

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Board of Directors  
Advanced Enzymes Europe B.V., Netherlands

**Independent Auditor's Report on Financial Statements of Advanced Enzymes Europe B.V., Netherlands ('the Company')**

### **Opinion**

We have audited the accompanying consolidated financial statements of **Advanced Enzymes Europe B.V.** ('the Company') and its subsidiary Evoxx Technologies GmbH, which comprise the Consolidated Balance sheet as at 31 March 2023, Consolidated Statements of profit and loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity for the year then ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Indian Accounting Standards ('Ind AS'), as issued by the Institute of Chartered Accountants of India ('ICAI') and notified by Ministry of Corporate Affairs ('MCA'), India, under the Companies Act, 2013; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Other information**

The Company's Board of Directors is responsible for the other information.



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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We conducted our audit in accordance Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Company's management, as well as evaluating the overall presentation of the consolidated Ind AS financial statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Other Matters**

- (a) We did not audit the financial statements of one subsidiary company, whose financial statements reflect total assets of Rs. 158.13 million and net assets of Rs. (105.16) million as at 31 March 2023 and total revenues of Rs. 240.27 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company, and our report in terms of Section 143 (3) of the Companies Act, 2013 in so far as it relates to the aforesaid subsidiary company, is based solely on the report of the other auditor.



One subsidiary is located in Germany whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in Germany and which have been audited by other auditor under German GAAP. The Company's management has converted the financial statement of this subsidiary from accounting principles generally accepted in Germany to accounting principles generally accepted in India (Ind AS). We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiary located in Germany is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

In our opinion, the consolidated financial statement referred to above present fairly in all material respects, the consolidated financial position of the Company as of 31 March 2023 and the consolidated result of its operations and the consolidated cash flow and consolidated statement of changes in equity for the year ended 31 March 2023, in accordance with Indian Accounting Standards ("Ind AS").

The accompanying consolidated financial information has been prepared both in Indian rupees and Euro. The financial information in Euro is prepared solely for the purpose of filing Annual Performance Report with the Reserve Bank of India ("RBI") as per guidelines prescribed by RBI and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. We have verified the arithmetic accuracy of the presentation of the financial information. We did not audit and do not express an opinion on such information, and our opinion is not modified with respect to this matter.

For Manoj Kumar Sharma & Associates  
Chartered Accountants

*Manoj Sharma*

Manoj Kumar Sharma  
M. No.: 155859  
FRN: 137265W



Place: Thane  
Date: 10 May 2023

UDIN: 23155859BGXIKS2879

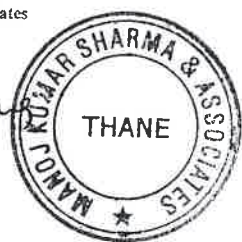
	Notes	As at 31 March 2023 In EURO	As at 31 March 2023 In INR	As at 31 March 2022 In EURO	As at 31 March 2022 In INR
<b>I. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment	3	3,39,373	3,04,10,416	5,72,741	4,84,88,195
(b) Goodwill		31,70,110	28,40,65,989	31,70,110	26,83,81,234
(c) Other Intangible assets	3A	27,34,886	24,50,66,535	31,66,731	26,80,95,160
<b>Total non-current assets</b>		<b>62,44,369</b>	<b>55,95,42,940</b>	<b>69,09,583</b>	<b>58,49,64,589</b>
<b>(2) Current Assets</b>					
(a) Inventories	4	5,72,410	5,12,92,265	3,82,003	3,23,40,293
(b) Financial Assets					
(i) Trade receivables	5	4,92,626	4,41,43,073	2,87,961	2,43,78,734
(ii) Cash and cash equivalents	6	6,95,533	6,23,24,999	6,64,572	5,62,62,638
(d) Other current assets	7	49,305	44,18,142	65,311	55,29,193
<b>Total current assets</b>		<b>18,09,874</b>	<b>16,21,78,477</b>	<b>13,99,846</b>	<b>11,85,10,858</b>
<b>Total assets</b>		<b>80,54,243</b>	<b>72,17,21,417</b>	<b>83,09,429</b>	<b>70,34,75,447</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity share capital	8	20,00,000	14,98,54,930	20,00,000	14,98,54,930
(b) Other equity					
1.1 Other Reserves	9	(49,66,022)	(41,20,77,560)	(44,67,982)	(35,87,94,079)
Equity attributable to equity holders of the parent		(29,66,022)	(26,22,22,630)	(24,67,982)	(20,89,39,149)
<b>Total equity</b>		<b>(29,66,022)</b>	<b>(26,22,22,630)</b>	<b>(24,67,982)</b>	<b>(20,89,39,149)</b>
<b>(2) Non current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	10	98,69,132	88,07,93,673	79,06,711	66,93,81,343
(ii) Lease Liabilities		-	-	1,59,758	1,35,25,057
(c) Deferred tax liabilities (net)	23	7,95,676	7,12,98,586	9,08,430	7,69,07,557
<b>Total non current liabilities</b>		<b>1,06,64,807</b>	<b>95,20,92,259</b>	<b>89,74,898</b>	<b>75,98,13,957</b>
<b>(3) Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	10	-	-	14,28,077	12,09,00,895
(ii) Lease Liabilities		1,17,008	1,04,84,784	2,18,071	1,84,61,837
(iii) Trade payables	11	60,008	53,77,179	23,169	19,61,489
(b) Other current liabilities	12	1,78,443	1,59,89,825	1,33,197	1,12,76,418
<b>Total Current liabilities</b>		<b>3,55,459</b>	<b>3,18,51,788</b>	<b>18,02,514</b>	<b>15,26,00,639</b>
<b>Total liabilities</b>		<b>80,54,243</b>	<b>72,17,21,417</b>	<b>83,09,429</b>	<b>70,34,75,447</b>

For Manoj Kumar Sharma & Associates  
Chartered Accountants  
Firm Registration no. 137265W

Manoj Sharma

Manoj Kumar Sharma  
Proprietor  
M.No.: 155859  
Place : Thane

Date: 10 May 2023



For and on behalf of Board of Directors of  
Advanced Enzymes Europe B.V.

