

## INDEPENDENT AUDITORS' REPORT

To,  
The Board of Directors  
Advanced Enzymes, Malaysia Sdn. Bhd., Malaysia

Independent Auditor's Report on Financial Statements of Advanced Enzymes, Malaysia Sdn. Bhd. ('the Company')

### Opinion

We have audited the accompanying Ind AS financial statements of **Advanced Enzymes, Malaysia Sdn. Bhd.** ('the Company'), which comprise the Balance sheet as at 31 March 2023, Statements of profit and loss, the Statement of Cash Flows and the 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 standalone 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 standalone 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the 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 Ind AS financials statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



## Emphasis of matter

The financial statements of the Company are prepared on the basis of Not Going Concern based on the decision of the Board of Directors of the holding company.

The accompanying financial information has been prepared in both Indian rupees and Malaysian ringgit. The financial information in Malaysian ringgit 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 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 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

UDIN: 23155859BGXIKR4271

Place: Thane  
Date: 08 May 2023

Advanced Enzymes, Malaysia Sdn. Bhd.  
Balance Sheet  
as at 31 March 2023

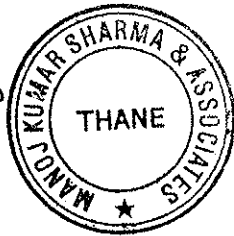
	Notes	As at 31 March 2023 (in RM)	As at 31 March 2023 (in INR)	As at 31 March 2022 (in RM)	As at 31 March 2022 (in INR)
<b>I. ASSETS</b>					
<b>(1) Current Assets</b>					
<b>(a) Financial Assets</b>					
(i) Cash and cash equivalents	2	49	913	49	885
<b>Total</b>		<b>49</b>	<b>913</b>	<b>49</b>	<b>885</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity share capital	3	5,00,000	83,81,300	5,00,000	83,81,300
(b) Other equity	4	(4,99,951)	(83,80,387)	(4,99,951)	(83,80,415)
<b>Total</b>		<b>49</b>	<b>913</b>	<b>49</b>	<b>885</b>

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

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: *08/05/2023*



For and on behalf of Board of Directors of  
Advanced Enzymes, Malaysia Sdn. Bhd.

*M. K. Kabra*

Mukund Kabra  
Director

Place: *Nashik*  
Date: *08/05/2023*

*Abhijit Rath*

Abhijit Rath  
Director

Place: *Nashik*

Advanced Enzymes, Malaysia Sdn. Bhd.  
Statement of Profit and Loss  
for the year ended 31 March 2023

	Notes	For the year ended 31 March 2023 (in RM)	For the year ended 31 March 2023 (in INR)	For the year ended 31 March 2022 (in RM)	For the year ended 31 March 2022 (in INR)
<b>Income:</b>					
Other income	5	-	-	62,590	11,17,432
<b>Total income</b>		<b>-</b>	<b>-</b>	<b>62,590</b>	<b>11,17,432</b>
<b>Expenses:</b>					
Other expenses	6	-	-	29,044	5,18,527
<b>Total expenses</b>		<b>-</b>	<b>-</b>	<b>29,044</b>	<b>5,18,527</b>
<b>Profit before tax</b>		<b>-</b>	<b>-</b>	<b>33,546</b>	<b>5,98,904</b>
<b>Tax expense</b>					
Current tax		-	-	-	-
Tax adjustment for earlier years		-	-	-	-
Net Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Profit for the year</b>		<b>-</b>	<b>-</b>	<b>33,546</b>	<b>5,98,904</b>
<b>Other comprehensive income / (loss) for the year, net of tax</b>					
		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>33,546</b>	<b>5,98,904</b>
<b>Earnings per equity share</b>					
Basic	8	-	-	0.08	1.50
Diluted		-	-	0.08	1.50

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

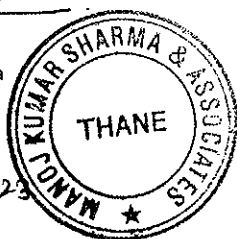
This is the balance sheet referred to in our report of even date

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

For and on behalf of Board of Directors of  
Advanced Enzymes, Malaysia Sdn. Bhd.

