PARTNERS BEYOND BOUNDARIES

Independent Auditor's Report

Fit-for-Consolidation report of Advanced Enzymes USA Inc. and its subsidiaries to MSKA & Associates, auditors of Advanced Enzyme Technologies Limited (Holding company of the group)

Opinion

We have audited the accompanying Fit-for-Consolidation Consolidated Financial Statements of Advanced Enzymes USA Inc. and its subsidiaries ('the Company') which comprise the consolidated balance sheets as at March 31, 2022, and March 31, 2021 and the related consolidated statements of profit and loss, cash flows and changes in equity for the years then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'Fit-for-Consolidation Consolidated Financial Statements' or the 'consolidated financial statements'), prepared in accordance with the group accounting policies followed by Advanced Enzyme Technologies Limited ('AETL') ('the Holding company of the group'). The consolidated financial statements have been prepared solely to enable the Holding company of the group, to prepare its consolidated Ind AS financial statements as at and for the years ended March 31, 2022, and March 31, 2021.

In our opinion, the Fit-for-Consolidated Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with group accounting policies followed by AETL and are suitable for inclusion in the consolidated Ind AS financials statements of AETL.

Basis for opinion

We conducted our audits in accordance with geneally accepted auditing standards in the United States of America. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with group accounting policies followed by the Holding company of the group, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued

The consolidated financial statements have been prepared solely for the use by AETL in preparation of its consolidated Ind AS financials statements in accordance with the group accounting policies followed by AETL.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Fit-for-Consolidated Consolidated Financial Statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on use and distribution

This report is intended solely for use by MSKA & Associates, India in connection with its audit of consolidated Ind AS financial statements of AETL as at and for the years ended March 31, 2022, and March 31, 2021, and should not be used for any other purpose.

Jaydeep Joshi

Jaydeep Joshi
Engagement Partner, CPA
KNAV P.A.
Certified Public Accountants
New York, New York
Date: May 19, 2022

Fit-for-consolidation consolidated financial statements

Advanced Enzymes USA, Inc. and subsidiaries

March 31, 2022 and March 31, 2021

Advanced Enzymes USA, Inc. and subsidiaries
Consolidated balance sheets

	Notes	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
I. ASSETS					
Non-current assets					
(a) Property, plant and equipment	2	2,668,838	202,316,844	781,140	57,417,445
(b) Capital work-in-progress	2A	56,124	4,254,564	25,073	1,842,951
(c) Goodwill		33,872,000	2,567,738,059	33,872,000	2,489,751,167
(d) Financial assets					
(i) Other financial assets	7	5,617,636	425,856,664	6,197,393	455,537,484
(e) Deferred tax asset	11	379,262	28,750,741	317,993	23,373,981
Total non-current assets		**42,593,860**	**3,228,916,872**	**41,193,599**	**3,027,923,028**
Current assets					
(a) Inventories	3	4,488,758	340,279,603	4,171,960	306,658,698
(b) Financial assets					
(i) Investments		10,456,927	792,709,345	12,022,994	883,746,570
(ii) Trade receivables	4	2,815,058	213,401,355	3,057,717	224,756,551
(iii) Cash and cash equivalents	5	31,753,292	2,407,124,981	22,739,797	1,671,481,977
(iv) Loans	7	831,921	63,065,518	-	-
(c) Income tax asset (net)	11	494,945	37,520,319	238,006	17,494,585
(d) Other current assets	8	32,637	2,474,133	53,344	3,921,035
Total current assets		**50,873,538**	**3,856,575,254**	**42,283,818**	**3,108,059,416**
TOTAL ASSETS		**93,467,398**	**7,085,492,126**	**83,477,417**	**6,135,982,444**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	9	5,839,000	285,831,054	5,839,000	285,831,054
(b) Other equity	10	83,573,435	6,492,266,052	75,028,204	5,658,288,424
Equity attributable to equity holders of the parent		**89,412,435**	**6,778,097,106**	**80,867,204**	**5,944,119,478**
Total equity		**89,412,435**	**6,778,097,106**	**80,867,204**	**5,944,119,478**
Non-current liabilities					
(a) Financial liabilities					
(i) Lease liability	12	2,104,020	159,499,666	-	-
Total non-current liabilities		**2,104,020**	**159,499,666**	**-**	**-**
Current liabilities					
(a) Financial liabilities					
(i) Lease liability	12	395,981	30,018,168	358,135	26,324,639
(ii) Trade payables	15	354,982	26,910,155	1,045,491	76,848,511
(iii) Other financial liabilities	13	611,445	46,351,889	585,437	43,032,373
(b) Other current liabilities	14	422,705	32,044,059	439,924	32,336,448
(c) Short-term provisions	16	165,830	12,571,083	181,226	13,320,996
Total current liabilities		**1,950,943**	**147,895,354**	**2,610,213**	**191,862,966**
Total liabilities		**4,054,963**	**307,395,020**	**2,610,213**	**191,862,966**
TOTAL EQUITY AND LIABILITIES		**93,467,398**	**7,085,492,126**	**83,477,417**	**6,135,982,444**

Notes 1 to 36 form an integral part of these consolidated financial statements

These are the consolidated balance sheets referred to in our report of even date

For KNAV P.A.
Certified Public Accountants

Jaydeep Joshi

Jaydeep Joshi, CPA
Engagement Partner
Place : New York, New York
Date: May 19, 2022

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

V. Rathi

V. L. Rathi
Director
Place : Chino
Date: May 19, 2022

Advanced Enzymes USA, Inc. and subsidiaries
Consolidated statements of profit and loss