Mukund Kabra

Mukund Kabra  
Director

Place : Thane

Date: 10 May 2023

Rasika Rath

Rasika Rath  
Director

Place : California

Advanced Enzymes Europe B.V.  
Consolidated Statement of Profit and Loss  
for the year ended 31 March 2023

	Note	Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2022
		In Euro	In INR	In Euro	In INR
<b>Revenue</b>					
Revenue from operations	13	28,69,802	24,02,68,679	25,38,279	21,97,12,113
Other income	14	90,281	75,58,628	46,538	40,28,294
<b>Total revenue</b>		<b>29,60,083</b>	<b>24,78,27,308</b>	<b>25,84,816</b>	<b>22,37,40,408</b>
<b>Expenses</b>					
Cost of materials consumed	15	8,16,235	6,81,89,368	8,74,869	7,57,69,403
Changes in inventories of finished goods and work-in-progress	16	(1,89,763)	(1,87,49,690)	(78,448)	(62,46,634)
Employee benefit expense	17	11,06,423	9,26,33,187	10,33,511	8,94,60,197
Finance costs	18	6,04,336	5,05,96,849	8,78,592	7,60,50,469
Depreciation and amortization expense	19	7,55,070	6,32,16,832	7,66,092	6,63,12,560
Other expenses	20	4,78,577	4,00,67,911	4,04,324	3,49,98,058
<b>Total expenses</b>		<b>35,70,878</b>	<b>29,59,54,456</b>	<b>38,78,940</b>	<b>33,63,44,053</b>
<b>Profit before exceptional items and tax</b>		<b>(6,10,795)</b>	<b>(4,81,27,149)</b>	<b>(12,94,123)</b>	<b>(11,26,03,645)</b>
Exceptional items		-	-	-	-
<b>Profit before extraordinary items and tax</b>		<b>(6,10,795)</b>	<b>(4,81,27,149)</b>	<b>(12,94,123)</b>	<b>(11,26,03,645)</b>
Extraordinary items		-	-	-	-
<b>Profit before tax</b>		<b>(6,10,795)</b>	<b>(4,81,27,149)</b>	<b>(12,94,123)</b>	<b>(11,26,03,645)</b>
<b>Tax expense</b>					
Current tax	23	-	-	-	-
Deferred tax (credit)/ charge		(1,12,755)	(94,40,179)	(1,12,754)	(97,59,912)
Tax adjustment for earlier years		-	-	-	-
<b>Total tax expense</b>		<b>(1,12,755)</b>	<b>(94,40,179)</b>	<b>(1,12,754)</b>	<b>(97,59,912)</b>
<b>Profit/(Loss) for the period</b>		<b>(4,98,040)</b>	<b>(3,86,86,969)</b>	<b>(11,81,370)</b>	<b>(10,28,43,734)</b>
<b>Total comprehensive income for the period</b>		<b>(4,98,040)</b>	<b>(3,86,86,969)</b>	<b>(11,81,370)</b>	<b>(10,28,43,734)</b>
<b>Earnings per equity share</b>	22				
Basic		(0.25)	(19.34)	(0.59)	(51.42)
Diluted		(0.25)	(19.34)	(0.59)	(51.42)

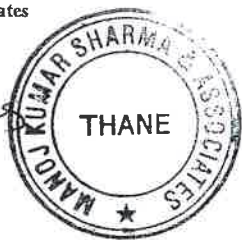
Significant accounting policies

Notes form an integral part of these standalone financial statements

As per our report of even date attached.

For Manoj Kumar Sharma & Associates  
Chartered Accountants  
Firm Registration no. 137265W

*Manoj Sharma*



Manoj Kumar Sharma  
Proprietor  
M.No.: 155859

Place : Thane

Date: 16 May 2023

For and on behalf of Board of Directors of  
Advanced Enzymes Europe B.V.

*M. W. Kabra*

Mukund Kabra  
Director

*Rasika Rath*

Rasika Rath  
Director

Place : Thane

Date: 16 May 2023

Place : California



Advanced Enzymes Europe B.V.  
Consolidated Cash Flow Statement for the year ended 31 March 2023

	EURO For the year ended 31 March 2023	INR For the year ended 31 March 2023	EURO For the year ended 31 March 2022	INR For the year ended 31 March 2022
<b>Cash flows from operating activities</b>				
Profit before tax	(6,10,795)	(4,81,27,149)	(12,94,123)	(11,26,03,645)
Adjustments for non-cash transactions				
Depreciation and amortisation expense	7,55,070	6,32,16,832	7,66,092	6,63,12,560
Unrealised foreign exchange (gain)/ loss	(47,300)	(39,60,099)	3,28,204	2,84,09,182
	96,975	1,11,29,584	(1,99,827)	(1,78,81,904)
<b>Items considered separately</b>				
Interest income	-	-	(0)	(21)
Interest expenses	6,04,336	5,05,96,849	5,50,388	4,76,41,287
	7,01,311	6,17,26,433	3,50,561	2,97,59,363
<b>Operating profit before working capital changes</b>				
Increase / (decrease) in trade payables	36,839	30,84,276	(1,62,980)	(1,41,07,473)
(Increase) / decrease in inventories	(1,90,407)	(1,59,41,483)	(76,530)	(66,24,361)
(Increase) / decrease in trade receivables	(2,04,666)	(1,71,35,237)	1,64,692	1,42,55,684
Decrease in short term loans and advances	-	-	0	12
Decrease in other current assets	16,005	13,40,006	(1,712)	(1,48,186)
(Decrease) in other current liabilities	45,246	37,88,138	(21,829)	(18,89,522)
<b>Cash generated from operating activities</b>	4,04,328	3,68,62,134	2,52,202	2,12,45,516
Income taxes paid	-	-	-	-
<b>Net cash generated from operating activities</b>	4,04,328	3,68,62,134	2,52,202	2,12,45,516
<b>Cash flows from investing activities</b>				
Purchase of tangible assets	(87,259)	(73,05,586)	(4,963)	(4,29,569)
Purchase of intangible assets	(2,598)	(2,17,513)	-	-
<b>Net cash used in investing activities</b>	(89,857)	(75,23,099)	(4,963)	(4,29,569)
<b>Cash flows from financing activities</b>				
(Payment)/ Proceeds from non-current borrowings	(4,231)	(3,54,263)	(78,915)	(68,30,821)
Interest paid	(18,459)	(15,45,445)	(37,953)	(32,85,197)
Lease liability paid	(2,60,820)	(2,18,36,689)	(2,42,995)	(2,10,33,533)
<b>Net cash used in financing activities</b>	(2,83,510)	(2,37,36,396)	(3,59,863)	(3,11,49,551)
<b>Net (decrease) / increase in cash and cash equivalents</b>	30,961	56,02,639	(1,12,623)	(1,03,33,603)
Cash and cash equivalents as at the beginning of the year	6,64,572	5,62,62,638	7,77,197	6,69,15,897
Effect of exchange rate changes on cash and cash equivalents held	-	4,59,721	-	(3,19,656)
<b>Cash and cash equivalents as at the end of the year</b>	6,95,533	6,23,24,999	6,64,574	5,62,62,637
<b>* Reconciliation of cash and cash equivalents</b>				
Cash in hand	164	14,683	256	21,659
Balance with banks :				
Current account	6,95,369	6,23,10,316	6,64,317	5,62,40,978
	6,95,533	6,23,24,999	6,64,572	5,62,62,637

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

As per our attached Report of even date  
For Manoj Kumar Sharma & Associates  
Chartered Accountants  
Firm Registration no. 137265W

Manoj Kumar Sharma  
Proprietor  
M.No.: 155859  
Place : Thane  
Date: 10 May 2023



For and on behalf of Board of Directors of  
Advanced Enzymes Europe B.V.

