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Independent Auditor's Report

To the Members of Advanced Enzytech Solutions Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Advanced Enzytech Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner sorequired and give a true and fair view in conformity with the accountingprinciples generally acceptedin India, of the state of affairs of the Company as at March 31, 2021 and its profit including othercomprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 we have obtained 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 financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

We summaries below the key audit matters in arriving at our audit opinions above, together with our key audit procedures to address those matters and, as required, where relevant, by law for public interest entities, our results from those procedures.

These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our

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opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The Risk	Our Response and Results
Impact of COVID-19 pandemic on Provisioning of trade receivables	The Company is following lifetime expected credit loss (ECL) model for provisioning of trade receivables. Since the widespread contraction in economic activity across the globe due to rapid spread of COVID-19 is likely to have an impact on the recovery of current debtors, there is a risk of less provisioning for ECL and risk that financial assets may become credit-impaired.	• **Our results:** The Company believes that there will not be any impact on the impairment of financial assets due to the peculiar nature of the business and hence has not included any Covid impact in the ECL model.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexure to Board's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of theCompanies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including othercomprehensive income, cash flows and changes in equity of the Company in accordance withaccounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial

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statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.

- Conclude on the appropriateness of management'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 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.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements of the current period 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the CentralGovernment of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure"1", 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 purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021,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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the

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operatingeffectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of ourinformation and according to the explanations given to us:

   i) The Company has no pending litigations.

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There were no amounts which were required to be transferred to the InvestorEducation and Protection Fund by the Company.

For Desai Associates
Chartered Accountants
FRN: 102286W

Desai Associates Mumbai Chartered Accountants

Shree Gopal Didwaniya
Partner
Membership Number: 139202
Place: Mumbai
Date: 15/05/2021

UDIN: 21139202AAAAEB7899
Generated on 19/05/2021

Desai Associates Mumbai Chartered Accountants

Annexure "1" to the Independent Auditor's report

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even dateto the financial statements of the Company for the period ended March 31, 2021:

1. a)The company has maintained proper records and full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   c) The company does not have any immovable properties. Accordingly, sub-clause (c) of clause (i) of paragraph 3 of the Order is not applicable to the Company for the year.

2. As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the management. As informed to us, no material discrepancy was noticed on such physical verification

3. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses (iii)(a) to (iii)(c) of paragraph 3 of the Order not applicable to the Company for the year.

4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the company hascomplied with the provisions of section 185 and section 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly clause (v) of paragraph 3 of the Order is not applicable to the company.

7. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess, Goods and service tax and any other statutory dues with the appropriate authorities.

   According to the information and explanation given to us, no disputed amounts payable in respect of provident fund, Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, Goods and service tax, cess and other material statutory dues were in

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arrears as at 31st march, 2021 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us and on the basis of our examination of the books of account, and records, there are no dues outstanding in respect of income tax, sales-tax, service tax, duty of customs, duty of excise, Value added tax, Goods and Service Tax and cess on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period.

11. Based upon the audit procedure performed and the information and explanations given by the management, we report, no managerial remuneration has been paid or provided during the year. Thus, paragraph 3(xi) of the Order is not applicable.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

13. According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

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16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

For Desai Associates
Chartered Accountants
FRN: 102286W

Desai Associates Chartered Accountants Mumbai

Shree Gopal Didwaniya
Partner
Membership Number: 139202
Place: Mumbai
Date: 15/05/2021

UDIN: 21139202AAAAE87899
Generated on 19/05/2021

Desai Associates Chartered Accountants Mumbai

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADVANCED ENZYTECH SOLUTIONS LIMITED

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 over financial reporting of ADVANCED ENZYTECH SOLUTIONS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

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Chartered Accountants

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting 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.