	Notes	USD For the year ended 31 March 2022	INR For the year ended 31 March 2022	USD For the year ended 31 March 2021	INR For the year ended 31 March 2021
Revenue					
Revenue from operations (net)	17	28,720,142	2,139,922,085	29,036,055	2,154,486,634
Other income	18	348,814	25,989,927	831,872	61,725,229
Total revenue		**29,068,956**	**2,165,912,012**	**29,867,927**	**2,216,211,863**
Expenses					
Cost of materials consumed	19	8,803,040	649,620,808	9,158,202	684,425,020
Changes in inventories of finished goods and work-in-progress	20	(290,819)	(25,396,371)	(125,142)	(6,696,606)
Employee benefit expenses	21	4,714,397	351,267,095	4,121,994	305,853,612
Finance costs	22	32,044	2,387,564	23,303	1,729,089
Depreciation and amortisation expense	23	776,853	57,882,843	821,175	60,931,481
Other expenses	24	3,206,324	238,901,524	2,126,870	157,814,685
Total expenses		**17,241,839**	**1,274,663,463**	**16,126,402**	**1,204,057,281**
Profit before exceptional and tax		**11,827,117**	**891,248,549**	**13,741,525**	**1,012,154,582**
Exceptional items		-	-		-
Profit before extraordinary items and tax		**11,827,117**	**891,248,549**	**13,741,525**	**1,012,154,582**
Extraordinary items		-	-	-	-
Profit before tax		**11,827,117**	**891,248,549**	**13,741,525**	**1,012,154,582**
Tax expense					
Current tax		3,343,156	249,096,727	3,834,072	284,489,616
Deferred tax		(61,269)	(4,565,107)	19,708	1,462,329
		3,281,887	**244,531,620**	**3,853,780**	**285,951,945**
Net profit for the year		**8,545,230**	**646,716,928**	**9,887,745**	**726,202,637**
Other comprehensive income/(loss)					
Items that will be reclassified to profit or loss					
- Exchange differences in translating financial statements of foreign operations		-	187,260,701	-	(132,929,166)
Total comprehensive income for the year		**8,545,230**	**833,977,629**	**9,887,745**	**593,273,471**

Notes 1 to 36 form an integral part of these consolidated financial statements

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

For KNAV P.A.
Certified Public Accountants

Jaydeep Joshi

Jaydeep Joshi, CPA
Engagement Partner
Place : New York, New York
Date: May 19, 2022

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

V. Rathi

V. L. Rathi
Director
Place : Chino
Date: May 19, 2022

Advanced Enzymes USA, Inc. and subsidiaries
Consolidated statements of cash flows

	USD For the year ended 31 March 2022	INR For the year ended 31 March 2022	USD For the year ended 31 March 2021	INR For the year ended 31 March 2021
Cash flows from operating activities				
Profit before tax	**11,827,117**	**891,248,549**	**13,741,525**	**1,012,154,582**
Adjustments for non-cash transactions				
Depreciation and amortisation expense	776,853	57,882,918	821,175	60,934,481
Employee stock options amortisation expenses	-	-	3,741	277,608
Provision for inventory	68,128	5,076,152	31,788	2,358,695
	12,672,098	**954,207,619**	**14,598,229**	**1,075,722,366**
Items considered separately				
Interest income	(348,814)	(25,989,928)	(295,093)	(21,896,017)
Interest expenses	32,044	2,387,564	23,303	1,729,089
PPP loan forgiveness	-	-	(536,779)	(39,829,212)
	12,355,328	**930,605,255**	**13,789,660**	**1,015,726,226**
Operating profit before working capital changes				
Increase / (decrease) in short term liabilities and provisions	(32,615)	(2,430,115)	(156,735)	(11,629,761)
Increase / (decrease) in trade payables	(690,509)	(51,449,459)	136,649	10,139,426
(Increase) / decrease in inventories	(384,925)	(28,680,560)	(349,374)	(25,923,692)
(Increase) / decrease in trade receivables	242,659	18,080,413	(994,761)	(73,811,624)
(Increase) / decrease in other current assets	20,707	1,542,852	82,052	6,088,256
Increase / (decrease) in other financial liabilities	26,008	1,937,856	102,156	7,579,980
Cash generated from operating activities	**11,536,653**	**869,606,242**	**12,609,647**	**928,168,811**
Income taxes paid	(3,600,095)	(268,241,134)	(3,338,868)	(247,745,307)
Net cash generated from operating activities	**7,936,558**	**601,365,107**	**9,270,779**	**680,423,504**
Cash flows from investing activities				
Purchase of tangible assets	(101,826)	(7,586,963)	(57,718)	(4,282,663)
Sale of current investments	1,566,067	116,686,768	4,228,586	313,747,884
Interest received	96,650	7,201,326	53,273	3,952,878
Net cash generated from investing activities	**1,560,891**	**116,301,131**	**4,223,941**	**313,418,099**
Cash flows from financing activities				
PPP loan proceeds	-	-	536,779	39,829,212
Interest paid	(32,044)	(2,387,564)	(23,303)	(1,729,089)
Lease liability paid	(451,910)	(33,671,574)	(409,344)	(30,373,451)
Net cash (used in) provided by financing activities	**(483,954)**	**(36,059,138)**	**104,132**	**7,726,672**
Net increase in cash and cash equivalents	9,013,495	681,607,100	13,598,852	1,001,568,275
Cash and cash equivalents as at the beginning of the year	22,739,797	1,671,481,977	9,140,945	689,098,380
Effect of exchange rate changes on cash and cash equivalents held	-	54,035,904	-	(19,184,679)
Cash and cash equivalents as at the end of the year	**31,753,292**	**2,407,124,981**	**22,739,797**	**1,671,481,977**

Supplemental non-cash financing activities

1) The Parent Company during the previous year ended March 31, 2017 issued 11,500 graded options to two of the employees of the Company. The Company has elected to consider the same as contribution to reserves by the Parent Company leading to an increase in reserves by INR NIL in the year ended March 31, 2022 and INR 277,608 in the year ended March 31, 2021. *(Refer note 25 on related parties).*

Notes 1 to 36 form an integral part of these consolidated financial statements

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

For KNAV P.A.
Certified Public Accountants

Jaydeep Joshi

Jaydeep Joshi, CPA
Engagement Partner
Place : New York, New York
Date: May 19, 2022

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

V. Rathi

V. L. Rathi
Director
Place : Chino
Date: May 19, 2022

Advanced Enzymes USA, Inc. and subsidiaries
Consolidated statements of changes in equity (SOCIE)
(All amounts are stated in Indian Rupees except for the number of shares, unless otherwise stated)

(a) Equity share capital

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	5,839	285,831,054	5,839	285,831,054
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	5,839	285,831,054	5,839	285,831,054

(b) Other equity

Particulars	Reserves & Surplus				Total Equity
	Securities Premium account	Capital Contribution	Other comprehensive income	Retained earnings	
Balance at April 1, 2020	242,164,086	2,914,393	729,866,993	4,089,791,872	5,064,737,344
Profit/addition for the year	-	277,608	-	726,202,637	726,480,244
Foreign exchange differences on translation of financial statements	-	-	(132,929,166)	-	(132,929,166)
Balance at March 31, 2021	242,164,086	3,192,001	596,937,827	4,815,994,508	5,658,288,424
Profit for the year	-	-	-	646,716,928	646,716,928
Foreign exchange differences on translation of financial statements	-	-	187,260,701	-	187,260,701
Balance at March 31, 2022	242,164,086	3,192,001	784,198,527	5,462,711,436	6,492,266,052

