

# Independent Auditor's Report

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

## Opinion

We have audited the Fit-for-Consolidation Consolidated Financial Statements of Advanced Enzymes USA Inc. and its subsidiaries ('the Company') which comprise the consolidated balance sheets as at March 31, 2025, and March 31, 2024, and the related consolidated statements of profit and loss, cash flows and changes in equity for the years then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'Fit-for-Consolidation Consolidated Financial Statements' or the 'consolidated financial statements'), prepared in accordance with the group accounting policies followed by Advanced Enzyme Technologies Limited ('AETL') ('the parent company or the Holding company of the group'). The consolidated financial statements have been prepared solely to enable the Holding company of the group, to prepare its consolidated financial statements as at and for the years ended March 31, 2025, and March 31, 2024.

In our opinion, the accompanying Fit-for-Consolidation Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025, and March 31, 2024, and the consolidated results of its operations and its consolidated cash flows for the years then ended in accordance with group accounting policies followed by AETL and are suitable for inclusion in the consolidated Ind AS financial statements of AETL.

## Basis for opinion

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

## Responsibilities of management for the consolidated financial statements

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

## **Restriction on use and distribution**

This report is intended solely for use by MSKA & Associates, India in connection with its audit of consolidated financial statements of AETL as at and for the years ended March 31, 2025, and March 31, 2024, and should not be used for any other purpose.

**KNAV CPA LLP**

Atlanta, Georgia  
May 10, 2025

Advanced Enzymes USA, Inc. and subsidiaries  
Fit-for-consolidation consolidated balance sheets  
As at March 31, 2025, and March 31, 2024

	Notes	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
<b>I. ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, plant and equipment (Including right of use assets)	2	1,745,397	149,375,495	1,857,559	154,871,955
(b) Capital work-in-progress	2A	-	-	606,027	50,526,834
(c) Intangible assets	3	668,148	57,181,046	-	-
(d) Intangible assets under development	3A	-	-	597,891	49,500,669
(e) Goodwill		33,872,000	2,898,813,144	33,872,000	2,834,040,705
(f) Financial assets					
(i) Other financial assets	7	-	-	6,983,946	582,278,824
(g) Deferred tax assets (net)	13	581,440	49,760,461	873,563	72,432,365
<b>Total non-current assets</b>		<b>36,866,985</b>	<b>3,155,128,146</b>	<b>44,790,986</b>	<b>3,734,051,352</b>
<b>Current assets</b>					
(a) Inventories	4	5,099,673	436,437,197	5,384,201	448,901,748
(b) Financial assets					
(i) Investments		51,198,171	4,381,611,124	41,419,461	3,453,302,018
(ii) Trade receivables	5	2,701,671	231,212,789	1,988,715	165,806,965
(iii) Cash and cash equivalents	6	9,432,119	807,213,907	11,734,148	978,321,684
(c) Other current assets	8	173,746	14,869,418	258,870	21,583,014
<b>Total current assets</b>		<b>68,605,380</b>	<b>5,871,344,435</b>	<b>60,785,395</b>	<b>5,067,915,429</b>
<b>TOTAL ASSETS</b>		<b>105,472,365</b>	<b>9,026,472,581</b>	<b>105,576,381</b>	<b>8,801,966,781</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity share capital	9	5,839,000	285,831,054	5,839,000	285,831,054
(b) Other equity	10	93,004,357	8,250,345,039	91,711,441	7,846,981,853
<b>Equity attributable to equity holders of the parent</b>		<b>99,743,357</b>	<b>8,536,176,093</b>	<b>97,550,441</b>	<b>8,132,812,907</b>
<b>Non-current liabilities</b>					
(a) Financial liabilities					
(i) Lease liabilities	11	443,340	37,941,622	1,000,938	83,452,088
<b>Total non-current liabilities</b>		<b>443,340</b>	<b>37,941,622</b>	<b>1,000,938</b>	<b>83,452,088</b>
<b>Current liabilities</b>					
(a) Financial liabilities					
(i) Lease liabilities	11	550,129	47,080,839	502,452	41,891,345
(ii) Trade payables	14	1,505,489	128,841,832	2,369,930	197,590,310
(iii) Other financial liabilities	12	338,723	28,988,346	410,335	34,211,222
(b) Other current liabilities	15	355,712	30,442,362	700,596	58,411,411
(c) Short-term provisions	16	2,033,255	174,008,769	2,013,990	167,914,199
(d) Liabilities for current tax (net)		502,360	42,992,698	1,027,699	85,683,299
<b>Total current liabilities</b>		<b>5,285,668</b>	<b>452,354,866</b>	<b>7,025,002</b>	<b>583,701,786</b>
<b>Total liabilities</b>		<b>5,729,008</b>	<b>490,296,488</b>	<b>8,025,940</b>	<b>669,153,874</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>105,472,365</b>	<b>9,026,472,581</b>	<b>105,576,381</b>	<b>8,801,966,781</b>

Notes 1 to 34 form an integral part of these fit-for-consolidation consolidated financial statements

These are the fit-for-consolidation consolidated balance sheets referred to in our report of even date.

For KNAV CPA LLP  
Certified Public Accountants

*Atul Deshmukh*

Atul Deshmukh, CPA  
Engagement Partner  
Place : Atlanta, Georgia  
Date: May 10, 2025

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

*V. L. Rathi*

V. L. Rathi  
Director  
Place : China  
Date: May 10, 2025

Advanced Enzymes USA, Inc. and subsidiaries  
Fit-for-consolidation consolidated statements of profit and loss  
for the year ended on March 31, 2025, and March 31, 2024

		USD	INR	USD	INR
	Notes	For the year ended March 31, 2025	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2024
<b>Income</b>					
Revenue from operations (net)	17	27,695,589	2,342,209,642	25,706,857	2,128,325,829
Other income	18	2,861,115	241,963,794	3,173,261	262,721,097
<b>Total income</b>		<b>30,556,704</b>	<b>2,584,173,436</b>	<b>28,880,118</b>	<b>2,391,046,926</b>
<b>Expenses</b>					
Cost of materials consumed	19	8,005,506	669,303,753	8,027,978	660,424,260
Changes in inventories of finished goods and work-in-progress	20	(173,644)	(18,562,776)	(363,763)	(31,847,774)
Employee benefits expense	21	5,418,245	458,219,808	5,191,489	429,814,531
Finance costs	22	51,049	4,317,171	73,372	6,074,650
Depreciation and amortisation expense	23	710,666	60,100,900	646,620	53,535,070
Other expenses	24	4,435,094	375,074,635	3,345,190	276,955,453
<b>Total expenses</b>		<b>18,446,916</b>	<b>1,548,353,491</b>	<b>16,920,886</b>	<b>1,394,956,190</b>
<b>Profit before exceptional items and tax</b>		<b>12,109,788</b>	<b>1,035,719,945</b>	<b>11,959,232</b>	<b>996,090,736</b>
Exceptional items	25	-	-	1,827,652	151,315,204
<b>Profit before tax</b>		<b>12,109,788</b>	<b>1,035,719,945</b>	<b>10,131,580</b>	<b>844,775,532</b>
<b>Tax expenses</b>					
Current tax		3,506,473	296,541,623	3,176,608	262,998,219
Deferred tax		292,123	24,704,785	(407,839)	(33,765,843)
<b>Total tax expenses</b>		<b>3,798,596</b>	<b>321,246,408</b>	<b>2,768,769</b>	<b>229,232,376</b>
<b>Net profit for the year</b>		<b>8,311,192</b>	<b>714,473,537</b>	<b>7,362,811</b>	<b>615,543,156</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified to profit and loss</b>					
- Exchange differences in translating financial statements of foreign operations		-	206,310,848	-	105,838,374
<b>Total comprehensive income for the year</b>		<b>8,311,192</b>	<b>920,784,385</b>	<b>7,362,811</b>	<b>721,381,530</b>
<b>Earnings per equity share</b>					
Basic and Diluted - (par value \$1,000 each)	30	1,423	122,362	1,261	105,419