M. W. Kabra

Mukund Kabra  
Director

Place : Thane

Date: 10 May 2023

Rasika Rath

Rasika Rath  
Director

Place : California

Advanced Enzymes Europe B.V.  
Statement of Changes in Equity (SOCIE)  
for the year ended 31 March 2023

(a) Equity share capital (refer note 9)

Balance at the beginning of the year  
Changes in equity share capital during the year  
Balance at the end of the year

As at 31 March 2023		As at 31 March 2022	
No. of Shares	Amount	No. of Shares	Amount
20,00,000	14,98,54,930	20,00,000	14,98,54,930
20,00,000	14,98,54,930	20,00,000	14,98,54,930

(b) Other equity (refer note 10)

Particulars	Reserves & Surplus	Other Comprehensive Income	Total Equity
	Retained earnings	Foreign currency translation reserve	
Balance at 1 April 2021	(28,79,89,700)	2,73,58,789	(26,06,30,912)
Profit for the year	(10,28,43,734)	-	(10,28,43,734)
Other comprehensive income for the year	-	46,80,566	46,80,566
Total comprehensive income for the year	(10,28,43,734)	46,80,566	(9,81,63,167)
Balance at 31 March 2022	(39,08,33,434)	3,20,39,355	(35,87,94,079)
Profit for the year	(3,86,86,969)	-	(3,86,86,969)
Other comprehensive income for the year	-	(1,45,96,512)	(1,45,96,512)
Total comprehensive income for the year	(3,86,86,969)	(1,45,96,512)	(5,32,83,481)
Balance at 31 March 2023	(42,95,20,403)	1,74,42,843	(41,20,77,560)

For Manoj Kumar Sharma & Associates  
Chartered Accountants  
Firm Registration no. 137265W

*Manoj Sharma*

Manoj Kumar Sharma  
Proprietor  
M.No.: 155859  
Place : Thane  
Date: 10 May 2023



For and on behalf of Board of Directors of  
Advanced Enzymes Europe B.V.

*Mukund Kabra*

Mukund Kabra  
Director

Place : Thane

Date: 10 May 2023

*Rasika Rath*

Rasika Rath  
Director

Place : California

## Advanced Enzymes Europe B.V.

### Notes to the Financial Statements for the year ended 31 March 2023

#### 1 Overview of the Company

Advanced Enzymes Europe B.V. ("the Company", "AEE BV") was incorporated on 11 July 2017. AEE BV is a wholly owned subsidiary of Advanced Enzymes Technologies Ltd. ("the Parent"), an India corporation. AEE BV was formed to serve as a holding company to allow the Parent to own interests in Europe corporations.

#### 2 Basis of preparation of consolidated financial statements

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

The financial statements of the Company for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 11 May 2023.

#### Functional and presentation currency

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

#### Basis of measurement

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

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

#### 2A Use of estimates

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 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, estimating relative standalone selling price of items not sold separately, and determining timing of satisfaction of performance obligations for revenue from research and development contracts.

##### b. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

##### c. Recognition and measurement of defined benefit obligations

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

##### d. Recognition of deferred tax assets

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





## Measurement of fair values

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

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

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

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

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

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

## 2B Significant accounting policies:

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

### a. Revenue recognition

#### Revenue from sale of services:

The Company offers various services ranging from enzyme identification, enzyme optimisation, enzyme and process development, scale-up and production under fixed price contracts.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

#### Revenue from sale of products:

The Company is engaged in selling proprietary enzymes.

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.

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

### b. Property, plant and equipment and depreciation

- i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- ii. Subsequent expenditure related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- iv. The estimated useful life of assets are as follows:

Plant and equipment	10-25 years
Office equipment	5 years
Rights & Licences	10 years
Computer Software	3-5 years
Developed Technology	12 years
Trade Name	12 years
Customer relationship	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.
- v. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

- vi. The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the 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



**c. Impairment of Property, plant and equipments**

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

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

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

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

**d. Inventories**

- i. Stock in trade is valued at lower of cost and net realisable value. Cost is determined on weighted average cost method, which is determined on their specific individual costs which includes only purchase cost.

**e. Employee benefits**

- i. Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**f. Income taxes**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

**Current tax**

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

**g. Deferred tax**

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

**h. Borrowing costs**

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

**i. Provisions and contingencies**

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.



#### j. Leases

Policy applicable before 1 April 2019

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

##### Assets taken on finance lease

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

##### Assets taken on operating lease

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

Policy applicable after 1 April 2019

Policy applicable after April 1, 2019 The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2021.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise office premises. The Company's leases land and buildings for warehouse facilities.

#### k. Cash and cash equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

#### l. Operating cycle

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

#### m. Financial Instruments

##### a. Financial assets

##### i. Recognition and initial measurement

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

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

##### ii. Classification

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

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

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



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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.



#### Equity investments at FVOCI

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

#### iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a 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 balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### v. Impairment of financial assets

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

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

ii. Trade receivables.

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

#### b. Financial liabilities

##### i. Recognition and initial measurement

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

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

##### ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### iv. Offsetting

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

#### n. Share capital and share premium

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

#### o. Dividend Distribution to equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

#### p. Foreign Currency Transactions

The Financial Statements of Company are presented in INR, which is also its functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit & Loss in the period in which they arise.





**2C Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023

**a) IND AS 1 – Presentation of Financial Statements**

This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies. The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward. The Company does not expect this amendment to have any material impact in its financial statements

**b) IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The Company does not expect this amendment to have any material impact in its financial statements

**c) IND AS 12 – Income Taxes**

This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences. The Company does not expect this amendment to have any material impact in its financial statements



Advanced Enzymes Europe B.V.