Notes 1 to 36 form an integral part of these consolidated financial statements

These are the consolidated statements of changes in equity referred to in our report of even date

For KNAV P.A.
Certified Public Accountants

Jaydeep Joshi

Jaydeep Joshi, CPA
Engagement Partner
Place : New York, New York
Date: May 19, 2022

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

V. L. Rathi
Director
Place : Chino
Date: May 19, 2022

Advanced Enzymes USA Inc. and subsidiaries
Notes to consolidated financial statements
For the year ended 31 March 2022

1 Overview of the Company

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

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

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

1A Basis of preparation of consolidated financial statements

a. Statement of compliance

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

The financial information in this report is presented in both US Dollars (USD) and in Indian Rupees (INR) for March 31, 2022 and March 31, 2021. Dollar amounts are translated into Indian Rupees using closing rate for consolidated balance sheets items, average rates for consolidated profit and loss statements items and historic rate for equity.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 19, 2022.

b. Basis of measurement

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

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

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

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value 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.

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

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

1A.1 Basis of presentation

a. Functional and presentation currency

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

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

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

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

1A.2 Use of estimates

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

a. Revenue from contracts with customers:

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

b. Property, plant and equipment and intangible assets

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

c. Recognition of deferred tax assets

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

d. Business combination and intangible assets

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

1A.3 Significant accounting policies:

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

a. Principles of consolidation

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

i The consolidated financial statements of the Company ("Advanced Enzymes USA, Inc.") and its subsidiaries have been consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-company balances, intra-company transactions and unrealised profits/ losses from the intra-company transactions.

ii The excess/deficit (as on the date of acquisition) of the Company's investment cost over the subsidiaries net worth is recognised as goodwill on consolidation or capital reserve as the case may be and the impairment loss, if any is provided for.

iii The consolidated financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in the policies.

iv Subsidiary companies are consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date of disposal.

v The Subsidiary companies considered in the consolidated financial statements are as follows:

Name of the Company	Country of incorporation	% age voting power held as at 31 March 2022	% age voting power held as at 31 March 2021
1. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100%	100%
2. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100%	100%
3. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100%	100%
4. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100%	100%

b. Business combination

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

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

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

c. Revenue recognition

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

i. Revenue from sale of products:

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

ii. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

d. Income taxes

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

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

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

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

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

e. Stock based compensation

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

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

f. Employee benefits

i. Defined contribution plans

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

g. Provisions and contingencies

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

h. Leases

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

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

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

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

i. Inventories

i. Inventories are valued at lower of cost or net realizable

ii. Cost of finished goods, traded goods and work in progress is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.
Cost of raw materials, packing materials and consumables is determined on first-in-first-out basis. Cost of finished goods (including traded goods) and work in progress is determined on weigted average cost basis.

j. Cash and cash equivalents

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

k. Investments

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

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

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

l. Property, plant and equipment and depreciation

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

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

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

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

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

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

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

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

m. Impairment of assets

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

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the 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 consolidated statements of Profit and Loss, to the extent the amount was previously charged to the consolidated Statements of Profit and Loss. In case of revalued assets such reversal is not recognized.

n. Intangible assets

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

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

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

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

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

o. Foreign currency transactions

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

p. Financial instruments

a. Financial assets

i. Recognition and initial measurement

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

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

ii. Classification

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii Subsequent measurement and gains and losses

Financial assets at amortised cost

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

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

iv. Derecognition

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

If the Company enters into transactions whereby it transfers assets recognised on its consolidated 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 case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss.

ii Classification, subsequent measurement and gains and losses

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

iv. Offsetting

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

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

2 Tangible assets

Gross block	Office equipments	Furniture and fixtures	Computer	Leasehold improvements	Plant and equipment	Right to use asset	Total
Balance as at 1 April 2021	**2,362,294**	**4,478,727**	**10,019,793**	**99,843,703**	**57,538,093**	82,735,002	**256,977,621**
Additions	-	-	1,782,572	948,756	1,437,250	-	4,168,578
- Foreign exchange fluctuation	(15,141)	-	(88,712)	(734,612)	(439,980)	(1,059,218)	(2,337,663)
Balance as at 31 March 2021	**2,347,153**	**4,478,727**	**11,713,653**	**100,057,848**	**58,535,364**	**81,675,784**	**258,808,536**
Additions	567,201	-	793,752	-	3,912,417	193,260,816	198,534,186
- Foreign exchange fluctuation	9,770	-	92,140	239,453	401,764	3,504,929	4,248,056
Balance as at 31 March 2022	**2,924,124**	**4,478,727**	**12,599,545**	**100,297,301**	**62,849,545**	**278,441,529**	**461,590,778**
Accumulated depreciation							
Balance as at 1 April 2021	**1,460,729**	**4,478,727**	**6,470,264**	**63,673,005**	**37,885,264**	**28,915,451**	**142,883,440**
Depreciation expense	784,669	-	1,768,195	18,867,251	6,817,141	30,270,395	58,507,651
Balance as at 31 March 2021	**2,245,398**	**4,478,727**	**8,238,459**	**82,540,256**	**44,702,405**	**59,185,846**	**201,391,091**
Depreciation expense	189,237	-	1,753,430	17,757,045	5,722,731	32,460,400	57,882,843
Balance as at 31 March 2022	**2,434,635**	**4,478,727**	**9,991,889**	**100,297,301**	**50,425,136**	**91,646,246**	**259,273,934**
Net block							
Balance as at 31 March 2021	**101,756**	**-**	**3,475,193**	**17,517,593**	**13,832,959**	**22,489,938**	**57,417,445**
Balance as at 31 March 2022	**489,489**	**-**	**2,607,656**	**-**	**12,424,409**	**186,795,283**	**202,316,844**

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

	Amount
CWIP as at 1 April 2020	1,774,209
Additions during the year	68,742
Capitalised during the year	-
CWIP as at 31 March 2021	**1,842,951**
Additions during the year	2,353,886
Capitalised during the year	-
- Foreign exchange fluctuation	57,727
CWIP as at 31 March 2022	**4,254,564**

CWIP aging schedule-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress-					
- Leasehold improvements	2,318,767	151,677	1,784,120	-	4,254,564
As at 31 March 2021					
Projects in progress-					
- Leasehold improvements	113,018	1,729,933	-	-	1,842,951

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

	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
3 Inventories (valued at cost or lower of net realisable value)				
Raw materials	2,742,833	207,926,182	2,716,855	199,701,648
Work-in-progress	53,500	4,055,643	-	-
Finished goods	1,625,597	123,231,774	1,388,277	102,044,910
Stores and spares	66,828	5,066,004	66,828	4,912,140
	4,488,758	340,279,603	4,171,960	306,658,698

During the year end March 31, 2022, inventory amounting to INR 5,164,558 ($68,128) and INR 2,336,581 ($31,788) during the year ended March 31, 2021 was written off pursuant to being attributed as slow moving items aged for more than 3 years.