For Desai Associates
Chartered Accountants
FRN: 102286W

Desai Associates Mumbai Chartered Accountants

Shree Gopal Didwaniya
Partner
Membership Number: 139202
Place: Mumbai
Date: 15/05/2021

UDIN : 21139202AAAAEB7899
Generated on 19/05/2021

Desai Associates Mumbai Chartered Accountants

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Balance Sheet
as at 31 March 2021

	Note	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	144,889	97,614
(b) Deferred tax assets (net)	4	296,108	940,370
(c) Income tax asset		130,890	44,160
Total non-current assets		571,886	1,082,144
(2) Current Assets			
(a) Inventories	5	72,151	410,440
(b) Financial Assets			
(i) Trade receivables	6	36,477,474	26,217,116
(ii) Cash and cash equivalents	7	8,952,554	9,057,029
(iii) Other	8	194,492	73,900
(c) Other current assets	9	1,154,767	2,709,351
		46,851,438	38,467,836
Total current assets		46,851,438	38,467,836
Total assets		47,423,324	39,549,980
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	10	700,000	700,000
(b) Other equity			
(i) Reserves			
1.1 Other Reserves	11	33,790,543	25,387,657
Equity attributable to equity holders of the parent		34,490,543	26,087,657
Total equity		34,490,543	26,087,657
(2) Non current liabilities			
(a) Provisions	12	324,878	246,569
Total non current liabilities		324,878	246,569
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	13		
- Outstanding dues of creditors other than micro enterprises and small enterprises		3,598,046	5,085,720
(ii) Other financial Liabilities	14	8,634,269	7,625,863
(b) Other current liabilities	15	128,996	273,387
(c) Provisions	12	246,593	230,785
Total Current liabilities		12,607,903	13,215,754
Total liabilities		47,423,324	39,549,980

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Desai Associates**
Chartered Accountants
Firm Registration No. 102286W

Desai Associates Mumbai Chartered Accountants

Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 15 May 2021

For and on behalf of Board of Directors of
Advanced Enzytech Solutions Limited
CIN No: U24200MH2008PLC186383

Beni Prasad Rauka
Director
DIN: 00295213
Place : Mumbai
Date : 15 May 2021

Dipak R. Roda
Director
DIN: 02256737
Place : Thane
Date : 15 May 2021

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Statement of Profit and Loss
for the period ended 31 March 2021

	Note	As at 31 March 2021	As at 31 March 2020
INCOME			
Revenue from contracts with customers	16	92,153,590	91,212,611
Other Income	17	3,109,751	3,158,647
Total Income (I + II)		95,263,340	94,371,258
Expenses:			
Cost of materials consumed	18	63,519,039	62,706,440
Changes in inventories of Stock-in-Trade	19	331,490	5,410,697
Employee benefits expense	20	7,753,374	7,579,837
Finance costs	21	406,596	335,786
Depreciation and amortization expense	22	48,605	57,299
Other expenses	23	2,039,786	2,610,742
Total expenses		74,098,890	78,700,801
Profit before tax (III- IV)		21,164,450	15,670,457
Tax expenses:	28		
1. Current tax		4,669,958	3,387,770
(Excess) / short provision for earlier years		-	41,218
Net current tax		4,669,958	3,428,988
2. Deferred tax		633,526	1,238,752
Profit for the year (V - VI)		15,860,966	11,002,717
Other comprehensive income			
or loss - Remeasurement of Defined Benefit Plans		(42,655)	37,614
(ii) Income tax related to items that will not be reclassified to profit or loss	28	10,735	(9,467)
		(31,920)	28,147
Total comprehensive income for the period		15,892,885	10,974,569
Earnings per equity share	26		
Basic earnings per share		226.59	157.18
Diluted earnings per share		226.59	157.18

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Desai Associates**

Chartered Accountants
Firm Registration No. 102286W

Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 15 May 2021

Desai Associates
Mumbai
Chartered Accountants

For and on behalf of Board of Directors of
Advanced Enzytech Solutions Limited

CIN No: U24200MH2008PLC186383

Beni Prasad Rauka
Director
DIN: 00295213
Place : Mumbai
Date : 15 May 2021

Dipak R. Roda
Director
DIN: 02256737
Place: Thane
Date : 15 May 2021

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Statement of Changes in Equity (SOCIE)
for the period ended 31 March 2021

(a) Equity share capital (refer note 11)

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	70,000	700,000	70,000	700,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	**70,000**	**700,000**	**70,000**	**700,000**

(b) Other equity (refer note 12)

Particulars	Reserves & Surplus Retained earnings	Other Comprehensive Income	Total Equity
Balance at 31 March 2019	**43,980,916**	**(31,780)**	**43,949,136**
Profit for the year	11,002,717	-	11,002,717
Other comprehensive income for the year	-	(28,147)	(28,147)
Total comprehensive income for the year	11,002,717	(28,147)	10,974,569
Dividend Distribution Tax (DDT)	(5,036,048)		(5,036,048)
Dividends	(24,500,000)		(24,500,000)
Balance at 31 March 2020	**25,447,584**	**(59,927)**	**25,387,657**
Profit for the year	15,860,966	-	15,860,966
Other comprehensive income for the year	-	31,920	31,920
Total comprehensive income for the year	15,860,966	31,920	15,892,885
Dividend Distribution Tax (DDT)	-	-	-
Dividends	(7,490,000)	-	(7,490,000)
Balance at 31 March 2021	**33,818,550**	**(28,008)**	**33,790,543**

General Reserve

General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss

Remeasurements of Defined Benefit Plans

Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

The accompanying notes form an integral part of the financial statements.