Notes 1 to 34 form an integral part of these fit-for-consolidation consolidated financial statements

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

For KNAV CPA LLP  
Certified Public Accountants

*Atul Deshmukh*

Atul Deshmukh, CPA  
Engagement Partner  
Place : Atlanta, Georgia  
Date: May 10, 2025

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

*V. L. Rath*

V. L. Rath  
Director  
Place : China  
Date: May 10, 2025



Advanced Enzymes USA, Inc. and subsidiaries  
Fit-for-consolidation consolidated statements of changes in equity (SOCIE)  
for the year ended on March 31, 2025, and March 31, 2024  
*(All amounts are stated in Indian Rupee except for the number of shares, unless otherwise stated)*

(a) Equity share capital

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	5,839	285,831,054	5,839	285,831,054

(b) Other equity

Particulars	Reserves & Surplus				Total other equity
	Securities premium account	Capital contribution	Other comprehensive income	Retained earnings	
Balance at April 1, 2023	3,761,000	46,912	-	86,652,603	90,460,515
Net profit for the year	-	-	-	7,362,811	7,362,811
Stock compensation expense	-	19,065	-	-	19,065
Foreign exchange differences on translation of financial statements	-	-	-	-	-
Dividend paid	-	-	-	(6,130,950)	(6,130,950)
Balance at March 31, 2024	3,761,000	65,977	-	87,884,461	91,711,448
Net profit for the year	-	-	-	8,311,192	8,311,192
Stock compensation expense	-	12,674	-	-	12,674
Foreign exchange differences on translation of financial statements	-	-	-	-	-
Dividend paid	-	-	-	(6,130,950)	(6,130,950)
Balance at March 31, 2025	3,761,000	78,651	-	90,064,706	93,904,357

(b) Other equity

Particulars	Reserves & Surplus				Total other equity
	Securities premium account	Capital contribution	Other comprehensive income	Retained earnings	
Balance at April 1, 2023	242,164,086	3,192,001	1,340,333,997	6,045,926,333	7,631,616,419
Net profit for the year	-	-	-	615,543,156	615,543,156
Stock compensation expense	-	1,578,409	-	-	1,578,409
Foreign exchange differences on translation of financial statements	-	-	105,836,374	-	105,836,374
Dividend paid	-	-	-	(507,594,504)	(507,594,504)
Balance at March 31, 2024	242,164,086	4,770,410	1,446,172,371	6,153,874,985	7,846,981,853
Net profit for the year	-	-	-	714,473,537	714,473,537
Stock compensation expense	-	1,071,846	-	-	1,071,846
Foreign exchange differences on translation of financial statements	-	-	206,310,848	-	206,310,848
Dividend paid	-	-	-	(518,493,045)	(518,493,045)
Balance at March 31, 2025	242,164,086	5,842,256	1,652,483,219	6,349,855,477	8,250,345,039

Notes 1 to 34 form an integral part of these fit-for-consolidation consolidated financial statements

These are the fit-for-consolidation consolidated statements of changes in equity referred to in our report of even date

For KNAV CPA LLP  
Certified Public Accountants

**Atul Deshmukh**

Atul Deshmukh, CPA  
Engagement Partner  
Place : Atlanta, Georgia  
Date: May 10, 2025

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

**V. L. Rath**

V. L. Rath  
Director  
Place : China  
Date: May 10, 2025

Advanced Enzymes USA, Inc. and subsidiaries  
Fit-for-consolidation consolidated statements of cash flows  
for the year ended on March 31, 2025, and March 31, 2024

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
<b>Cash flows from operating activities</b>				
Profit before exceptional items and tax	12,109,788	1,035,719,945	10,131,580	844,775,532
Adjustments for non-cash transactions				
Depreciation and amortisation expense	710,666	60,100,960	646,620	53,535,070
Employee stock options expenses	12,674	1,071,846	19,065	1,578,409
Liabilities no longer required written back	-	-	(489,502)	(40,526,948)
Bad and doubtful debts written off	14,945	1,263,853	2,491	206,239
Interest on loan written off	1,450,433	122,662,746	-	-
Provision for claims and litigations	-	-	1,827,652	151,315,204
Provision for inventory	24,538	2,075,189	158,386	11,457,242
(Gain)/loss on investments in marketable securities	(697,740)	(59,107,682)	(1,440,322)	(116,130,511)
Interest income	(964,993)	(81,609,215)	(1,549,916)	(128,320,888)
Interest expenses	51,049	4,317,171	73,372	6,074,650
<b>Cash generated from operations before working capital changes</b>	<b>12,711,360</b>	<b>1,086,594,753</b>	<b>9,759,426</b>	<b>813,963,999</b>
Adjustments for:				
Increase / (decrease) in other current liabilities	(344,884)	(29,166,720)	37,774	3,127,432
Increase / (decrease) in short term provisions	19,265	1,629,198	382,088	31,633,879
Increase / (decrease) in trade payables	(864,441)	(73,105,586)	1,807,832	149,674,272
(Increase) / decrease in inventories	259,989	21,987,234	(606,246)	(50,192,422)
(Increase) / decrease in trade receivables	(727,900)	(61,558,342)	(292,171)	(24,189,473)
(Increase) / decrease in other current assets	85,124	7,198,938	(155,569)	(12,879,861)
Increase / (decrease) in other current financial liabilities	(7,540)	(637,632)	40,947	3,390,291
<b>Cash generated from operating activities</b>	<b>11,130,973</b>	<b>952,941,813</b>	<b>10,974,081</b>	<b>914,528,116</b>
Income taxes paid	(4,031,813)	(340,969,507)	(2,292,961)	(189,839,165)
<b>Net cash generated from operating activities</b>	<b>7,099,160</b>	<b>611,972,336</b>	<b>8,681,120</b>	<b>724,688,951</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(35,600)	(3,010,686)	(487,074)	(40,325,910)
Purchase of intangible assets	(99,307)	(8,398,367)	(597,891)	(49,500,669)
Loan repayment received from related party	5,550,378	469,394,169	-	-
(Purchase)/sale of current investments	(9,080,970)	(767,975,550)	1,143,248	94,651,951
Interest received	948,129	80,183,031	1,277,406	105,759,201
<b>Net cash (used in) / provided by investing activities</b>	<b>(2,717,370)</b>	<b>(229,807,403)</b>	<b>1,335,689</b>	<b>110,584,574</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(6,130,950)	(518,493,045)	(6,130,950)	(507,594,504)
Interest paid on lease liabilities	(51,049)	(4,317,171)	(73,372)	(6,074,650)
Principal payment of lease liabilities	(501,820)	(42,438,834)	(451,819)	(37,407,094)
<b>Net cash (used in) financing activities</b>	<b>(6,683,819)</b>	<b>(565,249,050)</b>	<b>(6,656,141)</b>	<b>(551,076,248)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,302,029)</b>	<b>(183,064,117)</b>	<b>3,360,668</b>	<b>284,197,276</b>
Cash and cash equivalents as at the beginning of the year	11,734,148	978,321,684	8,373,480	688,441,531
Effect of exchange rate changes on cash and cash equivalents	-	11,976,340	-	5,682,877
<b>Cash and cash equivalents as at the end of the year</b>	<b>9,432,119</b>	<b>807,213,907</b>	<b>11,734,148</b>	<b>978,321,684</b>

Notes 1 to 34 form an integral part of these fit-for-consolidation consolidated financial statements

These are the fit-for-consolidation consolidated statements of cash flow referred to in our report of even date.

