------------|
| | USD | EURO | Others |
| Financial assets | | | |
| Cash and cash equivalents | 0.02 | 0.08 | 0.03 |
| Trade and other receivables | 181.03 | 36.18 | 3.62 |
| | 181.05 | 36.26 | 3.65 |
| Financial liabilities | | | |
| Trade and other payables | 14.38 | 7.55 | - |
| | 14.38 | 7.55 | - |
| Net exposure | 166.67 | 28.71 | 3.65 |

| | 31 March 2023 | 31 March 2023 | 31 March 2023 |
|------------------------------|---------------|---------------|---------------|
| | USD | EURO | Others |
| Financial assets | | | |
| Cash and cash equivalents | 0.04 | 0.08 | 0.01 |
| Trade and other receivables | 66.10 | 32.46 | - |
| | 66.14 | 32.54 | 0.01 |
| Financial liabilities | | | |
| Trade payables | 34.76 | 7.47 | - |
| | 34.76 | 7.47 | - |
| Net exposure | 31.38 | 25.07 | 0.01 |

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in ₹ | Profit or loss | |
|----------------------|----------------|-------------|
| | Strengthening | Weakening |
| 31 March 2024 | | |
| 1% movement | | |
| USD | (1.67) | 1.67 |
| EUR | (0.29) | 0.29 |
| Others # | (0.04) | 0.04 |
| | (2.00) | 2.00 |

| Effect in ₹ | Profit or loss | |
|----------------------|----------------|-------------|
| | Strengthening | Weakening |
| 31 March 2023 | | |
| 1% movement | | |
| USD | (0.31) | 0.31 |
| EUR | (0.25) | 0.25 |
| Others # | (0.00) | 0.00 |
| | (0.56) | 0.56 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | | |
| Vehicle Loan | - | - |
| Floating-rate instruments | | |
| Financial liabilities - measured at amortised cost | | |
| From banks in rupees | - | 0.07 |
| Total | - | 0.07 |

Note:

* Deferred Sales Tax scheme is not included above since it does not bear any interest rate.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or

loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

| Cash flow sensitivity (net) | Profit or loss | |
|------------------------------------|-------------------|-------------------|
| | 25 bp increase | 25 bp decrease |
| 31 March 2024 | | |
| Variable-rate loan instruments | - | - |
| Cash flow sensitivity (net) | - | - |
| 31 March 2023 | | |
| Variable-rate loan instruments# | (0.31) | 0.31 |
| Cash flow sensitivity (net) | (0.31) | 0.31 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

43 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

The table provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Names of related parties

I Subsidiaries including step-down subsidiaries

Advanced Bio-Agro Tech Limited

Advanced Enzytech Solutions Limited

Advanced Enzymes Europe B.V.

JC Biotech Private Limited

Advanced Enzymes USA, Inc.

Evovx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.)

Advanced Enzymes (Malaysia) Sdn. Bhd. (Voluntary strike off with effect from 8 November 2023)

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

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

Enzyme Innovation, Inc. (Wholly owned subsidiary of Advanced Supplementary Technologies Corporation)

Dynamic Enzymes, Inc. (Merged with Advanced Supplementary Technologies Corporation w.e.f 1 April 2023)

Scitech Specialities Private Limited

Saiganesh Enzytech Solutions Private Limited (Subsidiary w.e.f 3 January 2023)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

II Key Management Personnel (KMP)

| | |
|---|---|
| Mr. Vasant L. Rathi | Chairman and Non-executive Director |
| Mr. Mukund M. Kabra | Whole-time Director |
| Mr. Beni P. Rauka | Chief Financial Officer |
| Mr. Sanjay Basantani | Company Secretary |
| Mr. Kedar Desai (up to 31 March 2024) | Independent Director |
| Mr. Pramod Kasat | Independent Director |
| Mr. Rajesh Sharma (up to 10 August 2023) | Independent Director |
| Ms. Rasika Rathi | Non-executive director and daughter of Chairman |
| Mr. Vinodkumar Jajoo | Independent Director |
| Dr. Sunny Sharma | Non-executive director |
| Mrs. Rajshree Patel | Independent Director |
| Mr. Nitin Jagannath Deshmukh (w.e.f. 1 July 2022) | Independent Director |
| Mrs. Vandana Tilak (w.e.f. 1 July 2023) | Independent Director |

II Relatives of KMP :

| | |
|----------------------|---------------------|
| Mrs. Prabha V. Rathi | Wife of Chairman |
| Mr. Kishor L. Rathi | Brother of Chairman |

III Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year

Advanced Vital Enzymes Private Limited

b) Transactions with related parties

| Transactions during the year | Subsidiaries | | KMP and relatives | | Other related parties | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| 1 Purchases of materials | | | | | | |
| JC Biotech Private Limited | 618.95 | 498.41 | - | - | - | - |
| Cal India Foods International | - | 0.87 | - | - | - | - |
| Evoxx Technologies GmbH | 2.21 | - | - | - | - | - |
| Scitech Specialities Private Limited | 3.15 | 6.12 | - | - | - | - |
| Saiganesh Enzytech Solutions Private Limited | 66.93 | - | - | - | - | - |
| | 691.24 | 505.40 | - | - | - | - |
| 2 Sale of goods and materials | | | | | | |
| Advanced EnzyTech Solutions Limited | 113.51 | 98.15 | - | - | - | - |
| Advanced Bio-Agro Tech Limited | 281.10 | 286.73 | - | - | - | - |
| Advanced Vital Enzymes Private Limited | - | - | - | - | 3.44 | 1.75 |
| Cal India Foods International | 456.40 | 379.91 | - | - | - | - |
| JC Biotech Private Limited | 13.00 | 1.51 | - | - | - | - |
| Evoxx Technologies GmbH | 36.72 | 15.58 | - | - | - | - |
| Scitech Specialities Private Limited | 4.72 | 1.51 | - | - | - | - |
| | 905.45 | 783.38 | - | - | 3.44 | 1.75 |
| 3 Remuneration * ^ | | | | | | |
| Mr. Mukund Kabra | - | - | 25.00 | 21.67 | - | - |
| Mr. Kishor L. Rathi | - | - | 3.71 | 3.37 | - | - |
| Mr. Beni P. Rauka | - | - | 14.56 | 12.81 | - | - |
| Mr. Sanjay Basantani | - | - | 4.79 | 4.12 | - | - |
| | - | - | 48.06 | 41.97 | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Transactions during the year | Subsidiaries | | KMP and relatives | | Other related parties | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| 4 Commission to directors * | | | | | | |
| Mr. Vasant L. Rathi | - | - | 1.13 | 1.00 | - | - |
| Mr. Mukund Kabra | - | - | 5.37 | 2.77 | - | - |
| Ms. Rasika Rathi | - | - | 0.26 | 0.58 | - | - |
| Mr. Kedar Desai | - | - | 1.22 | 1.08 | - | - |
| Mr. Pramod Kasat | - | - | 0.87 | 0.91 | - | - |
| Mr. Vinodkumar Jajoo | - | - | 0.87 | 0.66 | - | - |
| Mr. Rajesh Sharma | - | - | - | 0.25 | - | - |
| Dr. Sunny Sharma | - | - | 0.35 | 0.33 | - | - |
| Mrs. Rajshree Patel | - | - | 0.52 | 0.50 | - | - |
| Mr. Nitin Jagannath Deshmukh | - | - | 0.44 | 0.25 | - | - |
| Mrs. Vandana Tilak | - | - | 0.17 | - | - | - |
| | - | - | 11.20 | 8.33 | - | - |
| 5 Sitting fees to Independent directors | | | | | | |
| Mr. Kedar Desai | - | - | 0.42 | 0.40 | - | - |
| Mr. Pramod Kasat | - | - | 0.31 | 0.35 | - | - |
| Mr. Vinod Jajoo | - | - | 0.32 | 0.28 | - | - |
| Mr. Rajesh Sharma | - | - | - | 0.09 | - | - |
| Mrs. Rajshree Patel | - | - | 0.20 | 0.23 | - | - |
| Mr. Nitin Jagannath Deshmukh | - | - | 0.18 | 0.13 | - | - |
| Ms. Vandana Tilak | - | - | 0.10 | - | - | - |
| | - | - | 1.51 | 1.47 | - | - |
| 6 Interest income | | | | | | |
| Advanced Enzymes Europe B.V. | - | 28.00 | - | - | - | - |
| | - | 28.00 | - | - | - | - |
| 7 Investment in subsidiaries | | | | | | |
| JC Biotech Private Limited | 56.07 | 68.00 | - | - | - | - |
| Saiganesh Enzytech Solutions Private Limited | - | 59.98 | - | - | - | - |
| | 56.07 | 127.98 | - | - | - | - |
| 8 Dividend income | | | | | | |
| Advanced Enzytech Solutions Limited | 14.00 | 11.20 | - | - | - | - |
| Advanced Bio-Agro Tech Limited | 12.00 | 20.40 | - | - | - | - |
| Advanced Enzymes USA, Inc. | 500.71 | - | - | - | - | - |
| | 526.71 | 31.60 | - | - | - | - |
| 9 Reimbursement of expenses | | | | | | |
| Advanced Enzymes USA, Inc. | 1.58 | - | - | - | - | - |
| JC Biotech Private Limited | 0.53 | - | - | - | - | - |
| Advanced Enzymes Europe B.V. | 2.37 | - | - | - | - | - |
| | 4.48 | - | - | - | - | - |
| 10 Technical services procured | | | | | | |
| Evoxx Technologies GmbH | 90.85 | 79.26 | - | - | - | - |
| | 90.85 | 79.26 | - | - | - | - |

* included in Employee benefit expense

^ The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

c) Balances at the year end

| Outstanding balances | Subsidiaries | | KMP and relatives | | Other related parties | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As on 31 March 2024 | As on 31 March 2023 | As on 31 March 2024 | As on 31 March 2023 | As on 31 March 2024 | As on 31 March 2023 |
| 1 Investments | | | | | | |
| Advanced Bio-Agro Tech Limited | 0.60 | 0.60 | - | - | - | - |
| Advanced EnzyTech Solutions Limited | 1.57 | 1.57 | - | - | - | - |
| Advanced Enzymes USA, Inc. | 532.77 | 531.19 | - | - | - | - |
| JC Biotech Private Limited | 851.34 | 794.75 | - | - | - | - |
| Advanced Enzymes Europe B.V. | 481.22 | 149.85 | - | - | - | - |
| Advanced Vital Enzymes Private Limited | - | - | - | - | 0.57 | 0.57 |
| Scitech Specialities Private Limited | 316.26 | 316.26 | - | - | - | - |
| Saiganesh Enzytech Solutions Private Limited | 59.98 | 59.98 | - | - | - | - |
| | 2,243.74 | 1,854.20 | - | - | 0.57 | 0.57 |
| 2 Trade receivables | | | | | | |
| Advanced EnzyTech Solutions Limited | 4.16 | 0.95 | - | - | - | - |
| Advanced Bio-Agro Tech Limited | 19.60 | 12.54 | - | - | - | - |
| Advanced Vital Enzymes Private Limited | - | - | - | - | - | - |
| Cal India Foods International | 167.44 | 57.58 | - | - | - | - |
| Om Manufacturing Jalna Private Limited | - | - | - | - | - | - |
| Evoxx Technologies GmbH | 14.62 | 4.30 | - | - | - | - |
| Scitech Specialities Private Limited | 1.78 | 0.44 | - | - | - | - |
| | 207.59 | 75.81 | - | - | - | - |
| 3 Trade payables | | | | | | |
| Evoxx Technologies GmbH | 5.82 | 7.47 | - | - | - | - |
| JC Biotech Private Limited | 117.93 | 44.70 | - | - | - | - |
| Scitech Specialities Private Limited | 3.51 | 3.39 | - | - | - | - |
| Saiganesh Enzytech Solutions Private Limited | 10.35 | - | - | - | - | - |
| | 137.61 | 55.56 | - | - | - | - |
| 4 Loans and advances (including current maturities and interest receivable) | | | | | | |
| Advanced Enzymes Europe B.V. | - | 329.00 | - | - | - | - |
| | - | 329.00 | - | - | - | - |
| 5 Remuneration payable | | | | | | |
| Mr. Mukund M. Kabra | - | - | 1.14 | 0.92 | - | - |
| Mr. Kishor L. Rathi | - | - | 0.21 | 0.19 | - | - |
| Mr. Beni P. Rauka | - | - | 0.51 | 0.35 | - | - |
| Mr. Sanjay Basantani | - | - | 0.22 | 0.22 | - | - |
| | - | - | 2.08 | 1.68 | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Outstanding balances | Subsidiaries | | KMP and relatives | | Other related parties | |
|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As on 31 March 2024 | As on 31 March 2023 | As on 31 March 2024 | As on 31 March 2023 | As on 31 March 2024 | As on 31 March 2023 |
| 6 Commission payable | | | | | | |
| Mr. Vasant L. Rathi | - | - | 1.13 | 1.00 | - | - |
| Mr. Mukund Kabra | - | - | 5.37 | 2.77 | - | - |
| Ms. Rasika Rathi | - | - | 0.26 | 0.58 | - | - |
| Mr. Kedar Desai | - | - | 1.22 | 1.08 | - | - |
| Mr. Pramod Kasat | - | - | 0.87 | 0.91 | - | - |
| Mr. Vinodkumar Jajoo | - | - | 0.87 | 0.66 | - | - |
| Mr. Rajesh Sharma | - | - | - | 0.25 | - | - |
| Dr. Sunny Sharma | - | - | 0.35 | 0.33 | - | - |
| Mrs. Rajshree Patel | - | - | 0.52 | 0.50 | - | - |
| Mr. Nitin Jagannath Deshmukh | - | - | 0.44 | 0.25 | - | - |
| Mrs. Vandana Tilak | - | - | 0.17 | - | - | - |
| | - | - | 11.20 | 8.33 | - | - |

Notes:

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2023. Management believes that the Company's international transactions and domestic transactions with related parties post 31 March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

| Subsidiaries | Country of incorporation | Ownership interest | |
|---|-----------------------------|--------------------|---------------|
| | | 31 March 2024 | 31 March 2023 |
| i. Advanced Bio-Agro Tech Limited | India | 60.00% | 60.00% |
| ii. JC Biotech Private Limited (up to 2 January 2023 - 85%; up to 4 March 2024 - 89.83%) | India | 95.72% | 89.83% |
| iii. Advanced Enzytech Solutions Limited | India | 100.00% | 100.00% |
| iv. Advanced Enzymes USA, Inc. | USA | 100.00% | 100.00% |
| v. Advanced Enzymes Europe B.V. | Netherlands | 100.00% | 100.00% |
| vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) | Germany | 100.00% | 100.00% |
| vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) | USA | 100.00% | 100.00% |
| viii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) | USA | 100.00% | 100.00% |
| ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International) | USA | 100.00% | 100.00% |
| x. Dynamic Enzymes, Inc. (Merged with Advanced Supplementary Technologies Corporation w.e.f 1 April 2023) | USA | 0.00% | 100.00% |
| xi. Advanced Enzymes (Malaysia) Sdn. Bhd. (Voluntary strike off with effect from 8 November 2023) | Malaysia | 0.00% | 100.00% |
| xii. Scitech Specialities Private Limited | India | 51.00% | 51.00% |
| xiii. Saiganesh Enzytech Solutions Private Limited (Subsidiary w.e.f 3 January 2023) | India | 50.00% | 50.00% |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

44 EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2024, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015")

AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of ₹ 10 each for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2023: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

| Employees entitled | Number of options | Vesting conditions | Contractual life of options |
|---------------------|-------------------|---|-----------------------------|
| | | - Continued employment with the Group: | |
| | | After 1 year of the date of grant 10% vesting | |
| Specified employees | 2,20,000 | After 2 year of the date of grant 20% vesting | Graded vesting over 4 years |
| | | After 3 year of the date of grant 30% vesting | |
| | | After 4 year of the date of grant 40% vesting | |

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

| Particulars | 1 Year | 2 Years | 3 Years | 4 Years |
|---|------------|------------|------------|------------|
| Vesting | | | | |
| Share price at grant date (Face value - ₹ 10 per share) | ₹ 1,598 | ₹ 1,598 | ₹ 1,598 | ₹ 1,598 |
| Exercise price (Face value - ₹ 2 per share) | 60 | ₹ 60 | ₹ 60 | ₹ 60 |
| Expected volatility (weighted average) | 0.49 | 0.49 | 0.49 | 0.49 |
| Expected life (weighted average) | 3 years | 3.5 years | 4 years | 4.5 years |
| Expected dividend | 0.06% | 0.06% | 0.06% | 0.06% |
| Risk-free interest rate (based on government bond) | 6.60% p.a. | 6.66% p.a. | 6.72% p.a. | 6.84% p.a. |

Weighted-average exercise prices and weighted-average fair values of options

| Date of Vesting | 1 Year | 2 Years | 3 Years | 4 Years |
|--|--------|---------|---------|---------|
| Weighted-average exercise prices | ₹ 60 | ₹ 60 | ₹ 60 | ₹ 60 |
| Weighted-average fair value of options | 270 | 272 | 274 | 276 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--|----------------|---|----------------|---|
| | No. of options | Weighted average exercise price (in rupees) | No. of options | Weighted average exercise price (in rupees) |
| Outstanding at 1 April | - | 60 | 23,700 | 60 |
| Adjustment for sub-division of Equity shares | | | | |
| Vested | - | 60 | - | 60 |
| Forfeited | - | 60 | - | 60 |
| Expired | - | - | 300 | - |
| Exercised | - | 60 | 23,400 | 60 |
| Outstanding at 31 March | - | 60 | - | 60 |
| Exercisable at 31 March | - | 60 | - | 60 |

The options outstanding at 31 March have an exercise price as given below:

| | 31 March 2024 | | 31 March 2023 | |
|----------------|----------------|----------------|----------------|----------------|
| | No. of options | Exercise price | No. of options | Exercise price |
| AETL ESOS 2015 | - | 60 | - | 60 |

d) Expense recognized in the Standalone Statement of Profit or Loss :

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| AETL ESOS 2015 | - | - |
| Total expense recognized in 'employee benefits' | - | - |

44 A EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2024, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2022'- ("AETL ESOS 2022")

AETL ESOS 2022 provides for the grant of 576,000 stock options to specified employees on 12 August 2023. The AETL ESOS 2022 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee. The Shareholders approved scheme on 19 August 2022. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of ₹ 2 each for every option as per the scheme.

576,000 Equity Shares of Face Value of ₹ 2 each are reserved for issue under AETL Employee Stock Option Scheme 2022 (AETL ESOS-2022)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

The terms and conditions related to the grant of the share options are as follows:

| | |
|-----------------------------|---|
| Employees entitled | Specified employees |
| Number of options | 5,76,000 |
| Scheme formulation | |
| Category I | First 500 Options at the Exercise Price of ₹ 2/- each |
| Category II | Employees who have been granted Options upto 5,000; First 500 Options at ₹ 2/- each and remaining Options at ₹ 141/- |
| Category III | Employees who have been granted Options more than 5,000; First 500 Options at ₹ 2/- each, Next 4,500 Option at ₹ 141/- and remaining Options at ₹ 188/- |
| Vesting conditions | |
| Category I | After 1 year of the date of grant |
| Category II | First 500 option after 1 year of the date of grant and for balance options After 1 year of the date of grant 5% vesting After 2 year of the date of grant 10% vesting After 3 year of the date of grant 20% vesting After 4 year of the date of grant 30% vesting After 5 year of the date of grant 35% vesting |
| Category III | After 1 year of the date of grant 5% vesting After 2 year of the date of grant 10% vesting After 3 year of the date of grant 20% vesting After 4 year of the date of grant 30% vesting After 5 year of the date of grant 35% vesting |
| Contractual life of options | Graded vesting over 5 years |

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

| Particulars | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|--|--|------------|------------|------------|------------|
| Vesting | | | | | |
| Share price at grant date (Face value - ₹ 2 per share) | ₹ 329 | ₹ 329 | ₹ 329 | ₹ 329 | ₹ 329 |
| Exercise price (Face value - ₹ 2 per share) | please refer scheme formulation & vesting conditions mentioned above for exercise price. | | | | |
| Expected volatility (weighted average) | 31.41% | 33.82% | 40.78% | 43.12% | 42.13% |
| Expected life (weighted average) | 1.25 years | 2.25 years | 3.25 years | 4.25 years | 5.25 years |
| Expected dividend | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| Risk-free interest rate (based on government bond) | 6.69% p.a. | 6.77% p.a. | 6.80% p.a. | 6.81% p.a. | 6.82% p.a. |

Weighted-average exercise prices and weighted-average fair values of options

| Date of Vesting | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|--|--------|---------|---------|---------|---------|
| Weighted-average exercise prices | 64 | 156 | 156 | 156 | 156 |
| Weighted-average fair value of options | 269 | 195 | 208 | 219 | 227 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|----------------|
| | No. of options | No. of options |
| Outstanding at 1 April | 5,76,000 | - |
| Adjustment for sub-division of Equity shares | | |
| Vested | - | - |
| Forfeited | - | - |
| Expired | 6,000 | - |
| Exercised | - | - |
| Outstanding at 31 March | 5,70,000 | - |
| Exercisable at 31 March | - | - |

The options outstanding at 31 March have an exercise price as given below:

| | 31 March 2024 | 31 March 2023 |
|----------------|----------------|----------------|
| | No. of options | No. of options |
| AETL ESOS 2022 | 5,70,000 | - |

d) Expense recognized in the Standalone Statement of Profit or Loss :

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| AETL ESOS 2022 | 25.83 | - |
| Total expense recognized in 'employee benefits' | 25.83 | - |

45 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 monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

| | 31 March 2024 | 31 March 2023 |
|-----------------------------------|-----------------|-----------------|
| Non-current borrowings | - | - |
| Current borrowings | - | 0.07 |
| Gross debt | - | 0.07 |
| Less - Cash and cash equivalents | 14.95 | 94.49 |
| Less - Other bank deposits | 170.72 | 152.74 |
| Adjusted net debt | (185.67) | (247.16) |
| Total equity | 5,804.71 | 5,253.33 |
| Adjusted net debt to equity ratio | -3.20% | -4.70% |

46 PAYMENTS TO AUDITORS (EXCLUDING GST)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Statutory audit | 2.15 | 2.15 |
| Limited review | 1.38 | 1.24 |
| Certification work | 0.07 | 0.07 |
| Reimbursement of expenses | 0.17 | 0.26 |
| | 3.77 | 3.72 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

47 RESEARCH AND DEVELOPMENT

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

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Revenue expenditure | | |
| Laboratory expenses and consumables | 21.16 | 25.03 |
| Employee benefit expenses | 92.48 | 75.66 |
| Legal and professional charges | 4.49 | 5.51 |
| Technical services | 107.95 | 102.00 |
| Electricity | 9.62 | 12.84 |
| Rent, rates and taxes | 2.22 | 3.63 |
| Repairs and maintenance | 11.38 | 14.94 |
| Travelling and conveyance expenses | 2.59 | 2.04 |
| Other expenses | 3.31 | 3.33 |
| | 255.22 | 244.98 |
| Capital expenditure | | |
| Plant and equipment | 15.35 | 29.36 |
| Furniture and fixtures | 0.49 | 2.94 |
| Office equipment | 1.87 | 4.08 |
| Computer and data processing equipment | 1.14 | 2.73 |
| Electrical Fittings | - | 1.48 |
| Leasehold Improvements | - | 0.61 |
| Building | - | 3.56 |
| | 18.85 | 44.76 |

48 CORPORATE SOCIAL RESPONSIBILITY

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---|------------------------------------|
| 1) amount required to be spent by the company during the year | 15.59 | 15.52 |
| 2) amount of expenditure incurred * | 15.59 | 15.52 |
| 3) shortfall at the end of the year | - | - |
| 4) total of previous years shortfall | - | - |
| 5) reason for shortfall | Not applicable | Not applicable |
| 6) nature of CSR activities | Promotion of education, Healthcare and skill development | |
| 7) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | - | - |
| 8) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | 4.31 | 12.32 |

*The Committee of Corporate Social Responsibility had approved the budget of ₹ 15.59 million (31 March 2023: 15.52 million), the Company contributes to the various projects undertaken by various organisations. During the year the amount spent is ₹ 11.28 million (31 March 2023: ₹ 3.20 million) on the ongoing projects. The Company has deposited the balance unspent amount of ₹ 4.31 million (31 March 2023: ₹ 12.32 million) in a separate bank account.