	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
4 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for				
Unsecured considered good	-	-	-	-
Other debts				
Unsecured considered good	2,815,058	213,401,355	3,057,717	224,756,551
Provision of bad and doubtful debts	-	-	-	-
	2,815,058	213,401,355	3,057,717	224,756,551

(Refer note 28(ii) for information about credit risk and market risk of trade receivables)
(Refer note 25 for receivables from related parties)

Trade Receivables ageing schedule- (In USD)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
(i) Undisputed Trade receivables – considered good	2,791,894	827	21,344	893	100	**2,815,058**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**2,791,894**	**827**	**21,344**	**893**	**100**	**2,815,058**
As at March 31, 2021						
(i) Undisputed Trade receivables – considered good	3,055,985	838	893	-	-	**3,057,717**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**3,055,985**	**838**	**893**	-	-	**3,057,717**

Trade Receivables ageing schedule- (In INR)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
(i) Undisputed Trade receivables – considered good	211,645,357	62,691	1,618,008	67,722	7,577	**213,401,355**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**211,645,357**	**62,691**	**1,618,008**	**67,722**	**7,577**	**213,401,355**
As at March 31, 2021						
(i) Undisputed Trade receivables – considered good	224,629,278	61,607	65,665	-	-	**224,756,551**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**224,629,278**	**61,607**	**65,665**	-	-	**224,756,551**

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

	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
5 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	500	37,904	500	36,752
Balances with banks				
- in current accounts	21,611,019	1,638,268,654	14,171,413	1,041,665,448
Money market desposits	10,141,773	768,818,423	8,567,884	629,779,777
Total	**31,753,292**	**2,407,124,981**	**22,739,797**	**1,671,481,977**

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

	USD	USD	INR	INR	USD	USD	INR	INR
	As at 31 March 2022		As at 31 March 2022		As at 31 March 2021	As at 31 March 2021	As at 31 March 2021	As at 31 March 2021
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
7 Other non-current financial assets								
(unsecured considered good unless otherwise stated)								
Loan to related parties								
- Unsecured considered good	5,617,636	831,921	425,856,664	63,065,518	6,197,393	-	455,537,484	-
	5,617,636	**831,921**	**425,856,664**	**63,065,518**	**6,197,393**	**-**	**455,537,484**	**-**

(In INR)

Type of borrower	Amount of loan or advance in the nature of loan outstanding	
	31 March 2022	31 March 2021
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	488,922,182	455,537,484
Total amount	**488,922,182**	**455,537,484**

Type of borrower	Percentage to the total loans and advances in the nature of loans	
	31 March 2022	31 March 2021
Promoters	0%	0%
Directors	0%	0%
KMPs	0%	0%
Related Parties	100%	100%
Total percentage	**100%**	**100%**

Note:
During the year ended March 31, 2022 the Company earned an interest income of USD 252,164 (INR 18,788,602) and USD 241,820 (INR 17,943,139) during the year ended March 31, 2021 from its advances to Advanced Enzymes Europe B.V.

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

	USD	INR	USD	USD
	As at		As at	
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Short term	Short term	Short term	Short term
8 Other current assets				
Advance to suppliers	-	-	2,550	187,437
Prepaid Expenses	31,980	2,424,311	46,787	3,439,050
Others	657	49,822	4,007	294,548
	32,637	**2,474,133**	**53,344**	**3,921,035**

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

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
9 Share capital				
Authorised				
Equity shares of USD 1,000 each	100,000	6,633,290,000	100,000	6,633,290,000
	100,000	**6,633,290,000**	**100,000**	**6,633,290,000**
Issued, subscribed and fully paid up				
Equity shares of USD 1,000 each	5,839	285,831,054	5,839	285,831,054
Total	**5,839**	**285,831,054**	**5,839**	**285,831,054**

	As at 31 March 2022		As at 31 March 2021	
a) Reconciliation of Equity share capital	**Number**	**INR**	**Number**	**INR**
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**5,839**	**285,831,054**	**5,839**	**285,831,054**

b) Rights, preferences and restrictions attached to shares

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

c) Shareholders holding more than 5% of the shares

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

d) Details of Shares held by Promoters

As at 31 March 2022

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

As at 31 March 2021

Promoter name	No. of Shares	%of total shares	% Change during the year
Advanced Enzyme Technologies Limited (Holding Company)	-	0.00%	Nil
Total	**-**	**0.00%**	

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

	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
10 Reserves and surplus				
Other comprehensive income: Foreign currency translation reserve				
Balance at the beginning of the year		596,937,827		729,866,993
Add : Additions made during the year		187,260,701		(132,929,166)
Balance at the end of the year	-	**784,198,527**	-	**596,937,827**
Capital Contribution				
Balance at the beginning of the year	46,912	3,192,001	43,171	2,914,393
Add : Additions made during the year	-	-	3,741	277,608
Less : Deletions made during the year	-	-		
Balance at the end of the year	46,912	**3,192,001**	**46,912**	**3,192,001**
Securities premium				
Balance at the beginning of the year	3,761,000	242,164,086	3,761,000	242,164,086
Add : Additions made during the year	-	-	-	-
Less : Deletions made during the year	-	-	-	-
Balance at the end of the year	**3,761,000**	**242,164,086**	**3,761,000**	**242,164,086**
Surplus in the consolidated statement of profit and loss				
Balance at the beginning of the year	71,220,292	4,815,994,509	61,332,547	4,089,791,872
Add : Transferred from consolidated statement of profit and loss	8,545,230	646,716,928	9,887,745	726,202,637
Balance at the end of the year	**79,765,522**	**5,462,711,437**	**71,220,292**	**4,815,994,509**
	83,573,434	**6,492,266,052**	**75,028,204**	**5,658,288,424**

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees, unless otherwise stated.)