Manoj Sharma

Manoj Kumar Sharma  
Proprietor  
M. No.: 155859  
Place: Thane  
Date: 08/05/2023



M. W. Kabra

Mukund Kabra  
Director

Place: Nashik  
Date: 08/05/2023

Abhijit Rathi

Abhijit Rathi  
Director

Place: Nashik

Advanced Enzymes, Malaysia Sdn. Bhd.  
Cash Flow Statement for the year ended 31 March 2023

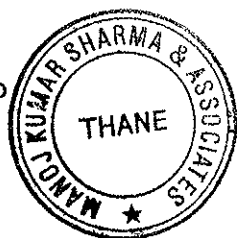
	31 March 2023		31 March 2022	
	(in RM)	(in INR)	(in RM)	(in INR)
<b>A. Cash flow from operating activities :</b>				
Net loss before tax	-	-	33,546	5,98,904
<b>Operating Cash Flows before Working Capital Changes</b>	-	-	<b>33,546</b>	<b>5,98,904</b>
Changes in working capital:				
Current loans	-	-	10,177	1,81,691
Other Current Financial liabilities	-	-	(27,227)	(4,86,079)
Other Current Liabilities	-	-	(35,364)	(6,31,352)
	-	-	<b>(52,413)</b>	<b>(9,35,740)</b>
<b>Cash generated from operations</b>	-	-	<b>(18,867)</b>	<b>(3,36,836)</b>
Direct Taxes paid	-	-	-	-
<b>Net Cash Flow from Operating Activities</b>	-	-	<b>(18,867)</b>	<b>(3,36,836)</b>
<b>B. Cash flow from investing activities</b>				
<b>Net Cash (Used) / generated in Investing Activities</b>	-	-	-	-
<b>C. Cash flow from financing activities</b>				
<b>Net Cash (Used) / generated in Financing Activities</b>	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	-	<b>(18,867)</b>	<b>(3,36,836)</b>
Cash and cash equivalents as at the beginning of the year	49	885	18,916	3,33,944
Effect of exchange rate changes on cash and cash equivalents held	-	28	-	3,777
<b>Cash and cash equivalents as at the end of the year</b>	<b>49</b>	<b>913</b>	<b>49</b>	<b>885</b>

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 Sharma*

Manoj Kumar Sharma  
Proprietor  
M. No.: 155859  
Place: *Thane*  
Date: *08/05/2023*



For and on behalf of Board of Directors of  
Advanced Enzymes, Malaysia Sdn. Bhd.

*M. W. Kabra*  
Mukund Kabra  
Director

Place: *Nashik*  
Date: *08/05/23*

*Abhijit Rath*  
Abhijit Rathi  
Director

Place: *Nashik*

Advanced Enzymes, Malaysia Sdn. Bhd.

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

**Statement of Changes in Equity (SOCIE)**

for the year ended 31 March 2023

**(a) Equity share capital (refer note 4)**

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,00,000	66,04,300	4,00,000	66,04,300
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	4,00,000	66,04,300	4,00,000	66,04,300

**(b) Other equity (refer note 5)**

Particulars	Reserves & Surplus	Other Comprehensive Income	Total Equity
	Retained earnings	Foreign currency translation reserve	
Balance at 01 April 2021	(85,27,857)	(4,44,802)	(89,72,659)
Profit for the year	5,98,904	-	5,98,904
Other comprehensive income for the year	-	(6,661)	(6,661)
<b>Total comprehensive income for the year</b>	<b>5,98,904</b>	<b>(6,661)</b>	<b>5,92,244</b>
Balance at 31 March 2022	(79,28,952)	(4,51,463)	(83,80,415)
Profit for the year	-	-	-
Other comprehensive income for the year	-	28	28
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>28</b>	<b>28</b>
Balance at 31 March 2023	(79,28,952)	(4,51,435)	(83,80,387)

**Nature and component of equity:**

**1. Foreign currency translation reserve**

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

For Manoj Kumar Sharma & Associates

Chartered Accountants

Firm Registration no. 137265W

*Manoj Sharma*

Manoj Kumar Sharma

Proprietor

M. No.: 155859

Place: Thane

Date: 08/05/2023



For and on behalf of Board of Directors of

Advanced Enzymes, Malaysia Sdn. Bhd.