49 ACQUISITION OF ADDITIONAL STAKE IN JC BIOTECH PRIVATE LIMITED

On 3 January 2023, the Company has acquired additional stake of 4.83% in its subsidiary JC Biotech Private Limited for a consideration of ₹ 68.00 million. Post this additional acquisition the Company holds 89.83% stake in the subsidiary. Further on 5 March 2024, the Company has acquired additional stake of 5.89% in its subsidiary JC Biotech Private Limited for a consideration of ₹ 56.07 million. Post this additional acquisition the Company holds 95.72% stake in the subsidiary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

50 PROPOSED DIVIDEND

The Board of Directors recommended a final dividend for the financial year 2023-24 of ₹ 1.10/- (31 March 2023: ₹ 1.00) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

51 ACQUISITION OF 50% STAKE IN SAIGANESH ENZYTECH SOLUTIONS PRIVATE LIMITED ("SESPL")

On 3 January 2023, the Company completed the acquisition of 50% of the paid up equity share capital in Saiganesh Enzytech Solutions Private Limited ('SESPL') for a total consideration of ₹ 59.97 million. SESPL is primarily engaged into extracting Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme).

52 IMPAIRMENT OF INVESTMENT IN ADVANCED ENZYMES TECHNOLOGIES B.V.

The Company has carried out fair value assessment of its investment in Advanced Enzymes Europe B.V. (AEEBV) after considering past business performance, prevailing business conditions and revised expectations of its future performance and this assessment has resulted in impairment loss of ₹ 189.48 million of investment in the subsidiary.

53 RATIOS

| Sr. No. | Ratio | Particulars | | Ratio as on | | Variation | Reason (If variation is more than 25%) |
|---------|----------------------------------|-------------------------------------|---------------------------|-------------|-----------|-----------|---|
| | | Numerator | Denominator | 31-Mar-24 | 31-Mar-23 | | |
| 1 | Current Ratio | Total current assets | Total current liabilities | 6.21 | 5.18 | 19.88% | NA |
| 2 | Debt-Equity Ratio # | Long term and short term borrowings | Total equity | - | 0.00 | -100.00% | Improvement due to repayment of earlier borrowings and no further borrowings. |
| 3 | Debt Service Coverage Ratio | Net Operating Income | Debt Service | 123.27 | 70.68 | 74.41% | Improvement due to repayment of earlier borrowings and no further borrowings. |
| 4 | Return on Equity Ratio | Profit after tax | Shareholder's Equity | 18.63% | 10.57% | 76.23% | Improvement due to higher profit before tax |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold ('COGS') | Average Inventory | 1.64 | 1.71 | -3.80% | NA |
| 6 | Trade Receivables Turnover Ratio | Revenue from operations | Average Trade Receivables | 5.15 | 5.38 | -4.26% | NA |
| 7 | Trade Payables Turnover Ratio | COGS + Other expenses | Average Trade Payables | 10.55 | 10.17 | 3.77% | NA |
| 8 | Net Capital Turnover Ratio | Revenue from operations | Average Working Capital | 1.75 | 2.05 | -14.29% | NA |
| 9 | Net Profit Ratio | Net Profit | Net Sales | 30% | 18% | 65.99% | Improvement due to higher profit before tax |
| 10 | Return on Capital Employed | EBIT | Capital Employed | 26% | 14% | 87.25% | Improvement due to higher profit before tax |
| 11 | Return on Investment | Net Profit | Net Investment | 20% | 11% | 77.09% | Improvement due to higher profit before tax |

Figures are below 0.01, hence disclosed as Rs 0.00



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

54 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Contingent liabilities | | |
| Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset ₹ 129.52 million (31 March 2023: ₹ 104.35 million). | 25.92 | 25.24 |
| Pertains to Excise Duty and Service Tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 19 'Other current assets'. | 27.58 | 27.58 |
| The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements. | - | - |
| | 53.50 | 52.82 |

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Commitments | | |
| Estimated amount of commitments remaining to be executed | | |
| - Capital (net of advances) | 123.81 | 84.07 |
| | 123.81 | 84.07 |

55 THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

56 DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

a) The details of investment and loan under Section 186 of the Act read with the Companies (Meetings of the board and its Powers) Rules, 2014 are as follows:

| Name of entity | As at 31 March 2022 | Loan given during the year | Repaid/written off during the year | As at 31 March 2023 |
|--|------------------------|-------------------------------|---|------------------------|
| Advanced Enzymes Europe B.V. | 245.95 | - | - | 245.95 |
| Name of entity | As at 31 March 2022 | Investment during the year | Investment reversed during the year | As at 31 March 2023 |
| Advanced Bio-Agro Tech Limited | 0.60 | - | - | 0.60 |
| Advanced Enzytech Solutions Limited | 1.57 | - | - | 1.57 |
| Advanced Enzymes USA, Inc. | 531.19 | - | - | 531.19 |
| JC Biotech Private Limited | 726.75 | 68.00 | - | 794.75 |
| Advanced Enzymes Europe B.V. | 149.85 | - | - | 149.85 |
| Saiganesh Enzytech Solutions Private Limited | - | 59.98 | - | 59.98 |
| Scitech Specialities Private Limited | 316.26 | - | - | 316.26 |

| Name of entity | As at 31 March 2023 | Loan given during the year | Repaid / written off/ Conversion during the year | As at 31 March 2024 |
|------------------------------|------------------------|-------------------------------|--|------------------------|
| Advanced Enzymes Europe B.V. | 245.95 | - | 245.95 | - |

| Name of entity | As at 31 March 2023 | Investment during the year | Investment reversed during the year | As at 31 March 2024 |
|--|------------------------|-------------------------------|---|------------------------|
| Advanced Bio-Agro Tech Limited | 0.60 | - | - | 0.60 |
| Advanced Enzytech Solutions Limited | 1.57 | - | - | 1.57 |
| Advanced Enzymes USA, Inc. | 531.19 | 1.58 | - | 532.77 |
| JC Biotech Private Limited | 794.75 | 56.60 | - | 851.35 |
| Advanced Enzymes Europe B.V. | 149.85 | 331.37 | - | 481.22 |
| Saiganesh Enzytech Solutions Private Limited | 59.98 | - | - | 59.98 |
| Scitech Specialities Private Limited | 316.26 | - | - | 316.26 |

Note 1:

| | |
|---------------------------------------|--|
| Purpose of utilisation of above loans | 1) Advanced Enzymes Europe B.V.: For acquisition of Evoxx Technologies GmbH and working capital requirements. |
| Loan repayment terms | 1) Advanced Enzymes Europe B.V.: 20 quarterly instalments including interest starting from September 2023. |
| Rate of Interest | 1) Advanced Enzymes Europe B.V.: 9.00% |

Maximum amount outstanding during the year is ₹ 245.95 million (31 March 2023: ₹ 245.95 million) as per additional disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

57 CONVERSION OF LOAN TO ADVANCED ENZYMES EUROPE B.V. ('AEEBV') INTO EQUITY

Effective date 7 April 2023, loan given by the Company to Advanced Enzymes Europe B.V. (AEEBV) including the outstanding interest aggregating to ₹ 329 million got converted into 2,276,837 fully paid up equity shares. The value per equity share is EUR 1.63 and the face value of EUR 1 per share. Pursuant to this conversion, the Company now holds 4,276,837 equity share of AEEBV and the Company continues to be 100% shareholder of AEEBV.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

58 VOLUNTARY STRIKE OFF OF ADVANCED ENZYMES MALAYSIA SDN. BHD. ('AEM')

Effective 8 November 2023, the wholly owned subsidiary AEM was struck off on 8 November 2023 after approval from Registrar of Companies, Malaysia, and status of AEM is now appearing as 'Dissolved'. Consequently, AEM ceases to be the subsidiary of the Company. The Company has written off its investment in equity share capital and loan given by the Company to AEM along with interest receivable and corresponding provision created against investment, loan and interest receivable is also released. There is no impact on the profitability of the Company in the current year.

59 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

60 Previous year amounts have been regrouped / reclassified wherever necessary.

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya

Partner

Membership No: 101739

Mukund Kabra

Wholetime Director

DIN: 00148294

Place: Thane

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

Place: Thane

Date: 11 May 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Advanced Enzyme Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated

profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

| Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|---|---|
| <p>Advanced Enzyme Technologies Limited's (AETL) subsidiary Advanced Enzymes Europe B.V. (AEEBV) had acquired in earlier years the shares of the Evoxx Technologies GmbH (Evoxx). AEEBV in its consolidated financial statements has recognized goodwill in relation to such acquisition, which is further reflected in the consolidated financial statements of AETL.</p> <p>On March 31, 2024, the carrying amount of Goodwill reflected in AEEBV consolidated financial statements and consequently in AETL's consolidated financial statements is ₹ 286.00 million.</p> <p>The management of the Group has performed the testing of impairment in relation to goodwill as per the requirements of Ind AS 36 "Impairment of Assets".</p> <p>As per Ind AS 36, the determination of the fair value of requires management to estimate significant assumptions including future revenue and terminal growth rates apart from margin assumptions and discount rates to estimate future cash flows. Considering the involvement of significant judgement and assumptions used in the impairment evaluation of goodwill which are likely to have a significant impact on the consolidated financial statements, we have considered this matter as Key Audit Matter (KAM).</p> | <p>Our audit procedures to address the impairment of goodwill included and were not limited to the following:</p> <ol style="list-style-type: none"> 1. Review valuation reports of specialist provided by the management. 2. Obtain the cash flow projections from the management and assess the assumptions around the cash flow forecasts including discounting rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts. 3. Involved auditor's internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value wherever necessary. 4. Assess the objectivity and competence of our internal expert and Company's internal/ external specialists involved in the process. 5. Review the adequacy of disclosure by the Company in the financial statement. |



INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the included in the Holding Company's Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take necessary action under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from

material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹ 11,787.31 million as at March 31, 2024, total revenues of ₹ 4,279.90 million and net cash flows amounting to ₹ 288.87 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

These conversion adjustments have been audited by other auditors. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by other auditors.

- b. We did not audit the financial statement of one subsidiary, whose financial statement reflect total assets of ₹ Nil as at November 08, 2023, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the period ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 57 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the



INDEPENDENT AUDITOR'S REPORT (Contd.)

Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv.

1. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
2. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. Based on the audit procedures that have been considered reasonable and appropriate in

the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v.

1. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries, that are Indian companies under the Act, interim dividend declared and paid by the Holding Company and its subsidiaries, during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
2. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
3. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 62 to the consolidated financial statements)
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the company and subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors of the Holding Company and its subsidiaries incorporated in India, is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

| Sr. No | Name of the Company | CIN | Type of Company | Clause number of the CARO Report which is qualified or Adverse |
|---------------|--------------------------------------|-----------------------|------------------------|---|
| 1 | Advanced Bio Agro Tech Limited | U24100MH2004PLC149464 | Subsidiary | (vii)(a) |
| 2 | Scitech Specialities Private Limited | U85190MH2007PTC175484 | Subsidiary | (ii)(b), (xvii) |
| 3 | JC Biotech Private Limited | U65993TG1991PTC013624 | Subsidiary | (ii)(b) |

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRW1062

Date: May 11, 2024

Place: Mumbai



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business

activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRW1062

Date: May 11, 2024

Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Advanced Enzyme Technologies Limited on the consolidated financial statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to

the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability



INDEPENDENT AUDITOR'S REPORT (Contd.)

of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial

statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to five subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 24101739BKEZRW1062

Date: May 11, 2024

Place: Mumbai

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in million)

| Particulars | Note | As at 31 March 2024 | As at 31 March 2023 |
|--|------|------------------------|------------------------|
| I. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 6A | 2,765.28 | 2,732.13 |
| (b) Capital work-in-progress | 6B | 307.37 | 156.09 |
| (c) Goodwill | 6C | 3,252.95 | 3,208.53 |
| (d) Other intangible assets | 6D | 479.24 | 549.92 |
| (e) Intangible assets under development | 6E | 103.62 | 58.86 |
| (f) Financial assets | | | |
| (i) Investments | 7 | 1.65 | 1.65 |
| (ii) Loans | 8 | 0.38 | - |
| (iii) Other financial assets | 9 | 41.93 | 41.70 |
| (g) Deferred tax assets (net) | 40 | 142.82 | 113.42 |
| (h) Income tax asset (net) | | 123.31 | 113.47 |
| (i) Other non-current assets | 10 | 38.66 | 21.61 |
| Total non-current assets | | 7,257.21 | 6,997.38 |
| (2) Current assets | | | |
| (a) Inventories | 11 | 1,484.55 | 1,239.90 |
| (b) Financial assets | | | |
| (i) Investment | 12 | 4,028.50 | 3,595.50 |
| (ii) Trade receivables | 13 | 985.68 | 1,003.41 |
| (iii) Cash and cash equivalents | 14 | 1,137.51 | 964.20 |
| (iv) Bank balances other than (iii) above | 15 | 297.46 | 269.29 |
| (v) Loans | 16 | 1.01 | 1.15 |
| (vi) Other financial assets | 17 | 31.70 | 29.27 |
| (c) Income tax asset (net) | | 2.71 | 10.53 |
| (d) Other current assets | 18 | 128.30 | 107.84 |
| Total current assets | | 8,097.42 | 7,221.09 |
| Total assets | | 15,354.63 | 14,218.47 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 19 | 223.65 | 223.65 |
| (b) Other equity | 20 | 13,017.63 | 12,127.04 |
| Equity attributable to the owners of the Company | | 13,241.28 | 12,350.69 |
| Non-controlling interest | 53 | 469.52 | 491.02 |
| Total equity | | 13,710.80 | 12,841.71 |
| (2) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 69.60 | 77.99 |
| (ii) Lease liability | 22 | 158.56 | 145.78 |
| (b) Provisions | 23 | 8.86 | 5.06 |
| (c) Deferred tax liabilities (net) | 40 | 343.24 | 372.27 |
| Total non-current liabilities | | 580.26 | 601.10 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 24 | 181.52 | 54.40 |
| (ii) Lease liabilities | 25 | 63.40 | 56.82 |
| (iii) Trade payables | 26 | | |
| a) total outstanding dues of micro enterprises and small enterprises | | 32.69 | 32.68 |
| b) total outstanding dues other than micro enterprises and small enterprises | | 124.90 | 209.53 |
| (iv) Other financial liabilities | 27 | 236.99 | 264.98 |
| (b) Other current liabilities | 28 | 135.91 | 105.22 |
| (c) Provisions | 29 | 196.75 | 37.19 |
| (d) Current tax liabilities (net) | | 91.41 | 14.84 |
| Total current liabilities | | 1,063.57 | 775.66 |
| Total equity and liabilities | | 15,354.63 | 14,218.47 |

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

Amrish Vaidya

Partner

Membership No: 101739

Place: Thane

Date: 11 May 2024

For and on behalf of Board of Directors

Mukund Kabra

Wholetime Director

DIN: 00148294

Place: Thane

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in million)

| Particulars | Notes | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 30 | 6,238.68 | 5,406.37 |
| Other income | 31 | 366.64 | 254.57 |
| Total income | | 6,605.32 | 5,660.94 |
| Expenses | | | |
| Cost of materials consumed | 32 | 1,554.50 | 1,275.12 |
| Purchases of stock-in-trade | 33 | 0.20 | 0.17 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 34 | (108.91) | 42.75 |
| Employee benefits expense | 35 | 1,283.67 | 1,148.04 |
| Finance costs (including exchange difference) | 36 | 29.28 | 24.21 |
| Depreciation and amortisation expense | 37 | 352.42 | 350.29 |
| Other expenses | 38 | 1,464.63 | 1,375.86 |
| Total expenses | | 4,575.79 | 4,216.44 |
| Profit before exceptional items and tax | | 2,029.53 | 1,444.50 |
| Exceptional items | 39 | 151.32 | 40.62 |
| Profit before tax | | 1,878.21 | 1,403.88 |
| Tax expense | 40 | | |
| Current tax | | 565.52 | 428.61 |
| Minimum Alternate Tax (MAT) credit entitlement | | (4.21) | - |
| Deferred tax (credit)/ charge | | (53.30) | (63.39) |
| Tax adjustment for earlier years # | | 0.69 | (0.00) |
| Total tax expense | | 508.70 | 365.22 |
| Profit for the year | | 1,369.51 | 1,038.66 |
| Less: Share of profit attributable to Non-controlling interest | | 36.46 | (17.73) |
| Profit for the year attributable to the owners of the Company | | 1,333.05 | 1,056.39 |
| Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit charge/(credit) | | (2.40) | 7.85 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 0.58 | (1.94) |
| B (i) Items that will be reclassified to profit or loss | | | |
| Exchange differences in translating financial statements of foreign operations | | 94.31 | 540.38 |
| (ii) Income tax related to items that will be reclassified to profit or loss | | - | - |
| Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest | | (0.04) | 0.69 |
| Other Comprehensive Income for the year attributable to Owners of the Company | | 92.53 | 545.60 |
| Total Comprehensive Income attributable to: | | | |
| Owners of the Company | | 1,425.58 | 1,601.98 |
| Non-Controlling Interest | | 36.42 | (17.03) |
| Total Comprehensive Income for the year | | 1,462.00 | 1,584.95 |
| # Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00 | | | |
| Earnings per equity share (face value ₹ 2 each fully paid up) | 47 | | |
| Including extra-ordinary items | | | |
| Basic | | 11.92 | 9.45 |
| Diluted | | 11.92 | 9.45 |

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

Amrish Vaidya

Partner

Membership No: 101739

Place: Thane

Date: 11 May 2024

For and on behalf of Board of Directors

Mukund Kabra

Wholetime Director

DIN: 00148294

Place: Thane

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Vinodkumar Jajoo

Director

DIN: 08224980

Place: Nashik

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in million)

(a) Equity share capital (refer note 19)

| | 31 March 2024 | | 31 March 2023 | |
|---|---------------|--------|---------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 111,824,075 | 223.65 | 111,800,675 | 223.60 |
| Changes in equity share capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the current reporting year | 111,824,075 | 223.65 | 111,800,675 | 223.60 |
| Changes in equity share capital during the year | - | - | 23,400 | 0.05 |
| Balance at the end of the year | 111,824,075 | 223.65 | 111,824,075 | 223.65 |