For KNAV CPA LLP  
Certified Public Accountants

*Atul Deshmukh*

Atul Deshmukh, CPA  
Engagement Partner  
Place : Atlanta, Georgia  
Date: May 10, 2025

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

*V. L. Rath*

V. L. Rath  
Director  
Place : China  
Date: May 10, 2025

**1 Overview of the Company**

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

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

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

**1A Basis of preparation of fit-for-consolidation consolidated financial statements**

**a. Statement of compliance**

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

The financial information is presented in both US Dollars (USD or \$) and in Indian Rupees (INR), wherever applicable, for March 31, 2025, and March 31, 2024. Dollar amounts are translated into Indian Rupees using closing rate for fit-for-consolidation consolidated balance sheets items, average rates for fit-for-consolidation consolidated profit and loss statements items and historic rate for equity.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 10, 2025.

**b. Basis of measurement**

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

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

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

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

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

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

**1A.1 Basis of presentation**

**a. Functional and presentation currency**

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

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

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

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

## 1A.2 Use of estimates

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended March 31, 2025, and March 31, 2024, are as

### a. Revenue from contracts with customers:

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

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

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

### c. Recognition of deferred tax assets

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

### d. Business combination and intangible assets

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

## 1A.3 Material accounting policies:

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

### a. Principles of consolidation

The consolidated financial statements relate to the Company and its subsidiary companies. Subsidiary companies have been consolidated as per Ind AS 110. The consolidated financial statements have been prepared on the following basis:

- i The consolidated financial statements of the Company ("Advanced Enzymes USA, Inc.") and its subsidiaries have been consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-company balances, intra-company transactions and unrealised profits/ losses from the intra-company transactions.
- ii The excess/deficit (as on the date of acquisition) of the Company's investment cost over the subsidiaries net worth is recognised as goodwill on consolidation or capital reserve as the case may be and the impairment loss, if any is provided for.
- iii The consolidated financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in the policies.
- iv Subsidiary companies are consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date of disposal.
- v The Subsidiary companies considered in the consolidated financial statements are as follows:

Name of the Company	Country of incorporation	% age voting power held as at 31 March 2025	% age voting power held as at 31 March 2024
1. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100% <sup>a</sup>	100% <sup>a</sup>
2. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100% <sup>a</sup>	100% <sup>a</sup>
3. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100% <sup>a</sup>	100% <sup>a</sup>
4. Starya Labs, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.) (incorporated on December 9, 2024)	USA	100% <sup>a</sup>	NA

### b. Business combination

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

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

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



**c. Revenue recognition**

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

**i. Revenue from sale of products:**

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

**d. Income taxes**

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

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

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

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

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

**e. Stock based compensation**

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

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

**f. Employee benefits**

**i. Defined contribution plans**

Contributions to defined contribution plans are charged to fit-for-consolidation consolidated statements of profit and loss in the period in which they accrue. The Company has a discretionary profit sharing plan and 401(k) ("Employee Sponsored Retirement Savings Plan") matching plan covering eligible and participating employees.

**g. Provisions and contingencies**

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

#### h. Leases

The Company has applied Ind AS 116 ("Leases") using the modified retrospective approach.

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

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

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

#### i. Inventories

i. Inventories are valued at lower of cost and net realizable value on an item-by-item basis.

ii. Cost of finished goods and work in progress is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.

Cost of raw materials and stores and spares is determined on first-in-first-out basis. Cost of finished goods and work in progress is determined on weighted average cost basis.

#### j. Cash and cash equivalents

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

#### k. Investments

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

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

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

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

i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other 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 fixed asset 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. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

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

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

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

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

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

#### m. Impairment of assets

The carrying values of assets at each fit-for-consolidation consolidated 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 fit-for-consolidation consolidated statements 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 fit-for-consolidation consolidated statements of profit and loss, to the extent the amount was previously charged to the fit-for-consolidation consolidated statements of profit and loss. In case of revalued assets such reversal is not recognized.



**n. Intangible assets**

- i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.
- ii. Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets.  
The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the fit-for-consolidation consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 ("First Time Adoption of Ind AS").
- iv. The estimated useful life of intangible assets comprising of website domain is 3 years and of software is 4 years.

**o. Foreign currency transactions**

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

**p. Financial instruments**

**a. Financial assets**

**i. Recognition and initial measurement**

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

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

**ii. Classification**

Financial assets

On initial recognition, a financial asset is classified as measured at  
- amortised cost;

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

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

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

**iii. Subsequent measurement and gains and losses**

Financial assets at amortised cost

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

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

**iv. Derecognition**

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

If the Company enters into transactions whereby it transfers assets recognised on its fit-for-consolidation consolidated balance sheets, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**v. Impairment of financial assets**

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

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

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

**b. Financial liabilities**

**i. Recognition and initial measurement**

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

A financial liability is initially measured at fair value, in case of financial liability which are recognised at FVTPL, its transaction cost are recognised in the fit-for-consolidation consolidated statement of profit and loss.

**ii. Classification, subsequent measurement and gains and losses**

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

**iii. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the fit-for-consolidation consolidated balance sheets 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.

**q. Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2 Property, plant and equipment

	(In USD)						
	Office equipments	Furniture and fixtures	Computer	Leasehold improvements	Plant and equipment	Right of use asset	Total
<b>Gross block</b>							
<b>Balance as at April 1, 2023</b>	40,926	67,084	187,358	1,565,690	889,001	3,668,801	6,418,860
Additions	-	-	5,057	132,668	299,478	-	437,203
Remeasurement impact of right to use asset	-	-	-	-	-	(98,168)	(98,168)
<b>Balance as at March 31, 2024</b>	40,926	67,084	192,415	1,698,358	1,188,479	3,570,633	6,757,895
Additions	6,490	-	3,185	-	567,880	-	577,555
Remeasurement impact of right to use asset	-	-	-	-	-	(8,101)	(8,101)
<b>Balance as at March 31, 2025</b>	47,416	67,084	195,600	1,698,358	1,756,359	3,562,532	7,327,349
<b>Accumulated depreciation</b>							
<b>Balance as at April 1, 2023</b>	35,992	67,084	170,059	1,443,643	776,482	1,760,456	4,253,716
Depreciation and amortisation expense	1,526	-	10,151	52,169	82,063	500,711	646,620
<b>Balance as at March 31, 2024</b>	37,518	67,084	180,210	1,495,812	858,545	2,261,167	4,900,336
Depreciation and amortisation expense	2,250	-	6,757	58,646	138,807	475,156	681,616
<b>Balance as at March 31, 2025</b>	39,768	67,084	186,967	1,554,458	997,352	2,736,323	5,581,952
<b>Net block</b>							
<b>Balance as at March 31, 2024</b>	3,408	-	12,205	202,546	329,933	1,309,466	1,857,559
<b>Balance as at March 31, 2025</b>	7,648	-	8,633	143,900	759,007	826,209	1,745,397

  