*M. M. Kabra*

Mukund Kabra

Director

Place: Nashik

Date: 08/05/2023

*Abhijit Rath*

Abhijit Rathi

Director

Place: Nashik

Advanced Enzymes, Malaysia Sdn. Bhd.

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

## 1 Overview of the Company

Advanced Enzymes, Malaysia Sdn. Bhd. ("the Company") was incorporated on 9 May 2016 and is primarily engaged marketing of enzymes related to palm oil extraction. The Company is wholly owned subsidiary of Advanced Enzyme Technologies Limited ('Holding Company'). The Board of directors of holding company in its meeting held on 2 November 2019 decided to close the business of the Company.

### 1A Basis of preparation of financial statements

#### Statement of compliance

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

The financial statements of the Company are prepared on the basis of Not Going Concern based on the decision of the Board of Directors of the holding company.

The financial statements were authorised for issue by the Company's Board of Directors on 08 May 2023.

#### Functional and presentation currency

These financial statements are presented in Indian rupees, the Company's functional currency is Ringgit Malaysia (RM).

#### 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.

### 1B 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 2023 are as follows:

#### a. Property, plant and equipment

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

#### b. Recognition 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.

### 1C Significant accounting policies:

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

#### a. Revenue recognition

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

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

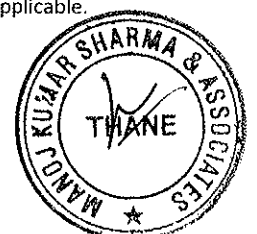
Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

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

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

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
  - The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.



#### **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:

Furniture and fixtures	10 years
Office equipment	5 years

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

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

- v. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

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

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

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

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

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

#### **d. Inventories**

- Stock in trade is valued at lower of cost and net reliable 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**

- 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).

##### **Current tax**

Current tax is computed and provided for in accordance with the regulations applicable to the Company.



#### 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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

#### h. Borrowing costs

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



#### **i. Provisions and contingencies**

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

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

#### **j. Leases**

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

##### **Assets taken on finance lease**

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

##### **Assets taken on operating lease**

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

#### **k. Cash and cash equivalents**

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:

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

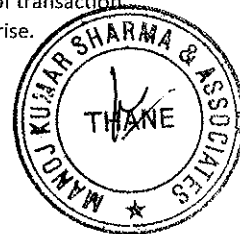
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as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

### **o. Dividend Distribution to equity shareholders**

The Company recognizes 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, Company's functional currency is RM. 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.



Advanced Enzymes, Malaysia Sdn. Bhd.

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

	As at 31 March 2023 (in RM)	As at 31 March 2023 (in INR)	As at 31 March 2022 (in RM)	As at 31 March 2022 (in INR)
<b>2 Cash and Cash Equivalents</b>				
Balances with banks				
- in current accounts	49	913	49	885
Cash on hand	-	-	-	-
<b>Total</b>	<b>49</b>	<b>913</b>	<b>49</b>	<b>885</b>



Advanced Enzymes, Malaysia Sdn. Bhd.