(b) Other equity (refer note 20)

| Particulars | Attributable to owners of the Company | | | | | | | Total attributable to owners of the Company | Attributable to NCI | Total Equity |
|--|---------------------------------------|-----------------|-----------------|-------------------|----------------------------------|-------------------------------|--------------------------------------|---|---------------------|--------------|
| | Reserves and Surplus | | | | | | | | | |
| | Securities Premium account | Capital Reserve | General reserve | Retained earnings | Non controlling interest reserve | Employee stock option account | Foreign currency translation reserve | | | |
| Balance at 1 April 2022 | 813.55 | 6.74 | 38.77 | 9,072.97 | (89.39) | 6.40 | 813.29 | 10,662.33 | 517.93 | 11,180.25 |
| Profit for the year | - | - | - | 1,056.39 | - | - | - | 1,056.39 | (17.73) | 1,038.66 |
| Other comprehensive income for the year | - | - | - | 5.22 | - | - | 540.38 | 545.60 | 0.69 | 546.29 |
| Total comprehensive income for the year | - | - | - | 1,061.62 | - | - | 540.38 | 1,601.99 | (17.04) | 1,584.95 |
| Add / (Less): Exercise of Share options | 7.76 | - | - | - | - | (6.96) | - | 0.81 | - | 0.81 |
| Less: Dividends paid | - | - | - | (111.82) | - | - | - | (111.82) | (13.57) | (125.39) |
| Less: Acquisition of non-controlling interests (refer note 49) | - | - | - | - | (26.83) | - | - | (26.83) | - | (26.83) |
| Add : Options granted during the year (refer note 46) | - | - | - | - | - | 0.56 | - | 0.56 | - | 0.56 |
| Less: Movement in non-controlling interest (refer note 49) | - | - | - | - | - | - | - | - | (41.17) | (41.17) |
| Add: Acquisition of subsidiary (refer note 50) | - | - | - | - | - | - | - | - | 44.87 | 44.87 |
| Balance at 31 March 2023 | 821.31 | 6.74 | 38.77 | 10,022.77 | (116.22) | - | 1,353.67 | 12,127.04 | 491.02 | 12,618.06 |
| Profit for the year | - | - | - | 1,333.04 | - | - | - | 1,333.04 | 36.46 | 1,369.50 |
| Other comprehensive income for the year | - | - | - | (1.78) | - | - | 94.31 | 92.53 | (0.04) | 92.49 |
| Total comprehensive income for the year | - | - | - | 1,331.26 | - | - | 94.31 | 1,425.57 | 36.42 | 1,461.99 |
| Less: Dividends paid | - | - | - | (559.12) | - | - | - | (559.12) | (8.00) | (567.12) |
| Less: Acquisition of non-controlling interests (refer note 49) | - | - | - | - | (6.17) | - | - | (6.17) | - | (6.17) |
| Add : Options granted during the year (refer note 46) | - | - | - | - | - | 30.31 | - | 30.31 | - | 30.31 |
| Less: Movement in non-controlling interest (refer note 49) | - | - | - | - | - | - | - | - | (49.92) | (49.92) |
| Balance at 31 March 2024 | 821.31 | 6.74 | 38.77 | 10,794.91 | (122.39) | 30.31 | 1,447.98 | 13,017.63 | 469.52 | 13,487.15 |

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya

Partner

Membership No: 101739

Mukund Kabra

Wholetime Director

DIN : 00148294

Place: Thane

Vinodkumar Jajoo

Director

DIN : 08224980

Place: Nashik

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

Place: Thane

Date: 11 May 2024



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in million)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 1,878.21 | 1,403.88 |
| Adjustments for non-cash transactions | | |
| Depreciation and amortization expense | 352.42 | 350.29 |
| Prepaid lease amortisation | 0.18 | 0.18 |
| Property, plant and equipments written off | 0.68 | 6.87 |
| Loss on sale of Property, plant and equipments | 2.30 | 7.99 |
| Allowances for bad and doubtful trade receivables | 2.05 | 6.79 |
| Bad and doubtful trade receivables written off | 9.76 | - |
| Employee stock compensation expense | 30.31 | - |
| Excess provision written back | (47.67) | (2.59) |
| Sundry balances written (back)/ off (net) | (1.26) | 0.42 |
| Fair valuation of investments in marketable securities | (108.48) | 21.98 |
| Remeasurement of right to use asset | - | 3.77 |
| Loss by fire | - | 34.94 |
| Provision for claims and litigations | 151.32 | - |
| Unrealized foreign exchange gain | (0.82) | (1.07) |
| | 2,269.00 | 1,833.45 |
| Items considered separately | | |
| Interest income | (129.72) | (84.24) |
| Interest expenses | 29.28 | 24.21 |
| | 2,168.56 | 1,773.42 |
| Operating profit before working capital changes | | |
| (Increase) / Decrease in Non-current loans | (1.53) | (1.51) |
| (Increase) / Decrease in Other non-current financial assets | (2.76) | (5.62) |
| (Increase) / Decrease in Other non-current assets | (10.58) | 0.38 |
| (Increase) / Decrease in Inventories | (238.34) | 7.55 |
| (Increase) / Decrease in Trade receivables | 9.12 | (99.54) |
| (Increase) / Decrease in Current loans | 0.14 | (0.29) |
| (Increase) / Decrease in Other current financial assets | 2.12 | 18.09 |
| (Increase) / Decrease in Other current assets | (20.22) | 2.61 |
| (Decrease) / Increase in Provisions | 40.21 | (8.22) |
| (Decrease) / Increase in Trade payables | (39.41) | 60.28 |
| (Decrease) / Increase in Current financial liabilities- others | (3.39) | 10.40 |
| (Decrease) / Increase in Other current liabilities | 2.11 | 12.46 |
| Cash generated from operating activities | 1,906.03 | 1,770.01 |
| Income taxes paid (net of refund) | (492.34) | (366.39) |
| Net cash generated from operating activities | 1,413.69 | 1,403.62 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (423.13) | (381.05) |
| Proceeds from sale of property, plant and equipments | 1.55 | 2.54 |
| Capital expenditure on intangible assets under development | (49.50) | - |
| Purchase of intangible assets (net of refund) | (0.50) | (0.76) |
| Purchase of non-current investments | - | (1.01) |
| (Purchase) / Proceeds from sale of current investments (net) | (276.55) | (2474.29) |
| Interest received | 129.39 | 78.70 |
| Insurance claim received | - | 0.50 |
| (Increase) in bank deposits with maturity more than 3 months but less than 12 months | (27.75) | (206.44) |
| (Increase) / Decrease in bank deposits with maturity more than 12 months | (0.00) | (0.00) |
| Net cash (used in) investing activities | (646.49) | (2981.81) |

CONSOLIDATED IN CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Million)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| C. Cash flows from financing activities | | |
| Proceeds from issue of share capital including securities premium | - | 1.42 |
| Repayment of long-term borrowings | (6.48) | (3.22) |
| Proceeds from short-term borrowings (net) | 127.03 | 26.22 |
| Transactions with non-controlling interests | (56.07) | (68.00) |
| Interest paid | (29.25) | (24.21) |
| Lease liability paid | (60.49) | (64.77) |
| Dividends paid | (567.12) | (125.42) |
| Net cash (used in) financing activities | (592.38) | (257.98) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 174.82 | (1836.17) |
| Cash and cash equivalents as at the beginning of the year | 964.20 | 2673.55 |
| Cash acquired on acquisition (refer note 50) | - | 0.20 |
| Effect of exchange rate changes on cash and cash equivalents held | (1.51) | 126.62 |
| Cash and cash equivalents as at the end of the year* | 1137.51 | 964.20 |
| * Composition of cash and cash equivalents (refer note 14) | | |
| Cash in hand | 0.52 | 0.89 |
| Cheques in hand | 5.40 | 0.00 |
| Balance with banks : | | |
| Current account | 414.11 | 599.63 |
| Fixed deposit account (with maturity less than 3 months) | 54.90 | 52.12 |
| Money market desposits | 662.58 | 311.56 |
| | 1137.51 | 964.20 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities

| Particulars | Notes | 31 March 2023 | Cashflows | Non cash changes | | | | 31 March 2024 |
|---|-------|---------------------|---------------|------------------|---------------------------------|-------------------------|----------------------|---------------------|
| | | | | Acquisitions | Foreign exchange movement | Fair value change | Other adjustments | |
| Non-current borrowings | 21 | 77.99 | (6.48) | - | (1.91) | - | - | 69.60 |
| Cash credit, packing credit, working capital demand loans and deferred sales tax liabilities | 24 | 54.40 | 127.03 | - | 0.09 | - | - | 181.52 |
| Total liabilities from financing | | 132.39 | 120.55 | - | (1.82) | - | - | 251.12 |

Notes to the consolidated cash flow statement

1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Statement of cashflows'.

As per our report of even date attached.

For **M S K A & Associates**

Chartered Accountants

Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya

Partner

Membership No: 101739

Mukund Kabra

Wholetime Director

DIN : 00148294

Place: Thane

Vinodkumar Jajoo

Director

DIN : 08224980

Place: Nashik

Sanjay Basantani

Company Secretary

Membership No: A19637

Place: Thane

Date: 11 May 2024

Beni P. Rauka

Chief Financial Officer

Membership No: 039980

Place: Thane

Place: Thane

Date: 11 May 2024



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Million)

1 OVERVIEW OF THE COMPANY

Advanced Enzyme Technologies Limited (herein referred to as 'the Parent Company' or the 'the Company') together with its subsidiaries (together referred to as 'the Group') carries on the business of manufacturing and sales of enzymes. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via Id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016. The registered office of the Company is Sun Magnetica, A wing, 5th Floor, Near LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400604

2 BASIS OF PREPARATION

a Statement of compliance

These consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions and amendments as applicable.

These consolidated Ind AS financial statements were authorised for issue by the Group's Board of Directors on 11 May 2024.

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained the operating cycle to be 12 months.

b Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c Historical cost convention:

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

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

3 Use of estimates

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and 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 financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized 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. Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. The management estimates the useful lives of tangible assets similar to the useful life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

b. Recognition and measurement of defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

All assumptions are reviewed at each reporting date

c. Provision for income tax and deferred tax assets

The Group uses judgements based on the relevant rulings in the areas of allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and unabsorbed depreciation can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Provision for expected credit losses (ECL) of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns (i.e., by aging of receivables after considering letters of credit and other forms of security). The provision matrix is initially based

on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

f. Measurement of fair values

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

The Group 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 Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

3A STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

4 PRINCIPLES OF CONSOLIDATION

a Business combinations

As part of its transition to Ind AS, the group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after the transition date i.e 1 April 2016. In accordance with Ind AS 103, the group accounts for these business combinations using the acquisition method when control is transferred to the group. 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. Any gain on a bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. 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.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration 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.

b Subsidiaries

Subsidiaries are entities controlled by the Parent Company, directly or indirectly. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Subsidiary companies considered in the Consolidated Financial Statements are as follows:

| Name of the Company | Country of incorporation | % age voting interest held as at 31 March 2024 | % age voting interest held as at 31 March 2023 |
|---|--------------------------|--|--|
| i. Advanced Bio-Agro Tech Limited | India | 60.00% | 60.00% |
| ii. JC Biotech Private Limited | India | 95.72% | 89.83% |
| iii. Advanced Enzytech Solutions Limited | India | 100.00% | 100.00% |
| iv. Advanced Enzymes USA, Inc. | USA | 100.00% | 100.00% |
| v. Advanced Enzymes Europe B.V. (Wholly owned subsidiary) | Netherlands | 100.00% | 100.00% |
| vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) | Germany | 100.00% | 100.00% |
| vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) | USA | 100.00% | 100.00% |
| viii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) ("AST") | USA | 100.00% | 100.00% |
| ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International) | USA | 100.00% | 100.00% |
| x. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) (merged in AST w.e.f. 01 April 2023) | USA | Nil | 100.00% |
| xi. Advanced Enzymes (Malaysia) Sdn. Bhd. (Wholly owned subsidiary) (Voluntary strike off with effect from 8 November 2023) | Malaysia | Nil | 100.00% |
| xii. Sci-Tech Specialties Private Limited | India | 51.00% | 51.00% |
| xiii. Saiganesh Enzytech Solutions Private Limited (Acquired on 03 January 2023) | India | 50.00% | 50.00% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

c Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement profit or loss.

e Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

5 MATERIAL ACCOUNTING POLICIES:

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

a. Revenue recognition

i. Revenue from sale of products:

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point of time when the control of goods is transferred to the customer. Revenue is measured based on transaction price, which is the consideration, adjusted for estimated returns and allowances, discounts and volume rebates, if any, as specified in the contracts with the customers. Sales are exclusive of Goods and Service Tax (GST).

ii. Revenue from sale of services:

The Group offers various services ranging from enzyme identification, enzyme optimisation, enzyme and process development, scale-up and production under fixed price contracts.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total

services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

- iii. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.

a.1 Other income

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

b. Property, plant and equipment and depreciation

Recognition and measurement

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. Asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Consolidated Statement of Profit and Loss.
- iv. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- v. The Group has elected to continue with the carrying value of all its property, plant and equipment as recognized in the Consolidated financial statements as at the date of transition to Ind AS, measured



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

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

Subsequent expenditure

- vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

- vii. Depreciation on tangible fixed assets other than plant and equipment and residential flat included under buildings has been provided on Written Down Value method and on plant and equipment and on residential flat included under buildings on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

The estimated useful life of assets are as follows:

| Particulars | Estimated useful life |
|--|------------------------------|
| Building | 30 - 60 years |
| Plant and equipment | 10 - 25 years |
| Furniture and fixture | 3 - 10 years |
| Vehicles | 8 years |
| Office equipments | 5 years |
| Computer and data processing equipment | 3 - 6 years |

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

- viii. Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease.

c. Intangible assets

- i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.
- ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under

development" to the extent such expenditure meet the criteria of intangible asset.

- iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.
- iv. An intangible asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.
- v. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

| Particulars | Estimated useful life |
|------------------------|------------------------------|
| Computer software | 1-5 years |
| Customer relationship | 10 years |
| Developed technologies | 15-25 years |
| Rights and licences | 10-15 years |
| Product dossiers | 10 years |
| Trade name | 7 years |

d. Impairment of non-financial 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 Statement 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

e. Foreign currency

Foreign currency transactions

- i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.
- ii. Subsequent measurement - Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in consolidated statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.
- iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the consolidated statement of Profit and Loss in the period in which they arise.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupee at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian rupee at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

f. Share based Compensation:

Employees Stock Option Plans ("ESOPs"):

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 "Employee Stock Option account". On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

g. Inventories

- i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.
- ii. Cost of raw materials, consumables and packing materials is determined on weighted average basis. Cost of finished



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

h. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

For the entities incorporated in U.S.A., the companies contributed towards the pension cum retirement benefit plan in accordance with 401(k) of the Internal Revenue Code

and the contribution paid or payable is recognised as an expense in the period in which the employee renders services.

ii. Defined benefit plans

The Group provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

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

i. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

Current tax

Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the consolidated statement of Profit and Loss. The Group recognizes MAT credit available as an asset only when it is probable that the future economic benefit associated with it will flow to the Group i.e. the Group will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the Group recognizes MAT Credit recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid evidence no longer exists.

j. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

k. Research and development costs

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

l. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the Consolidated financial statements where an inflow of economic benefit is probable.

m. Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

- (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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, the Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The Group's leases mainly comprise Office premises, land and buildings for warehouse facilities. The Group also has leases for equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

n. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

o. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

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

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

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

any interest or dividend income, are recognised in consolidated statement of Profit and Loss.

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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in consolidated statement of Profit and Loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement 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 consolidated statement of Profit and Loss.

iv. Derecognition

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, 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 Group 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 Group 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 Group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of consolidated Profit and Loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or 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 consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

iii. Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in consolidated statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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.

v. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the consolidated statement of profit and loss.

p. Government grants

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions.

Government grants related to income are deferred and recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and netted off with the expense in the consolidated statement of profit and loss.

Government grants related to purchase of property plant and equipment are recognised as deferred income and are credited to consolidated statement of profit and loss on a straight line basis over expected life of the related asset and presented within other income.

q. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| 6A PROPERTY, PLANT AND EQUIPMENT | Land freehold | Land leasehold | Buildings | Plant and equipments | Furniture and fixtures | Vehicles | Office equipments | Leasehold improvements | Computer processing equipments | Right to use asset (Refer note b) | Total |
|---|---------------|----------------|---------------|----------------------|------------------------|--------------|-------------------|------------------------|--------------------------------|-----------------------------------|-----------------|
| Gross block | | | | | | | | | | | |
| Balance as at 1 April 2022 | 512.17 | 5.22 | 627.92 | 2,076.97 | 48.00 | 62.15 | 99.22 | 97.83 | 46.54 | 394.08 | 3,970.10 |
| Additions | 40.83 | - | 102.22 | 177.41 | 9.35 | 15.05 | 6.95 | 11.80 | 5.45 | 40.79 | 409.85 |
| Addition on acquisition of subsidiary company | 0.90 | - | 8.06 | 8.33 | - | 0.79 | 0.09 | - | 0.01 | - | 18.18 |
| Disposals | - | - | - | 2.19 | 0.10 | 13.96 | 0.91 | - | 0.01 | - | 17.17 |
| Other adjustments | - | - | - | - | - | - | - | - | - | 6.84 | 6.84 |
| Reversal on account of assets written off | - | - | 14.73 | 45.91 | 1.29 | 0.89 | 0.59 | - | 1.03 | - | 64.44 |
| Balance as at 31 March 2023 | 553.90 | 5.22 | 723.47 | 2,214.61 | 55.96 | 63.14 | 104.76 | 109.63 | 50.96 | 428.03 | 4,309.68 |
| Additions | 9.24 | - | 7.11 | 153.43 | 2.41 | 1.87 | 10.32 | 10.98 | 13.79 | 110.11 | 319.26 |
| Disposals | - | - | - | 7.04 | 0.14 | 1.33 | 0.09 | - | 0.93 | - | 9.53 |
| Other adjustments | - | - | - | - | - | - | - | - | - | 11.44 | 11.44 |
| Reversal on account of assets written off | - | - | - | - | - | - | 0.68 | - | 6.55 | - | 7.23 |
| Balance as at 31 March 2024 | 563.14 | 5.22 | 730.58 | 2,361.00 | 58.23 | 63.68 | 114.31 | 120.61 | 57.27 | 526.70 | 4,600.74 |
| Accumulated depreciation and amortization | | | | | | | | | | | |
| Balance as at 1 April 2022 | - | 0.42 | 191.43 | 735.58 | 28.43 | 28.01 | 88.20 | 99.56 | 35.12 | 167.36 | 1,374.11 |
| Depreciation and amortisation | - | 0.07 | 39.59 | 135.72 | 5.80 | 11.35 | 6.21 | 1.78 | 7.84 | 68.89 | 277.25 |
| On acquisition of subsidiary company # | - | - | 0.01 | 0.07 | - | 0.03 | 0.01 | - | 0.00 | - | 0.12 |
| Reversal on disposal of assets | - | - | - | 0.76 | 0.09 | 5.17 | 0.79 | - | 0.01 | - | 6.82 |
| Other adjustments | - | - | - | - | - | - | - | - | - | 2.31 | 2.31 |
| Reversal on account of assets written off | - | - | 1.23 | 17.99 | 0.65 | 0.85 | 0.38 | - | 0.77 | - | 21.87 |
| Balance as at 31 March 2023 | - | 0.49 | 229.80 | 852.62 | 33.49 | 33.37 | 93.25 | 101.34 | 42.18 | 233.94 | 1,620.48 |
| Depreciation and amortisation | - | 0.07 | 39.76 | 134.93 | 5.57 | 9.14 | 7.35 | 4.76 | 8.03 | 65.41 | 275.02 |
| Reversal on disposal of assets | - | - | - | 3.36 | 0.11 | 1.24 | 0.07 | - | 0.82 | - | 5.60 |
| Other adjustments | - | - | - | - | - | - | - | - | - | 2.49 | 2.49 |
| Reversal on account of assets written off | - | - | - | 0.02 | - | - | 0.62 | - | 5.93 | - | 6.57 |
| Balance as at 31 March 2024 | - | 0.56 | 269.56 | 984.17 | 38.95 | 41.27 | 99.91 | 106.10 | 43.46 | 296.86 | 1,880.84 |
| Other Adjustment | | | | | | | | | | | |
| Foreign currency translation adjustments as at 31 March 2023 | - | - | - | 8.77 | 0.05 | - | 1.59 | 5.71 | 0.53 | 26.28 | 42.93 |
| Foreign currency translation adjustments during the year | - | - | - | 0.37 | - | - | 0.01 | 0.19 | 0.02 | 1.86 | 2.45 |
| Balance as at 31 March 2024 | - | - | - | 9.15 | 0.05 | - | 1.59 | 5.90 | 0.55 | 28.14 | 45.38 |
| Net block | | | | | | | | | | | |
| Balance as at 31 March 2023 | 553.90 | 4.73 | 493.67 | 1,370.76 | 22.52 | 29.77 | 13.10 | 14.00 | 9.31 | 220.37 | 2,732.13 |
| Balance as at 31 March 2024 | 563.14 | 4.66 | 461.02 | 1,385.98 | 19.33 | 22.41 | 15.99 | 20.41 | 14.36 | 257.98 | 2,765.28 |
| # Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00 | | | | | | | | | | | |
| 6B CAPITAL WORK-IN-PROGRESS (CWIP) | | | | | | | | | | | |
| PARTICULARS | | | | | | | | | | | Amount |
| CWIP as at 1 April 2022 | | | | | | | | | | | 96.28 |
| Addition during the year | | | | | | | | | | | 323.90 |
| Capitalised during the year | | | | | | | | | | | 264.09 |
| CWIP as at 31 March 2023 | | | | | | | | | | | 156.09 |
| Addition during the year | | | | | | | | | | | 565.52 |
| Capitalised during the year | | | | | | | | | | | 414.24 |
| CWIP as at 31 March 2024 | | | | | | | | | | | 307.37 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

(a) For Capital-work-in (“CWIP”) progress ageing schedule

| As at 31 March 2024 | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 214.03 | 90.12 | 0.36 | 2.86 | 307.37 |
| Projects temporarily suspended | - | - | - | - | - |

| As at 31 March 2023 | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 150.00 | 3.23 | 2.86 | - | 156.09 |
| Projects temporarily suspended | - | - | - | - | - |