Notes to the Financial Statements for the year ended 31 March 2023

3 Property, Plant and Equipment

				(In INR)
Gross block	Plant and equipment	Office equipment	Right of use of assets	Total
Balance as at 01 April 2021	9,70,33,926	7,35,17,054	8,73,65,950	25,79,16,930
Additions	1,64,892	2,64,677	-	4,29,569
- Foreign exchange fluctuation	(2,89,849)	(19,555)	(3,64,557)	(6,73,961)
Balance as at 31 March 2022	9,69,08,968	7,37,62,177	8,70,01,393	25,76,72,538
Additions	76,95,515	1,23,547	-	78,19,062
- Foreign exchange fluctuation	6,56,547	30,669	2,59,802	9,47,018
Balance as at 31 March 2023	10,52,61,030	7,39,16,393	8,72,61,195	26,64,38,618
Accumulated depreciation and amortization				
Balance as at 01 April 2021	7,11,78,654	7,00,26,514	3,93,03,095	18,05,08,263
Depreciation and amortization	66,49,496	20,32,136	1,99,94,448	2,86,76,080
Balance as at 31 March 2022	7,78,28,150	7,20,58,650	5,92,97,543	20,91,84,343
Depreciation and amortization	65,24,470	9,80,126	1,93,39,264	2,68,43,859
Balance as at 31 March 2023	8,43,52,620	7,30,38,776	7,86,36,806	23,60,28,202
Net block				
Balance as at 31 March 2022	1,90,80,818	17,03,527	2,77,03,851	4,84,88,195
Balance as at 31 March 2023	2,09,08,410	8,77,617	86,24,389	3,04,10,416



## 3A Intangible assets

						(In INR) Total
Gross block	Rights & licences	Computer software	Developed technology	Tradename	Customer relationship	
Balance as at 01 April 2021	23,29,51,227	40,42,368	28,81,21,682	2,84,30,363	8,79,90,401	64,15,36,041
Additions	-	-	-	-	-	-
- Foreign exchange fluctuation	(1,82,310)	(45)	(32,72,188)	(1,43,644)	(7,58,748)	(43,56,934)
Balance as at 31 March 2022	23,27,68,917	40,42,324	28,48,49,494	2,82,86,719	8,72,31,653	63,71,79,107
Additions	-	-	-	-	-	-
- Foreign exchange fluctuation	6,21,995	153	1,02,77,281	2,84,935	21,59,983	1,33,44,347
Balance as at 31 March 2023	23,33,90,911	40,42,477	29,51,26,775	2,85,71,654	8,93,91,636	65,05,23,454
Accumulated depreciation and amortization						
Balance as at 01 April 2021	21,56,97,275	40,39,699	6,66,52,066	1,43,16,240	3,07,42,186	33,14,47,466
Depreciation and amortization	48,30,020	-	1,95,73,987	42,04,318	90,28,155	3,76,36,480
Balance as at 31 March 2022	22,05,27,295	40,39,699	8,62,26,053	1,85,20,558	3,97,70,341	36,90,83,946
Depreciation and amortization	46,41,524	-	1,89,32,580	40,66,550	87,32,318	3,63,72,972
Balance as at 31 March 2023	22,51,68,819	40,39,699	10,51,58,633	2,25,87,108	4,85,02,659	40,54,56,919
Net block						
Balance as at 31 March 2022	1,22,41,622	2,624	19,86,23,442	97,66,160	4,74,61,312	26,80,95,160
Balance as at 31 March 2023	82,22,092	2,778	18,99,68,142	59,84,546	4,08,88,977	24,50,66,535



Advanced Enzymes Europe B.V.  
Notes to the Financial Statements for the year ended 31 March 2023

	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>4 Inventories</b> (valued at lower of cost and net realizable value)				
Raw materials and packing materials	29,855	26,75,246	29,211	24,72,964
Finished goods	5,42,555	4,86,17,019	3,52,792	2,98,67,330
	<b>5,72,410</b>	<b>5,12,92,265</b>	<b>3,82,003</b>	<b>3,23,40,293</b>

**5 Trade receivables**

**Unsecured**

- Considered good
- Considered doubtful

**Less : Provision for:**

- Doubtful Trade Receivables

4,92,626	4,41,43,073	2,87,961	2,43,78,734
<b>4,92,626</b>	<b>4,41,43,073</b>	<b>2,87,961</b>	<b>2,43,78,734</b>
-	-	-	-
<b>4,92,626</b>	<b>4,41,43,073</b>	<b>2,87,961</b>	<b>2,43,78,734</b>
<b>4,92,626</b>	<b>4,41,43,073</b>	<b>2,87,961</b>	<b>2,43,78,734</b>

**Trade Receivables ageing schedule-**

Particulars	Outstanding for following periods from due date of payment					(In Euro)
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
(i) Undisputed Trade receivables – considered good	4,90,996	-	1,630	-	-	4,92,626
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,90,996</b>	<b>-</b>	<b>1,630</b>	<b>-</b>	<b>-</b>	<b>4,92,626</b>
As at March 31, 2022						
(i) Undisputed Trade receivables – considered good	2,79,793	8,168	-	-	-	2,87,961
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,79,793</b>	<b>8,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,87,961</b>

**Trade Receivables ageing schedule-**

Particulars	Outstanding for following periods from due date of payment					(In INR)
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
(i) Undisputed Trade receivables – considered good	4,39,97,012	-	1,46,060	-	-	4,41,43,073
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,39,97,012</b>	<b>-</b>	<b>1,46,060</b>	<b>-</b>	<b>-</b>	<b>4,41,43,073</b>
As at March 31, 2022						
(i) Undisputed Trade receivables – considered good	2,36,87,213	6,91,522	-	-	-	2,43,78,734
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,36,87,213</b>	<b>6,91,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,43,78,734</b>



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>6 Cash and cash equivalents</b>				
Balances with banks				
- in current accounts	6,95,369	6,23,10,316	6,64,317	5,62,40,978
Cash on hand	164	14,683	256	21,659
	<u>6,95,533</u>	<u>6,23,24,999</u>	<u>6,64,572</u>	<u>5,62,62,638</u>





**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>7 Other current assets</b>				
Prepaid expenses	30,190	27,05,260	31,704	26,84,062
Others	19,115	17,12,882	33,607	28,45,132
	<b>49,305</b>	<b>44,18,142</b>	<b>65,311</b>	<b>55,29,193</b>



**Advanced Enzymes Europe B.V.**  
**Notes to the Financial Statements for the year ended 31 March 2023**

**8 Share capital**

	As at 31 March 2023		As at 31 March 2022	
	Number	In INR	Number	In INR
<b>Authorized</b>				
Equity shares of Euro 1 each	20,00,000	14,98,54,930	20,00,000	14,98,54,930
	<u>20,00,000</u>	<u>14,98,54,930</u>	<u>20,00,000</u>	<u>14,98,54,930</u>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Euro 1 each	20,00,000	14,98,54,930	20,00,000	14,98,54,930
<b>Total</b>	<u>20,00,000</u>	<u>14,98,54,930</u>	<u>20,00,000</u>	<u>14,98,54,930</u>