	(In INR)						
	Office equipments	Furniture and fixtures	Computer	Leasehold improvements	Plant and equipment	Right of use asset	Total
<b>Gross block</b>							
<b>Balance as at April 1, 2023</b>	2,962,734	4,478,727	13,661,890	111,714,793	63,806,293	289,454,987	486,079,424
Additions	-	-	418,680	10,983,868	24,794,462	-	36,197,010
Remeasurement impact of right to use asset	-	-	-	-	-	(8,127,642)	(8,127,642)
Foreign exchange fluctuation	4,820	-	17,052	188,037	256,659	1,859,565	2,326,133
<b>Balance as at March 31, 2024</b>	2,967,554	4,478,727	14,097,622	122,886,698	88,857,414	283,186,910	516,474,925
Additions	548,817	-	269,381	-	48,025,482	-	48,843,680
Remeasurement impact of right to use asset	-	-	-	-	-	(685,021)	(685,021)
Foreign exchange fluctuation	11,814	-	23,331	387,793	1,162,342	2,401,757	3,987,037
<b>Balance as at March 31, 2025</b>	3,528,185	4,478,727	14,390,334	123,274,491	138,045,238	284,903,646	568,620,621
<b>Accumulated depreciation</b>							
<b>Balance as at April 1, 2023</b>	2,557,030	4,478,727	12,239,570	101,680,434	54,555,341	132,556,798	308,067,900
Depreciation and amortisation expense	126,341	-	840,423	4,319,183	6,794,172	41,454,951	53,535,070
<b>Balance as at March 31, 2024</b>	2,683,371	4,478,727	13,079,993	105,999,617	61,349,513	174,011,749	361,602,970
Depreciation and amortisation expense	190,310	-	571,438	4,959,696	11,738,848	40,183,864	57,644,156
<b>Balance as at March 31, 2025</b>	2,873,681	4,478,727	13,651,431	110,959,313	73,088,361	214,195,613	419,247,126
<b>Net block</b>							
<b>Balance as at March 31, 2024</b>	284,183	-	1,017,629	16,887,081	27,507,901	109,175,161	154,871,955
<b>Balance as at March 31, 2025</b>	654,504	-	738,904	12,315,178	64,956,878	70,708,033	149,373,495

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

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

	Amount (In USD)	Amount (In INR)
CWIP as at April 1, 2023	1,037,505	85,300,480
Additions during the year	-	-
Capitalised during the year	431,479	35,974,045
Foreign exchange fluctuation	-	1,200,399
<b>CWIP as at March 31, 2024</b>	<b>606,027</b>	<b>50,526,834</b>
Additions during the year	-	-
Capitalised during the year	(567,880)	(48,025,482)
Reversal during the year	(38,147)	(3,226,077)
Foreign exchange fluctuation	-	724,725
<b>CWIP as at March 31, 2025</b>	<b>-</b>	<b>-</b>

**CWIP aging schedule-**

CWIP	Amount in CWIP for a period of				(In USD)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2025</b>					
Projects in progress	-	-	-	-	-
- Leasehold improvements	-	-	-	-	-
<b>As at March 31, 2024</b>					
Projects in progress	-	-	-	-	-
- Leasehold improvements	-	606,027	-	-	606,027

**CWIP aging schedule-**

CWIP	Amount in CWIP for a period of				(In INR)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2025</b>					
Projects in progress	-	-	-	-	-
- Leasehold improvements	-	-	-	-	-
<b>As at March 31, 2024</b>					
Projects in progress	-	-	-	-	-
- Leasehold improvements	-	50,526,834	-	-	50,526,834

**Advanced Enzymes USA, Inc. and Subsidiaries**
**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

*(All amounts are stated in Indian Rupees and USD, unless otherwise stated)*
**3 Intangible assets**

	INR as at March 31, 2025			USD as at March 31, 2025		
	Website Domain	Software	Total	Website Domain	Software	Total
<b>Gross block</b>						
<b>Balance as at April 1, 2023</b>	7,022,250	-	7,022,250	98,000	-	98,000
Additions	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	7,022,250	-	7,022,250	98,000	-	98,000
Additions	-	58,961,873	58,961,873	-	697,198	697,198
Foreign exchange fluctuation	-	675,918	675,918	-	-	-
<b>Balance as at March 31, 2025</b>	7,022,250	59,637,791	66,660,041	98,000	697,198	795,198
<b>Accumulated amortisation</b>						
<b>Balance as at April 1, 2023</b>	7,022,250	-	7,022,250	98,000	-	98,000
Amortisation expense	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	7,022,250	-	7,022,250	98,000	-	98,000
Amortisation expense	-	2,456,744	2,456,744	-	29,050	29,050
<b>Balance as at March 31, 2025</b>	7,022,250	2,456,744	9,478,994	98,000	29,050	127,050
<b>Net block</b>						
<b>Balance as at March 31, 2024</b>	-	-	-	-	-	-
<b>Balance as at March 31, 2025</b>	-	57,181,046	57,181,046	-	668,148	668,148

**3A Intangible assets under development**

	Amount (In USD)	Amount (In INR)
Balance as on April 1, 2023	-	-
Addition during the year	597,891	49,500,669
Capitalised during the year	-	-
<b>Balance as at March 31, 2024</b>	597,891	49,500,669
Addition during the year	99,307	8,398,367
Capitalised during the year	(697,198)	(58,961,873)
Foreign exchange fluctuation	-	1,062,837
<b>Balance as at March 31, 2025</b>	-	-

**Intangible assets under development ageing schedule**

(In USD)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2025</b>					
Projects in progress	-	-	-	-	-
<b>As at March 31, 2024</b>					
Projects in progress	597,891	-	-	-	597,891

**Intangible assets under development ageing schedule**

(In INR)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2025</b>					
Projects in progress	-	-	-	-	-
<b>As at March 31, 2024</b>					
Projects in progress	49,500,669	-	-	-	49,500,669

Advanced Enzymes USA, Inc. and subsidiaries  
Notes to the consolidated financial statements  
As at March 31, 2025, and March 31, 2024  
(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD	INR	USD	INR
	As at	As at	As at	As at
	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Raw materials	3,248,991	278,053,203	3,707,162	309,080,530
Work-in-progress	17,201	1,472,050	16,805	1,401,074
Finished goods	1,796,434	153,741,376	1,616,199	134,748,809
Stores and spares	37,047	3,170,568	44,035	3,671,335
	<u>5,099,673</u>	<u>436,437,197</u>	<u>5,384,201</u>	<u>448,901,748</u>

During the year ended March 31, 2025, and March 31, 2024, inventory amounting to INR 2,075,189 (\$24,538) and INR 11,457,242 (\$138,386), respectively was written off pursuant to being attributed as slow moving items aged for more than 3 years.

#### 5 Trade receivables

Unsecured, considered good

	2,701,671	231,212,789	1,988,715	165,806,965
	<u>2,701,671</u>	<u>231,212,789</u>	<u>1,988,715</u>	<u>165,806,965</u>

(Refer note 29C(ii) for information about credit risk and market risk of trade receivables)  
(Refer note 26 for receivables from related parties)

#### Trade Receivables ageing schedule-

(In USD)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
(i) Undisputed Trade receivables – considered good	1,991,021	710,650	-	-	-	-	2,701,671
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,991,021</b>	<b>710,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,701,671</b>
As at March 31, 2024							
(i) Undisputed Trade receivables – considered good	1,275,266	698,249	15,200	-	-	-	1,988,715
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,275,266</b>	<b>698,249</b>	<b>15,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,988,715</b>

#### Trade Receivables ageing schedule-

(In INR)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
(i) Undisputed Trade receivables – considered good	170,394,341	60,818,448	-	-	-	-	231,212,789
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>170,394,341</b>	<b>60,818,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,212,789</b>
As at March 31, 2024							
(i) Undisputed Trade receivables – considered good	106,323,966	58,215,707	1,267,292	-	-	-	165,806,965
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>106,323,966</b>	<b>58,215,707</b>	<b>1,267,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,806,965</b>