(b) For Right to use asset

| | Buildings | Land Leasehold | Total |
|--|---------------|----------------|---------------|
| Gross block | | | |
| Balance as at 1 April 2022 | 388.06 | 12.62 | 400.68 |
| Additions | 40.79 | - | 40.79 |
| Other adjustment | | | |
| - Remeasurement impact of right to use asset | 6.84 | - | 6.84 |
| Balance as at 31 March 2023 | 422.01 | 12.62 | 434.63 |
| Additions | 110.11 | - | 110.11 |
| Other adjustment | | | |
| - Remeasurement impact of right to use asset | 11.44 | - | 11.44 |
| Balance as at 31 March 2024 | 520.68 | 12.62 | 533.30 |
| Accumulated depreciation and amortization | | | |
| Balance as at 1 April 2022 | 165.87 | 1.49 | 167.36 |
| Depreciation and amortization | 68.15 | 0.74 | 68.89 |
| Other adjustment | | | |
| - Remeasurement impact of right to use asset | 2.31 | - | 2.31 |
| Balance as at 31 March 2023 | 231.71 | 2.23 | 233.94 |
| Depreciation and amortization | 64.67 | 0.74 | 65.41 |
| Other adjustment | | | |
| - Remeasurement impact of right to use asset | 2.49 | - | 2.49 |
| Balance as at 31 March 2024 | 293.89 | 2.98 | 296.87 |
| Other Adjustment | | | |
| Foreign currency translation adjustments as at 31 March 2023 | 19.68 | - | 19.68 |
| Foreign currency translation adjustments during the year | 1.87 | - | 1.87 |
| | 21.55 | - | 21.55 |
| Net block | | | |
| Balance as at 31 March 2023 | 209.98 | 10.39 | 220.37 |
| Balance as at 31 March 2024 | 248.34 | 9.64 | 257.98 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

6C GOODWILL ON CONSOLIDATION (REFER NOTE 54)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Advanced Enzymes USA, Inc. | 2,824.04 | 2,784.84 |
| JC Biotech Private Limited | 123.65 | 123.65 |
| Advanced Enzytech Solutions Limited | 0.87 | 0.87 |
| Advanced Enzymes Europe B.V. | 286.00 | 284.07 |
| Saiganesh Enzytech Solutions Private Limited | 18.39 | 15.10 |
| | 3,252.95 | 3,208.53 |

6D INTANGIBLE ASSETS

| Gross block | Computer software | Customer relationship | Developed technologies | Rights and licences | Tradenname | Website domain | Product dossiers | Technical knowhow | Non-competee fee | Total |
|--|-------------------|-----------------------|------------------------|---------------------|--------------|----------------|------------------|-------------------|------------------|-----------------|
| Balance as at 1 April 2022 | 36.56 | 109.02 | 527.93 | 229.66 | 25.63 | 6.32 | 3.83 | 90.70 | 28.20 | 1,057.85 |
| Additions | 0.95 | - | - | - | - | - | - | - | - | 0.95 |
| Balance as at 31 March 2023 | 37.51 | 109.02 | 527.93 | 229.66 | 25.63 | 6.32 | 3.83 | 90.70 | 28.20 | 1,058.80 |
| Additions | 5.00 | - | - | - | - | - | - | - | - | 5.00 |
| Balance as at 31 March 2024 | 42.51 | 109.02 | 527.93 | 229.66 | 25.63 | 6.32 | 3.83 | 90.70 | 28.20 | 1,063.80 |
| Accumulated amortisation | | | | | | | | | | |
| Balance as at 1 April 2022 | 33.12 | 47.16 | 144.17 | 220.81 | 18.52 | 7.02 | 1.25 | 15.76 | 5.77 | 493.58 |
| Amortisation | 1.66 | 14.81 | 29.82 | 4.64 | 4.07 | - | 0.38 | 12.96 | 4.70 | 73.04 |
| Balance as at 31 March 2023 | 34.78 | 61.97 | 173.99 | 225.45 | 22.59 | 7.02 | 1.63 | 28.72 | 10.47 | 566.62 |
| Amortisation | 3.45 | 15.46 | 31.23 | 4.82 | 4.36 | - | 0.38 | 12.99 | 4.71 | 77.40 |
| Balance as at 31 March 2024 | 38.23 | 77.43 | 205.22 | 230.27 | 26.95 | 7.02 | 2.01 | 41.71 | 15.18 | 644.02 |
| Other Adjustment | | | | | | | | | | |
| Foreign currency translation adjustments as at 31 March 2023 | 0.01 | 10.78 | 39.57 | 3.73 | 2.94 | 0.71 | - | - | - | 57.74 |
| Foreign currency translation adjustments during the year | 0.17 | 0.24 | 1.19 | 0.10 | 0.02 | - | - | - | - | 1.72 |
| Balance as at 31 March 2024 | 0.18 | 11.02 | 40.76 | 3.83 | 2.96 | 0.71 | - | - | - | 59.46 |
| Net block | | | | | | | | | | |
| Balance as at 31 March 2023 | 2.74 | 57.83 | 393.51 | 7.94 | 5.98 | - | 2.20 | 61.98 | 17.73 | 549.92 |
| Balance as at 31 March 2024 | 4.46 | 42.61 | 363.47 | 3.22 | 1.64 | - | 1.82 | 48.99 | 13.02 | 479.24 |

6E INTANGIBLE ASSETS UNDER DEVELOPMENT

| PARTICULARS | AMOUNT |
|------------------------------------|---------------|
| Balance as on 1 April 2022 | 54.39 |
| Addition during the year | 5.78 |
| Capitalised during the year | 1.31 |
| Balance as on 31 March 2023 | 58.86 |
| Addition during the year | 49.75 |
| Capitalised during the year | 4.99 |
| Balance as at 31 March 2024 | 103.62 |

(A) INTANGIBLE ASSETS UNDER DEVELOPMENT ("IAUD") AGEING SCHEDULE

| As at 31 Mar 2024 | Amount in IAUD for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 49.59 | 0.04 | 0.30 | 53.69 | 103.62 |
| Projects temporarily suspended | - | - | - | - | - |
| As at 31 March 2023 | Amount in IAUD for a period of | | | | Total |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 1.92 | 3.25 | - | 53.69 | 58.86 |
| Projects temporarily suspended | - | - | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

7 NON-CURRENT INVESTMENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Other investments (unquoted) | | |
| Equity shares at fair value through profit and loss | | |
| 19,100 Equity shares (31 March 2023 - 19,100) of ₹ 10 each fully paid up of Advanced Vital Enzymes Private Limited * | 0.57 | 0.57 |
| 1,666 Equity shares (31 March 2023 - 1,666) of ₹ 30 each fully paid up of Bombay Mercantile Co-op. Bank Limited | 0.05 | 0.05 |
| 2,520 Equity shares (31 March 2023 - 2,520) of ₹ 10 each fully paid up of Saraswat Coop Bank Limited | 0.03 | 0.03 |
| 140 Equity shares (31 March 2023 - 140) of RAND 15,000 each fully paid up of Vecteng Scitech Property Limited | 1.00 | 1.00 |
| | 1.65 | 1.65 |
| Aggregate value of unquoted investments | 1.65 | 1.65 |

* refer note 44

8 LONG-TERM LOANS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------|------------------------|------------------------|
| Interest receivable | 0.38 | - |
| | 0.38 | - |

9 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------|------------------------|------------------------|
| Non-current bank deposits | 0.06 | 0.05 |
| Security deposits | 41.87 | 41.65 |
| | 41.93 | 41.70 |

10 OTHER NON-CURRENT ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------|------------------------|------------------------|
| Prepaid expenses | 13.89 | 12.44 |
| Capital advances | 24.47 | 8.32 |
| Others | 0.30 | 0.85 |
| | 38.66 | 21.61 |

11 INVENTORIES

(valued at lower of cost and net realizable value)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Raw materials and packing materials [including goods-in-transit of ₹ 37.77 million (31 March 2023 ₹ 25.53 million)] | 637.08 | 528.89 |
| Work-in-progress | 363.41 | 325.84 |
| Finished goods [including goods-in-transit of ₹ 36.64 million (31 March 2023 ₹ 35.36 million)] | 357.87 | 286.53 |
| Stores, consumables and fuel [including goods-in-transit of ₹ 2.50 million (31 March 2023 ₹ Nil)] | 126.19 | 98.64 |
| | 1,484.55 | 1,239.90 |

As at 31 March 2024, the Company has written down the value for slow moving inventory aggregating ₹ 81.06 million (31 March 2023: ₹ 59.60 million). Charge during the year ended 31 March 2024 is ₹ 28.98 million (31 March 2023: reversal of ₹ 26.96 million) is included in cost of materials consumed and changes in inventories.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

12 CURRENT INVESTMENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Mutual funds (Quoted) | | |
| Measured at fair value through profit and loss | | |
| Fixed income securities | 3,453.30 | 3,413.84 |
| Aditya Birla Sun Life- Low Duration Fund Growth- Direct (No. of units 31 March 2024: 1,093.148, 31 March 2023: 22,120.967) (Market value 31 March 2024: 659.142/unit, 31 March 2023: 301.697/unit) | 0.72 | 6.67 |
| Aditya Birla Sun Life- Overnight Growth- Direct (No. of units 31 March 2024: 15,614.253, 31 March 2023: 19,007.104) (Market value 31 March 2024: 1,295.050/unit, 31 March 2023: 1,212.446/unit) | 20.22 | 23.04 |
| ICICI Ultra short term fund (No. of units 31 March 2024: Nil, 31 March 2023: 790,248.040) (Market value 31 March 2024: NA/unit, 31 March 2023: 25.301//unit) | - | 20.00 |
| UTI Liquid Cash Plan Direct Growth (No. of units 31 March 2024: Nil; 31 March 2023: 12,006.607) | - | 44.30 |
| UTI Money Market Fund -Direct- Growth (No. of units 31 March 2024: 67,752.111, 31 March 2023: 28,680.837) (Market value 31 March 2024: 2,837.2161/unit; 31 March 2023: 2,634.8639/unit) | 192.23 | 75.57 |
| Aditya Birla Sun Life- Money Manager Fund Growth- Direct (No. of units 31 March 2024: 235,243.398, 31 March 2023: Nil) (Market value 31 March 2024: 340.791/unit) | 80.17 | - |
| ICICI Prudential Floating Interest Fund - Direct Plan - Growth (No. of units 31 March 2024: Nil, 31 March 2023: 35,072.202) (Market value 31 March 2024: Nil/unit, 31 March 2023: 342.921/unit) | - | 12.03 |
| ICICI Prudential Mutual Fund- "ICICI Prudential Liquid - Growth" (No. of units 31 March 2024: 33,438.884, 31 March 2023: 145.780) (Market value 31 March 2024: 357.406/unit, 31 March 2023: 330.659/unit) | 11.95 | 0.05 |
| UTI Overnight Fund -Direct - Growth (No. of units 31 March 2024: 4,404.003, 31 March 2023: Nil) (Market value 31 March 2024: 3,277.4011/unit) | 14.43 | - |
| TATA Overnight Fund - Direct - Growth (No. of units 31 March 2024: 14,478.958, 31 March 2023: Nil) (Market value 31 March 2024: 1,263.236/unit) | 18.29 | - |
| TATA Money Market Fund - Direct - Growth (No. of units 31 March 2024: 31,872.195, 31 March 2023: Nil) (Market value 31 March 2024: 4,367.520/unit) | 139.20 | - |
| HDFC Overnight Fund-Direct Plan Growth (No. of units 31 March 2024: 779.253, 31 March 2023: Nil) (Market value 31 March 2024: 3,553.188/unit) | 2.77 | - |
| HDFC Money Market Fund - Direct Plan Growth (No. of units 31 March 2024: 12,929.034, 31 March 2023: Nil) (Market value 31 March 2024: 5,300.037/unit) | 68.52 | - |
| ICICI Prudential Mutual Fund- "Liquid Fund- DP Growth" (No. of units 31 March 2024: 20,503.452, 31 March 2023: Nil) (Market value 31 March 2024: 1,290.529/unit) | 26.46 | - |
| ICICI Prudential Mutual Fund- "Floating Interest Fund- DP Growth" (No. of units 31 March 2024: 456.948, 31 March 2023: Nil) (Market value 31 March 2024: 416.756/unit) | 0.19 | - |
| Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct Growth (No. of units 31 March 2024: 145.782, 31 March 2023: Nil) (Market value 31 March 2024: 354.376/unit) | 0.05 | - |
| | 4,028.50 | 3,595.50 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

13 TRADE RECEIVABLES

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Secured, considered good | 0.08 | 0.13 |
| Unsecured, considered good | 985.60 | 1,003.28 |
| Unsecured, credit impaired | 12.36 | 15.47 |
| Less: Impairment loss allowance | (12.36) | (15.47) |
| | 985.68 | 1,003.41 |
| (refer note 55 for information about credit risk and market risk of trade receivables) | | |

| Outstanding as on 31 March 2024 | | | | | | |
|---|-----------------------|----------------------|---------------|---------------|----------------------|----------------|
| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| i) Undisputed Trade Receivables – considered good | 973.18 | 4.67 | 7.41 | 0.36 | 0.06 | 985.68 |
| ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade Receivables – credit impaired | 1.79 | 0.36 | 1.88 | 2.36 | 4.87 | 11.26 |
| iv) Disputed Trade Receivables – considered good | - | - | - | - | 1.10 | 1.10 |
| v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total trade receivables | 974.97 | 5.03 | 9.29 | 2.72 | 6.03 | 998.04 |
| Provision for doubtful trade receivables | (2.72) | (0.68) | (3.18) | (2.36) | (3.42) | (12.36) |
| Net receivable | 972.25 | 4.35 | 6.11 | 0.36 | 2.61 | 985.68 |

| Outstanding as on 31 March 2023 | | | | | | |
|---|-----------------------|----------------------|---------------|---------------|----------------------|-----------------|
| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| i) Undisputed Trade Receivables – considered good | 980.77 | 14.25 | 6.16 | 1.48 | 0.75 | 1,003.41 |
| ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade Receivables – credit impaired | 1.67 | 1.41 | 2.25 | 2.83 | 6.20 | 14.36 |
| iv) Disputed Trade Receivables – considered good | - | - | 0.02 | 1.09 | - | 1.11 |
| v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total trade receivables | 982.44 | 15.66 | 8.43 | 5.40 | 6.95 | 1,018.88 |
| Provision for doubtful trade receivables | (2.04) | (1.50) | (2.68) | (3.05) | (6.20) | (15.47) |
| Net receivable | 980.40 | 14.16 | 5.75 | 2.35 | 0.75 | 1,003.41 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

14 CASH AND CASH EQUIVALENTS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Cash on hand | 0.52 | 0.89 |
| Cheques, drafts on hand | 5.40 | - |
| Balances with banks | | |
| - in current accounts | 414.11 | 599.63 |
| - in deposit account with original maturity upto three months | 54.90 | 52.12 |
| Money market desposits | 662.58 | 311.56 |
| | 1,137.51 | 964.20 |

15 OTHER BANK BALANCES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Unclaimed dividend account | 1.59 | 1.17 |
| Bank deposits with original maturity of more than three months but less than twelve months | 295.20 | 263.37 |
| Earmarked bank balances * | 0.67 | 4.75 |
| | 297.46 | 269.29 |
| * These balances represent unspent Corporate Social Responsibility (CSR) amount of prior years and are transferred to separate bank account as per Section 135(6) of the Companies Act, 2013. | | |

16 SHORT-TERM LOANS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|-------------------|------------------------|------------------------|
| Loan to employees | 1.01 | 1.15 |
| | 1.01 | 1.15 |

17 OTHER CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------|------------------------|------------------------|
| Interest receivable | 6.86 | 2.16 |
| Export incentives receivable | 6.33 | 7.37 |
| Others | 18.51 | 19.74 |
| | 31.70 | 29.27 |

18 OTHER CURRENT ASSETS

(unsecured considered good unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Prepaid expenses | 39.63 | 23.23 |
| Advance to suppliers | 39.82 | 41.36 |
| Excess of Planned Assets over Obligation - Gratuity | 0.82 | 1.28 |
| Balance with Government authorities | 31.59 | 33.57 |
| Others | 16.44 | 8.40 |
| | 128.30 | 107.84 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

19 EQUITY SHARE CAPITAL

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|---------------|------------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | |
| Equity shares of Face Value ₹ 2 each | 17,50,00,000 | 350.00 | 17,50,00,000 | 350.00 |
| | 17,50,00,000 | 350.00 | 17,50,00,000 | 350.00 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of Face Value ₹ 2 each | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |
| Total | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |

| a) Reconciliation of equity share capital | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 11,18,24,075 | 223.65 | 11,18,00,675 | 223.60 |
| Add : Issued during the year (refer note 19 d) | - | - | 23,400 | 0.05 |
| Balance at the end of the year | 11,18,24,075 | 223.65 | 11,18,24,075 | 223.65 |

| b) Shareholders holding more than 5% of the equity shares | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of Face Value ₹ 2 each | | | | |
| Mr. Vasant L. Rathi * | 3,70,53,702 | 33.14% | 3,65,03,702 | 32.64% |
| Advanced Vital Enzymes Private Limited (Chandrakant Rathi Innovations and Projects Private limited merged with Advanced Vital Enzymes Private Limited) | 4,87,609 | 0.44% | 72,32,844 | 6.47% |
| Nalanda India Equity Fund Limited | 99,63,685 | 8.91% | 99,63,685 | 8.91% |
| Orbimed Asia III Mauritius Limited | 1,10,53,245 | 9.88% | 1,10,53,245 | 9.88% |
| | 5,85,58,241 | 52.37% | 6,47,53,476 | 57.91% |

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2024: 7,500,000 shares (6.71%) [31 March 2023: 7,500,000 shares (6.71%)]

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) Shares reserved for issue under "Employees Stock Option Scheme 2015 (ESOS 2015)"

The Company had reserved issuance of 220,000 Equity shares having face value of ₹ 2 each (31 March 2023: 220,000) for offering to eligible employees of the Company and subsidiary companies under AETL Employees Stock Option Scheme 2015 (ESOS 2015). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 46)

e) Shares reserved for issue under "Employees Stock Option Scheme 2022 (ESOS 2022)"

The Company had reserved issuance of 576,000 Equity shares of ₹ 2 each for offering to eligible employees of the Company and subsidiary companies under Employees Stock Option Scheme (ESOS). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria (refer note 46A).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Details of Shares held by Promoters at the end of the year

| Sr. No. | Promoter name | As at 31 March 2024 | | As at 31 March 2023 | | % change between 31 Mar 24 vs 31 Mar 23 | As at 31 March 2022 | | % change between 31 Mar 23 vs 31 Mar 22 |
|---------|--|---------------------|-------------------|---------------------|-------------------|---|---------------------|-------------------|---|
| | | No. of shares | % of total shares | No. of shares | % of total shares | | No. of shares | % of total shares | |
| 1 | Vasant Rathi* | 3,70,53,702 | 33.14% | 3,65,03,702 | 32.64% | 0.50% | 3,65,03,702 | 32.65% | -0.01% |
| 2 | Chandrakumar Laxminarayan Rathi | 46,500 | 0.04% | 46,500 | 0.04% | 0.00% | 46,500 | 0.04% | 0.00% |
| 3 | Reshma Namita Rathi | 26,46,858 | 2.37% | 26,46,858 | 2.37% | 0.00% | 26,46,858 | 2.37% | 0.00% |
| 4 | Rachana Vasant Rathi | 26,41,500 | 2.36% | 26,41,500 | 2.36% | 0.00% | 26,41,500 | 2.36% | 0.00% |
| 5 | Rasika Vasant Rathi | 26,65,825 | 2.38% | 26,36,700 | 2.36% | 0.03% | 26,36,700 | 2.36% | 0.00% |
| 6 | Prabhavati Vasant Rathi | 9,13,000 | 0.82% | 9,13,000 | 0.82% | 0.00% | 9,13,000 | 0.82% | 0.00% |
| 7 | Kishor Laxminarayan Rathi | 14,66,000 | 1.31% | 14,66,000 | 1.31% | 0.00% | 14,66,000 | 1.31% | 0.00% |
| 8 | Madhusudan Kabra | 7,15,600 | 0.64% | 7,15,600 | 0.64% | 0.00% | 7,15,600 | 0.64% | 0.00% |
| 9 | Savita Chandrakumar Rathi | - | 0.00% | - | 0.00% | 0.00% | 3,71,500 | 0.33% | -0.33% |
| 10 | Radhika Ashish Pujara | - | 0.00% | - | 0.00% | 0.00% | 31,500 | 0.03% | -0.03% |
| 11 | Piyush Chandrakumar Rathi | - | 0.00% | - | 0.00% | 0.00% | 23,500 | 0.02% | -0.02% |
| 12 | Jayesh Madhusudan Soni# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 13 | Sanju Madhusudan Soni# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 14 | Tejasvi Madhusudan Soni# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 15 | Abhijit Kishor Rathi# | - | 0.00% | 82,835 | 0.07% | -0.07% | 82,835 | 0.07% | 0.00% |
| 16 | Ankit Kishor Rathi# | - | 0.00% | 1,00,000 | 0.09% | -0.09% | 1,00,000 | 0.09% | 0.00% |
| 17 | Amit Kishor Rathi# | - | 0.00% | 75,001 | 0.07% | -0.07% | 75,000 | 0.07% | 0.00% |
| 18 | Sunita Sunil Attal# | - | 0.00% | 11,760 | 0.01% | -0.01% | 11,860 | 0.01% | 0.00% |
| 19 | Anisha Sunil Attal# | - | 0.00% | 9,421 | 0.01% | -0.01% | 10,333 | 0.01% | 0.00% |
| 20 | Megha Jhavar# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 21 | Nikita Madhusudan Soni# | - | 0.00% | 10,000 | 0.01% | -0.01% | 10,000 | 0.01% | 0.00% |
| 22 | Payal Shamsunder Soni# | - | 0.00% | 5,000 | 0.00% | 0.00% | 5,000 | 0.01% | -0.01% |
| 23 | Snehal Shamsunder Soni# | - | 0.00% | 4,400 | 0.00% | 0.00% | 5,000 | 0.01% | -0.01% |
| 24 | Advanced Vital Enzymes Pvt Ltd (Chandrakant Rathi Innovations And Projects Private Limited merged with Advanced Vital Enzymes Pvt. Ltd.) | 4,87,609 | 0.44% | 72,32,844 | 6.47% | -6.03% | 99,56,344 | 8.91% | -2.44% |
| 25 | Atharva Green Ecotech LLP | - | 0.00% | 6,29,000 | 0.56% | -0.56% | 6,29,000 | 0.56% | 0.00% |
| 26 | Mangala Madhusudan Kabra | - | - | - | - | 0.00% | - | - | 0.00% |
| | Total | 4,86,36,594 | 43.49% | 5,57,70,121 | 49.86% | -6.37% | 5,89,21,732 | 52.72% | -2.85% |

* includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2024: 7,500,000 shares (6.71%) [31 March 2023: 7,500,000 shares (6.71%)]

Reclassified from Promoter / Promoter group with effect from 17 April 2023.