In terms of our report attached
For **Desai Associates**
Chartered Accountants
Firm Registration No. 102286W

Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 15 May 2021

Desai Associates Mumbai Chartered Accountants

For and on behalf of Board of Directors of
Advanced Enzytech Solutions Limited
CIN No: U24200MH2008PLC186383

Beni Prasad Rauka
Director
DIN: 00295213
Place : Mumbai
Date : 15 May 2021

Dipak R. Roda
Director
DIN: 02256737
Place: Thane
Date : 15 May 2021

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Cash Flow Statement for the year ended 31 March 2021

	In Rupees	
	31 March 2021	31 March 2020
A. Cash flow from operating activities :		
Net profit before tax	21,164,450	15,670,457
Adjustment for :		
Depreciation	48,605	57,299
Interest	404,755	334,457
Provision for/ (write back of) doubtful debts and advances (net)	(2,694,011)	(2,310,158)
Bad debts written off	-	2,342,384
Interest & Dividend Income	(414,432)	(819,299)
Actuarial gains and losses taken to OCI	42,655	(37,614)
Operating Cash Flows before Working Capital Changes	18,552,022	15,237,526
Changes in working capital:		
Adjustments for working capital changes:		
Inventories	338,289	5,404,755
Trade Receivables	(7,566,347)	6,359,119
Other Current Asset	1,554,583	(176,152)
Non- Current Loans	-	145,350
Other Current Financial Assets	(120,592)	(34,895)
Trade Payables	(1,487,674)	5,085,720
Other Current Financial liabilities	1,008,407	639,013
Other Current Liabilities	(144,391)	98,908
Provisions	94,117	243,235
Cash Generated from Operations	12,228,415	33,002,578
Net Income tax paid	(4,756,688)	(3,518,790)
Net Cash Flow from Operating Activities	7,471,728	29,483,788
B. Cash Flow from Investing Activities		
Purchase of Tangible Assets	(95,880)	(11,499)
Interest income	414,432	819,299
Net Cash (Used) / generated in Investing Activities	318,552	807,800
C. Cash Flow from Financing Activities		
Interest paid	(404,755)	(334,457)
Dividends paid (including dividend tax)	(7,490,000)	(29,536,048)
Net Cash (Used) / generated in Financing Activities	(7,894,755)	(29,870,505)
Net increase / (decrease) in Cash and Cash Equivalents	(104,475)	421,083
Cash and Cash Equivalents as at the beginning of the year	9,057,029	8,635,946
Cash and Cash Equivalents as at the end of the year	8,952,554	9,057,029

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

In terms of our report attached of even date
For DESAI ASSOCIATES
Chartered Accountants
FRN: 102286W

Shree Gopal Didwaniya
Partner
M. No.: 139202
Place : Mumbai
Date : 15 May 2021

Desai Associates ★ Mumbai ★ Chartered Accountants

For and on behalf of the board of direcors of
Advanced Enzytech Solutions Ltd
CIN No: U24200MH2008PLC186383

Beni Prasad Rauka
Director
DIN: 00295213
Place : Mumbai
Date : 15 May 2021

Dipak R. Roda
Director
DIN: 02256737
Place: Thane
Date : 15 May 2021

Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Notes to the Financial Statements for the year ended 31 March 2021

1 Overview of the Company

Advanced Enzytech Solutions Limited ("the Company") was incorporated on 1st September 2008 and is primarily engaged in business of industrial enzymes and auxiliaries.

2 Basis of preparation of financial statements

Statement of compliance

The Financial statements of the Company comply with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 15 May 2021

Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2A Use of estimates

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 are as follows:

a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the 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.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets

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

Measurement of fair values

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

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

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

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

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

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

2B Significant accounting policies:

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

a. Revenue recognition

The company derives revenues primarily from sale of goods comprising of Bio-chemicals.