**Advanced Enzymes USA, Inc. and subsidiaries**  
**Notes to fit-for-consolidation consolidated financial statements**  
As at March 31, 2025, and March 31, 2024  
*(All amounts are stated in Indian Rupees and USD, unless otherwise stated)*

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
<b>6 Cash and cash equivalents</b>				
<b>Cash and bank balances</b>				
Cash on hand	500	42,791	500	41,687
Balances with banks				
- in current accounts	1,632,011	139,669,750	3,786,580	315,701,907
Money market desposits	7,799,608	667,501,366	7,947,068	662,578,090
<b>Total</b>	<b>9,432,119</b>	<b>807,213,907</b>	<b>11,734,148</b>	<b>978,321,684</b>



**Advanced Enzymes USA, Inc. and subsidiaries**  
**Notes to fit-for-consolidation consolidated financial statements**  
As at March 31, 2025, and March 31, 2024  
*(All amounts are stated in Indian Rupees and USD, unless otherwise stated)*

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
	Long term	Long term	Long term	Long term
<b>7 Other financial assets</b> (unsecured considered good unless otherwise stated)				
Loan to related parties				
- Unsecured considered good	-	-	5,550,378	462,756,627
Interest receivable	-	-	1,433,568	119,522,197
	-	-	<b>6,983,946</b>	<b>582,278,824</b>

Type of borrower	(In INR) Amount of loan or advance in the nature of loan outstanding	
	March 31, 2025	March 31, 2024
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	582,278,824
<b>Total amount</b>	-	<b>582,278,824</b>

Type of borrower	Percentage to the total loans and advances in the nature of loans	
	March 31, 2025	March 31, 2024
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	100%
<b>Total percentage</b>	-	<b>100%</b>

**Note:**

During the financial years ended March 31, 2025, and March 31, 2024, the Company earned an interest income of \$116,865 (INR 9,883,162) and \$272,510 (INR 22,561,688), respectively from its advances to Advanced Enzymes Europe B.V. ("AEE BV").

During the year ended March 31, 2023, the Company and Advanced Enzymes Europe, B.V has mutually agreed to modify the terms of payment of interest and repayment of loan to 28 equal installments of \$311,008 starting from June 2026.

During September 2024, the Company has accepted repayment of loan proposal of AEE BV. As per the terms the Company had accepted \$100,000 (INR 8,378,880) as one-time settlement of interest receivable of \$1,550,433 (INR 122,662,746) and \$5,550,378 (INR 462,756,627) in full of its loan advanced to AEE BV. The Company has written-off balance of interest receivable amounting to \$1,450,433 (INR 122,662,746).

**Advanced Enzymes USA, Inc. and subsidiaries****Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

	USD	INR	USD	USD
	As at		As at	
	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
	Short term	Short term	Short term	Short term
<b>8 Other current assets</b>				
Advance to suppliers	8,153	697,767	37,816	3,152,861
Prepaid expenses	140,658	12,037,671	221,054	18,430,153
Others	24,935	2,133,980	-	-
	<b>173,746</b>	<b>14,869,418</b>	<b>258,870</b>	<b>21,583,014</b>

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
<b>9 Share capital</b>				
<b>Authorised</b>				
Equity shares of USD 1,000 each	100,000	6,633,290,000	100,000	6,633,290,000
	<b>100,000</b>	<b>6,633,290,000</b>	<b>100,000</b>	<b>6,633,290,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of USD 1,000 each	5,839	285,831,054	5,839	285,831,054
<b>Total</b>	<b>5,839</b>	<b>285,831,054</b>	<b>5,839</b>	<b>285,831,054</b>

	As at March 31, 2025		As at March 31, 2024	
	Number	INR	Number	INR
<b>a) Reconciliation of equity share capital</b>				
Balance at the beginning of the year	5,839	285,831,054	5,839	285,831,054
Add : Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>5,839</b>	<b>285,831,054</b>	<b>5,839</b>	<b>285,831,054</b>

**b) Rights, preferences and restrictions attached to shares**

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

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

	Number	% of holding	Number	% of holding
<u>Equity shares of USD 1,000 each</u>				
Advanced Enzyme Technologies Limited (Parent Company)	5,839	100.00%	5,839	100.00%
	<b>5,839</b>	<b>100.00%</b>	<b>5,839</b>	<b>100.00%</b>

**d)** During the year ended March 31, 2025, and March 31, 2024, the amount of per share dividend recognized as distributions to equity shareholders was \$1,050 (INR 88,798) and \$1,050 (INR 86,932).

**e) Details of shares held by Promoters**

As at March 31, 2025			
Promoter name	No. of Shares	%of total shares	% Change during the year
Advanced Enzyme Technologies Limited (Parent Company)	5,839	100.00%	Nil
<b>Total</b>	<b>5,839</b>	<b>100.00%</b>	
As at March 31, 2024			
Promoter name	No. of Shares	%of total shares	% Change during the year
Advanced Enzyme Technologies Limited (Parent Company)	5,839	100.00%	Nil
<b>Total</b>	<b>5,839</b>	<b>100.00%</b>	

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
<b>10 Other equity</b>				
<b>Other comprehensive income: Foreign currency translation reserve</b>				
Balance at the beginning of the year		1,446,172,371		1,340,333,997
Add : Additions made during the year		206,310,848		105,838,374
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,652,483,219</b>	<b>-</b>	<b>1,446,172,371</b>
<b>Capital Contribution</b>				
Balance at the beginning of the year	65,977	4,770,410	46,912	3,192,001
Add : Additions made during the year	12,674	1,071,846	19,065	1,578,409
Less : Deletions made during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>78,651</b>	<b>5,842,256</b>	<b>65,977</b>	<b>4,770,410</b>
<b>Securities premium account</b>				
Balance at the beginning of the year	3,761,000	242,164,086	3,761,000	242,164,086
Add : Additions made during the year	-	-	-	-
Less : Deletions made during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,761,000</b>	<b>242,164,086</b>	<b>3,761,000</b>	<b>242,164,086</b>
<b>Surplus in the fit-for-consolidation consolidated statement of profit and loss</b>				
Balance at the beginning of the year	87,884,464	6,153,874,986	86,652,603	6,045,926,334
Add : Transferred from fit-for-consolidation consolidated statement of profit and loss	8,311,192	714,473,537	7,362,811	615,543,156
Less: Dividend including taxes	6,130,950	518,493,045	6,130,950	507,594,504
<b>Balance at the end of the year</b>	<b>90,064,706</b>	<b>6,349,855,478</b>	<b>87,884,464</b>	<b>6,153,874,986</b>
<b>Total other equity</b>	<b>93,904,357</b>	<b>8,250,345,039</b>	<b>91,711,441</b>	<b>7,846,981,853</b>

Advanced Enzymes USA, Inc. and subsidiaries  
Notes to fit-for-consolidation consolidated financial statements  
As at March 31, 2025, and March 31, 2024  
(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024	USD As at March 31, 2024	INR As at March 31, 2024
11 Lease liabilities	Long term	Long term	Short term	Short term	Long term	Long term	Short term	Short term
Lease liability	443,340	37,941,622	550,129	47,080,839	1,000,938	83,452,088	502,452	41,891,345
	<u>443,340</u>	<u>37,941,622</u>	<u>550,129</u>	<u>47,080,839</u>	<u>1,000,938</u>	<u>83,452,088</u>	<u>502,452</u>	<u>41,891,345</u>
	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024				
12 Current - Other financial liabilities								
Payable for purchase of property, plant and equipment	-	-	64,072	5,341,949				
Employee benefits payable	213,818	18,298,838	171,459	14,295,174				
Other payables	124,905	10,689,508	174,804	14,574,099				
	<u>338,723</u>	<u>28,988,346</u>	<u>410,335</u>	<u>34,211,222</u>				