20 OTHER EQUITY

| | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Capital reserves | | |
| Balance at the beginning of the year | 6.74 | 6.74 |
| Add : Additions made during the year | - | - |
| Less : Deletions made during the year | - | - |
| Balance at the end of the year | 6.74 | 6.74 |
| Securities premium account | | |
| Balance at the beginning of the year | 821.31 | 813.55 |
| Add: Premium on issue of equity shares under ESOP scheme | - | 7.76 |
| Balance at the end of the year | 821.31 | 821.31 |
| Employee stock option account | | |
| Balance at the beginning of the year | - | 6.40 |
| Add: Options granted during the year (refer note 46) | 30.31 | 0.56 |
| Less: Exercised during the year | - | (6.96) |
| Balance at the end of the year | 30.31 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

20 OTHER EQUITY

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| General reserve | | |
| Balance at the beginning of the year | 38.77 | 38.77 |
| Add: Additions made during the year | - | - |
| Less: Deletions made during the year | - | - |
| Balance at the end of the year | 38.77 | 38.77 |
| Non controlling interest reserve | | |
| Balance at the beginning of the year | (116.22) | (89.39) |
| Acquisition of non-controlling interests (refer note 49) | (6.17) | (26.83) |
| Balance at the end of the year | (122.39) | (116.22) |
| Retained earnings | | |
| Balance at the beginning of the year | 10,022.77 | 9,072.97 |
| Add: Profit for the year | 1,333.04 | 1,056.39 |
| Add: Transferred from Other comprehensive income | (1.78) | 5.23 |
| Less: Dividend paid | (559.12) | (111.82) |
| Balance at the end of the year | 10,794.91 | 10,022.77 |
| Other Comprehensive Income | | |
| Foreign currency translation reserve | | |
| Balance at the beginning of the year | 1,353.67 | 813.29 |
| Add: Exchange rate difference in translation (net) | 94.31 | 540.38 |
| Balance at the end of the year | 1,447.98 | 1,353.67 |
| | 13,017.63 | 12,127.04 |

Nature and purpose of reserves

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Non controlling interest reserve

Non controlling interest reserve represent the difference between the consideration paid and the carrying value of non controlling interest acquired in subsidiaries.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations, if any, are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

Dividends

The following dividends were declared and paid by the Company during the year

| Particulars | Paid during 01-Apr-23 to 31-Mar-24 | Paid during 01-Apr-22 to 31-Mar-23 |
|--|--|--|
| ₹ 5.00 per equity share (31 March 2023: ₹ 1.00 per equity share) | 559.12 | 111.82 |
| | 559.12 | 111.82 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

21 NON-CURRENT BORROWINGS

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| Secured | | |
| Term loans: | | |
| From banks | 66.52 | 70.95 |
| Vehicle loans | 3.08 | 5.22 |
| Loans repayable on demand: | | |
| From other parties | - | 1.82 |
| | 69.60 | 77.99 |

a) Details of security for each type of borrowings as at 31 March 2024

Scitech Specialities Private Limited:

- The term loan is secured by way of equitable mortgage of Building located at 501, DLH Park, S. V. Road, Goregaon (West), Mumbai, Maharashtra and personal guarantee by the directors (refer note 21(b) below #).
- Vehicle loans availed from five banks and are secured by way of hypothecation of respective vehicle."

Advanced Bio Agro Tech Limited:

- Vehicle loans availed from one bank and are secured by way of hypothecation of respective vehicle.

b) Terms of repayment of term loans and other loans (including current borrowings)

| Term loans | Interest rates | Repayment terms | Outstanding as at 31 March 2024 | Outstanding as at 31 March 2023 |
|---------------------|----------------|---|------------------------------------|------------------------------------|
| From Banks | | | | |
| Deutsche Bank AG ## | 9.90% | 178 equal monthly instalments of ₹ 0.41 million each along with interest up to 31 December 2037 | 70.11 | 72.88 |

Vehicle Loans (including current borrowings)

| Interest rate | No. of installments | Date of last installment | Amount of installment | Outstanding as at 31 March 2024 | Outstanding as at 31 March 2023 |
|---------------|---------------------|--------------------------|-----------------------|------------------------------------|------------------------------------|
| 8.55% | 18 | 07-Sep-23 | 0.02 | - | 0.10 |
| 10.20% | 18 | 05-Sep-23 | 0.03 | - | 0.16 |
| 8.50% | 40 | 05-Jul-25 | 0.02 | 0.41 | 0.69 |
| 9.10% | 32 | 05-Nov-24 | 0.05 | 0.42 | 1.01 |
| 10.00% | 29 | 15-Aug-24 | 0.01 | 0.07 | 0.24 |
| 6.80% | 60 | 05-Mar-27 | 0.11 | 4.32 | 5.57 |
| Total | | | | 5.22 | 7.77 |

22 NON CURRENT LEASE LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Lease liability (refer note 43) | 158.56 | 145.78 |
| | 158.56 | 145.78 |

23 NON-CURRENT PROVISIONS

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | | |
| Compensated absences | 1.71 | 0.93 |
| Gratuity (Refer note 41) | 7.15 | 4.13 |
| | 8.86 | 5.06 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

24 CURRENT BORROWINGS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Secured | | |
| Loans repayable on demand: | | |
| From banks in rupees | 175.80 | 49.89 |
| | 175.80 | 49.89 |
| Current maturities of long-term term loans (refer note 21) | | |
| - From banks | 3.58 | 1.96 |
| - Vehicle loans | 2.14 | 2.55 |
| | 5.72 | 4.51 |
| | 181.52 | 54.40 |

a) Details of security for each type of borrowings as at 31 March 2024

The Company:

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

Advanced Bio Agro Tech Limited:

Loans repayable on demand from banks (Working Capital loans) are secured as under:

- Negative lien on Land & Building situated at Gat No 551, Off Nashik-Pune Road, Dapurwad Road, Mauje, Musalgaon, Taluka- Sinnar, Dist- Nashik, Sole Charge on Plant & Machinery located at the above address as and when procured.
- First Exclusive charge on Stocks and Book Debts of the Advanced Bio Agro Tech Limited.
- Personal guarantee given by the Managing Director Mr. OP Singh.

JC Biotech Private Limited:

- The cash credit from bank is secured by way of hypothecation of first charge on entire current assets of the company both current and future. The loan is also supported by first charge by way of an equitable mortgage of industrial land (by deposit of title deeds) and subservient charge on entire unencumbered movable fixed assets of the company both present and future(excluding vehicles/assets under HP/lease) of the JC Biotech Private Limited.

Scitech Specialities Private Limited:

- The working capital facility from bank are secured against the inventories and Trade receivables of of the Scitech Specialities Private Limited.

Saiganesh Enzytech Solutions Private Limited:

- The working capital facility from bank are secured against the fixed deposit.

b) Terms of repayment of loans

Loan repayable on demand - from banks

Cash Credit from bank for ₹ 175.80 million (31 March 2023: ₹ 49.89 million) carries an interest rate of 7.50% to 9.83%.

25 CURRENT LEASE LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Lease liability (refer note 43) | 63.40 | 56.82 |
| | 63.40 | 56.82 |

26 TRADE PAYABLES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Total outstanding dues to micro and small enterprises (refer note below) | 32.69 | 32.68 |
| Total outstanding dues to others (refer note 44 for payable to related parties) | 124.90 | 209.53 |
| | 157.59 | 242.21 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Note:

Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Principal amount remaining unpaid | 32.69 | 32.68 |
| Interest due thereon | - | - |
| Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year | 0.02 | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| Interest accrued and remaining unpaid as at balance sheet date | 0.05 | 0.07 |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | 0.05 | 0.07 |

Note :

The management has identified enterprises which have provided goods and services to the Companies within the Group which are incorporated in India and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the Consolidated financials statements based on information received and available with the Group.

| Outstanding as at 31 March 2024 Particulars | Outstanding as at 31 March 2024 | | | | |
|--|---------------------------------|-------------|-------------|----------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 32.69 | - | - | - | 32.69 |
| Others | 120.78 | 0.38 | 3.46 | 0.28 | 124.90 |
| Disputed dues (MSMEs) and | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| Total | 153.47 | 0.38 | 3.46 | 0.28 | 157.59 |

Outstanding as at 31 March 2023

| Particulars | Outstanding as at 31 March 2023 | | | | |
|---------------------------|---------------------------------|--------------|-------------|----------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 32.68 | - | - | - | 32.68 |
| Others | 175.62 | 25.48 | 8.17 | 0.26 | 209.53 |
| Disputed dues (MSMEs) and | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| Total | 208.30 | 25.48 | 8.17 | 0.26 | 242.21 |

27 OTHER CURRENT FINANCIAL LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Unpaid dividends (refer note below) | 1.59 | 1.17 |
| Security deposits from customers | 7.95 | 7.80 |
| Payable for purchase of property, plant and equipment | 31.57 | 54.70 |
| Employee benefits payable | 82.10 | 73.57 |
| Other payables | 113.78 | 127.74 |
| | 236.99 | 264.98 |

Note :

The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.11 million (31 March 2023: 0.07 million)..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

28 OTHER CURRENT LIABILITIES

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Statutory dues: | | |
| Provident fund payable | 3.20 | 3.51 |
| Employees' State Insurance Scheme contribution payable | 0.03 | 0.07 |
| Other dues payable | 22.53 | 16.10 |
| Advance from customers | 89.34 | 68.60 |
| Other Payables | 20.81 | 16.94 |
| | 135.91 | 105.22 |

29 CURRENT PROVISIONS

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Provision for employee benefits | | |
| Compensated absences | 10.21 | 11.51 |
| Gratuity (refer note 41) | 8.36 | 6.14 |
| Provision for 401(k) (refer note a below) | 15.54 | 12.22 |
| Provision for CSR activity expenses | - | 1.43 |
| Provision for sales return (refer note b below) | 10.26 | 5.89 |
| Provision for claims and litigations (refer note c below and note 39) | 152.38 | - |
| | 196.75 | 37.19 |

Note:

a) Advanced Enzymes USA, Inc.

The Company has maintained a 401(k) Safe Harbor Profit Sharing Plan ("Plan") to provide retirement and incidental benefits for its eligible employees. Employees may contribute from 1% to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company contributes 100% of each dollar of mandatory contributions each eligible participant makes each plan year. All safe harbor contributions vest immediately.

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Movement in provision 401(k) during the year: | | |
| Provision at the beginning of the year | 12.22 | 12.57 |
| Contribution during the year | (19.11) | (13.24) |
| Provision created during the year | 22.23 | 11.86 |
| Foreign exchange currency translation | 0.20 | 1.03 |
| Provision at the end of the year | 15.54 | 12.22 |

b) Provision for sales return

As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Movement in provision for sales return | | |
| Provision at the beginning of the year | 5.89 | 6.51 |
| Provision created during the year | 10.26 | 5.89 |
| Provision reversed during the year | (5.89) | (6.51) |
| Provision at the end of the year | 10.26 | 5.89 |

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Movement in provision for sales return | | |
| Provision at the beginning of the year | - | - |
| Provision created during the year | 152.38 | - |
| Provision reversed during the year | - | - |
| Provision at the end of the year | 152.38 | - |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

30 REVENUE FROM CONTRACTS WITH CUSTOMERS

30.1 DISAGGREGATED REVENUE INFORMATION

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Sale of goods | | |
| Export | 3,072.66 | 2,782.70 |
| Domestic | 3,101.64 | 2,554.31 |
| | 6,174.30 | 5,337.01 |
| Sale of services | | |
| Export | 60.47 | 66.81 |
| | 60.47 | 66.81 |
| | 6,234.77 | 5,403.82 |
| Other operating revenues | | |
| Export incentives | 3.91 | 2.55 |
| | 6,238.68 | 5,406.37 |

30.2 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS AND RECONCILIATION:

'Following table provides disaggregation of revenue and a reconciliation of product categorywise revenue and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

| Particulars of segment | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Human nutrition | 4,202.45 | 3,559.34 |
| Animal nutrition | 677.43 | 709.98 |
| Bio-process | 1,306.89 | 1,075.25 |
| | 6,186.77 | 5,344.57 |
| Adjustments | | |
| Reversal for sales return | (4.37) | 0.62 |
| Discount | (8.10) | (8.18) |
| | (12.47) | (7.56) |
| Total revenue from contract with customers | 6,174.30 | 5,337.01 |

31 OTHER INCOME

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Interest income | | |
| - on bank deposits carried at amortised cost | 11.99 | 4.58 |
| - on other assets carried at amortised cost | 121.27 | 90.25 |
| Provision for doubtful debts written back | 0.02 | - |
| Profit on sale of property, plant and equipment (net) | 0.16 | 1.05 |
| Liabilities no longer required written back | 48.20 | 2.62 |
| Net gain on foreign currency transactions and translations | 5.49 | 13.02 |
| Government Grant- Employee Retention Credit | - | 106.27 |
| Mark to mark gain on marketable securities | 86.13 | - |
| Miscellaneous income | 93.38 | 36.78 |
| | 366.64 | 254.57 |

32 COST OF MATERIALS CONSUMED

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Opening stock | | |
| Raw materials and packing materials (including goods-in-transit) | 528.89 | 472.29 |
| Add : Purchases during the year | | |
| Raw materials and packing materials | 1,662.69 | 1,330.34 |
| Stock acquired on acquisition of subsidiary | - | 1.38 |
| Less : Closing stock | | |
| Raw materials and packing materials (including goods-in-transit) | 637.08 | 528.89 |
| | 1,554.50 | 1,275.12 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

33 PURCHASE OF TRADED GOODS

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------|-----------------------------|-----------------------------|
| Purchase of traded goods | 0.20 | 0.17 |
| | 0.20 | 0.17 |

34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Opening stock | | |
| - Finished goods | 286.53 | 347.25 |
| - Work-in-progress | 325.84 | 303.54 |
| Stock acquired on acquisition of subsidiary | | |
| - Finished goods | - | 4.33 |
| | 612.37 | 655.12 |
| Closing stock | | |
| - Finished goods | 357.87 | 286.53 |
| - Work-in-progress | 363.41 | 325.84 |
| | 721.28 | 612.37 |
| | (108.91) | 42.75 |

35 EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 1,108.03 | 1,022.09 |
| Contribution to provident and other funds (refer note 41) | 70.27 | 54.00 |
| Retirement benefits expense (refer note 41) | 38.87 | 39.93 |
| Staff welfare expenses | 36.19 | 32.02 |
| Employee stock compensation expense (refer note 46) | 30.31 | - |
| | 1,283.67 | 1,148.04 |

36 FINANCE COSTS

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interest expenses on financial liabilities - borrowings carried at amortised cost | 11.90 | 6.03 |
| Interest on term loan - carried at amortised cost | 7.61 | 7.88 |
| Net loss on foreign currency transactions and translations# | 0.00 | - |
| Interest expenses on lease liabilities (refer note 43) | 9.77 | 10.30 |
| | 29.28 | 24.21 |

37 DEPRECIATION AND AMORTISATION EXPENSE

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Depreciation on property, plant and equipment | 209.61 | 208.36 |
| Amortisation of intangible assets | 77.40 | 73.04 |
| Amortisation of Right to use of assets (refer note 43) | 65.41 | 68.89 |
| | 352.42 | 350.29 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

38 OTHER EXPENSES

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 148.32 | 109.64 |
| Power and fuel | 403.39 | 376.67 |
| Water charges | 5.83 | 4.35 |
| Laboratory expenses | 41.93 | 52.32 |
| Analysis & Testing charges | 7.20 | 6.25 |
| Repairs and maintenance | | |
| - Buildings | 29.98 | 15.88 |
| - Plant and equipments | 58.06 | 49.57 |
| - Others | 42.13 | 36.04 |
| Travel, conveyance and car hire | 64.26 | 57.52 |
| Commission | 23.20 | 14.53 |
| Sales promotion and advertisement | 62.19 | 63.96 |
| Freight outward and forwarding | 71.70 | 77.13 |
| Selling and distribution expenses | 22.62 | 19.73 |
| Rent (refer note 43 and 44) | 15.27 | 4.84 |
| Rates and taxes | 60.16 | 61.29 |
| Insurance | 33.67 | 30.78 |
| Printing and stationary | 5.33 | 4.57 |
| Communication expenses | 12.44 | 12.74 |
| Directors' sitting fees (refer note 44) | 1.74 | 1.70 |
| Legal and professional charges | 185.08 | 165.26 |
| Technical Services | 17.10 | 23.20 |
| Payments to Auditors (refer note 42) | 9.52 | 9.48 |
| Bad debts | 11.32 | - |
| Provisions for doubtful accounts receivables (net) | (3.10) | 6.79 |
| Net bad debts | 8.22 | 6.79 |
| Advances/assets written off | 9.63 | 9.31 |
| Research and development expenses | 8.12 | 8.09 |
| Donation | 0.65 | 0.83 |
| Bank Charges | 11.93 | 10.57 |
| Fair valuation loss on investments | - | 27.24 |
| Property, plant and equipment written off | - | 6.87 |
| Loss on sale of property, plant and equipment (net) | 3.21 | 8.56 |
| Corporate Social Responsibility expenditure (refer note 59) | 17.15 | 19.27 |
| Commuting expenses | 1.53 | 1.12 |
| Miscellaneous expenses | 83.07 | 79.76 |
| | 1,464.63 | 1,375.86 |

39 EXCEPTIONAL ITEMS

The District of Arizona (U.S.A) pronounced an order in respect of lawsuit filed by a competitor against the Advanced Supplementary Technologies Corporation (U.S.A.) ("AST") wholly owned subsidiary of Advanced Enzymes USA, Inc. (U.S.A.) dated 27 February 2024. The Honorable Court after considering the counter claim by AST issued net monetary judgement in favor of the competitor for ₹ 151.32 million.