Effective 1 April 2018 the Company has applied Ind AS 115 "Revenue from contracts with customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method and the comparative information in the statement of profit and loss is not restated – i.e., the comparative information continues to be reported under Ind AS 18. Refer Note 2B(a) – Significant accounting policies – Revenue recognition in the Annual Report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customers.

Use of significant judgements in revenue recognition.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

• The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

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Advanced Enzytech Solutions Limited
CIN: U24200MH2008PLC186383
Notes to the Financial Statements for the year ended 31 March 2021

b. Property, plant and equipment and depreciation

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

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

iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

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

Plant and equipment	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer and data processing equipment	3 years

Depreciation on tangible assets other than plant and equipment has been provided on Written Down Value method and on plant and equipment on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

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

v. An item of property, plant and equipment 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.

c. Impairment of Property, plant and equipments

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 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.

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d. Inventories

i. Inventories 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 first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour 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. Cost of finished goods and stock in process is determined on weighted average cost method.

e. Employee benefits

i. 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.

ii. **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.

iii. **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.

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

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g. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

h. Borrowing costs

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. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

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i. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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 of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

j. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease,based on the substance of the lease arrangement.

Assets taken on finance lease
A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease
Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

k. Cash and cash equivalents

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

l. Operating cycle

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to the Companies Act, 2013.

m. 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.

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.

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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 profit or 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 profit or loss. Any gain or loss on derecognition is recognised in profit or 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 profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or 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 profit or 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 transactionin which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its 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.

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

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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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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 profit or 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.

n. Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2C Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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Advanced Enzytech Solutions Limited

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Notes to the Financial Statements for the year ended 31 March 2021

3 Property, Plant and Equipment

	Plant and Equipment	Office Equipments	Furniture and Fixtures	Computers	Total
Gross block					
Balance as at 31 March 2019	66,878	169,568	2,939	186,590	425,976
Additions	-	-	-	11,499	11,499
Reversal on account of assets written off	-	-	-	-	-
Balance as at 31 March 2020	66,878	169,568	2,939	198,089	437,475
Additions	-	-	-	95,880	95,880
Disposals	-	-	-	-	-
Balance as at 31 March 2021	66,878	169,568	2,939	293,969	533,355
Accumulated depreciation and amortisation					
Balance as at 31 March 2019	22,185	115,909	2,465	142,003	282,562
Depreciation and amortisation	4,799	23,958	141	28,401	57,299
Reversal on account of assets written off	-	-	-	-	-
Balance as at 31 March 2020	26,985	139,867	2,605	170,404	339,861
Depreciation and amortisation	4,799	12,425	70	31,311	48,605
Balance as at 31 March 2021	31,783.71	152,292.16	2,674.82	201,715.24	388,466
Net block					
Balance as at 31 March 2020	39,894	29,702	334	27,684	97,614
Balance as at 31 March 2021	35,095	17,276	265	92,253	144,889

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4 Deferred Tax Assets (Net)

	In Rupees	
	31 March 2021	31 March 2020
The breakup of Deferred Tax Assets:		
Arising on account of timing difference in:		
- Property, plant and equipment	43,720	33,640
- Employee benefits	143,828	120,140
- Doubtful trade receivable	108,560	786,589
Deferred Tax Assets (Net)	296,108	940,370

5 Inventories

	In Rupees	
	31 March 2021	31 March 2020
(As taken, valued and certified by management)		
At lower of cost and net realisable value		
Raw materials	72,151	78,950
Finished goods	-	331,490
	72,151	410,440

6 Trade Receivables

	In Rupees	
	31 March 2021	31 March 2020
Unsecured		
- Considered good	36,477,474	26,217,116
Credit impaired		
- Considered doubtful	431,342	3,125,353
	36,908,815	29,342,469
Less : Impairment position on Expected Credit Loss Model	431,342	3,125,353
	36,477,474	26,217,116
	36,477,474	26,217,116

(Refer note 31 for information about credit risk and market risk of trade receivables)

7 Cash and Cash Equivalents

	In Rupees	
	31 March 2021	31 March 2020
Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")		
Balances with banks;		
- in current accounts	643,960	993,177
- in deposit account (with maturity upto three months)	8,295,142	8,050,000
Cash on hand	13,452	13,852
	8,952,554	9,057,029