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

**13. Income taxes**

**Tax expense**

**(a) Amounts recognised in fit-for-consolidation consolidated statements of profit and loss**

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Current income tax	296,541,623	262,998,219
Deferred tax expense/(benefit)	24,704,785	(33,765,843)
<b>Tax expense for the year</b>	<b>321,246,408</b>	<b>229,232,376</b>

**(b) Amounts recognised in other comprehensive income**

	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit and loss</b>						
Remeasurements of the defined benefit plans	-	-	-	-	-	-

**(c) Reconciliation of effective tax rate**

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>Profit before tax</b>	<b>1,035,719,945</b>	<b>844,775,532</b>
Tax using the Company's domestic tax rate ( March 31, 2025 : 21%, March 31, 2024 : 21% )	217,501,188	177,402,862
<b>Tax effect of:</b>		
State Tax	72,086,108	58,796,377
Others	31,659,112	(6,966,863)
<b>Tax expense as per fit-for-consolidation consolidated statements profit and loss</b>	<b>321,246,408</b>	<b>229,232,376</b>



Advanced Enzymes USA, Inc. and subsidiaries

Notes to fit-for-consolidation consolidated financial statements

As at March 31, 2025, and March 31, 2024

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

Income taxes (continued)

(d) Movement in deferred tax balances

	As at March 31, 2025						
	Net balance April 1, 2024	Recognised in profit and 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	889,143	(4,810,244)	(33,997)	-	(3,955,098)	-	(3,955,098)
Inventories	24,974,004	(315,192)	657,469	-	25,316,281	25,316,281	-
Other items	46,969,218	(19,579,340)	1,009,400	-	28,399,278	28,399,278	-
<b>Tax assets (liabilities)</b>	<b>72,832,365</b>	<b>(24,704,776)</b>	<b>1,632,872</b>	<b>-</b>	<b>49,760,461</b>	<b>53,715,559</b>	<b>(3,955,098)</b>
Set off tax						(3,955,098)	3,955,098
<b>Net tax assets</b>	<b>72,832,365</b>	<b>(24,704,776)</b>	<b>1,632,872</b>	<b>-</b>	<b>49,760,461</b>	<b>49,760,461</b>	<b>-</b>

(e) Movement in deferred tax balances

	As at March 31, 2024						
	Net balance April 1, 2024	Recognised in profit and 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	387,529	492,699	8,915	-	889,143	889,143	-
Inventories	26,049,560	(1,432,077)	356,521	-	24,974,004	24,974,004	-
Other items	11,853,328	34,705,221	410,669	-	46,969,218	46,969,218	-
<b>Tax assets (Liabilities)</b>	<b>38,290,417</b>	<b>33,765,843</b>	<b>776,105</b>	<b>-</b>	<b>72,832,365</b>	<b>72,832,365</b>	<b>-</b>
Offsetting of deferred tax assets and liabilities						-	-
<b>Net tax assets</b>	<b>38,290,417</b>	<b>33,765,843</b>	<b>776,105</b>	<b>-</b>	<b>72,832,365</b>	<b>72,832,365</b>	<b>-</b>

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

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
14 Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to others (Refer note 26 for payables to related parties)	1,505,489	128,841,852	2,369,930	197,590,310
	<u>1,505,489</u>	<u>128,841,852</u>	<u>2,369,930</u>	<u>197,590,310</u>

Trade Payables ageing schedule

(In USD)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
(i) MSME	-	-	-	-	-	-
(ii) Others	604,125	901,364	-	-	-	1,505,489
(iii) Disputed dues – (MSME)	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>604,125</b>	<b>901,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,505,489</b>
As at March 31, 2024						
(i) MSME	-	-	-	-	-	-
(ii) Others	1,307,462	1,055,502	4,601	469	1,896	2,369,930
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,307,462</b>	<b>1,055,502</b>	<b>4,601</b>	<b>469</b>	<b>1,896</b>	<b>2,369,930</b>

Trade Payables ageing schedule

(In INR)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
(i) MSME	-	-	-	-	-	-
(ii) Others	51,701,852	77,140,000	-	-	-	128,841,852
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>51,701,852</b>	<b>77,140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,841,852</b>
As at March 31, 2024						
(i) MSME	-	-	-	-	-	-
(ii) Others	109,008,227	88,001,304	383,622	39,090	158,067	197,590,310
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>109,008,227</b>	<b>88,001,304</b>	<b>383,622</b>	<b>39,090</b>	<b>158,067</b>	<b>197,590,310</b>

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

As at March 31, 2025, and March 31, 2024

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

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
<b>15 Other current liabilities</b>				
Advance from customers	341,934	29,263,232	682,941	56,939,418
Other statutory dues	13,778	1,179,130	17,655	1,471,993
	<u>355,712</u>	<u>30,442,362</u>	<u>700,596</u>	<u>58,411,411</u>

Advanced Enzymes USA, Inc. and subsidiaries

Notes to fit-for-consolidation consolidated financial statements

As at March 31, 2025, and March 31, 2024

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

	USD As at March 31, 2025	INR As at March 31, 2025	USD As at March 31, 2024	INR As at March 31, 2024
	Short term	Short term	Short term	Short term
<b>16 Short-term provisions</b>				
Provision for employee Benefits	205,603	17,595,752	186,338	15,535,751
Provision for claims and litigations	1,827,652	156,413,017	1,827,652	152,378,448
	<b>2,033,255</b>	<b>174,008,769</b>	<b>2,013,990</b>	<b>167,914,199</b>
Movement for provision of employee benefits during the year:				
	For the year ended March 31, 2025	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2024
	Short term	Short term	Short term	Short term
Opening provision	186,338	15,535,751	148,564	12,214,456
Contribution during the year	(181,785)	(15,373,601)	(230,770)	(19,105,925)
Provided during the year	201,050	17,002,771	268,544	22,233,356
Foreign exchange currency translation	-	430,831	-	193,864
<b>Closing Provision</b>	<b>205,603</b>	<b>17,595,752</b>	<b>186,338</b>	<b>15,535,751</b>
Movement for provision for claims and litigations during the year:				
	For the year ended March 31, 2025	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2024
	Long term	Long term	Long term	Long term
Opening provision	1,827,652	152,378,448	-	-
Provision created during the year	-	-	1,827,652	151,315,204
Provision reversed/utilised during the year	-	-	-	-
Foreign exchange currency translation	-	4,034,569	-	1,063,244
<b>Closing Provision</b>	<b>1,827,652</b>	<b>156,413,017</b>	<b>1,827,652</b>	<b>152,378,448</b>

Advanced Enzymes USA, Inc. and subsidiaries  
Notes to fit-for-consolidation consolidated financial statements  
for the year ended on March 31, 2025, and March 31, 2024  
*(All amounts are stated in Indian Rupees and USD, unless otherwise stated)*