On 24 January 2023, a fire occurred in one of the facility of Scitech Specialities Private Limited ("SSPL"), subsidiary of the Company, situated at Plot No A-43, STICE, Musalgaon, Sinnar, Nashik. There has been loss to assets comprising of Inventories, Buildings, Plant & Machinery and other Fixed Assets etc. As per the the best estimate of the Management of SSPL, the book value of the loss due to fire was ₹ 40.62 million, which was included in exceptional items in the statement of profit and loss for financial year 2022-23. SSPL has received insurance claim of ₹ 24.99 million during financial year 2023-24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------------------|-----------------------------|-----------------------------|
| Loss by fire | - | 40.62 |
| Provision for claims and litigations | 151.32 | - |
| | 151.32 | 40.62 |

40 INCOME TAXES

Tax expense

(a) Income tax recognised in Statement of profit and loss

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Current income tax | 565.52 | 428.61 |
| Changes in estimates related to prior period # | 0.69 | (0.00) |
| Total current tax | 566.21 | 428.61 |
| Deferred income tax liability/(asset) net | | |
| Origination and reversal of temporary differences | (53.30) | (63.39) |
| Minimum Alternate Tax credit | (4.21) | - |
| Tax expense for the year | 508.70 | 365.22 |

(b) Income tax recognised in Other Comprehensive Income

| | For the year ended 31 March 2024 | | | For the year ended 31 March 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 | 2.40 | (0.58) | 1.82 | (7.85) | 1.94 | (5.91) |
| | 2.40 | (0.58) | 1.82 | (7.85) | 1.94 | (5.91) |

(c) Reconciliation of effective tax rate

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit before tax | 1,878.21 | 1,403.88 |
| Tax using the Company's domestic tax rate (31 March 2024: 25.17%, 31 March 2023: 25.17%) | 472.75 | 353.36 |
| Tax effect of: | | |
| Tax on losses on which no deferred tax is created | 22.30 | 12.11 |
| Non tax deductible items | 52.30 | 8.82 |
| Investment allowance deduction | - | 2.79 |
| Prior period tax | 0.69 | (0.01) |
| Tax rate differential | 19.29 | 22.66 |
| Deferred tax impact on Ind AS adjustments | (31.18) | (21.61) |
| Others | (27.45) | (12.90) |
| Tax expense as per profit or loss | 508.70 | 365.22 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Deferred tax assets (net) and liabilities (net)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Deferred tax assets (net) | 142.82 | 113.42 |
| (b) Deferred tax liabilities (net) | (343.24) | (372.27) |
| Net deferred tax assets/(liabilities) | (200.42) | (258.85) |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Particulars | Balance 31 March 2023 | Recognised in profit or loss | Recognised in OCI | Acquired on business combination | Others | Balance 31 March 2024 |
|---|-----------------------------|------------------------------------|----------------------|--|-------------|-----------------------------|
| Deferred tax assets (net) in relation to: | | | | | | |
| Property, plant and equipment and other intangible assets | 8.27 | (0.17) | - | - | 0.01 | 8.11 |
| Other items | 10.65 | 34.75 | - | - | 0.41 | 45.81 |
| Provision for employee benefits | 1.62 | (0.30) | 0.06 | - | (0.12) | 1.26 |
| Unrealised profits on unsold inventory | 68.43 | 7.91 | - | - | 0.36 | 76.70 |
| Carry forward business loss | 22.29 | (13.06) | - | - | - | 9.23 |
| Provision for doubtful trade receivable | 2.16 | (0.45) | - | - | - | 1.71 |
| | 113.42 | 28.68 | 0.06 | - | 0.66 | 142.82 |
| Deferred tax liabilities (net) in relation to: | | | | | | |
| Property, plant and equipment and other intangible assets | (400.22) | 24.59 | - | - | (0.44) | (376.07) |
| Other items | 14.43 | (1.35) | - | - | - | 13.08 |
| Provision for employee benefits | 8.24 | 1.38 | (0.64) | - | 1.28 | 10.26 |
| MAT Credit | 5.28 | - | - | - | 4.21 | 9.49 |
| | (372.27) | 24.62 | (0.64) | - | 5.05 | (343.24) |
| | (258.85) | 53.30 | (0.58) | - | 5.71 | (200.42) |

| Particulars | Balance 31 March 2022 | Recognised in profit or loss | Recognised in OCI | Acquired on business combination | Others | Balance 31 March 2023 |
|---|-----------------------------|------------------------------------|----------------------|--|---------------|-----------------------------|
| Deferred tax assets (net) in relation to: | | | | | | |
| Property, plant and equipment and other intangible assets | 1.95 | 7.17 | - | - | (0.85) | 8.27 |
| Other items | 1.63 | 10.75 | - | - | (1.73) | 10.65 |
| Provision for employee benefits | 1.17 | 0.77 | 0.68 | - | (1.00) | 1.62 |
| Unrealised profits on unsold inventory | 68.17 | (1.81) | - | - | 2.07 | 68.43 |
| MAT Credit | - | 22.29 | - | - | - | 22.29 |
| Provision for doubtful trade receivable | 1.28 | 0.66 | - | - | 0.22 | 2.16 |
| | 74.20 | 39.83 | 0.68 | - | (1.29) | 113.42 |
| Deferred tax liabilities (net) in relation to: | | | | | | |
| Property, plant and equipment and other intangible assets | (405.79) | 11.16 | - | (2.75) | (2.84) | (400.22) |
| Other items | 0.19 | 12.17 | - | - | 2.07 | 14.43 |
| Provision for employee benefits | 9.63 | 0.23 | 1.26 | - | (2.88) | 8.24 |
| MAT Credit | 3.25 | - | - | - | 2.03 | 5.28 |
| Provision for doubtful trade receivable | 0.22 | - | - | - | (0.22) | - |
| | (392.50) | 23.56 | 1.26 | (2.75) | (1.84) | (372.27) |
| | (318.30) | 63.39 | 1.94 | (2.75) | (3.13) | (258.85) |

As at year end, the Group has tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 9.49 million (March 31, 2023 : ₹ 5.28 million). The Group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Given that the Group does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Unrecognised deferred tax assets/ liabilities

As at 31 March 2024 undistributed earning of subsidiaries amounted to ₹ 6,999.77 million (March 31, 2023: ₹ 6,785.34 million). The corresponding deferred tax liability of ₹ 1,146.55 million (March 31, 2023 ₹ 1,103.09 million), was not recognised because the Company controls the dividend policy of its subsidiaries i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

41 EMPLOYEE BENEFITS

The Group contributes to the following post-employment plans in India.

(A) Defined Contribution Plans:

The Group makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Group is required to contribute a specified percentage of payroll cost to fund the benefits.

The Group recognised ₹ 68.02 million for the year ended 31 March 2024 (31 March 2023 ₹ 52.84 million) towards provident fund and other retirement benefits funds contribution and ₹ 3.49 million for the year ended 31 March 2024 (31 March 2023 ₹ 3.48 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan:

The Group provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Group has taken a Group Gratuity and Compensated Absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

| | 31 March 2024 | 31 March 2023 |
|--|----------------|---------------|
| Defined benefit obligation | 107.31 | 91.63 |
| Fair value of plan assets | 92.62 | 82.64 |
| Net defined benefit obligation/(assets) | (14.69) | (8.99) |

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

| | Defined benefit obligation | |
|-------------------------------------|----------------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Opening balance | 91.63 | 93.71 |
| Included in profit or loss | | |
| Current service cost | 9.87 | 8.38 |
| Interest cost | 6.33 | 5.87 |
| | 107.83 | 107.96 |
| Included in OCI | | |
| Remeasurement loss (gain): | | |
| Actuarial loss (gain) arising from: | | |
| Financial assumptions | 2.64 | (4.28) |
| Experience adjustment | 0.20 | (3.20) |
| | 110.67 | 100.48 |
| Benefits paid | (3.36) | (8.85) |
| Closing balance | 107.31 | 91.63 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

ii) Change in fair value of plan assets

| | Fair value of plan assets | |
|---------------------------------------|---------------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Opening balance | 82.64 | 78.49 |
| Included in profit or loss | | |
| Expected return on plan assets | 5.78 | 5.17 |
| | 88.42 | 83.65 |
| Included in OCI | | |
| Remeasurement loss /(gain): | | |
| Actuarial loss / (gain) arising from: | | |
| Experience adjustment | 0.44 | 0.37 |
| | 88.86 | 84.02 |
| Other | | |
| Contributions paid by the employer | 6.26 | 7.11 |
| Benefits paid | (2.50) | (8.49) |
| Closing balance | 92.62 | 82.64 |

Impact on consolidated Statement of Profit and Loss for the current year

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Service cost: | | |
| Current service cost | 9.87 | 8.38 |
| Net interest cost | 0.55 | 0.70 |
| Total included in Employee Benefit expenses | 10.42 | 9.08 |
| Expenses deducted from the fund | - | - |
| Total Charge to Statement of Profit and Loss | 10.42 | 9.08 |

Impact on Other comprehensive income for the current year

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | (2.64) | 4.28 |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (0.20) | 3.20 |
| Return on plan assets excluding amounts included in interest income | 0.44 | 0.37 |
| Amounts recognized in Other Comprehensive Income | (2.40) | 7.85 |

Plan assets

Plan assets comprise the following

| Gratuity | 31 March 2023 | 31 March 2022 |
|---------------------|---------------|---------------|
| Policy of insurance | 100% | 100% |
| | 100% | 100% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | 31 March 2024 | 31 March 2023 |
|-------------------------------|---|---|
| Discount rate | 7.11% - 7.23% | 7.37% - 7.51% |
| Rate of return on plan assets | 7.11% - 7.23% | 7.40% - 7.51% |
| Salary Escalation | 6.00% - 8.50% | 6.00% - 8.50% |
| Withdrawal rates | 12%-2% at younger ages reducing to 2%-1% at older ages | 12%-4% at younger ages reducing to 2%-1% at older ages |
| Retirement age | 58-65 years | 58-65 years |
| Mortality rates | As published under the Indian assured lives mortality (2012-14) table | As published under the Indian assured lives mortality (2012-14) table |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

| | 31 March 2024 Increase | 31 March 2023 Increase |
|--------------------------------------|---------------------------|---------------------------|
| Increase in | | |
| Discount rate (0.5% movement) | 99.07 | 85.21 |
| Future salary growth (0.5% movement) | 107.86 | 93.59 |
| Withdrawal rates (10% movement) | 103.54 | 89.59 |

| | 31 March 2024 Decrease | 31 March 2023 Decrease |
|--------------------------------------|---------------------------|---------------------------|
| Decrease in | | |
| Discount rate (0.5% movement) | 105.42 | 93.82 |
| Future salary growth (0.5% movement) | 99.09 | 85.34 |
| Withdrawal rates (10% movement) | 104.48 | 89.02 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

v. Expected future cash flows

Expected contribution

The expected contributions for defined benefit plan for the next financial years will be as follows:

| Expected future benefit payments | |
|----------------------------------|--------------|
| March 31, 2025 | 9.50 |
| March 31, 2026 | 7.76 |
| March 31, 2027 | 16.67 |
| March 31, 2028 | 9.19 |
| March 31, 2029 | 10.56 |
| Thereafter | 50.25 |

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

42 PAYMENTS TO AUDITORS (EXCLUDING TAXES)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| As auditor | | |
| Statutory audit | 6.93 | 6.76 |
| Limited review | 2.19 | 2.13 |
| Certification work | 0.18 | 0.29 |
| Tax audit fee | 0.05 | 0.05 |
| Reimbursement of expenses | 0.17 | 0.25 |
| | 9.52 | 9.48 |

43 LEASES

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

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Less than one year | 73.29 | 66.07 |
| One to five years | 163.97 | 153.83 |
| More than five years | 5.19 | 2.59 |
| Total undiscounted lease liabilities at 31 March | 242.45 | 222.49 |
| Discounted Lease liabilities included in the statement of financial position at 31 March | | |
| Current lease liability | 63.40 | 56.82 |
| Non-Current lease liability | 158.56 | 145.78 |

- (b) The Weighted average incremental borrowing rate of ranges from 4% p.a. to 9.25% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.
- (c) The Group incurred ₹ 90.45 million for the year ended 31 March 2024 (31 March 2023: ₹ 84.03 million) towards expenses relating to leases. Lease rent incurred not falling under the scope of Ind AS 116 amounted to ₹ 15.27 million for the year ended 31 March 2024 (31 March 2023: ₹ 4.84 million), (refer note 38).
- (d) The total cash outflow for leases for year ended 31 March 2024 is ₹ 60.49 million (31 March 2023: ₹ 64.77 million)
- (e) General Description of leasing agreements:
- Leased Assets: Office, Leasehold Land, Warehouse, Factory premises & vehicle
 - 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.
- (f) Please refer note 6A for carrying value of Right of Use Assets for the year ended 31 March 2024

(g) Changes in the lease liabilities

| Particulars | Building | Leasehold land |
|---|---------------|----------------|
| Opening balance as at 1 April 2022 | 234.48 | 3.42 |
| Add: Additions during the year | 22.78 | - |
| Add: Interest for the year | 10.08 | 0.22 |
| Less: Lease payments during the year | 61.57 | 0.38 |
| Less: Other adjustments including remeasurement | 6.43 | - |
| Closing balance as at 31 March 2023 | 199.34 | 3.26 |
| Add: Additions during the year | 84.43 | - |
| Add: Interest for the year | 9.56 | 0.21 |
| Less: Lease payments during the year | 61.51 | 0.38 |
| Less: Other adjustments including remeasurement | 12.95 | - |
| Closing balance as at 31 March 2024 | 218.87 | 3.09 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

44 RELATED PARTY DISCLOSURES

a) Names of related parties

I Key Management Personnel (KMP)

| | |
|--|---|
| Mr. Vasant L. Rathi | Chairman and Non-executive director |
| Mr. Mukund M. Kabra | Whole-time Director |
| Mr. Beni P. Rauka | Chief Financial Officer |
| Mr. Sanjay Basantani | Company Secretary |
| Mr. Kedar Desai (up to 31 March 2024) | Independent Director |
| Mr. Pramod Kasat | Independent Director |
| Mr. Rajesh Sharma (up to 10 August 2023) | Independent Director |
| Ms. Rasika Rathi | Non-executive Director and daughter of Chairman |
| Mr. Vinodkumar Jajoo | Independent Director |
| Dr. Sunny Sharma | Non-executive Director |
| Mrs. Rajshree Patel | Independent Director |
| Mr. Nitin Jagannath Deshmukh (w.e.f. 01 July 2022) | Independent Director |
| Mrs. Vandana Tilak (w.e.f. 01 July 2023) | Independent Director |

II Relatives of KMP :

| | |
|----------------------|----------------------|
| Mrs. Prabha V. Rathi | Wife of Chairman |
| Ms. Rachana Rathi | Daughter of Chairman |
| Ms. Reshma Rathi | Daughter of Chairman |
| Mr. Kishor L. Rathi | Brother of Chairman |

III Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year

| |
|--|
| Advanced Vital Enzymes Private Limited |
| Rathi Properties LLC |
| Om Manufacturing Jalna Private Limited |
| Silvertech Trading Company Private Limited |
| ServiceMob Inc. |

b) Transactions with related parties

| Transactions during the year | KMPs and relatives | | Other related parties | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| 1 Sale of goods | | | | |
| Advanced Vital Enzymes Private Limited | - | - | 3.44 | 1.75 |
| | - | - | 3.44 | 1.75 |
| 2 Rent paid | | | | |
| Rathi Properties LLC | - | - | 30.15 | 27.19 |
| Mr. Vasant L. Rathi | 13.33 | 12.02 | - | - |
| | 13.33 | 12.02 | 30.15 | 27.19 |
| 3 Remuneration ** | | | | |
| Mr. Vasant L. Rathi | 43.05 | 39.79 | - | - |
| Mr. Mukund M. Kabra | 25.00 | 21.67 | - | - |
| Mr. Kishor L. Rathi | 3.71 | 3.37 | - | - |
| Mrs. Prabha V. Rathi | 23.18 | 21.30 | - | - |
| Ms. Reshama Rathi | 14.49 | 14.15 | - | - |
| Ms. Rachana Rathi | 12.83 | 12.14 | - | - |
| Ms. Rasika Rathi | 17.39 | 16.56 | - | - |
| Mr. Beni P. Rauka | 14.56 | 12.81 | - | - |
| Mr. Sanjay Basantani | 4.79 | 4.12 | - | - |
| | 159.00 | 145.91 | - | - |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Transactions during the year | KMPs and relatives | | Other related parties | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| 4 Commission * | | | | |
| Mr. Vasant L. Rathi | 7.23 | 6.53 | - | - |
| Mr. Mukund Kabra | 5.37 | 2.77 | - | - |
| Ms. Rasika Rathi | 0.26 | 0.58 | - | - |
| Mr. Kedar Desai | 1.22 | 1.07 | - | - |
| Mr. Pramod Kasat | 0.87 | 0.91 | - | - |
| Mr. Vinodkumar Jajoo | 0.87 | 0.66 | - | - |
| Mr. Rajesh Sharma | - | 0.25 | - | - |
| Mr. Sunny Sharma | 0.35 | 0.33 | - | - |
| Mrs. Rajshree Patel | 0.52 | 0.50 | - | - |
| Mr. Nitin Jagannath Deshmukh | 0.44 | 0.25 | - | - |
| Mrs. Vandana Tilak | 0.17 | - | - | - |
| | 17.30 | 13.85 | - | - |
| 5 Sitting fees to Independent directors | | | | |
| Mr. Kedar Desai | 0.53 | 0.52 | - | - |
| Mr. Pramod Kasat | 0.41 | 0.46 | - | - |
| Mr. Vinodkumar Jajoo | 0.32 | 0.27 | - | - |
| Mr. Rajesh Sharma | - | 0.09 | - | - |
| Mrs. Rajshree Patel | 0.20 | 0.23 | - | - |
| Mr. Nitin Jagannath Deshmukh | 0.18 | 0.13 | - | - |
| Mrs. Vandana Tilak | 0.10 | - | - | - |
| | 1.74 | 1.70 | - | - |
| 6 Car hire charges | | | | |
| Mrs. Prabha V. Rathi | 0.44 | - | - | - |
| | 0.44 | - | - | - |
| 7 Consultancy services | | | | |
| ServiceMob Inc. | - | - | 11.82 | - |
| | - | - | 11.82 | - |

* included in Employee benefit expense

^ The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.

c) Outstanding balances

| | KMPs and relatives | | Other related parties | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| a. Investment | | | | |
| Advanced Vital Enzymes Private Limited | - | - | 0.57 | 0.57 |
| | - | - | 0.57 | 0.57 |
| b. Remuneration payable | | | | |
| Mr. Vasant L. Rathi | 0.42 | 0.52 | - | - |
| Mr. Mukund M. Kabra | 1.14 | 0.92 | - | - |
| Mr. Kishor L. Rathi | 0.21 | 0.19 | - | - |
| Mrs. Prabha V. Rathi | 0.26 | 0.28 | - | - |
| Ms. Reshama Rathi | 0.31 | 1.98 | - | - |
| Ms. Rachana Rathi | 0.78 | 1.14 | - | - |
| Ms. Rasika Rathi | 0.23 | 1.20 | - | - |
| Mr. Beni P. Rauka | 0.51 | 0.35 | - | - |
| Mr. Sanjay Basantani | 0.22 | 0.22 | - | - |
| | 4.08 | 6.80 | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| | KMPs and relatives | | Other related parties | |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| c. Commission payable | | | | |
| Mr. Vasant L. Rathi | 7.27 | 6.65 | - | - |
| Mr. Mukund Kabra | 5.37 | 2.77 | - | - |
| Ms. Rasika Rathi | 0.26 | 0.58 | - | - |
| Mr. Kedar Desai | 1.22 | 1.07 | - | - |
| Mr. Pramod Kasat | 0.87 | 0.91 | - | - |
| Late Mr. Vilas M. Aurangabadkar | - | - | - | - |
| Mr. Vinodkumar Jajoo | 0.87 | 0.66 | - | - |
| Mr. Rajesh Sharma | - | 0.25 | - | - |
| Mr. Sunny Sharma | 0.35 | 0.33 | - | - |
| Mrs. Rajshree Patel | 0.52 | 0.50 | - | - |
| Mr. Nitin Jagannath Deshmukh | 0.44 | 0.25 | - | - |
| Mrs. Vandana Tilak | 0.17 | - | - | - |
| | 17.34 | 13.97 | - | - |
| d. Prepaid for car hire | | | | |
| Mrs. Prabha V. Rathi | 8.46 | - | - | - |
| | 8.46 | - | - | - |

45 SEGMENT REPORTING

A Basis of segmentation

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

B Geographic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Segment revenue (based upon location of customers) | | |
| India | 3,102.66 | 2,554.76 |
| Europe | 397.80 | 353.34 |
| USA | 2,086.84 | 1,915.26 |
| Asia | 439.70 | 473.38 |
| Others | 207.77 | 107.08 |
| | 6,234.77 | 5,403.82 |
| | | |
| | As at 31 March 2024 | As at 31 March 2023 |
| Segment assets (based upon location of assets) | | |
| India | 3,353.40 | 3,177.03 |
| Europe | 636.28 | 613.23 |
| USA | 3,080.75 | 3,050.35 |
| | 7,070.43 | 6,840.61 |

Major customer

There are no customers from whom revenue is in excess of 10% of the Group's revenue out of total revenue of the Group for financial year 2023-24 and financial year 2022-23 (refer note 30).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

46 EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2024, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015") AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of ₹ 10 each for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2023: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

| Employees entitled | Number of options | Vesting conditions | Contractual life of options |
|---------------------|-------------------|--|-----------------------------|
| Specified employees | 2,20,000 | - Continued employment with the Group: After 1 year of the date of grant 10% vesting After 2 year of the date of grant 20% vesting After 3 year of the date of grant 30% vesting After 4 year of the date of grant 40% vesting | Graded vesting over 4 years |

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

| Particulars | 1 Year | 2 Years | 3 Years | 4 Years |
|---|------------|------------|------------|------------|
| Vesting | | | | |
| Share price at grant date (Face value - ₹ 10 per share) | ₹ 1,598 | ₹ 1,598 | ₹ 1,598 | ₹ 1,598 |
| Exercise price (Face value - ₹ 2 per share) | ₹ 60 | ₹ 60 | ₹ 60 | ₹ 60 |
| Expected volatility (weighted average) | 0.49 | 0.49 | 0.49 | 0.49 |
| Expected life (weighted average) | 3 years | 3.5 years | 4 years | 4.5 years |
| Expected dividend | 0.06% | 0.06% | 0.06% | 0.06% |
| Risk-free interest rate (based on government bond) | 6.60% p.a. | 6.66% p.a. | 6.72% p.a. | 6.84% p.a. |

Weighted-average exercise prices and weighted-average fair values of options

| Date of Vesting | 1 Year | 2 Years | 3 Years | 4 Years |
|--|--------|---------|---------|---------|
| Weighted-average exercise prices | ₹ 60 | ₹ 60 | ₹ 60 | ₹ 60 |
| Weighted-average fair value of options | 270 | 272 | 274 | 276 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--|----------------|---|----------------|---|
| | No. of options | Weighted average exercise price (in rupees) | No. of options | Weighted average exercise price (in rupees) |
| Outstanding at 1 April | - | 60 | 23,700 | 60 |
| Adjustment for sub-division of Equity shares | - | - | - | - |
| Vested | - | 60 | - | 60 |
| Forfeited | - | - | - | - |
| Expired | - | - | 300 | - |
| Exercised | - | 60 | 23,400 | 60 |
| Outstanding at 31 March | - | 60 | - | 60 |
| Exercisable at 31 March | - | 60 | - | 60 |

The options outstanding at 31 March have an exercise price as given below:

| | 31 March 2024 | | 31 March 2023 | |
|----------------|----------------|----------------|----------------|----------------|
| | No. of options | Exercise price | No. of options | Exercise price |
| AETL ESOS 2015 | - | 60 | - | 60 |

d) Expense recognized in the Standalone Statement of Profit or Loss :

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| AETL ESOS 2015 | - | - |
| Total expense recognized in 'employee benefits' | - | - |

46 A EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2024, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2022'- ("AETL ESOS 2022") AETL ESOS 2022 provides for the grant of 576,000 stock options to specified employees on 12 August 2023. The AETL ESOS 2022 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee. The Shareholders approved the scheme on 19 August 2022. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of ₹ 2 each for every option as per the scheme.