**a) Reconciliation of Equity share capital**

	As at 31 March 2023		As at 31 March 2022	
	Number	In INR	Number	In INR
<b>Balance at the beginning of the year</b>	20,00,000	14,98,54,930	20,00,000	14,98,54,930
<b>Add : Issued during the year</b>	-	-	-	-
<b>Balance at the end of the year</b>	<u>20,00,000</u>	<u>14,98,54,930</u>	<u>20,00,000</u>	<u>14,98,54,930</u>

**b) Shareholders holding more than 5% of the shares**

	As at 31 March 2023		As at 31 March 2022	
	Number	% of holding	Number	% of holding
<u>Equity shares of Euro 1 each</u>				
Advanced Enzyme Technologies Limited	20,00,000	100%	20,00,000	100%
	<u>20,00,000</u>	<u>100%</u>	<u>20,00,000</u>	<u>100%</u>

**c) Rights, preferences and restrictions attached to equity shares**

The company has one class of equity shares having a par value of Euro 1 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.

**d) Shareholding of promoters:**

**As at 31 March 2023**

Promoter's name	No. of shares	% of total shares	% Change during the year
1. Advanced Enzyme Technologies Limited	20,00,000	100%	Nil

**As at 31 March 2022**

Promoter's name	No. of shares	% of total shares	% Change during the year
1. Advanced Enzyme Technologies Limited	20,00,000	100%	Nil

**As at 31 March 2021**

Promoter's name	No. of shares	% of total shares	% Change during the year
1. Advanced Enzyme Technologies Limited	20,00,000	100%	Nil



**Advanced Enzymes Europe B.V.**

**Notes to the Financial Statements for the year ended 31 March 2023**

	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>9 Other Equity</b>				
<b>Reserves and surplus</b>				
<b>Retained earnings</b>				
Balance at the beginning of the year	(44,67,982)	(39,08,33,434)	(32,86,613)	(28,79,89,700)
Add : Transferred from Statement of Profit and Loss	(4,98,040)	(3,86,86,969)	(11,81,370)	(10,28,43,734)
Balance at the end of the year	<u>(49,66,022)</u>	<u>(42,95,20,403)</u>	<u>(44,67,982)</u>	<u>(39,08,33,434)</u>
<b>Other Comprehensive Income</b>				
<b>Foreign Currency Translation Reserve</b>				
Balance at the beginning of the year		3,20,39,355		2,73,58,789
Add : Additions made during the year		(1,45,96,512)		46,80,566
Balance at the end of the year	-	<u>1,74,42,843</u>	-	<u>3,20,39,355</u>
<b>Total</b>	<u>(49,66,022)</u>	<u>(41,20,77,560)</u>	<u>(44,67,982)</u>	<u>(35,87,94,079)</u>



	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>11 Trade payables</b>				
Total outstanding dues to others	60,008	53,77,179	23,169	19,61,489
	<b>60,008</b>	<b>53,77,179</b>	<b>23,169</b>	<b>19,61,489</b>

**Trade Payables ageing schedule-****(In Euro)**

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 September 30, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	59,785	223	-	-	60,008
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	59,785	223	-	-	60,008
As at March 31, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	17,030	6,139	-	-	23,169
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	17,030	6,139	-	-	23,169

**Trade Payables ageing schedule-****(In Euro)**

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 September 30, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	53,57,209	19,970	-	-	53,77,179
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	53,57,209	19,970	-	-	53,77,179
As at March 31, 2022					
(i) MSME	-	-	-	-	-
(ii) Others	14,41,761	5,19,728.82	-	-	19,61,489
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	14,41,761	5,19,729	-	-	19,61,489



**Advanced Enzymes Europe B.V.**  
**Notes to the Financial Statements for the year ended 31 March 2023**

	As at 31 March 2023 In Euro	As at 31 March 2023 In INR	As at 31 March 2022 In Euro	As at 31 March 2022 In INR
<b>12 Other current liabilities</b>				
Statutory dues				
Other dues payable	16,303	14,60,906	16,531	13,99,537
Provision for expenses	1,61,452	1,44,67,341	1,13,764	96,31,257
Other current liabilities	687	61,577	2,901	2,45,625
Payable to employees				
	<b>1,78,443</b>	<b>1,59,89,825</b>	<b>1,33,197</b>	<b>1,12,76,418</b>





Advanced Enzymes Europe B.V.

Notes to the Financial Statements for the year ended 31 March 2023

	Year ended 31 March 2023 In Euro	Year ended 31 March 2023 In INR	Year ended 31 March 2022 In Euro	Year ended 31 March 2022 In INR
<b>13 Revenue from contracts with customers</b>				
<b>13.1 Disaggregated revenue information</b>				
Sale of goods	11,09,287	9,28,72,919	13,89,020	12,02,32,836
Sale of services	17,60,515	14,73,95,761	11,49,259	9,94,79,278
<b>Revenue from contracts with customers (Gross)</b>	<b>28,69,802</b>	<b>24,02,68,679</b>	<b>25,38,279</b>	<b>21,97,12,113</b>
<b>Total revenue from contracts with customers</b>	<b>28,69,802</b>	<b>24,02,68,679</b>	<b>25,38,279</b>	<b>21,97,12,113</b>
<b>13.1 A Disaggregated revenue information based on segment</b>				
<b>Sale of goods</b>				
Human nutrition	5,54,775	4,64,47,433		
Bio-processing	5,54,512	4,64,25,486	13,89,020	12,02,32,836
	<b>11,09,287</b>	<b>9,28,72,919</b>	<b>13,89,020</b>	<b>12,02,32,836</b>
<b>13.2 Timing of revenue recognition</b>				
Revenue recognized at a point in time	28,69,802	24,02,68,679	25,38,279	21,97,12,113
	<b>28,69,802</b>	<b>24,02,68,679</b>	<b>25,38,279</b>	<b>21,97,12,113</b>
<b>13.3 Contract balances</b>				
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.				
Trade receivables (Refer Note 5)	4,92,626	4,41,43,073	2,87,961	2,43,78,734
Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days. Increase in overall trade receivables resulted from increase in the revenue from operations.				
<b>14 Other income</b>				
Interest income				
- Net (gain)/loss on foreign currency transactions and translations	47,300	39,60,099	-	-
Miscellaneous income	42,981	35,98,530	46,538	40,28,294
	<b>90,281</b>	<b>75,58,628</b>	<b>46,538</b>	<b>40,28,294</b>
<b>15 Cost of materials consumed</b>				
Opening stock				
Raw materials and packing material	29,211	24,72,964	31,129	26,80,218
	<b>29,211</b>	<b>24,72,964</b>	<b>31,129</b>	<b>26,80,218</b>
<b>Add : Purchases during the year</b>				
Raw materials and components	8,16,879	6,83,91,650	8,72,950	7,55,62,149
	<b>8,16,879</b>	<b>6,83,91,650</b>	<b>8,72,950</b>	<b>7,55,62,149</b>
<b>Less : Closing stock</b>				
Raw materials and packing material	29,855	26,75,246	29,211	24,72,964
	<b>29,855</b>	<b>26,75,246</b>	<b>29,211</b>	<b>24,72,964</b>
	<b>8,16,235</b>	<b>6,81,89,368</b>	<b>8,74,869</b>	<b>7,57,69,403</b>
<b>16 Changes in inventories of finished goods and work-in-progress</b>				
Opening stock				
- Finished goods	3,52,792	2,98,67,330	2,74,343	2,36,20,696
- Work-in-progress	-	-	-	-
	<b>3,52,792</b>	<b>2,98,67,330</b>	<b>2,74,343</b>	<b>2,36,20,696</b>
Closing stock				
- Finished goods	5,42,555	4,86,17,019	3,52,792	2,98,67,330
- Work-in-progress	-	-	-	-
Differential excise duty on stocks	5,42,555	4,86,17,019	3,52,792	2,98,67,330
	<b>(1,89,763)</b>	<b>(1,87,49,690)</b>	<b>(78,448)</b>	<b>(62,46,634)</b>