11. Income taxes

Tax expense

(a) Amounts recognised in profit and loss

	Year ended 31 March, 2022	Year ended 31 March, 2021
Current income tax	249,096,727	284,489,616
Deferred tax expense	(4,565,107)	1,462,329
Tax expense for the year	**244,531,620**	**285,951,945**

(b) Amounts recognised in other comprehensive income

	Year ended March 31, 2022			Year ended March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans						
	-	-	-	-	-	-

(c) Reconciliation of effective tax rate

	Year ended 31 March, 2022	Year ended 31 March, 2022
Profit before tax	**891,248,549**	**1,012,154,582**
Tax using the Company's domestic tax rate (March 31, 2022 : 21%, March 31, 2021 : 21%)	187,162,195	212,552,462
Tax effect of:		
Incremental deduction allowed for research and development costs		
State Tax	62,030,899	70,445,959
Others	(4,661,474)	2,953,524
Tax expense as per profit or loss	**244,531,620**	**285,951,945**

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees, unless otherwise stated.)

Income taxes (continued)

(d) Movement in deferred tax balances

	31 March, 2022						
	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	(514,762)	3,539,110	(211,568)	-	2,812,781	2,812,781	
Inventories	22,831,840	885,359	970,890	-	24,688,089	24,688,089	
Other items	3,140,803	140,638	(2,031,570)	-	1,249,871	1,249,871	
Tax assets (Liabilities)	**25,457,881**	**4,565,107**	**(1,272,248)**	**-**	**28,750,741**	**28,750,741**	**-**
Set off tax						**(28,750,741)**	**28,750,741**
Net tax assets	**25,457,881**	**4,565,107**	**(1,272,248)**	**-**	**28,750,741**	**-**	**28,750,741**

(e) Movement in deferred tax balances

	31 March, 2021						
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment	(4,450,921)	4,076,823	(140,663)	-	(514,762)	-	(514,762)
Inventories	11,748,437	9,428,380	1,655,023	-	22,831,840	22,831,840	-
Other items	-	2,953,034	187,769	-	3,140,803	3,140,803	-
Tax assets (Liabilities)	**7,297,516**	**16,458,237**	**1,702,129**	**-**	**25,457,881**	**25,972,643**	**(514,762)**
Offsetting of deferred tax assets and liabilities						**(25,972,643)**	**25,972,643**
Net tax assets	**7,297,516**	**16,458,237**	**1,702,129**	**-**	**25,457,881**	**-**	**25,457,881**

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

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

		USD As at 31 March 2022 Long term	INR As at 31 March 2022 Long term	USD As at 31 March 2022 Short term	INR As at 31 March 2022 Short term	USD As at 31 March 2021 Long term	INR As at 31 March 2021 Long term	USD As at 31 March 2021 Short term	INR As at 31 March 2021 Short term
12	**Lease liabilities**								
	Lease liability	2,104,020	159,499,666	395,981	30,018,168	-	-	358,135	26,324,639
		2,104,020	**159,499,666**	**395,981**	**30,018,168**	**-**	**-**	**358,135**	**26,324,639**

		USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
13	**Current - Other financial liabilities**				
	Other payables	611,445	46,351,888	585,437	43,032,373
		611,445	**46,351,889**	**585,437**	**43,032,373**

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

		USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
14	**Other current liabilities**				
	Advance from customers	368,427	27,929,385	396,880	29,172,521
	Other statutory dues	54,278	4,114,674	43,044	3,163,927
		422,705	**32,044,059**	**439,924**	**32,336,448**

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

		USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021
15	**Trade payables**				
	(from the due date of payments)				
	Dues to micro and small enterprises	-	-	-	-
	Other outstanding dues	354,982	26,910,155	1,045,491	76,848,511
		354,982	**26,910,155**	**1,045,491**	**76,848,511**

(Refer note 25 for payables to related parties)

Trade Payables ageing schedule (In USD)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	258,337	96,645	-	-	**354,982**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	258,337	96,645	-	-	**354,982**
As at March 31, 2021					
(i) MSME	-	-	-	-	-
(ii) Others	1,045,491	-	-	-	**1,045,491**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	1,045,491	-	-	-	**1,045,491**

Trade Payables ageing schedule (In INR)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	19,583,812	7,326,343	-	-	**26,910,155**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	19,583,812	7,326,343	-	-	**26,910,155**
As at March 31, 2021					
(i) MSME	-	-	-	-	-
(ii) Others	76,848,511	-	-	-	**76,848,511**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	76,848,511	-	-	-	**76,848,511**

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

		USD	INR	USD	INR
		As at		As at	
		31 March 2022	31 March 2022	31 March 2021	31 March 2021
		Short term	Short term	Short term	Short term
16	**Provisions**				
	Provision for employee Benefits	165,830	12,571,083	181,226	13,320,996
		165,830	**12,571,083**	**181,226**	**13,320,996**

Movement for provision of employee benefits during the year:

	As at 31 March 2022	For the year ended 31 March 2022	As at 31 March 2021	For the year ended 31 March 2021
	Short term	Short term	Short term	Short term
Opening	181,226	13,320,996	120,598	9,091,399
Contribution during the year	(175,444)	(13,072,264)	(105,934)	(7,860,348)
Provided during the year	160,048	11,925,074	166,562	12,358,992
Foreign exchange currency translation		397,277		(269,048)
Closing Provision	**165,830**	**12,571,083**	**181,226**	**13,320,996**

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

		USD For the year ended 31 March 2022	INR For the year ended 31 March 2022	USD For the year ended 31 March 2021	INR For the year ended 31 March 2021
17	**Revenue from contracts with customers**				
17.1	**Disaggregated revenue information**				
	Sale of finshed products	28,720,142	2,139,922,085	29,036,055	2,154,486,634
	Total	**28,720,142**	**2,139,922,085**	**29,036,055**	**2,154,486,634**
17.1.A	**Segment wise breakup of goods sold**				
	Human Health care	24,894,125	1,854,847,689	23,564,523	1,748,496,804
	Animal Health care	908,598	67,699,104	1,091,281	80,973,496
	Bio-processing	2,917,419	217,375,292	4,380,251	325,016,333
		28,720,142	**2,139,922,085**	**29,036,055**	**2,154,486,634**
17.2	**Timing of revenue recognition**				
	Revenue recognized at a point in time	28,720,142	2,139,922,085	29,036,055	2,154,486,634
	Total	**28,720,142**	**2,139,922,085**	**29,036,055**	**2,154,486,634**

17.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Trade receivables *(Refer Note 4)*	2,815,058	213,401,355	3,057,717	224,756,551
	2,815,058	**213,401,355**	**3,057,717**	**224,756,551**

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. Increase in overall trade receivables resulted from increase in the revenue from operations.