576,000 Equity Shares of Face Value of ₹ 2 each are reserved for issue under AETL Employee Stock Option Scheme 2022 (AETL ESOS-2022)

The terms and conditions related to the grant of the share options are as follows:

| | |
|---------------------------|---|
| Employees entitled | Specified employees |
| Number of options | 5,76,000 |
| Scheme formulation | |
| Category I | First 500 Options at the Exercise Price of ₹ 2/- each |
| Category II | Employees who have been granted Options upto 5,000; First 500 Options at ₹ 2/- each and remaining Options at ₹ 141/- |
| Category III | Employees who have been granted Options more than 5,000; First 500 Options at ₹ 2/- each, Next 4,500 Option at ₹ 141/- and remaining Options at ₹ 188/- |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Vesting conditions | |
|-----------------------------|---|
| Category I | After 1 year of the date of grant |
| Category II | First 500 option after 1 year of the date of grant and for balance options |
| | After 1 year of the date of grant 5% vesting |
| | After 2 year of the date of grant 10% vesting |
| | After 3 year of the date of grant 20% vesting |
| | After 4 year of the date of grant 30% vesting |
| | After 5 year of the date of grant 35% vesting |
| Category III | After 1 year of the date of grant 5% vesting |
| | After 2 year of the date of grant 10% vesting |
| | After 3 year of the date of grant 20% vesting |
| | After 4 year of the date of grant 30% vesting |
| | After 5 year of the date of grant 35% vesting |
| Contractual life of options | Graded vesting over 5 years |

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

| Particulars | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|--|--|------------|------------|------------|------------|
| Vesting | | | | | |
| Share price at grant date (Face value - ₹ 2 per share) | ₹ 329 | ₹ 329 | ₹ 329 | ₹ 329 | ₹ 329 |
| Exercise price (Face value - ₹ 2 per share) | Please refer scheme formulation and vesting conditions mentioned above for exercise price. | | | | |
| Expected volatility (weighted average) | 31.41% | 33.82% | 40.78% | 43.12% | 42.13% |
| Expected life (weighted average) | 1.25 years | 2.25 years | 3.25 years | 4.25 years | 5.25 years |
| Expected dividend | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| Risk-free interest rate (based on government bond) | 6.69% p.a. | 6.77% p.a. | 6.80% p.a. | 6.81% p.a. | 6.82% p.a. |

Weighted-average exercise prices and weighted-average fair values of options

| Date of Vesting | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|--|--------|---------|---------|---------|---------|
| Weighted-average exercise prices | 64 | 156 | 156 | 156 | 156 |
| Weighted-average fair value of options | 269 | 195 | 208 | 219 | 227 |

c) Reconciliation of outstanding stock options :

The number and weighted-average exercise prices of share options under the stock option were as follows.

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|----------------|
| | No. of options | No. of options |
| Outstanding at 1 April | 5,76,000 | - |
| Adjustment for sub-division of Equity shares | | |
| Vested | - | - |
| Forfeited | - | - |
| Expired | 6,000 | - |
| Exercised | - | - |
| Outstanding at 31 March | 5,70,000 | - |
| Exercisable at 31 March | - | - |

The options outstanding at 31 March have an exercise price as given below:

| | 31 March 2024 | 31 March 2023 |
|----------------|----------------|----------------|
| | No. of options | No. of options |
| AETL ESOS 2022 | 5,70,000 | - |

d) Expense recognized in the Standalone Statement of Profit or Loss :

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| AETL ESOS 2022 | 30.31 | - |
| Total expense recognized in 'employee benefits' | 30.31 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

47 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

| | 31 March 2024 | 31 March 2023 |
|---------------------------------------|---------------|---------------|
| Profit attributable to equity holders | 1,333.05 | 1,056.39 |

ii. Weighted average number of equity shares

| | 31 March 2024 | 31 March 2023 |
|--|---------------------|---------------------|
| Issued equity shares at 1 April | 11,18,24,075 | 11,18,00,675 |
| Effect of fresh issue of shares for cash under ESOP scheme | - | 15,324 |
| Weighted average number of shares at 31 March for basic EPS | 11,18,24,075 | 11,18,15,999 |
| Effect of exercise of share options | 55,236 | - |
| Weighted average number of shares at 31 March for diluted EPS | 11,18,79,311 | 11,18,15,999 |

Basic and Diluted earnings per share

| | 31 March 2024 | 31 March 2023 |
|-----------------------------------|---------------|---------------|
| Basic earnings per share | 11.92 | 9.45 |
| Diluted earnings per share | 11.92 | 9.45 |

48 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

| Particulars | As at 31 March 2024 | | Year ended 31 March 2024 | | Year ended 31 March 2024 | | Year ended 31 March 2024 | |
|---|--|------------------|---|-----------------|---|-----------------|--|-----------------|
| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share of Other Comprehensive income | | Share of Total Comprehensive income | |
| | As a % of consolidated net assets | ₹ in million | As a % of consolidated profit and loss | ₹ in million | As a % of OCI | ₹ in million | As a % of Total Comprehensive income | ₹ in million |
| Parent | | | | | | | | |
| Advanced Enzyme Technologies Limited | 43.84 | 5,804.74 | 81.11 | 1,081.24 | (1.11) | (1.03) | 75.77 | 1,080.21 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Advanced Bio-Agro Tech Limited | 1.78 | 235.58 | 3.02 | 40.23 | 0.21 | 0.20 | 2.84 | 40.43 |
| Advanced EnzyTech Solutions Limited | 0.40 | 53.53 | 1.44 | 19.23 | (0.05) | (0.05) | 1.35 | 19.18 |
| JC Biotech Private Limited | 4.68 | 619.09 | 1.37 | 18.31 | (0.83) | (0.77) | 1.23 | 17.54 |
| Scitech Specialties Private Limited | 3.46 | 457.65 | 2.78 | 37.07 | (0.18) | (0.17) | 2.59 | 36.90 |
| Saiganesh EnzyTech Solutions Private Limited | 0.83 | 109.53 | 1.98 | 26.44 | - | - | 1.85 | 26.44 |
| Foreign | | | | | | | | |
| Advanced Enzymes USA, Inc. (including its subsidiaries) | 61.42 | 8,132.81 | 46.18 | 615.54 | 114.39 | 105.84 | 50.60 | 721.38 |
| Advanced Enzymes (Malaysia) Sdn. Bhd. # (refer note 52) | - | - | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Advanced Enzymes Europe B.V. (including its subsidiaries) | (0.07) | (9.59) | (5.89) | (78.49) | (0.26) | (0.24) | (5.52) | (78.73) |
| Total eliminations/adjustments | (12.79) | (1,692.54) | (29.25) | (390.06) | (12.21) | (11.29) | (28.15) | (401.35) |
| Share of Non- controlling interest | (3.55) | (469.52) | (2.74) | (36.46) | 0.04 | 0.04 | (2.56) | (36.42) |
| Total | 100.00 | 13,241.28 | 100.00 | 1,333.05 | 100.00 | 92.53 | 100.00 | 1,425.58 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Particulars | As at 31 March 2023 | | Year ended 31 March 2023 | | Year ended 31 March 2023 | | Year ended 31 March 2023 | |
|---|--|------------------|---|-----------------|---|-----------------|--|-----------------|
| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share of Other Comprehensive income | | Share of Total Comprehensive income | |
| | As a % of consolidated net assets | ₹ in million | As a % of consolidated profit and loss | ₹ in million | As a % of OCI | ₹ in million | As a % of Total Comprehensive income | ₹ in million |
| Parent | | | | | | | | |
| Advanced Enzyme Technologies Limited | 42.53 | 5,253.34 | 52.56 | 555.26 | 0.90 | 4.93 | 34.97 | 560.19 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Advanced Bio-Agro Tech Limited | 1.74 | 215.16 | 5.70 | 60.17 | 0.35 | 1.92 | 3.88 | 62.09 |
| Advanced EnzyTech Solutions Limited | 0.39 | 48.35 | 1.71 | 18.03 | 0.01 | 0.03 | 1.13 | 18.06 |
| JC Biotech Private Limited | 4.87 | 601.02 | (1.74) | (18.42) | (0.19) | (1.04) | (1.21) | (19.46) |
| Scitech Specialties Private Limited | 3.41 | 420.75 | (5.89) | (62.19) | 0.01 | 0.06 | (3.88) | (62.13) |
| Saiganesh EnzyTech Solutions Private Limited | 0.67 | 83.09 | 0.15 | 1.64 | - | - | 0.10 | 1.64 |
| Foreign | | | | | | | | |
| Advanced Enzymes USA, Inc. (including its subsidiaries) | 64.11 | 7,917.45 | 55.21 | 583.21 | 101.93 | 556.14 | 71.12 | 1,139.35 |
| Advanced Enzymes (Malaysia) Sdn. Bhd. # | 0.00 | 0.00 | - | - | 0.00 | 0.00 | 0.00 | 0.00 |
| Advanced Enzymes Europe B.V. (including its subsidiaries) | (2.12) | (262.22) | (3.66) | (38.69) | (2.68) | (14.60) | (3.33) | (53.29) |
| Total eliminations/adjustments | (11.62) | (1,435.23) | (5.72) | (60.35) | (0.21) | (1.15) | (3.84) | (61.50) |
| Share of Non- controlling interest | (3.98) | (491.02) | 1.68 | 17.73 | (0.13) | (0.70) | 1.06 | 17.03 |
| Total | 100.00 | 12,350.69 | 100.00 | 1,056.39 | 100.00 | 545.59 | 100.00 | 1,601.98 |

The above amounts/percentage of net assets and net profit or loss in respect of Advanced Enzyme Technologies Limited and its subsidiaries are determined based on the amount of the respective entities included in Consolidated Financial Statements before elimination of inter company transactions.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

49 ACQUISITION OF ADDITIONAL 5.89% STAKE IN JC BIOTECH PRIVATE LIMITED ON 05 MARCH 2024

On 05 March 2024, the Company had acquired additional stake of 5.89% in its subsidiary JC Biotech Private Limited for consideration of ₹ 56.07 million. Post this additional acquisition the Company holds 95.72% stake in the subsidiary. On account of acquisition of additional stake of 5.89% by the Company in JC Biotech Private Limited Non-controlling interest was reduced by ₹ 49.90 million and ₹ 6.17 million was adjusted in other equity. Impact of additional stake of 5.83% acquired in subsidiary JC Biotech Private Limited as on the date of acquisition of the additional stake is summarised as below-

| Particulars | Amount |
|--|--------|
| (A) Consideration paid to acquire additional 5.89% stake | 56.07 |
| (B) Value of 5.89% non-controlling interest acquired | 49.90 |
| (C) Adjusted in other equity (A-B) | 6.17 |

Acquisition of additional 4.83% stake in JC Biotech Private Limited on 03 January 2023

On 03 January 2023, the Company had acquired additional stake of 4.83% in its subsidiary JC Biotech Private Limited for consideration of ₹ 68.00 million. Post this additional acquisition the Company holds 89.83% stake in the subsidiary. On account of acquisition of additional stake of 4.83% by the Company in JC Biotech Private Limited Non-controlling interest was reduced by ₹ 41.17 million and ₹ 26.83 million was adjusted in other equity. Impact of additional stake of 4.83% acquired in subsidiary JC Biotech Private Limited as on the date of acquisition of the additional stake is summarised as below-

| Particulars | Amount |
|--|--------|
| (A) Consideration paid to acquire additional 4.83% stake | 68.00 |
| (B) Value of 4.83% non-controlling interest acquired | 41.17 |
| (C) Adjusted in other equity (A-B) | 26.83 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

50

A. Acquisition of Saiganesh Enzytech Solutions Private Limited on 03 January 2023

On 03 January 2023, the Company completed the acquisition of 50% of the paid up equity share capital by subscription of 19,991,663 equity shares in Saiganesh Enzytech Solutions Private Limited ('SESPL') having face value of ₹ 1 per share for a total consideration of ₹ 59.97 million.

Pursuant to this acquisition, the Company's shareholding in SESPL is 50.00 % and it became a subsidiary of the Company.

For the period from 03 January 2023 to 31 March 2023, the Group's result include a revenue of INR 25.53 million and a profit of INR 1.64 million basis accounting for the acquisition using purchase price allocation by the Company. If the acquisition had occurred on 1 April, 2022, management estimates that consolidated revenue would have been INR 105 million and consolidated profit would have been INR 7 million."

SESPL is primarily into extracting latex from papaya, purifying and providing finish papain enzyme in liquid form. The Company will have an uninterrupted supply of one of the important digestive enzyme with consistent quality, which will help the Company to provide better and regular offerings in relation to the formulated solutions for human health/ nutrition and food industry.

B. Details of purchase consideration, net assets acquired and goodwill-

| Particulars | Amount |
|--|--------------|
| Cash paid (For 19,991,663 equity shares fully paid-up) | 59.97 |
| Total consideration transferred | 59.97 |

C. Acquisition related cost

The Group incurred acquisition related costs of INR 0.20 million related to the acquisition of SESPL. These costs have been included under "Other expenses" for the year ended 31 March 2023.

D. Identifiable assets acquired and liabilities assumed and impact on account of finalisation of PPA

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition-

| Particulars | Amount |
|--|--------------|
| Property, plant and equipment | 18.08 |
| Inventory | 5.69 |
| Trade receivables | 8.93 |
| Cash and cash equivalents | 0.20 |
| Other current assets | 2.05 |
| Total fair value of assets acquired | 34.95 |

| Particulars | Amount |
|--|--------------|
| Fair value of liabilities acquired | |
| Borrowings | 0.04 |
| Deferred Tax Liabilities (net) | 2.79 |
| Other payables | 1.80 |
| Current tax liabilities (net) | 0.55 |
| Total fair value of liabilities acquired | 5.18 |
| Cash paid by the Company | 59.97 |
| Total identifiable net assets/ (liabilities) acquired | 89.74 |

The gross contractual amounts and the fair value of trade and other receivables acquired is INR 8.93 million. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The Group has finalised purchase price accounting ("PPA") for the acquisition basis fair valuation of assets and liabilities acquired. The Group on finalising of purchase price allocation has recognised fair value of Net Assets acquired of ₹ 44.87 million resulting in Goodwill of ₹ 15.10 million.

E. Goodwill

| Particulars | Amount |
|--|--------------|
| Consideration transferred | 59.97 |
| Non-controlled interest in the acquired entity | 44.87 |
| Net identifiable assets acquired | (89.74) |
| Goodwill/(Capital Reserve) | 15.10 |

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

F. Purchase consideration - Cash outflow/ (inflow)

| Particulars | Amount |
|--|---------------|
| Outflow/ (inflow) of cash to acquire subsidiary, net of cash acquired- | |
| Cash consideration | 59.97 |
| Less: Cash paid on acquisition to SESPL | (59.97) |
| Less: Opening cash balance of SESPL as of 03 January 2023 | (0.20) |
| Net outflow/ (inflow) of cash - investing activities | (0.20) |

51 ACQUISITION OF SAIGANESH ENZYTECH SOLUTIONS PRIVATE LIMITED ON 01 APRIL 2023

On 01 April 2023, the Group completed the acquisition of Shri Ganesh Industrial Enzymes (a partnership firm based in Burhanpur, Madhya Pradesh) ("SGIE"), through a slump sale for a total consideration of ₹ 9.00 million. The Group on finalising of purchase price allocation has recognised fair value of Net Assets acquired of ₹ 5.71 million resulting in Goodwill of ₹ 3.29 million.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

52 VOLUNTARY STRIKE OFF OF ADVANCED ENZYMES MALAYSIA SDN. BHD. ('AEM')

Effective 8 November 2023, the wholly owned subsidiary AEM was struck off on 8 November 2023 after approval from Registrar of Companies, Malaysia, and status of AEM is now appearing as 'Dissolved'. Consequently, AEM ceases to be the subsidiary of the Company. The Company has written off its investment in equity share capital and loan given by the Company to AEM along with interest receivable and corresponding provision created against investment, loan and interest receivable is also released. There is no impact on the profitability of the Company in the current year.

53 NON CONTROLLING INTEREST

Financial information of subsidiaries that have material non-controlling interests is provided below :

| Name of the entity | Place of business / country of incorporation | Ownership interest held by the group | | Ownership interest held by non-controlling interest | |
|--|--|--------------------------------------|---------------|---|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Advanced Bio-Agro Tech Limited | India | 60.00% | 60.00% | 40.00% | 40.00% |
| JC Biotech Private Limited | India | 95.72% | 89.83% | 4.28% | 10.17% |
| Scitech Specialities Private Limited | India | 51.00% | 51.00% | 49.00% | 49.00% |
| Saiganesh Enzytech Solutions Private Limited | India | 50.00% | 50.00% | 50.00% | 50.00% |

The following table summarises information relating to each of the Group's subsidiary, before any inter-company eliminations

I. Summarised statement of profit or loss

(a) Advanced Bio-Agro Tech Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Total Revenue | 448.28 | 472.47 |
| Profit for the year | 40.23 | 60.17 |
| Other Comprehensive Income | (0.20) | (1.92) |
| Profit allocated to non-controlling interests | 16.09 | 24.07 |
| Total comprehensive income allocated to non controlling interests | 16.01 | 23.30 |
| OCI allocated to non-controlling interests | (0.08) | (0.77) |
| Dividends paid to non-controlling interests | 8.00 | 13.60 |

(b) JC Biotech Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Total Revenue | 626.26 | 501.60 |
| Profit for the year | 18.31 | (18.42) |
| Other Comprehensive Income | 0.77 | 1.04 |
| Ind AS adjustments | (8.80) | (9.08) |
| Profit allocated to non-controlling interests | 0.41 | (2.80) |
| Total comprehensive income allocated to non-controlling interests | 0.44 | (2.69) |
| OCI allocated to non-controlling interests | 0.03 | 0.11 |
| Dividends paid to non-controlling interests | - | - |

(c) Scitech Specialities Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|----------------|
| Total Revenue | 417.74 | 353.23 |
| Profit for the year | 37.07 | (62.19) |
| Other Comprehensive Income | 0.17 | (0.06) |
| Ind AS adjustments | (24.23) | (25.66) |
| Profit allocated to non-controlling interests | 6.29 | (43.05) |
| Total comprehensive income allocated to non-controlling interests | 6.37 | (43.08) |
| OCI allocated to non-controlling interests | 0.08 | (0.03) |
| Dividends paid to non-controlling interests | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

(d) Saiganesh Enzytech Solutions Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Total Revenue | 267.43 | 25.53 |
| Profit for the year | 26.44 | 1.64 |
| Other Comprehensive Income | - | - |
| Ind AS adjustments | (0.51) | (0.13) |
| Profit allocated to non-controlling interests | 12.96 | 0.75 |
| Total comprehensive income allocated to non-controlling interests | 12.96 | 0.75 |
| OCI allocated to non-controlling interests | - | - |
| Dividends paid to non-controlling interests | - | - |

II. Summarised balance sheet

(a) Advanced Bio-Agro Tech Limited

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Non-current liabilities | 2.97 | 4.31 |
| Current liabilities | 47.01 | 35.82 |
| | 49.98 | 40.13 |
| Non-current assets | 30.99 | 27.35 |
| Current assets | 254.57 | 227.94 |
| | 285.56 | 255.29 |
| Net assets | 235.58 | 215.16 |
| Net assets attributable to non-controlling interest | 94.23 | 86.06 |

(b) JC Biotech Private Limited

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Non-current liabilities | 43.62 | 39.26 |
| Current liabilities | 155.41 | 99.94 |
| | 199.03 | 139.20 |
| Non-current assets | 538.98 | 542.18 |
| Current assets | 279.14 | 198.04 |
| | 818.12 | 740.22 |
| Net assets | 619.09 | 601.02 |
| Ind AS adjustments | 245.23 | 242.78 |
| Net assets attributable to non-controlling interest | 36.99 | 85.81 |

(c) Scitech Specialities Private Limited

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Non-current liabilities | 75.86 | 73.53 |
| Current liabilities | 99.26 | 74.77 |
| | 175.12 | 148.30 |
| Non-current assets | 456.16 | 374.32 |
| Current assets | 176.61 | 194.73 |
| | 632.77 | 569.05 |
| Net assets | 457.65 | 420.75 |
| Ind AS adjustments | 113.19 | 137.42 |
| Net assets attributable to non-controlling interest | 279.71 | 273.50 |

(d) Saiganesh Enzytech Solutions Private Limited

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Non-current liabilities | 0.12 | 0.11 |
| Current liabilities | 54.93 | 2.49 |
| | 55.05 | 2.60 |
| Non-current assets | 23.70 | 7.12 |
| Current assets | 140.87 | 78.56 |
| | 164.57 | 85.68 |
| Net assets | 109.52 | 83.08 |
| Ind AS adjustments | 7.66 | 8.17 |
| Net assets attributable to non-controlling interest | 58.59 | 45.63 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

III. Summarised cash flow information

(a) Advanced Bio-Agro Tech Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Cash flows from(used in) in operating activities | 26.85 | 13.29 |
| Cash flows from(used in) in investing activities | (16.36) | 1.38 |
| Cash flows from(used in) in financing activities | (8.64) | (14.24) |
| Net increase /(decrease) in cash and cash equivalents | 1.85 | 0.43 |

(b) JC Biotech Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Cash flows from(used in) in operating activities | 0.12 | 14.78 |
| Cash flows from(used in) in investing activities | (1.79) | (23.31) |
| Cash flows from(used in) in financing activities | 1.66 | 8.47 |
| Net increase /(decrease) in cash and cash equivalents | (0.01) | (0.06) |

(c) Scitech Specialities Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Cash flows from(used in) in operating activities | 43.65 | 14.38 |
| Cash flows from(used in) in investing activities | (54.08) | (5.71) |
| Cash flows from(used in) in financing activities | 7.93 | (7.75) |
| Net increase /(decrease) in cash and cash equivalents | (2.50) | 0.92 |

(d) Saiganesh Enzytech Solutions Private Limited

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Cash flows from(used in) in operating activities | (15.85) | 1.97 |
| Cash flows from(used in) in investing activities | (8.76) | (27.78) |
| Cash flows from(used in) in financing activities | 23.41 | 29.39 |
| Net increase /(decrease) in cash and cash equivalents | (1.20) | 3.58 |

54 GOODWILL AND OTHER INTANGIBLES

Impairment testing of Goodwill

For the purposes of impairment testing, goodwill is allocated to the Group'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 aggregate carrying amounts of goodwill allocated to each unit are as follows:

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Advanced Enzymes USA, Inc. | 2,824.04 | 2,784.84 |
| JC Biotech Private Limited | 123.65 | 123.65 |
| Advanced Enzymes Europe B.V. | 286.00 | 284.07 |
| Advanced EnzyTech Solutions Limited | 0.87 | 0.87 |
| Saiganesh Enzytech Solutions Private Limited | 18.39 | 15.10 |
| | 3,252.95 | 3,208.53 |

The recoverable amount of this cash generating unit 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------|---------------|---------------|
| Discount rate | 8% - 15% | 9% - 16% |
| Terminal value | 3%-5% | 3%-5% |
| Sales growth rate | 10% - 20% | 10% - 30% |

The discount rate 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.