8 Other current financial assets

	In Rupees	
	31 March 2021	31 March 2020
Interest receivable	194,492	73,900
	194,492	73,900

9 Other Current Assets

	In Rupees	
	31 March 2021	31 March 2020
Loan to employees	-	122,054
Prepaid Expenses	30,002	71,718
Balance with sales tax authorities	1,044,506	2,463,578
Others	80,259	52,000
	1,154,767	2,709,351

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Notes to the Financial Statements for the year ended 31 March 2021

10 Equity Share Capital

	In Rupees 31 March 2021	31 March 2020
Authorised		
1,00,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000
	1,000,000	1,000,000
Subscribed and Fully Paid-up		
70,000 Equity Shares of Rs. 10/- each	700,000	700,000
	700,000	700,000

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year:

Equity Shares:	31 March 2021		31 March 2020	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	70,000	700,000	70,000	700,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,000	700,000	70,000	700,000

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) All the above, 70,000 equity shares of Rs.10/- each are held by the holding company, Advanced Enzyme Technologies Limited, and its nominees.

(d) Shareholders holding more than 5 percent of the equity shares

Name of Shareholder	31 March 2021 No. of Shares held	31 March 2020 No. of Shares held
Advanced Enzyme Technologies Ltd and its nominees	70,000	70,000

(e) During the period ended 31 March 2021, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 107/- (31 March 2020 Rs. Rs. 350/-)

11 Other Equity

	In Rupees 31 March 2021	31 March 2020
Surplus in the statement of profit and loss		
Balance as per last financial statement	25,387,657	43,949,136
Profit for the year	15,892,885	10,974,569
Less:- Appropriations		
Dividend	(7,490,000)	(24,500,000)
Corporate Tax on Dividend	-	(5,036,048)
	33,790,543	25,387,657

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12 Provisions

	31 March 2021 Long-term	31 March 2021 Short-term	31 March 2020 Long-term	31 March 2020 Short-term
Provision for employee benefits (refer note 29)				
- Gratuity	88,959	125,276	65,702	115,268
- Compensated Absences	235,919	121,317	180,867	115,517
	324,878	246,593	246,569	230,785

13 Trade Payables

	In Rupees 31 March 2021	31 March 2020
Trade payables:		
Total outsatnding dues to micro and small enterprises	-	-
Total outstanding dues to others	3,598,046	5,085,720
	3,598,046	5,085,720

The Company has no information about the suppliers regarding their status under the Micro, Small and Medium Enterprieses Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

14 Other Financial Liabilities

	In Rupees 31 March 2021	31 March 2020
Advances and security deposits from customers	5,802,110	5,454,825
Employee benefits payable	615,180	974,686
Other payables	2,216,979	1,196,351
	8,634,269	7,625,863

15 Other Current Liabilities

	In Rupees 31 March 2021	31 March 2020
Provident fund	50,078	22,885
Other statutory dues	78,918	250,502
	128,996	273,387

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Notes to the Financial Statements for the year ended 31 March 2021

16 Revenue from contracts from customers

	In Rupees	
	31 March 2021	31 March 2020
Sale of goods: Domestic	92,153,590	91,212,611
	92,153,590	91,212,611

17 Other Income

	In Rupees	
	31 March 2021	31 March 2020
Interest Income	414,432	819,299
Sundry balances written back (net)	0	21,375
Other non operating income	1,308	7,815
Reversal of provision for doubtful debts	2,694,011	2,310,158
	3,109,751	3,158,647

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18 Cost of Materials Consumed

	In Rupees	
	31 March 2021	31 March 2020
Cost of materials consumed		
Opening stock of raw material and packing material	78,950	73,007
Add: Purchases (Industrial Enzymes)	63,512,240	62,712,383
	63,591,190	62,785,390
Less: Closing stock of raw material and packing material	72,151	78,950
	63,519,039	62,706,440

19 Changes in Inventory

	In Rupees	
	31 March 2021	31 March 2020
Closing Stock:		
Finished Goods	-	331,490
Less: Opening Stock:		
Finished Goods	331,490	5,742,187
	331,490	5,410,697

20 Employee Benefits Expense

	In Rupees	
	31 March 2021	31 March 2020
Salaries, wages, bonus and allowance	7,294,148	7,184,721
Contribution to provident and other funds	335,880	272,179
Gratuity	123,346	106,125
Staff welfare expenses	-	16,812
	7,753,374	7,579,837