Advanced Enzymes Europe B.V.

Notes to the Financial Statements for the year ended 31 March 2023

	Year ended 31 March 2023 In Euro	Year ended 31 March 2023 In INR	Year ended 31 March 2022 In Euro	Year ended 31 March 2022 In INR
<b>17 Employee benefit expenses</b>				
Salaries, wages and bonus	9,21,703	7,71,67,856	8,58,799	7,43,37,169
Contribution to provident and other defined contribution funds	1,84,720	1,54,65,331	1,74,713	1,51,23,028
	<b>11,06,423</b>	<b>9,26,33,187</b>	<b>10,33,511</b>	<b>8,94,60,197</b>
<b>18 Finance costs</b>				
Interest expenses	6,04,336	5,05,96,849	5,50,388	4,76,41,287
Net (gain)/loss on foreign currency transactions and translations	-	-	3,28,204	2,84,09,182
	<b>6,04,336</b>	<b>5,05,96,849</b>	<b>8,78,592</b>	<b>7,60,50,469</b>
<b>19 Depreciation and amortization expense</b>				
Depreciation of tangible assets	89,636	75,04,596	1,00,297	86,81,632
Amortization of intangible assets	4,34,444	3,63,72,972	4,34,805	3,76,36,480
Depreciation of right to use of lease assets	2,30,991	1,93,39,264	2,30,991	1,99,94,448
	<b>7,55,070</b>	<b>6,32,16,832</b>	<b>7,66,092</b>	<b>6,63,12,560</b>
<b>20 Other expenses</b>				
Travel, conveyance and car hire	31,080	26,02,114	11,382	9,85,257
Sales promotion and advertisement	1,262	1,05,638	615	53,197
Freight outward and forwarding	53,189	44,53,132	39,429	34,12,931
Other selling and distribution expenses	2,303	1,92,854	1,818	1,57,401
Repairs and maintenance others	41,609	34,83,593	69,089	59,80,290
Insurance	42,257	35,37,898	40,620	35,16,054
Legal and professional charges	1,63,669	1,37,02,863	1,33,717	1,15,74,471
Bad debts	-	-	200	17,312
Advances/assets written off	95,693	80,11,736	87,534	75,76,927
Bank Charges	1,096	91,791	461	39,914
Commuting expenses	6,251	5,23,384	7,974	6,90,257
Miscellaneous expenses	40,167	33,62,908	11,484	9,94,047
	<b>4,78,577</b>	<b>4,00,67,911</b>	<b>4,04,324</b>	<b>3,49,98,058</b>



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023***(All amounts are stated in Indian Rupees, unless otherwise stated)***21 Leases**

(a) Following are the carrying value of Right of Use Assets for the year ended March 31, 2023:

Please refer note no. 3 for detailed presentation of fair value of Right of Use of Assets.

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

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Less than one year	1,25,12,178	2,36,42,632
One to five years	-	98,51,111
More than five years	-	-
<b>Total undiscounted lease liabilities at 31 March</b>	<b>1,25,12,178</b>	<b>3,34,93,742</b>
Discounted Lease liabilities included in the statement of financial position at 31 March		
Current lease liability	1,04,84,784	1,84,61,837
Non-Current lease liability	-	1,35,25,057

(c) The Weighted average incremental borrowing rate of 7% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.

(d) The Company incurred Rs. 20,883,600 for the year ended 31 March 2023 (31 March 2022: Rs. 23,134,053) towards expenses relating to leases.

(e) Total cash outflow for leases for year ended 31 March 2023 is Rs 21,836,689 (31 March 2022: Rs 21,033,533).

(f) General Description of leasing agreements:

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



## 22 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		(In INR)	
	31 March 2023	31 March 2022	
Profit attributable to equity holders	(3,86,86,969)	(10,28,43,734)	
ii. Weighted average number of ordinary shares			
	31 March 2023	31 March 2022	
Equity shares/Issued ordinary shares at April 1	20,00,000	20,00,000	
Effect of fresh issue of shares for cash	-	-	
Weighted average number of shares at 31 March for basic EPS	20,00,000	20,00,000	
Effect of exercise of share options	-	-	
Weighted average number of shares at 31 March for diluted EPS	20,00,000	20,00,000	
Basic and Diluted earnings per share			
	31 March 2023	31 March 2022	
Basic earnings per share	(19.34)	(51.42)	
Diluted earnings per share	(19.34)	(51.42)	



Advanced Enzymes Europe B.V.  
Notes to the Financial Statements for the year ended 31 March 2023

23 Income taxes

Tax expense

(a) Amounts recognised in profit and loss

(In INR)

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax	-	-
Changes in estimates related to prior period	-	-
	-	-
<b>Deferred income tax liability / (asset), net</b>		
Change in recognised deductible temporary differences	(94,40,179)	(97,59,912)
Deferred tax expense	(94,40,179)	(97,59,912)
<b>Tax expense for the year</b>	<b>(94,40,179)</b>	<b>(97,59,912)</b>