The Group has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the cash generating unit's to exceed its recoverable amount.

55 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.

| 31 March 2024 | Note No. | Carrying amount | | | | Fair value | | | |
|-------------------------------------|----------|-----------------|----------|-----------------|-----------------|---|---|---|-----------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets | | | | | | | | | |
| Non-current investments | 7 | 1.65 | - | - | 1.65 | - | - | 1.65 | 1.65 |
| Long-term loans | 8 | - | - | 0.38 | 0.38 | - | - | - | - |
| Other non-current financial assets | 9 | - | - | 41.93 | 41.93 | - | - | - | - |
| Current investments | 12 | 4,028.50 | - | - | 4,028.50 | 4,028.50 | - | - | 4,028.50 |
| Trade receivables | 13 | - | - | 985.68 | 985.68 | - | - | - | - |
| Cash and cash equivalents | 14 | - | - | 1,137.51 | 1,137.51 | - | - | - | - |
| Other bank balances | 15 | - | - | 297.46 | 297.46 | - | - | - | - |
| Short-term loans | 16 | - | - | 1.01 | 1.01 | - | - | - | - |
| Other current financial assets | 17 | - | - | 31.70 | 31.70 | - | - | - | - |
| | | 4,030.15 | - | 2,495.67 | 6,525.82 | 4,028.50 | - | 1.65 | 4,030.15 |
| Financial liabilities | | | | | | | | | |
| Long-term borrowings | 21 | - | - | 69.60 | 69.60 | - | - | - | - |
| Non-current lease liability | 22 | - | - | 158.56 | 158.56 | - | - | - | - |
| Short-term borrowings | 24 | - | - | 181.52 | 181.52 | - | - | - | - |
| Current lease liability | 25 | - | - | 63.40 | 63.40 | - | - | - | - |
| Trade payables | 26 | - | - | 157.59 | 157.59 | - | - | - | - |
| Other Current financial liabilities | 27 | - | - | 236.99 | 236.99 | - | - | - | - |
| | | - | - | 867.66 | 867.66 | - | - | - | - |

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| 31 March 2023 | Note No. | Carrying amount | | | | Fair value | | | |
|-------------------------------------|----------|-----------------|----------|-----------------|-----------------|---|---|---|-----------------|
| | | FVTPL | FVTOCI | Amortised Cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets | | | | | | | | | |
| Non-current investments | 7 | 1.65 | - | - | 1.65 | - | - | 1.65 | 1.65 |
| Other non-current financial assets | 9 | - | - | 41.70 | 41.70 | - | - | - | - |
| Current investments | 12 | 3,595.50 | - | - | 3,595.50 | 3,595.50 | - | - | 3,595.50 |
| Trade receivables | 13 | - | - | 1,003.41 | 1,003.41 | - | - | - | - |
| Cash and cash equivalents | 14 | - | - | 964.20 | 964.20 | - | - | - | - |
| Other bank balances | 15 | - | - | 269.29 | 269.29 | - | - | - | - |
| Short-term loans | 16 | - | - | 1.15 | 1.15 | - | - | - | - |
| Other current financial assets | 17 | - | - | 29.27 | 29.27 | - | - | - | - |
| | | 3,597.15 | - | 2,309.02 | 5,906.17 | 3,595.50 | - | 1.65 | 3,597.15 |
| Financial liabilities | | | | | | | | | |
| Long-term borrowings | 21 | - | - | 77.99 | 77.99 | - | - | - | - |
| Lease liability | 22 | - | - | 145.78 | 145.78 | - | - | - | - |
| Short-term borrowings | 24 | - | - | 54.40 | 54.40 | - | - | - | - |
| Current lease liability | 25 | - | - | 56.82 | 56.82 | - | - | - | - |
| Trade payables | 26 | - | - | 242.21 | 242.21 | - | - | - | - |
| Other Current financial liabilities | 27 | - | - | 264.98 | 264.98 | - | - | - | - |
| | | - | - | 842.18 | 842.18 | - | - | - | - |

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

B. Measurement of fair values

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices included within 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither

supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

C. Financial risk management

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

i. Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group grants credit terms in the normal course of business. The Group 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 Group'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.

There is no concentration of risk for trade receivables.

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

| | 31 March 2024 | | |
|--------------------|-----------------|----------------------------|----------------|
| | Carrying Amount | Weighted Average Loss Rate | Loss Allowance |
| Not due | 644.11 | 0.19% | 1.25 |
| 0-90 days | 326.20 | 0.33% | 1.09 |
| 90-180 days | 5.93 | 6.53% | 0.39 |
| 180-270 days | 2.25 | 14.68% | 0.33 |
| 270-360 days | 1.51 | 23.25% | 0.35 |
| More than 360 days | 18.04 | 49.62% | 8.95 |
| | 998.04 | | 12.36 |

| | 31 March 2023 | | |
|--------------------|-----------------|----------------------------|----------------|
| | Carrying Amount | Weighted Average Loss Rate | Loss Allowance |
| Not due | 627.69 | 0.11% | 0.67 |
| 0-90 days | 337.30 | 0.19% | 0.66 |
| 90-180 days | 17.47 | 4.12% | 0.72 |
| 180-270 days | 12.60 | 8.03% | 1.01 |
| 270-360 days | 3.05 | 15.87% | 0.48 |
| More than 360 days | 20.77 | 57.44% | 11.93 |
| | 1,018.88 | | 15.47 |

Expected credit loss assessment for customers as at 31 March 2023 and 31 March 2024

The Group 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 Group 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 Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

| Particulars | Amount |
|------------------------------------|--------------|
| Balance as at 31 March 2022 | 8.48 |
| Impairment loss recognised | 6.99 |
| Less: Amounts written back | - |
| Balance as at 31 March 2023 | 15.47 |
| Impairment loss recognised | 6.30 |
| Less: Amounts written off | 9.41 |
| Balance as at 31 March 2024 | 12.36 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

The impairment loss is related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1,137.51 million at 31 March 2024 (31 March 2023: ₹ 964.20 million). The cash and cash equivalents are held with bank and as money market deposits.

Derivatives

There are no derivatives contracts outstanding as on 31 March 2024.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not

have any significant concentration of exposures to specific industry sectors or specific country risks.

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

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit which carry no/low mark-to-market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

Exposure to liquidity risk: The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted except in case of lease liabilities where the amounts are mentioned on discounted basis, and include estimated interest payments:"

Contractual cash flows

| 31 March 2024 | Carrying amount | Total | Upto 1 year | 1-3 years | 3-5 years | More than 5 years |
|--------------------------------|-----------------|--------|-------------|-----------|-----------|-------------------|
| Long-term borrowings | 69.60 | 69.61 | - | 11.39 | 10.11 | 48.11 |
| Interest payable on borrowings | - | 29.38 | 22.58 | 1.04 | 1.00 | 4.76 |
| Non-current lease liability | 158.56 | 158.56 | - | 129.91 | 24.01 | 4.64 |
| Short-term borrowings | 181.52 | 181.52 | 181.52 | - | - | - |
| Current lease liability | 63.40 | 63.40 | 63.40 | - | - | - |
| Trade payables | 157.59 | 157.59 | 157.59 | - | - | - |
| Other financial liabilities | 236.99 | 236.99 | 236.99 | - | - | - |

Contractual cash flows

| 31 March 2023 | Carrying amount | Total | Upto 1 year | 1-3 years | 3-5 years | More than 5 years |
|--------------------------------|-----------------|--------|-------------|-----------|-----------|-------------------|
| Long-term borrowings | 77.99 | 77.99 | - | 11.78 | 5.91 | 60.30 |
| Interest payable on borrowings | - | 13.86 | 5.22 | 0.93 | 0.69 | 7.02 |
| Non-current lease liability | 145.78 | 145.78 | - | 102.28 | 41.46 | 2.04 |
| Short-term borrowings | 54.40 | 54.40 | 54.40 | - | - | - |
| Current lease liability | 56.82 | 56.82 | 56.82 | - | - | - |
| Trade payables | 242.21 | 242.21 | 242.21 | - | - | - |
| Other financial liabilities | 264.98 | 264.98 | 264.98 | - | - | - |

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

| | 31 March 2024 | 31 March 2024 | 31 March 2024 |
|------------------------------|---------------|---------------|---------------|
| | USD | EURO | Others |
| Financial assets | | | |
| Cash and cash equivalents | 0.02 | 0.08 | 0.03 |
| Trade and other receivables | 13.59 | 21.56 | 3.62 |
| | 13.61 | 21.64 | 3.65 |
| Financial liabilities | | | |
| Trade and other payables | 14.38 | 1.72 | - |
| | 14.38 | 1.72 | - |
| Net exposure | (0.77) | 19.92 | 3.65 |

| | 31 March 2023 | 31 March 2023 | 31 March 2023 |
|------------------------------|---------------|---------------|---------------|
| | USD | EURO | Others |
| Financial assets | | | |
| Cash and cash equivalents | 0.04 | 0.08 | 0.01 |
| Trade and other receivables | 8.51 | 28.16 | - |
| | 8.55 | 28.24 | 0.01 |
| Financial liabilities | | | |
| Trade payables | 34.76 | - | - |
| | 34.76 | - | - |
| Net exposure | (26.21) | 28.24 | 0.01 |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Effect in ₹ | Profit or loss | |
|----------------------|----------------|-------------|
| | Strengthening | Weakening |
| 31 March 2024 | | |
| 1% movement | | |
| USD | 0.01 | (0.01) |
| EUR | (0.20) | 0.20 |
| Others # | (0.04) | 0.04 |
| | (0.23) | 0.23 |

| Effect in ₹ | Profit or loss | |
|----------------------|----------------|-------------|
| | Strengthening | Weakening |
| 31 March 2023 | | |
| 1% movement | | |
| USD | 0.26 | (0.26) |
| EUR | (0.28) | 0.28 |
| Others # | (0.00) | 0.00 |
| | (0.02) | 0.02 |

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Forward contracts used for hedging Receivables | - | - |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | | |
| Vehicle Loan | 5.22 | 7.77 |
| Loan from others | 49.23 | 1.85 |
| Floating-rate instruments | | |
| Financial liabilities - measured at amortised cost | | |
| Term loan from banks | 100.09 | 72.88 |
| From banks in rupees | 96.58 | 49.89 |
| Total | 251.12 | 132.39 |

* Deferred Sales Tax scheme is not included above since it does not bear any interest.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on

risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

| Cash flow sensitivity (net) | Profit or loss | |
|------------------------------------|-------------------|-------------------|
| | 25 bp increase | 25 bp decrease |
| 31 March 2024 | | |
| Variable-rate loan instruments | (0.49) | 0.49 |
| Cash flow sensitivity (net) | (0.49) | 0.49 |
| 31 March 2023 | | |
| Variable-rate loan instruments | (0.31) | 0.31 |
| Cash flow sensitivity (net) | (0.31) | 0.31 |

56 CAPITAL MANAGEMENT

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

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

| | 31 March 2024 | 31 March 2023 |
|-----------------------------------|-------------------|-------------------|
| Non-current borrowings | 69.60 | 77.99 |
| Current borrowings | 181.52 | 54.40 |
| Gross debt | 251.12 | 132.39 |
| Less - Cash and cash equivalents | 1,137.51 | 964.20 |
| Less - Other bank deposits | 297.46 | 269.29 |
| Adjusted net debt | (1,183.85) | (1,101.10) |
| Total equity | 13,241.28 | 12,350.69 |
| Adjusted net debt to equity ratio | -* | -* |

*At the end of current financial year the Group has excess cash and cash equivalent over gross debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

57 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| a) Contingent liabilities | | |
| Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset ₹ 129.52 million (31 March 2023: ₹ 104.35 million). | 26.00 | 26.75 |
| Pertains to Excise Duty and Service Tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 17 'Other current assets'. | 27.58 | 27.58 |
| The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements. | - | - |
| | 53.58 | 54.34 |

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| b) Commitments | | |
| Estimated amount of commitments remaining to be executed | | |
| -Capital (net of advances) | 150.02 | 86.89 |
| | 150.02 | 86.89 |
| | 203.60 | 141.23 |

58 RESEARCH AND DEVELOPMENT

The Group has incurred the following expenditure on research and development activities:

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------------------|-----------------------------|-----------------------------|
| Revenue expenditure | | |
| Laboratory expenses and consumables | 24.35 | 28.55 |
| Employee benefit expenses | 97.31 | 80.11 |
| Legal and professional charges | 4.49 | 5.51 |
| Technical services | 17.10 | 22.74 |
| Electricity | 9.62 | 12.84 |
| Rent, rates and taxes | 2.22 | 3.63 |
| Repairs and maintenance | 11.47 | 15.06 |
| Travelling and conveyance expenses | 2.59 | 2.04 |
| Other expenses | 3.31 | 3.33 |
| | 172.46 | 173.81 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Capital expenditure | | |
| Plant and equipment | 20.69 | 34.14 |
| Furniture and fixtures | 0.49 | 2.94 |
| Office equipment | 1.87 | 4.08 |
| Computer and data processing equipment | 1.14 | 2.73 |
| Electrical Fittings | - | 1.48 |
| Leasehold Improvements | - | 0.61 |
| Building | - | 3.56 |
| | 24.19 | 49.54 |

59 CORPORATE SOCIAL RESPONSIBILITY

As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed for the Parent Company and its subsidiary (Advanced Bio Agro Tech Limited and JC Biotech Private Limited). All the companies had spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|-------------------------------------|
| 1) amount required to be spent by the group during the year | 17.15 | 19.42 |
| 2) amount of expenditure incurred * | 17.15 | 19.42 |
| 3) shortfall at the end of the year | - | - |
| 4) total of previous years shortfall | - | - |
| 5) reason for shortfall | Not applicable | Not applicable |
| 6) nature of CSR activities | Promotion of education, Environment sustainability and skill development | |
| 7) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | | |
| 8) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | 5.73 | 12.32 |

*In Parent Company the Committee of Corporate Social Responsibility had approved the budget of ₹ 15.59 million (31 March 2023: ₹ 15.52 million), the Company contributes to the various projects undertaken by various organisations. During the year the amount spent is ₹ 11.28 million (31 March 2023: ₹ 3.20 million) on the ongoing projects. The Company has deposited the balance unspent amount of ₹ 4.31 million (31 March 2023: ₹ 12.32 million) in a separate bank account. During the year Advanced Bio-Agro Tech Limited has spent ₹ 0.15 million (31 March 2023: ₹ 1.53 million) and has transferred the balance unspent amount of ₹ 1.42 million (31 March 2023: Nil) in a separate bank account. During the immediate preceding financial year JC Biotech Private Limited ("JCB") and Scitech Specialties Private Limited ("SSPL") were not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more and hence, provisions of Section 135 of the Act are not applicable to JCB and SSPL during the year. During immediate preceding financial year SSPL has unspent Corporate Social Responsibility (CSR) amount of ₹ 0.20 million as at the Balance Sheet date out of the amounts that was required to be spent during the year, was spent within six months from the expiry of the immediate preceding financial year as permitted under the second proviso to section 135(5) of the Act.

60 THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in million)

61 OTHER STATUTORY INFORMATION

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

62 PROPOSED DIVIDEND

The Board of Directors recommended a final dividend for the financial year 2023-24 of ₹ 1.10 (31 March 2023: ₹ 1.00) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

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Previous year amounts have been regrouped/ reclassified wherever necessary.

As per our report of even date attached.
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

For and on behalf of Board of Directors

Amrish Vaidya
Partner
Membership No: 101739

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Thane

Vinodkumar Jajoo
Director
DIN : 08224980
Place: Nashik

Place: Thane
Date: 11 May 2024

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 11 May 2024

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Thane



FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

FINANCIAL YEAR 2023-24

Part "A" : Subsidiaries

(₹ in million except % shareholding & exchange rate)

| Sr. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|--------------------------------|-------------------------------------|----------------------------|--------------------------------------|----------------------|------------------------------|-------------------------|--|
| Name of the subsidiary | Advanced Bio-Agro Tech Limited | Advanced Enzytech Solutions Limited | JC Biotech Private Limited | Scitech Specialities Private Limited | Advanced Enzymes USA | Advanced Enzymes Europe B.V. | evoxx technologies GmbH | Saiganesh Enzytech Solutions Private Limited |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2023-24 | 2023-24 | 2023-24 | 2023-24 | 2023-24 | 2023-24 | 2023-24 | 2023-24 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries# | INR | INR | INR | INR | USD | EUR | EUR | INR |
| Date of Incorporation / Acquisition | 09.11.2004 | 01.09.2008 | 01.12.2016 | 11.01.2021 | 01.11.2010 | 11.07.2017 | 15.08.2017 | 03.01.2023 |
| Share capital | 1.00 | 0.70 | 207.11 | 10.20 | 285.83 | 351.70 | 16.25 | 39.98 |
| Reserves & surplus | 234.50 | 52.83 | 411.98 | 447.45 | 7,846.98 | (361.28) | 99.43 | 69.54 |
| Total assets | 285.48 | 71.11 | 818.12 | 632.77 | 8,801.97 | 739.32 | 220.31 | 164.57 |
| Total liabilities | 49.98 | 17.58 | 199.03 | 175.12 | 669.16 | 748.90 | 104.63 | 55.05 |
| Investments | 59.60 | 7.59 | - | - | 3,453.30 | - | - | - |
| Turnover | 448.28 | 153.40 | 626.26 | 417.74 | 2,128.33 | 230.25 | 230.25 | 267.43 |
| Profit/ (Loss) before exceptional items and taxation | 54.90 | 26.24 | 26.31 | 25.56 | 996.09 | (88.62) | (20.66) | 35.24 |
| Exceptional items | - | - | - | (24.99) | 151.32 | - | - | - |
| Profit/ (Loss) after exceptional items and taxation | 54.90 | 26.24 | 26.31 | 50.55 | 844.77 | (88.62) | (20.66) | 35.24 |
| Less: Provision for taxation | 14.68 | 7.01 | 8.00 | 13.47 | 229.23 | (10.13) | - | 8.80 |
| Profit/ (Loss) after taxation | 40.22 | 19.23 | 18.31 | 37.08 | 615.54 | (78.49) | (20.66) | 26.44 |
| Proposed Dividend | 20.00 | - | - | - | - | - | - | 8.00 |
| Extent (%) of shareholding | 60.00% | 100.00% | 95.72% | 51.00% | 100.00% | 100.00% | 100.00% | 50.00% |

Notes:-

- The financials of Advanced Enzymes, USA are consolidated financials and includes financials of three step down subsidiaries of the Company viz.; Cal-India Foods International, USA, Advanced Supplementary Technologies Corporation, USA and Enzyme Innovation, USA
- The financials of Advanced Enzymes Europe B.V. are consolidated financials and includes financials of evoxx technologies GmbH, step down subsidiary of the Company.
- Names of the Subsidiaries which are yet to commence the operations: NIL during financial year 2023-24
- Names of the Subsidiaries which have been sold or liquidated during the year: During financial year 2023-24, the Registrar of Companies, Malaysia approved the voluntary application of Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM") [a wholly owned subsidiary] for its strike-off, and status of AEM is appearing as 'Dissolved'. Consequently, AEM ceased to be the subsidiary of the Company, effective from November 08, 2023.
- The figures for foreign subsidiaries are arrived on the basis of exchange rate as on March 31, 2024:

#Exchange Rate on 31.03.2024:

1USD = INR 83.37

1EUR = INR 90.22

Average Exchange Rate for financial year 2023-24:

1USD = INR 80.39

1EUR = INR 89.80

Part "B" : Associates & Joint Ventures - NIL

For and on behalf of the Board of Directors

Mukund Kabra
Whole-time Director
DIN: 00148294

Place: Thane
Date: May 11, 2024

Vinodkumar Jajoo
Director
DIN: 08224980

Place: Nashik

Beni P. Rauka
Chief Financial Officer
Membership No.: 039980

Place: Thane

Sanjay Basantani
Company Secretary
Membership No.: A19637

Place: Thane



Advanced Enzyme Technologies Limited

CIN: L24200MH1989PLC051018

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Website: www.advancedenzymes.com