21 Finance Costs

	In Rupees	
	31 March 2021	31 March 2020
Interest on deposit from customers	404,755	334,457
Bank Charges	1,841	1,329
	406,596	335,786

22 Depreciation and Amortization Expense

	In Rupees	
	31 March 2021	31 March 2020
Depreciation on tangible assets	48,605	57,299
	48,605	57,299

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Notes to the Financial Statements for the year ended 31 March 2021

23 Other Expenses

	In Rupees	
	31 March 2021	31 March 2020
Electricity	-	3,860
Repairs and Renewals:		
Other Assets	3,948	19,785
Insurance	32,478	55,591
Rent	-	58,236
Rates and Taxes	2,927	2,912
Printing and Stationery	13,417	1,486
Travelling & Conveyance	339,928	852,321
Communication Expenses	45,786	105,379
Legal & Professional Charges	663,750	559,750
Auditors' Remuneration:		
Statutory Audit fee	50,000	50,000
Donation	51,000	-
Sales Promotion and Advertisement	146,287	231,027
Freight and Forwarding (Net)	557,637	534,772
Miscellaneous Expenses	132,628	135,623
	2,039,786	2,610,742

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24 Segment Reporting - Disclosures under Ind AS 108 - "Operating Segment":
i. Entity wide disclosure required by Ind AS 108 are as detailed below:

	Year ended 31 March 2021	Year ended 31 March 2020
Bio- chaemicals	92,153,590	91,212,611
Others	-	-
	92,153,590	91,212,611

25 Disaggregation of revenue

The management determines that the segment information reported under Note 25 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

26 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 2021	31 March 2020
Profit attributable to equity holders	15,860,966	11,002,717

ii. Weighted average number of ordinary shares

	31 March 2021	31 March 2020
Issued ordinary shares at 1 April	70,000	70,000
Effect of fresh issue of shares for cash	-	-
Weighted average number of shares at 31 March for basic EPS	70,000	70,000
Weighted average number of shares at 31 March for diluted EPS	70,000	70,000

Basic and Diluted earnings per share

	31 March 2021	31 March 2020
Basic earnings per share	226.59	157.18
Diluted earnings per share	226.59	157.18

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27. Post-Employment Benefits

The Company contributes to the following post-employment plans in India.

(A) Defined Benefit Plan:

The Company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Company 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.

This plan exposes the Company to actuarial risks such as longetivity 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 2021		31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Defined benefit obligation	421,566	513,519	328,157	460,518
Fair value of plan assets	207,331	173,746	147,187	164,134
Net defined benefit (obligation)/assets	(214,235)	(339,773)	(180,970)	(296,384)

i) Reconciliation in present value of obligations ('PVO') – defined benefit obligation:

	Defined benefit obligation			
	31 March 2021		31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	328,157	460,518	317,375	333,817
Included in profit or loss				
Current service cost	115,268	115,517	106,199	107,883
Interest cost	21,310	29,723	23,740	24,901
	464,735	605,758	447,314	466,601
Included in OCI	(43,169)	55,556	32,897	154,662
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	-	(87)	(116)
Financial assumptions	2,667	3,382	42,035	59,760
Experience adjustment	(45,836)	52,174	(9,051)	95,018
	421,566	661,314	480,211	621,263
Benefits paid	-	(147,795)	(152,054)	(160,745)
Closing balance	421,566	513,519	328,157	460,518

ii) Change in fair value of plan assets

	Fair value of plan assets			
	31 March 2021		31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Opening balance	147,187	164,134	265,242	151,831
Included in profit or loss				
Expected return on plan assets	13,232	14,093	23,814	15,169
	160,419	178,227	289,056	167,000
Included in OCI	(514)	(4,915)	(4,717)	(4,157)
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:	(514)	(4,915)	(4,717)	(4,157)
Experience adjustment	(514)	(4,915)	(4,717)	(4,157)
	159,905	173,312	284,339	162,843
Other				
Contributions paid by the employer	47,426	434	14,902	1,291
Benefits paid	-	-	(152,054)	-
Closing balance	207,331	173,746	147,187	164,134

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iii) Expense recognised in the Statement of Profit and Loss:

	31 March 2021		31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current service cost	115,268	115,517	106,199	107,883
Interest cost	8,078	15,630	(74)	9,732
Net value of remeasurements on the obligation and plan assets	-	77,934	-	158,819
Total expense recognised in the Statement of Profit and Loss	123,346	209,081	106,125	276,434

iii) Other Comprehensive Income:

	31 March 2021	31 March 2020
	Gratuity	Gratuity
Actuarial loss / (gain) from:		
-Demographic assumptions	-	(87)
-Financial assumptions	2,667	42,035
-Experience adjustment	(45,836)	(9,051)
Return on plan assets excluding net interest	514	4,717
Total amount recognised in OCI	(42,655)	37,614

ii. Plan assets

Plan assets comprise the following

	31 March 2021	31 March 2020
Policy of insurance	100%	100%
	100%	100%

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2021		31 March 2020	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Policy of insurance	100%	100%	100%	100%
Discount rate	6.50%	6.50%	6.55%	6.55%
Rate of return on plan assets	6.50%	6.55%	6.55%	6.55%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Withdrawal rates	5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages	
Leave availment rates	-	0.0%	-	0.0%
Retirement age	58 years		58 years	
Mortality rates	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 by the amounts shown below.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	395,818	449,474	307,215	350,963
Future salary growth (0.5% movement)	449,204	395,818	350,753	307,206

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 occuring at the end of the reporting period.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2021 were as follows:
The expected contributions for defined benefit plan for the next financial year will be Rs. 125,276/-

Expected future benefit payments

31 March 2022	6,773
31 March 2023	7,161
31 March 2024	10,449
31 March 2025	12,704
31 March 2026	12,864
Therafter	67,378

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28 Income taxes

Tax expense
(a) Amounts recognised in profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current income tax	4,669,958	3,387,770
Changes in estimates related to prior period	-	41,218
	4,669,958	3,428,988
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	633,526	1,238,752
Deferred tax expense	633,526	1,238,752
Tax expense for the year	5,303,484	4,667,741

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	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						
Changes in revaluation surplus	(42,655)	10,735	(31,920)	37,614	(9,467)	28,147
	(42,655)	10,735	(31,920)	37,614	(9,467)	28,147

(c) Reconciliation of effective tax rate

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	21,164,450	15,670,457
Tax using the Company's domestic tax rate (31 March 2021 : 25.168%, 31 March 2020 : 25.168%)	5,326,669	3,943,941
Tax effect of:		
Change in tax rate	-	(255,108)
Prior period tax	-	41,218
Others	(23,185)	937,690
Tax expense as per profit or loss	5,303,484	4,667,741

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Notes to the Financial Statements for the year ended 31 March 2021

29. Financial instruments

I. 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 2021	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									
Trade receivables	6	-	-	36,477,474	36,477,474	-	-	-	-
Cash and cash equivalents	7	-	-	8,952,554	8,952,554	-	-	-	-
Others	8	-	-	194,492	194,492	-	-	-	-
		-	-	**45,624,520**	**45,624,520**	-	-	-	-
Financial liabilities									
Trade payables	13	-	-	3,598,046	3,598,046	-	-	-	-
Other financial Liabilities	14	-	-	8,634,269	8,634,269	-	-	-	-
		-	-	**12,232,315**	**12,232,315**	-	-	-	-

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

31 March 2020	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									
Trade receivables	6	-	-	26,217,116	26,217,116	-	-	-	-
Cash and cash equivalents	7	-	-	9,057,029	9,057,029	-	-	-	-
Others	8	-	-	73,900	73,900	-	-	-	-
		-	-	**35,348,046**	**35,348,046**	-	-	-	-
Financial liabilities									
Trade payables	13	-	-	5,085,720	5,085,720	-	-	-	-
Other financial Liabilities	14	-	-	7,625,863	7,625,863	-	-	-	-
		-	-	**12,711,582**	**12,711,582**	-	-	-	-

Note: There have been no transfers among Level 1, Level 2 and Level 3 during the year

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

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

C. Financial risk management

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

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

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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Financial instruments – Fair values and risk management
ii. Credit risk

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

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.
At 31 March 2021, the Company's most significant customer accounted for INR 3.82 million of the trade and other receivables carrying amount (31 March 2020 : INR 3.14 million).