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

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

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
<b>3 Share capital</b>				
<b>Authorised</b>				
Equity shares of RM 1 each	5,00,000	83,81,300	5,00,000	83,81,300
	<u>5,00,000</u>	<u>83,81,300</u>	<u>5,00,000</u>	<u>83,81,300</u>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of RM 1 each	5,00,000	83,81,300	5,00,000	83,81,300
<b>Total</b>	<u>5,00,000</u>	<u>83,81,300</u>	<u>5,00,000</u>	<u>83,81,300</u>

	As at 31 March 2023		As at 31 March 2022	
	Number	INR	Number	INR
<b>Reconciliation of Equity share capital</b>				
Balance at the beginning of the year	5,00,000	83,81,300	5,00,000	83,81,300
Add : Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<u>5,00,000</u>	<u>83,81,300</u>	<u>5,00,000</u>	<u>83,81,300</u>

a) Rights, preferences and restrictions attached to shares

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

**Shareholding structure**

b) Shareholders holding more than 5% of the shares

	Number	% of holding	Number	% of holding
<u>Equity shares of RM 1 each</u>				
Advanced Enzyme Technologies Limited	5,00,000	100%	5,00,000	100%
	<u>5,00,000</u>	<u>100%</u>	<u>5,00,000</u>	<u>100%</u>

c) Shareholding of Promoters:

Promoter's name	As at 31 March 2023	As at 31 March 2022	Change
Advanced Enzyme Technologies Limited	500,000 (100%)	500,000 (100%)	Nil





Advanced Enzymes, Malaysia Sdn. Bhd.

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

	As at 31 March 2023 (in RM)	As at 31 March 2023 (in INR)	As at 31 March 2022 (in RM)	As at 31 March 2022 (in INR)
<b>4 Other Equity</b>				
<b>Reserves and surplus</b>				
<b>Retained earnings</b>				
Balance at the beginning of the year	(4,99,951)	(79,28,952)	(5,33,497)	(85,27,857)
Add : Transferred from statement of profit and loss	-	-	33,546	5,98,904
Balance at the end of the year	<u>(4,99,951)</u>	<u>(79,28,952)</u>	<u>(4,99,951)</u>	<u>(79,28,952)</u>
<b>Other Comprehensive Income</b>				
<b>Foreign currency translation reserve</b>				
Balance at the beginning of the year	-	(4,51,463)	-	(4,44,802)
Add : Additions made during the year	-	28	-	(6,661)
Balance at the end of the year	<u>-</u>	<u>(4,51,435)</u>	<u>-</u>	<u>(4,51,463)</u>
<b>Total</b>	<u>(4,99,951)</u>	<u>(83,80,387)</u>	<u>(4,99,951)</u>	<u>(83,80,415)</u>



Advanced Enzymes, Malaysia Sdn. Bhd.

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

	For the year ended 31 March 2023 (in RM)	For the year ended 31 March 2023 (in INR)	For the year 31 March 2022 (in RM)	For the year 31 March 2022 (in INR)
<b>5 Other income</b>				
Other non-operating income	-	-	62,590	11,17,432
	<u>-</u>	<u>-</u>	<u>62,590</u>	<u>11,17,432</u>
<b>6 Other expenses</b>				
Assets written off	-	-	29,044	5,18,527
	<u>-</u>	<u>-</u>	<u>29,044</u>	<u>5,18,527</u>



Advanced Enzymes, Malaysia Sdn. Bhd.

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

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

**7 Segment Reporting - Disclosures under Ind AS 108 - "Operating Segment":**

The Company has no revenue from operation for the year ended 31 March 2023 and 31 March 2022.

**8 Earnings per share (EPS)**

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

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

**i. Profit attributable to Equity holders**

	31 March 2023	31 March 2022
Profit attributable to equity holders	-	5,98,904

**ii. Weighted average number of ordinary shares**

	31 March 2023	31 March 2022
Issued ordinary shares at beginning	4,00,000	4,00,000
Effect of fresh issue of shares for cash	-	-
<b>Weighted average number of shares at 31 March for basic EPS</b>	<b>4,00,000</b>	<b>4,00,000</b>
Effect of exercise of share options	-	-
<b>Weighted average number of shares at 31 March for diluted EPS</b>	<b>4,00,000</b>	<b>4,00,000</b>