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
<b>17 Revenue from contracts with customers</b>				
<b>17.1 Disaggregated revenue information</b>				
Sale of finished products	27,695,589	2,342,209,642	25,706,857	2,128,325,829
<b>Total</b>	<b>27,695,589</b>	<b>2,342,209,642</b>	<b>25,706,857</b>	<b>2,128,325,829</b>
<b>17.1.A Disaggregated revenue information - category wise</b>				
Human health care	24,757,532	2,093,738,827	22,708,226	1,880,062,731
Animal health care	616,217	52,113,336	419,626	34,741,716
Bio-processing	2,321,840	196,357,479	2,579,005	213,521,382
<b>Total</b>	<b>27,695,589</b>	<b>2,342,209,642</b>	<b>25,706,857</b>	<b>2,128,325,829</b>
<b>17.2 Timing of revenue recognition</b>				
Revenue recognized at a point in time	27,695,589	2,342,209,642	25,706,857	2,128,325,829
<b>Total</b>	<b>27,695,589</b>	<b>2,342,209,642</b>	<b>25,706,857</b>	<b>2,128,325,829</b>
<b>17.3 Contract balances</b>				
The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.				
Trade receivables (Refer Note 5)	2,701,671	231,212,789	1,988,715	165,806,965
Advance from customers (contract assets) (Refer Note 15)	(341,934)	(29,263,232)	(682,941)	(56,939,418)
Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. Increase in overall trade receivables resulted from increase in the revenue from operations.				
<b>17.4 Right of return assets and liabilities</b>				
The Company does not have any right of return assets and liabilities as at March 31, 2025, and March 31, 2024.				
<b>18 Other income</b>				
Gain on MTM on marketable securities	697,740	59,007,682	1,040,322	86,130,511
Interest income from related party advance	116,864	9,883,162	272,510	22,561,688
Other non-operating income	2,046,511	173,072,950	1,370,927	113,501,952
Liabilities no longer required written back	-	-	489,502	40,526,947
<b>Total</b>	<b>2,861,115</b>	<b>241,963,794</b>	<b>3,173,261</b>	<b>262,721,098</b>
<b>19 Cost of materials consumed</b>				
	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Opening stock				
Raw materials	3,707,162	309,080,530	3,603,064	296,232,740
<b>Add : Purchases during the year</b>	<b>3,707,162</b>	<b>309,080,530</b>	<b>3,603,064</b>	<b>296,232,740</b>
Raw materials	7,547,335	638,276,426	8,132,076	673,272,050
<b>Less : Closing stock</b>	<b>7,547,335</b>	<b>638,276,426</b>	<b>8,132,076</b>	<b>673,272,050</b>
Raw materials	3,248,991	278,053,203	3,707,162	309,080,530
<b>Total</b>	<b>3,248,991</b>	<b>278,053,203</b>	<b>3,707,162</b>	<b>309,080,530</b>
<b>Total</b>	<b>8,005,506</b>	<b>669,303,753</b>	<b>8,027,978</b>	<b>660,424,260</b>
<b>20 Changes in inventories of finished goods and work-in-progress</b>				
	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Opening stock				
- Manufactured goods	1,660,234	138,420,144	1,297,976	106,715,538
- Work-in-progress	16,805	1,401,074	13,300	1,257,906
<b>Closing stock</b>	<b>1,677,039</b>	<b>139,821,218</b>	<b>1,313,276</b>	<b>107,973,443</b>
- Manufactured goods	1,833,482	156,911,944	1,660,234	138,420,144
- Work-in-progress	17,201	1,472,050	16,805	1,401,074
<b>Total</b>	<b>1,850,683</b>	<b>158,383,994</b>	<b>1,677,038</b>	<b>139,821,218</b>
<b>Total</b>	<b>(173,644)</b>	<b>(18,562,776)</b>	<b>(363,763)</b>	<b>(31,847,774)</b>

Advanced Enzymes USA, Inc. and subsidiaries  
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(All amounts are stated in Indian Rupees and USD, unless otherwise stated)

21 Employee benefits expense

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Salaries, wages and bonus	4,887,505	413,335,190	4,612,728	381,897,669
Contribution to defined contribution plan	201,050	17,002,771	268,544	22,233,356
Payroll taxes	317,016	26,810,001	291,152	24,105,097
Employee stock compensation expense	12,674	1,071,846	19,065	1,578,409
	<b>5,418,245</b>	<b>458,219,808</b>	<b>5,191,489</b>	<b>429,814,531</b>

22 Finance costs

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Interest expenses on lease liabilities	51,049	4,317,171	73,372	6,074,650
	<b>51,049</b>	<b>4,317,171</b>	<b>73,372</b>	<b>6,074,650</b>

23 Depreciation and amortisation expense

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Depreciation of property, plant and equipment (Also, refer note 2)	206,460	17,460,292	145,909	12,080,119
Amortisation of intangible assets (Also, refer note 2A)	29,050	2,456,744	-	-
Amortization of right-of-use assets	475,156	40,183,864	500,711	41,454,951
Total depreciation and amortization expense	<b>710,666</b>	<b>60,100,900</b>	<b>646,620</b>	<b>53,535,070</b>

24 Other expenses

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Utilities	95,881	8,108,595	129,493	10,720,974
Custom brokers	63,382	5,360,217	57,509	4,761,255
Rates and taxes	59,501	5,031,972	59,686	4,941,542
Repairs and maintenance	142,433	12,045,519	165,836	13,729,907
Laboratory expenses	225,517	19,071,886	191,597	15,862,765
Insurance	107,057	9,053,774	147,133	12,181,467
Legal and professional fees	743,188	62,851,212	1,130,769	93,618,766
Auditors' remuneration	31,500	2,663,948	31,500	2,607,953
Communication	64,203	5,429,642	55,031	4,556,159
Travel, conveyance and car hire	171,852	14,533,450	194,555	16,107,621
Commission	48,971	4,141,445	46,640	3,861,441
Advertisement and sales promotion	732,863	61,978,092	615,015	50,918,413
Bad debts	14,945	1,263,853	2,491	206,239
Sales tax	-	-	1,338	110,799
General expense	147,901	12,507,920	235,953	19,535,068
IT consulting	260,924	22,066,270	178,148	14,749,224
Bank charges	74,543	6,304,094	102,496	8,485,860
Interest on loan advanced written off (Refer to note 7)	1,450,433	122,662,746	-	-
	<b>4,435,094</b>	<b>375,074,635</b>	<b>3,345,190</b>	<b>276,955,453</b>

25 Exceptional items

On January 16, 2019, a competitor filed a lawsuit against the Company asserting claims for false advertising under the Lanham Act and unfair competition in the District of Arizona. The Company also filed a counterclaim against the competitor, initiating a counter-lawsuit claiming that the competitor violated false advertising laws under the Lanham Act and Arizona Unfair Competition Law.

Between 2019 and 2023, the case went through discovery, which was completed and the Court issued its decision by order dated February 27, 2024. Company prevailed on two of its counterclaims against the competitor for false advertising and competitor prevailed on a claim against the Company for false advertising. The net monetary judgment was in favor of the competitor for \$1,827,652. (INR 151,315,204).

	USD For the year ended March 31, 2025	INR For the year ended March 31, 2025	USD For the year ended March 31, 2024	INR For the year ended March 31, 2024
Provision for claims and litigations	-	-	1,827,652	151,315,204
	<b>-</b>	<b>-</b>	<b>1,827,652</b>	<b>151,315,204</b>



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

**26 Related parties**

**a) Names of related parties**

Relationship	Name
Parent Company	Advanced Enzyme Technologies Limited
Fellow subsidiaries	Advanced Bio-Agro Tech Limited Advanced EnzyTech Solutions Limited JC Biotech Private Limited Advanced Enzymes Europe B.V Evxxx Technologies GmbH Advanced Enzymes, Malaysia Sdn. Bhd. (up to 08 November 2023) SciTech Specialities Private Limited Saiganesh Enzytech Solutions Private Limited
Companies in which directors of the Company are able to exercise control or have significant influence	Rathi Properties LLC Vasant and Prabha Rathi Generation Trust
Key management personnel (KMP)	Mr. Vasant L. Rathi Mrs. Prabha V. Rathi Mr. Harshad Doshi
Relatives of KMP:	Ms. Rachana V. Rathi Ms. Rasika V. Rathi Ms. Reshma V. Rathi
Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year	
ServiceMob Inc.	