17.4 Right of return assets and liabilities

The Company does not have any right of return assets and liabilities as at March 31, 2022 and March 31, 2021.

17.5 Performance obligation

Performance obligation for revenues has been summarized in the Note 1A.3(c)(i)

		USD 31 March 2022	INR 31 March 2022	USD 31 March 2021	INR 31 March 2021
18	**Other income**				
	Interest income from related party advance	252,164	18,788,602	241,820	17,943,139
	Other non-operating income	96,650	7,201,326	53,273	3,952,878
	Government Grant for PPP (Refer note 35)	-	-	536,779	39,829,212
		348,814	**25,989,928**	**831,872**	**61,725,229**
19	**Cost of materials consumed**				
	Opening stock				
	Raw materials and components	2,716,855	199,701,648	2,524,412	190,305,048
		2,716,855	**199,701,648**	**2,524,412**	**190,305,048**
	Add : Purchases during the year				
	Raw materials and components	8,829,018	657,845,342	9,350,646	693,821,620
		8,829,018	**657,845,342**	**9,350,646**	**693,821,620**
	Less : Closing stock				
	Raw materials and components	2,742,833	207,926,182	2,716,855	199,701,648
		2,742,833	**207,926,182**	**2,716,855**	**199,701,648**
		8,803,040	**649,620,808**	**9,158,202**	**684,425,020**
20	**Changes in inventories of finished goods, work-in-progress and traded goods**				
	Opening stock				
	- Manufactured goods	1,455,105	106,957,049	1,182,939	89,176,928
	- Work-in-progress	-	-	147,024	11,083,515
		1,455,105	**106,957,049**	**1,329,963**	**100,260,443**
	Closing stock				
	- Manufactured goods	1,692,424	128,297,777	1,455,105	106,957,049
	- Work-in-progress	53,500	4,055,643	-	-
		1,745,924	132,353,420	1,455,105	106,957,049
		(290,819)	**(25,396,371)**	**(125,142)**	**(6,696,606)**

21 Employee benefit expense

Salaries, wages and bonus	4,240,429	315,952,029	3,702,415	274,720,634
Contribution to defined contribution plan	160,048	11,925,074	166,562	12,358,992
Payroll taxes	313,920	23,389,992	249,276	18,496,378
Employee stock compensation expense	-	-	3,741	277,608
	4,714,397	**351,267,095**	**4,121,994**	**305,853,612**

22 Finance costs

Interest expenses on lease liability	32,044	2,387,564	23,303	1,729,089
	32,044	**2,387,564**	**23,303**	**1,729,089**

23 Depreciation and amortisation expense

Depreciation of tangible assets (Also, refer note 2)	341,198	25,422,443	380,554	28,237,256
Amortisation of intangible assets	-	-	32,666	2,423,830
Depreciation of Right to use of lease assets	435,655	32,460,400	407,955	30,270,395
	776,853	**57,882,843**	**821,175**	**60,931,481**

24 Other expenses

Utilities	114,936	8,563,848	100,112	7,428,361
Custom brokers	116,411	8,673,731	122,151	9,063,685
Rates and taxes	58,084	4,327,823	56,478	4,190,705
Repairs and maintenance	111,689	8,321,890	122,475	9,087,657
Laboratory expenses	255,778	19,057,902	195,806	14,528,880
Insurance	134,428	10,016,193	103,666	7,692,067
Printing and stationery	2,673	199,176	-	-
Legal and professional fees	1,164,159	86,740,880	656,040	48,678,429
Auditors' remuneration	31,500	2,347,048	31,500	2,337,312
Donation	815	60,725	275	20,405
Communication	51,368	3,827,376	47,171	3,500,093
Travel, conveyance and car hire	105,633	7,870,665	24,196	1,795,362
Commission	7,962	593,254	6,767	502,121
Advertisement and sales promotion	695,037	51,786,856	303,864	22,546,863
Sales tax	-	-	421	31,241
General expense	151,340	11,276,230	174,570	12,953,197
IT consulting	92,408	6,885,258	77,677	5,763,639
Bank charges	108,270	8,067,111	103,701	7,694,667
Penalty - Income tax	3,833	285,558	-	-
	3,206,324	**238,901,525**	**2,126,870**	**157,814,685**

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

25 Related parties

a) Names of related parties

Relationship	Name
Ultimate holding company	Advanced Enzyme Technologies Limited
Fellow subsidiaries	Advanced Bio-Agro Tech Limited
	Advanced EnzyTech Solutions Limited
	JC Biotech Private Limited
	Advanced Enzymes Europe B.V
	Evoxx Technologies GmbH
	Advanced Enzymes, Malaysia Sdn. Bhd.
	SciTech Specialities Private Limited (w.e.f. 11 January 2021)
Companies in which directors of the Company are able to exercise control or have significant influence	Rathi Properties LLC
	Vasant and Prabha Rathi Generation Trust
Key management personnel (KMP)	Mr. Vasant L. Rathi
	Mrs. Prabha V. Rathi
Relatives of KMP:	Ms. Rachana V. Rathi
	Ms. Rasika V. Rathi
	Ms. Reshama V. Rathi

b) Transactions with related parties

	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of Goods		
Advanced Enzyme Technologies Ltd	349,092,629	364,623,508
Sale of Goods		
Advanced Enzyme Technologies Limited	3,855,864	-
Rent Paid		
Rathi Properties LLC	23,157,315	22,000,342
Vasant Rathi	10,527,627	10,102,198
Remuneration to Directors & their Relatives		
Prabha V. Rathi	18,254,816	16,652,284
Reshma Rathi	11,996,022	9,646,051
Vasant L. Rathi	34,274,349	31,463,816
Rachana Rathi	10,505,833	9,052,448
Rasika Rathi	14,231,306	12,539,866
Commission *		
Vasant L. Rathi	6,375,827	7,336,744
* included in Employee benefit expense		
Interest Income		
Advanced Enzymes Europe B.V.	18,788,602	17,943,139
Reimbursement of expenses		
Advanced Enzyme Technologies Limited	-	277,608