(b) Reconciliation of effective tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Profit before tax</b>	<b>(3,86,86,969)</b>	<b>(10,28,43,734)</b>
<b>Tax effect of:</b>		
Temporary differences	(94,40,179)	(97,59,912)
Others	-	-
<b>Tax expense as per profit or loss</b>	<b>(94,40,179)</b>	<b>(97,59,912)</b>





23 Income taxes (continued)

(c) Movement in deferred tax balances

(In INR)

	31 March 2023						
	Net balance 1 April 2022	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset</b>							
Property, plant and equipment	4,29,92,419	94,40,179	-	31,75,994	5,56,08,593	5,56,08,593	-
Other items	(11,98,99,976)	-	-	(70,07,203)	(12,69,07,179)	-	(12,69,07,179)
<b>Tax assets (Liabilities)</b>	<b>(7,69,07,557)</b>	<b>94,40,179</b>	<b>-</b>	<b>(38,31,209)</b>	<b>(7,12,98,586)</b>	<b>5,56,08,593</b>	<b>(12,69,07,179)</b>
Offsetting of deferred tax assets and liabilities						(5,56,08,593)	5,56,08,593
<b>Net tax liabilities</b>	<b>(7,69,07,557)</b>	<b>94,40,179</b>	<b>-</b>	<b>(38,31,209)</b>	<b>(7,12,98,586)</b>	<b>-</b>	<b>(7,12,98,586)</b>
	31 March 2022						
	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset</b>							
Property, plant and equipment	3,40,15,231	97,59,912	-	(7,82,723)	4,29,92,419	4,29,92,419	-
Other items	(12,19,38,108)	-	-	20,38,132	(11,98,99,976)	-	(11,98,99,976)
<b>Tax assets (Liabilities)</b>	<b>(8,79,22,877)</b>	<b>97,59,912</b>	<b>-</b>	<b>12,55,409</b>	<b>(7,69,07,557)</b>	<b>4,29,92,419</b>	<b>(11,98,99,976)</b>
Offsetting of deferred tax assets and liabilities						(4,29,92,419)	4,29,92,419
<b>Net tax liabilities</b>	<b>(8,79,22,877)</b>	<b>97,59,912</b>	<b>-</b>	<b>12,55,409</b>	<b>(7,69,07,557)</b>	<b>-</b>	<b>(7,69,07,557)</b>



#### 24. 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

(In INR)

31 March 2023	Note No.	Carrying amount				Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Trade receivables	5	-	-	4,41,43,073	4,41,43,073	-	-	-	-
Cash and cash equivalents	6	-	-	6,23,24,999	6,23,24,999	-	-	-	-
		-	-	10,64,68,072	10,64,68,072	-	-	-	-
Financial liabilities									
Borrowings - Non current	10	-	-	88,07,93,673	88,07,93,673	-	-	-	-
Lease liability - Current		-	-	1,04,84,784	1,04,84,784	-	-	-	-
Trade payables	11	-	-	53,77,179	53,77,179	-	-	-	-
		-	-	89,66,55,636	89,66,55,636	-	-	-	-
31 March 2022									
31 March 2022	Note No.	Carrying amount				Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets									
Trade receivables	5	-	-	2,43,78,734	2,43,78,734	-	-	-	-
Cash and cash equivalents	6	-	-	5,62,62,638	5,62,62,638	-	-	-	-
		-	-	8,06,41,372	8,06,41,372	-	-	-	-
Financial liabilities									
Borrowings - Non current	11	-	-	66,93,81,343	66,93,81,343	-	-	-	-
Lease liability - Non current		-	-	1,35,25,057	1,35,25,057	-	-	-	-
Lease liability - Current		-	-	1,84,61,837	1,84,61,837	-	-	-	-
Trade payables	12	-	-	19,61,489	19,61,489	-	-	-	-
		-	-	82,42,30,622	82,42,30,622	-	-	-	-

##### B. Measurement of fair values

##### Valuation techniques and significant unobservable inputs

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

##### Financial instruments measured at fair value

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

##### C. Financial risk management

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

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

##### i. Risk management framework

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



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

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

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

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

**Trade and other receivables**

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

There is no concentration of risk for trade receivables.

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

31 March 2023			
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	2,93,24,531	0.00%	-
0-90 days	1,46,72,481	0.00%	-
90-180 days	-	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	1,46,060	0.00%	-
	<u>4,41,43,073</u>		<u>-</u>

31 March 2022			
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	2,19,00,453	0.00%	-
0-90 days	17,86,760	0.00%	-
90-180 days	-	0.00%	-
180-270 days	2,79,378	0.00%	-
270-360 days	4,12,144	0.00%	-
More than 360 days	-	0.00%	-
	<u>2,43,78,734</u>		<u>-</u>

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

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

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

Region	As at March 31	
	2023	2022
USA	1,42,85,618	54,46,087
Asia	1,12,82,624	67,88,135
Europe	1,85,74,831	1,21,44,513
Others	-	-
	<u>4,41,43,073</u>	<u>2,43,78,734</u>

**Cash and cash equivalents**

The Company held cash and cash equivalents of INR 62,324,999/- at March 31, 2023 (March 31, 2022: INR 56,262,638/-). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

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



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

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

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

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

**Exposure to liquidity risk:**

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

(In INR)

31 March 2023	Carrying amount	Total	Upto 1 year	Contractual cash flows		
				1-3 years	3-5 years	More than 5 years
Non- current borrowings	71,94,18,454	71,94,18,454	-	10,79,12,768	28,77,67,382	32,37,38,305
Interest on borrowings	16,49,30,743	16,49,30,743	-	2,47,39,611	6,59,72,297	7,42,18,834
Trade payable	53,77,179	53,77,179	53,77,179	-	-	-

(In INR)

31 March 2022	Carrying amount	Total	Upto 1 year	Contractual cash flows		
				1-3 years	3-5 years	More than 5 years
Non- current borrowings	68,40,58,270	68,40,58,270	6,87,28,231	27,34,80,017	34,18,50,022	-
Interest on borrowings	10,62,23,969	10,62,23,969	1,06,22,397	4,24,89,588	5,31,11,985	-
Trade payable	19,61,489	19,61,489	19,61,489	-	-	-



**Advanced Enzymes Europe B.V.**

**Notes to the Financial Statements for the year ended 31 March 2023**

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

**Financial instruments – Fair values and risk management (continued)**

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

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

**Financial instruments – Fair values and risk management (continued)****Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	(In INR)	
	31 March 2023	31 March 2022
<b>Fixed-rate instruments</b>		
<b>Fixed-rate instruments</b>		
<b>Financial liabilities - measured at amortised cost</b>		
From related party	88,07,93,673	78,99,24,012
Equipment Loan	-	3,58,227
<b>Floating-rate instruments</b>		
<b>Financial liabilities - measured at amortised cost</b>		
From banks in foreign currency	-	-
<b>Total</b>	<b>88,07,93,673</b>	<b>79,02,82,239</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash flow sensitivity analysis for variable-rate instruments**

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant.. The period end balances are not necessarily representative of the average debt outstanding during the period.