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

	31 March 2021		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	30,991,593	0.10%	30,123
0-90 days	4,500,624	0.36%	15,988
90-180 days	194,983	4.32%	8,428
180-270 days	2,063	22.64%	467
270-360 days	240,720	30.86%	74,283
More than 360 days	978,832	30.86%	302,053
	36,908,815		431,342

	31 March 2020		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	21,619,079	0.22%	46,578
0-90 days	4,277,021	1.04%	44,483
90-180 days	168,572	10.24%	17,267
180-270 days	29,972	34.48%	10,335
270-360 days	-	-	-
More than 360 days	3,247,825	92.58%	3,006,690
	29,342,468		3,125,353

Expected credit loss assessment for customers as at 31 March 2020 and 31 March 2021
The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.
Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The 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 2019	7,777,895
Impairment loss reversed	(2,310,158)
Amounts written off	2,342,384
Balance as at 31 March 2020	3,125,353
Impairment loss reversed	(2,694,011)
Amounts written off	-
Balance as at 31 March 2021	431,342

The impairment loss at 31 March 2021 related to several 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 Rs. 8,952,554/- at 31 March 2021 (31 March 2020: Rs. 9,057,029/-). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

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Financial instruments – Fair values and risk management
iii. Liquidity risk

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

Exposure to liquidity risk:

		Contractual cash flows				
31 March 2021	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	3,598,046	3,598,046	3,598,046	-	-	-
Other financial liabilities	8,634,269	8,634,269	8,634,269	-	-	-

		Contractual cash flows				
31 March 2020	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Trade payable	5,085,720	5,085,720	5,085,720	-	-	-
Other financial liabilities	7,625,863	7,625,863	7,625,863	-	-	-

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Financial instruments – Fair values and risk management (continued)

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. The Company is not exposed to market risk primarily related to foreign exchange rate risk.

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Financial instruments – Fair values and risk management (continued)
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

Interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The Company does not have any borrowing in financial years 2019-20 and 2020-21 accordingly there is no exposure to interest rate risk.

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30. 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.

The Company does not have any borrowing in financial years 2019-20 and 2020-21. Hence, the whole equity belongs to shareholders.

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31. Note on COVID 19 impact on business of the Company

In assessing the recoverability of receivables, the Company has considered internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor any material changes to future economic conditions.

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Notes to the Financial Statements for the year ended 31 March 2021

32 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related Party Disclosure:

a) Parties which significantly influence / are influenced by the company (either individually or with others) -

I Holding Company

Advanced Enzyme Technologies Limited

II Fellow Subsidiaries

Advanced Bio- Agro Tech Limited
JC Biotech Private Limited
Advanced Enzymes, USA
Cal India Food International, USA (subsidiary of Advanced Enzymes USA, Inc.)
Advanced Supplementary Technologies Corporation, USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
Dynamic Enzymes Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA)
Enzyme Innovation Inc., USA (Wholly owned subsidiary of Cal India Foods International)
Enzyfuel Innovation Inc., USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc. up to 19 September 2017)
Advanced Enzymes, Malaysia Sdn. Bhd., Malaysia (Subsidairy of Advanced Enzyme Technologies Limited w.e.f. 3 July 2017 up to 11 March 2018) (Wholly owned subsidiary of Advanced Enzyme Technologies Limited w.e.f. 12 March 2018)
Advanced Enzymes Europe B.V., Netherland (w.e.f. 11 July 2017)
Evoxx Technologies GMBH, Germany (Wholly owned subsidiary of Advanced Enzymes Europe B. V.) (w.e.f. 15 August 2017)
Scitech Specialities Pvt Ltd (w.e.f. 11th January 2021)

b) Nature of transactions with Holding company:	In Rupees	
	Period ended 31 March 2021	**Year ended 31 March 2020**
Purchases of materials	63,507,240	62,701,603
Dividend paid	7,490,000	24,500,000
	Period ended 31 March 2021	Year ended 31 March 2020
Trade payable	3,598,046	5,085,720

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

In terms of our report attached

For Desai Associates
Chartered Accountants
Firm Registration No. 102286W

Shree Gopal Didwaniya
Partner
M. No.: 130202
Place : Mumbai
Date : 15 May 2021

Desai Associates Mumbai Chartered Accountants

For and on behalf of Board of Directors of Advanced Enzytech Solutions Limited
CIN No: U24200MH2008PLC186383

Beni Prasad Rauka
Director
DIN: 00295213
Place : Mumbai
Date : 15 May 2021

Dipak R. Roda
Director
DIN: 02256737
Place : Thane
Date : 15 May 2021