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

c) **Balances with related parties**

	As at 31 March 2022	As at 31 March 2021
a. Trade receivable		
Advanced Enzyme Technologies Ltd	1,819,370	-
b. Trade payable		
Advanced Enzyme Technologies Ltd	-	55,564,040
c. Interest receivable		
Advanced Enzymes Europe B.V.	37,447,494	17,774,907
d. Loan receivable		
Advanced Enzymes Europe B.V.	451,474,688	437,762,577
e. Remuneration Payable		
Vasant L. Rathi	1,341,203	-
Prabha V. Rathi	714,336	-
Rachana Rathi	393,614	-
Rasika Rathi	539,397	-
Reshma Rathi	437,349	-
f. Commission payable		
Vasant L. Rathi	6,486,868	7,267,956

Employee stock options:

During the year ended March 31, 2017, the parent Company issued stock options totaling up to 11,500 to two of the employees of the Company. These options are graded options and shall vest as follows:

Vesting conditions	Vesting proportion
After 1 year from the date of grant	10%
After 2 years from the date of grant	20%
After 3 years from the date of grant	30%
After 4 years from the date of grant	40%

The date of grant for the above mentioned options is September 15, 2016 and the exercise price of the same is INR 300 and the share price at the date of grant amounts to be INR 1,598.

On the basis of the pronouncements of IND AS 102, the Company has an option to either record the same as liability, payable to the parent Company or the same should be considered as contribution to reserves by the parent Company.

The Company elects to consider the same as contribution made by the parent Company. As a result of which, there has been an addition to reserves amounting to $ Nil (INR Nil) in the year ended March 31, 2022 and $ 3,741 (INR 277,608) in the year ended March 31, 2021.

26 Capital management

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

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

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

27 Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	USD	INR
Less than one year	395,981	30,018,168
One to five years	2,104,020	159,499,666
More than five years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was USD 452,090/- (INR 33,684,942/-) for the year ended March 31, 2022 [USD 432,647/- (INR 32,102,540/-) for year ended March 31, 2021]

The Company has recognised interest on lease liability of USD 32,044/- (INR 2,387,564/-) for the year ended March 31, 2022 under finance costs [USD 23,303/- (INR 1,729,089/-) for year ended March 31, 2021]

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees, unless otherwise stated)

28 Financial instruments

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

March 31, 2022 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Investments	792,709,345	-	-	792,709,345	792,709,345	-	-	792,709,345
Trade receivables	-	-	213,401,355	213,401,355	-	-	-	-
Cash and cash equivalents	-	-	2,407,124,981	2,407,124,981	-	-	-	-
Loans- Non current	-	-	425,856,664	425,856,664	-	-	-	-
	792,709,345	**-**	**3,046,383,000**	**3,839,092,345**	**792,709,345**	**-**	**-**	**792,709,345**
Financial liabilities								
Lease liability - Non current	-	-	159,499,666	159,499,666	-	-	-	-
Lease liability - Current	-	-	30,018,168	30,018,168	-	-	-	-
Trade payables	-	-	26,910,155	26,910,155	-	-	-	-
Other financial Liabilities	-	-	46,351,889	46,351,889	-	-	-	-
	-	**-**	**262,779,878**	**262,779,878**	**-**	**-**	**-**	**-**

March 31, 2021 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets								
Investments	883,746,570	-	-	883,746,570	883,746,570	-	-	883,746,570
Trade receivables	-	-	224,756,551	224,756,551	-	-	-	-
Cash and cash equivalents	-	-	1,671,481,977	1,671,481,977	-	-	-	-
Loans- Non current	-	-	455,537,484	455,537,484	-	-	-	-
	883,746,570	**-**	**2,351,776,012**	**3,235,522,582**	**883,746,570**	**-**	**-**	**883,746,570**
Financial liabilities								
Lease liability - Non current	-	-	-	-	-	-	-	-
Lease liability - Current	-	-	26,324,639	26,324,639	-	-	-	-
Trade payables	-	-	76,848,511	76,848,511	-	-	-	-
Other financial Liabilities	-	-	43,032,373	43,032,373	-	-	-	-
	-	**-**	**146,205,523**	**146,205,523**	**-**	**-**	**-**	**-**

B. Measurement of fair values

Valuation techniques for unobservable inputs include

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

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

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

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

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

Financial instruments – Fair values and risk management (continued)
ii. Credit risk

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

Trade and other receivables

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

There is no concentraion of risk for tarde receivables.

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

	31 March 2022		
	Carrying Amount	**Weighted Average Loss Rate**	**Loss Allowance**
Not due	159,035,001	0.00%	-
0-90 days	52,243,048	0.00%	-
90-180 days	2,123,306	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	213,401,355		**-**

	31 March 2021		
	Carrying Amount	**Weighted Average Loss Rate**	**Loss Allowance**
Not due	170,542,524	0.00%	-
0-90 days	54,083,520	0.00%	-
90-180 days	130,507	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	224,756,551		**-**

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

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

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

	As at March 31	
Region	**2022**	**2021**
USA	200,441,543	205,011,426
Asia	4,118,600	189,296
Europe	3,524,227	14,161,755
Others	5,316,985	5,394,074
	213,401,355	**224,756,551**

Cash and cash equivalents

The Company held cash and cash equivalents of INR 2,407,124,979/- at March 31, 2022 (March 31, 2021: INR 1,671,481,977/-). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings. The Company has investments in US Treasury Bills amounting to INR 792,709,345/-. The US Treasury bills are liquid investments and carry risk free status with the credit rating of AAA with stable outlook.