	(In INR)	
<b>Cash flow sensitivity (net)</b>	<b>Profit or loss</b>	
	<b>25 bp increase</b>	<b>25 bp decrease</b>
<b>31-Mar-23</b>		
Variable-rate loan instruments	-	-
<b>Cash flow sensitivity (net)</b>	-	-
<b>31-Mar-22</b>		
Variable-rate loan instruments	-	-
<b>Cash flow sensitivity (net)</b>	-	-



**Advanced Enzymes Europe B.V.****Notes to the Financial Statements for the year ended 31 March 2023**

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

**25. Capital Management**

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

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	(In INR)	
	31 March 2023	31 March 2022
Non-current borrowings	88,07,93,673	66,93,81,343
Current borrowings	-	12,09,00,895
Gross debt	88,07,93,673	79,02,82,239
Less - Cash and cash equivalents	6,23,24,999	5,62,62,638
<b>Adjusted net debt</b>	<b>81,84,68,674</b>	<b>73,40,19,601</b>
Total equity	(26,22,22,630)	(20,89,39,149)
Adjusted net debt to equity ratio	(3.12)	(3.51)

26. 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 financial statements and the Company will continue to closely monitor any material changes to future economic conditions.





Advanced Enzymes Europe B.V.  
Notes to the Financial Statements for the year ended 31 March 2023  
(All amounts are stated in Indian Rupees, unless otherwise stated)

27 Ratios-

Particulars	Numerator	Denominator	As at		Variance	Reference
			31 March 2023	31 March 2022		
(a) Current Ratio	Total current assets	Total current liabilities				Ratio increased due to increase in current assets during the year and decrease in current liabilities
(b) Debt-Equity Ratio	Total Liabilities	Shareholder's Equity	5.09 (3.75)	0.78 (4.37)	556% -14%	NA
(c) Debt Service Coverage Ratio	Net Operating income	Debt service = Interest + Principal repayments	(0.11)	(0.14)	-21%	NA
(d) Return on Equity Ratio	Profit for the year	Average total equity	-15%	-49%	-70%	Improvement in ratio is due to decrease in loss during the year
(e) Inventory turnover ratio	Cost of Goods Sold (COGS)	Average inventory	1.18	2.37	-50%	Decreased due to decrease in cost of goods sold coupled with increase in inventory
(f) Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	7.01	6.94	1%	NA
(g) Trade payables turnover ratio	COGS + Other expenses	Average trade payables	24.39	11.62	110%	Increased due to decrease in average trade payables
(h) Net capital turnover ratio	Revenue from operations	Average working capital (i.e. total current assets less total current liabilities)	4.99	8.12	-38%	Decreased due to increase in working capital
(i) Net profit ratio	Profit for the year	Revenue from operations	-16%	-47%	-66%	Ratio improved on account of increase in revenue coupled with reduced loss
(j) Return on Capital employed	Profit before tax and finance costs	Capital employed	-1%	31%	-103%	Ratio decreased on account of increase in EBIT coupled with decrease in capital employed
(k) Return on investment	Income generated from invested funds	Average investment in mutual funds	NA	NA	NA	



**Advanced Enzymes Europe B.V.**

**Notes to the Financial Statements for the year ended 31 March 2023**

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

**28 Subsequent event**

**Conversion of loan taken from the Parent into equity**

Effective date 7 April 2023, loan taken by the Company from Advanced Enzyme Technologies Limited ("AETL" or "the Parent Company") including the outstanding interest aggregating to Rs 329 million got converted into 2,276,837 fully paid up equity shares. The value per equity share is EUR 1.63 and the face value of EUR 1 per share. Pursuant to this conversion, the Parent Company now holds 4,276,837 equity share of the Company and the Parent Company continues to be 100% shareholder of the Company.



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

A Relationships:

I Holding Company

Advanced Enzyme Technologies Limited

II Subsidiaries:

Evovx Technologies GMBH, Germany (Wholly owned subsidiary of Advanced Enzymes Europe B. V )

III Fellow Subsidiaries

Advanced Bio- Agro Tech Limited

Advanced Enzytech Solutions Limited

JC Biotech Private Limited

Advanced Enzymes, USA Inc.

Advanced Enzymes (Malaysia) Sdn. Bhd.

Cal India Food International, USA (subsidiary of Advanced Enzymes USA, Inc )

Advanced Supplementary Technologies Corporation, USA (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)

Dynamic Enzymes Inc , USA (Wholly owned subsidiary of Advanced Enzymes USA)

Enzyme Innovation Inc., USA (Wholly owned subsidiary of Cal India Foods International)

Scitech Specialities Private Limited (w.e.f. 11th January 2021)

III Key Management Personnel

Mr. Mukund Madhusudan Kabra

Ms. Rasika Rathi

Mr. Kedar Desai

B. Nature of transactions:

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

	31 March 2023 (in INR)	31 March 2022 (in INR)
i. Interest on loan taken from parent company	2,79,98,409	2,55,66,440
ii. Interest on loan taken from fellow subsidiary company	2,10,52,828	1,87,89,650
iii. Sale of services to holding company	7,89,44,093	7,30,79,626
iv. Sale of services to fellow subsidiary company	16,41,854	-
v. Purchase of goods from holding company	1,55,72,494	4,12,37,809

C. Balances due from/to the related parties:

	As at 31 March 2023 (in INR)	As at 31 March 2022 (in INR)
i. Borrowing:		
from fellow holding	24,94,09,675	25,33,04,919
from fellow subsidiary	46,73,13,395	43,03,95,124
ii. Interest payable:		
from fellow holding	7,95,90,522	4,76,96,868
from fellow subsidiary	8,44,80,082	5,85,27,102
iii. Trade receivable	71,16,211	65,05,371
iv. Trade payable	43,01,165	15,23,878

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

For Manoj Kumar Sharma & Associates  
Chartered Accountants  
Firm Registration no. 137265W



*Manoj Sharma*

Manoj Kumar Sharma  
Proprietor

M.No.: 155859

Place : Thane

Date: 10 May 2023

For and on behalf of Board of Directors of  
Advanced Enzymes Europe B.V.

*M. M. Kabra*

Mukund Kabra  
Director

Place : Thane

Date: 10 May 2023

*Rasika Rathi*

Rasika Rathi  
Director

Place : California