**Basic and Diluted earnings per share**

	31 March 2023	31 March 2022
Basic earnings per share	-	1.50
Diluted earnings per share	-	1.50



**Advanced Enzymes, Malaysia Sdn. Bhd.**

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

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

**9. Financial instruments**

**1. Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

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

31 March 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									
Cash and cash equivalents	2	-	-	913	913	-	-	-	-
		-	-	913	913	-	-	-	-
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									
Cash and cash equivalents	2	-	-	885	885	-	-	-	-
		-	-	885	885	-	-	-	-

**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.

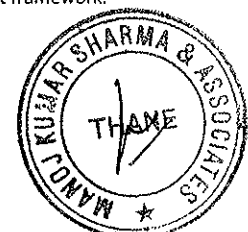
**C. Financial risk management**

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, Malaysia Sdn. Bhd.**

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

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

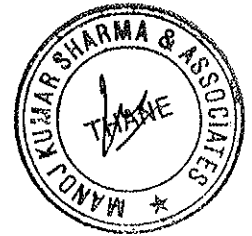
**Financial instruments – Fair values and risk management**

**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. The Company is not exposed to credit risk as it has not generated any revenue from operations for the financial year 2022-23 and financial year 2021-22, it has no receivables and also the Company does not holds any financial instrument at the end of financial year.

**Cash and cash equivalents**

The Company held cash and cash equivalents of Rs 913 at 31 March 2023 (31 March 2022: Rs 885). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.



**Advanced Enzymes, Malaysia Sdn. Bhd.**

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

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

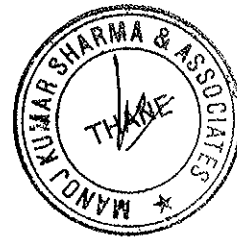
**Financial instruments – Fair values and risk management**

**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 Company does not have any financial liabilities to settle accordingly there is no liquidity risk.



Advanced Enzymes, Malaysia Sdn. Bhd.

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, Malaysia Sdn. Bhd.**

**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 Company's does not have any borrowings therefore, the Company is not exposed to interest rate risk.





Advanced Enzymes, Malaysia Sdn. Bhd.

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

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

**10 Ratios-**

Ratio	Numerator	Denominator	As at	As at	Variance	Reference
			31 March 23	31 March 22		
Return on Equity Ratio	Profit for the year	Average total equity	0%	67706%	-100%	Note 1
Return on Capital employed	Profit before tax and finance costs	Capital employed	0%	67706%	-100%	Note 2

Note 1- Decrease in profit for the year has resulted in decrease.

Note 2- Decrease in profit for the year has resulted in decrease.



Advanced Enzymes, Malaysia Sdn. Bhd.

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

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

**11. Capital Management**

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

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

	31 March 2023	31 March 2022
Current borrowings	-	-
Gross debt	-	-
Less - Cash and cash equivalents	913	885
<b>Adjusted net debt</b>	<b>(913)</b>	<b>(885)</b>
Total equity	913	885
Adjusted net debt to equity ratio	(1.00)	(1.00)



Advanced Enzymes, Malaysia Sdn. Bhd.

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

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

12 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 **Fellow Subsidiaries**

Advanced Bio- Agro Tech Limited

Advanced Enzytech Solutions Limited

JC Biotech Private Limited

Advanced Enzymes, USA

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

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

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

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

Advanced Enzymes Europe B.V., Netherland

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

Scitech Specialities Private Limited

Sai Ganesh Enzytech Solutions Private Limited (w.e.f. 03 January 2023)

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: 08/05/2023

Date: Thane

For and on behalf of Board of Directors of  
Advanced Enzymes, Malaysia Sdn. Bhd.

*M. K. Kabra*

Mukund Kabra

Director

Place: Nashik

Date: 08/05/2023

*A. Rathi*

Abhijit Rathi

Director

Place: Nashik