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

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

Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

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

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

		Contractual cash flows				
March 31, 2022	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Trade payable	26,910,155	26,910,155	26,910,155	-	-	-
Other financial liabilities	46,351,889	46,351,889	46,351,889	-	-	-

		Contractual cash flows				
March 31, 2021	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Trade payable	76,848,511	76,848,511	76,848,511	-	-	-
Other financial liabilities	43,032,373	43,032,373	43,032,373	-	-	-

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

29 Earnings Per Share (EPS)

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

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

i. Profit attributable to Equity holders

	March 31, 2022	March 31, 2021
Profit attributable to equity holders from continuing operations	646,716,928	726,202,637

ii. Weighted average number of ordinary shares

	March 31, 2022	March 31, 2021
Issued ordinary shares at April 1	5,839	5,839
Effect of fresh issue of shares for cash	-	-
Weighted average number of shares at March 31 for basic EPS	**5,839**	**5,839**

Basic and Diluted earnings per share

	March 31, 2022	March 31, 2021
Basic earnings per share	**110,758**	**124,371**
Diluted earnings per share	**110,758**	**124,371**

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

30 Segment reporting

Primary segment

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

Secondary segment (based upon geography)

	Year ended 31 March 2022	Year ended 31 March 2021
Segment revenue (based upon location of customers)		
Outside USA	102,277,196	90,629,523
Within USA	2,037,644,889	2,063,857,111
	2,139,922,085	**2,154,486,634**
Segment assets (based upon location of assets)		
Outside USA	-	-
Within USA	3,200,166,132	3,004,549,047
	3,200,166,132	**3,004,549,047**
Capital expenditure		
Outside USA	-	-
Within USA	198,534,186	4,168,578
	198,534,186	**4,168,578**

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

31 Impairment testing of goodwill

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

Particulars	**31 March 2022**	**31 March 2021**
Advanced Enzymes USA, Inc.	2,567,738,059	2,489,751,167
	2,567,738,059	**2,489,751,167**

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

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

Particulars	**31 March 2022**	**31 March 2021**
Discount rate	7%	7%
Terminal value growth rate	5%	5%
Sales growth rate	6%	10%

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

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

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

Advanced Enzymes USA, Inc. and subsidiaries
Notes to the consolidated financial statements
(All amounts are stated in Indian Rupees, unless otherwise stated)

32 Ratios

Ratio	Numerator	Denominator	USD As at 31 March 2022	INR As at 31 March 2022	USD As at 31 March 2021	INR As at 31 March 2021	USD Variance	INR Variance	Reason (If variation is more than 25%)
Current Ratio	Total current assets	Total current liabilities	26	26	16	16	61%	61%	Current ratio mainly increased on account of increase in cash and cash equivalent coupled with decrease in trade payables in the year under reporting.
Debt-Equity Ratio*	NA	NA	NA	NA	NA	NA	NA	NA	
Debt Service Coverage Ratio*	NA	NA	NA	NA	NA	NA	NA	NA	
Return on Equity Ratio	Profit for the year	Average total equity	10%	10%	13%	13%	-23%	-21%	
Inventory turnover ratio	Revenue from operations	Average inventory	3	3	3	4	-8%	-9%	
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	10	10	11	11	-14%	-14%	
Trade payables turnover ratio	Purchases	Average trade payables	13	13	10	10	32%	33%	Ratio has been increased on account of lower purchase in the year under reporting coupled with decrease in trade payables
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. total current assets less total current liabilities)	1	1	1	1	-23%	-23%	
Net profit ratio	Profit for the year	Revenue from operations	30%	30%	34%	34%	-13%	-10%	
Return on Capital employed	Profit before tax and finance costs	Capital employed	13%	13%	17%	17%	-22%	-23%	
Return on investment	Income generated from invested funds	Average investment	0.1%	0.1%	0.2%	0.2%	-68%	-68%	Decrease is mainly attributable to lower returns on investment during the financial year.

*The Company does not have any debt accordingly ratio is not applicable

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

33 In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has assessed the recoverability of its assets including receivables & inventories. In such assessment, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed 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 these consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

34 Liabilities and contingencies

During the previous year, a competitor filed a lawsuit against the Company for false advertising, unfair competition and consumer fraud. The litigation is under discovery phase, hence the Company cannot reasonably estimate the likelihood or amount of potential liability. Accordingly, no provision has been made as at March 31, 2022.

35 Government Grant for Paycheck Protection Programme forgiveness

In response to the COVID-19 pandemic in financial year 2020-21, the Paycheck Protection Programme ("PPP") was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and administered by the U.S. Small Business Administration ("SBA"). Companies who met the eligibility requirements set forth by the PPP could qualify for PPP loans provided by local lenders, which supports payroll, rent and utility expenses ("qualified expenses"). If the loan proceeds are fully utilized to pay qualified expenses over the covered period, as further defined by the PPP, the full principal amount of the PPP loan may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the organization during the covered period as compared to a baseline period.

The Company's subsidiaries Specialty Enzymes & Biochemicals ("SEB"), Advanced Supplementary Technologies Corporation ("AST") and Enzymes Innovation Inc. ("EI") received a loan from Wells Fargo Bank in the amount of $383,478, $84,901 and $68,400, respectively under the PPP aggregating to $536,779. The Company applied for forgiveness and has been notified that $383,478 of SEB and $84,901 of AST, in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven.

EI has applied for forgiveness of the loan but has not yet received approval for the same. The Company has performed initial calculations for the PPP loan forgiveness according to the terms and conditions of the SBA's Loan Forgiveness Application and, based on such calculations, expects that the PPP loan will be forgiven in full. In addition, the Company has determined that it is probable the Company will meet all the conditions of the PPP loan forgiveness.

As such, the Company has decided that the PPP loan should be accounted for as a government grant which analogizes with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. Under the provisions of Ind AS 20, "a forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan." In addition, in accordance with the provisions of Ind AS 20, government grants shall be recognized in the consolidated statements of income on a systematic basis over the periods in which the Company recognizes costs for which the grant is intended to compensate (i.e. qualified expenses). Therefore, the Company recognized PPP funding during the periods when qualified expenses were incurred.

The balance and activity related to the PPP loan is as follows as at March 31, 2021:

Particulars	As at March 31, 2021
PPP loan proceeds	536,779
Less: Loan forgiven	(468,379)
Less: Qualified expenses eligible for forgiveness	(68,400)
PPP loan balance	-

The Company did not obtain any government grants during the year ended March 31, 2022.

36 Subsequent events

The Company has evaluated all events and transactions that occurred after March 31, 2022 through May 19, 2022; the date the consolidated financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

For KNAV P.A.
Certified Public Accountants

Jaydeep Joshi

Jaydeep Joshi, CPA
Engagement Partner
KNAV P.A.
Certified Public Accountants
Place : New York, New York
Date: May 19, 2022

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

V. Rathi

V. L. Rathi
Director

Place : Chino
Date: May 19, 2022