**Advanced Enzymes USA, Inc. and subsidiaries**  
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**b) Transactions with related parties**

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Purchases of goods</b>		
Advanced Enzyme Technologies Ltd	475,372,609	456,757,465
<b>Sale of goods</b>		
Advanced Enzyme Technologies Limited	29,599	-
<b>Rent paid</b>		
Rathi Properties LLC	32,423,778	30,153,169
Mr. Vasant L. Rathi	14,332,250	13,328,575
<b>Remuneration to Key management personnel &amp; their Relatives</b>		
Ms. Prabha V. Rathi	25,370,928	23,181,799
Mr. Reshma V. Rathi	16,068,252	14,488,627
Mr. Vasant L. Rathi	46,513,383	43,051,916
Ms. Rachana V. Rathi	14,376,869	12,832,786
Ms. Rasika V. Rathi	17,759,645	17,386,344
Mr. Harshad Doshi	21,565,287	19,870,117
<b>Interest received on loan advanced</b>		
Advanced Enzymes Europe B.V.	8,456,977	-
<b>Interest on loan advanced written off</b>		
Advanced Enzymes Europe B.V. (Refer to note 7)	122,662,746	-
<b>Loan received back</b>		
Advanced Enzymes Europe B.V. (Refer to note 7)	462,756,627	-
<b>Commission *</b>		
Mr. Vasant L. Rathi	7,028,756	6,095,827
* included in Employee benefit expense		
<b>Interest income</b>		
Advanced Enzymes Europe B.V.	9,883,162	22,561,688
<b>Reimbursement of expenses</b>		
Advanced Enzyme Technologies Limited	1,071,846	1,578,409
<b>Dividend paid</b>		
Advanced Enzyme Technologies Limited	518,493,045	507,594,504
<b>Consultancy for development of software programme</b>		
ServiceMob Inc.	14,813,830	11,819,480
<b>Car hire charges</b>		
Ms. Prabha V. Rathi	1,805,674	441,930

Advanced Enzymes USA, Inc. and subsidiaries  
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c) Balances with related parties

	As at March 31, 2025	As at March 31, 2024
<b>a. Trade payable</b>		
Advanced Enzyme Technologies Ltd	118,215,727	167,437,719
<b>b. Interest receivable</b>		
Advanced Enzymes Europe B.V.	-	85,739,468
<b>d. Loan receivable</b>		
Advanced Enzymes Europe B.V.	-	496,539,356
<b>e. Remuneration Payable</b>		
Mr. Vasant L. Rath	965,534	419,007
Ms. Prabha V. Rath	526,655	261,880
Ms. Rachana V. Rath	298,438	778,156
Ms. Rasika V. Rath	368,658	231,951
Ms. Reshma V. Rath	333,548	314,255
Mr. Harshad Doshi	447,656	359,149
<b>f. Commission payable</b>		
Mr. Vasant L. Rath	7,112,834	6,138,660
<b>g. Prepaid for car hire</b>		
Ms. Prabha V. Rath	6,852,360	8,455,750

**Advanced Enzymes USA, Inc. and subsidiaries**  
**Notes to fit-for-consolidation consolidated financial statements**  
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**27 Capital management**

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

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

**Advanced Enzymes USA, Inc. and subsidiaries**  
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**28 Leases**

(a) Following are the carrying value of right of use assets for the year ended March 31, 2025:  
Please refer note no. 2 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 2025	Year Ended 31 March 2024
Less than one year	49,633,777	46,151,789
One to five years	38,576,808	86,584,854
More than five years	-	-
<b>Total undiscounted lease liabilities at 31 March</b>	<b>88,210,585</b>	<b>132,736,643</b>
Discounted Lease liabilities included in the consolidated balance sheet at 31 March		
Current lease liability	47,080,839	41,891,345
Non-Current lease liability	37,941,622	83,452,088

(c) The incremental borrowing rate of 4% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.

(d) The Company incurred INR 44,501,036 and INR 47,529,602 for the year ended March 31, 2025, and March 31, 2024, respectively towards expenses relating to leases.

(e) Total cash outflow for leases is in the amount of INR 46,756,005 and INR 43,481,743 for year ended March 31, 2025, and March 31, 2024.

(f) General Description of leasing agreements:

- Leased Assets: Leasehold office premises and leasehold factory 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.



Advanced Enzymes USA, Inc. and subsidiaries  
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## 29 Financial instruments

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

#### A. Accounting classification and fair values

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

March 31, 2025 INR	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)	
<b>Financial assets</b>								
Investments	4,381,611,124	-	-	4,381,611,124	4,381,611,124	-	-	4,381,611,124
Trade receivables	-	-	231,212,789	231,212,789	-	-	-	-
Cash and cash equivalents	-	-	807,213,907	807,213,907	-	-	-	-
	<b>4,381,611,124</b>	<b>-</b>	<b>1,038,426,696</b>	<b>5,420,037,820</b>	<b>4,381,611,124</b>	<b>-</b>	<b>-</b>	<b>4,381,611,124</b>
<b>Financial liabilities</b>								
Lease liability - Non current	-	-	37,941,622	37,941,622	-	-	-	-
Lease liability - Current	-	-	47,080,839	47,080,839	-	-	-	-
Trade payables	-	-	128,841,852	128,841,852	-	-	-	-
Other financial liabilities	-	-	28,988,347	28,988,347	-	-	-	-
	<b>-</b>	<b>-</b>	<b>242,852,660</b>	<b>242,852,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
March 31, 2024 INR	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)	
<b>Financial assets</b>								
Investments	3,453,302,018	-	-	3,453,302,018	3,453,302,018	-	-	3,453,302,018
Trade receivables	-	-	165,806,965	165,806,965	-	-	-	-
Cash and cash equivalents	-	-	978,321,684	978,321,684	-	-	-	-
Other financial assets	-	-	582,278,824	582,278,824	-	-	-	-
	<b>3,453,302,018</b>	<b>-</b>	<b>1,726,407,473</b>	<b>5,179,709,491</b>	<b>3,453,302,018</b>	<b>-</b>	<b>-</b>	<b>3,453,302,018</b>
<b>Financial liabilities</b>								
Lease liability - Non current	-	-	83,452,088	83,452,088	-	-	-	-
Lease liability - Current	-	-	41,891,345	41,891,345	-	-	-	-
Trade payables	-	-	197,590,310	197,590,310	-	-	-	-
Other financial liabilities	-	-	34,211,222	34,211,222	-	-	-	-
	<b>-</b>	<b>-</b>	<b>357,144,965</b>	<b>357,144,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Advanced Enzymes USA, Inc. and subsidiaries  
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**B. Measurement of fair values**

Valuation techniques for unobservable inputs include

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

**C. Financial risk management**

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

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

**i. Risk management framework**

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

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

**Advanced Enzymes USA, Inc. and subsidiaries**  
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**Financial instruments – Fair values and risk management (continued)**

**ii. Credit risk**

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

**Trade and other receivables**

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

There is no concentraion of risk for tarde receivables.

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

	March 31, 2025		
	Carrying Amount (INR)	Weighted Average Loss Rate	Loss Allowance
Not due	169,324,291	0.00%	-
0-90 days	61,794,021	0.00%	-
90-180 days	94,477	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	<u>231,212,789</u>		<u>-</u>

	March 31, 2024		
	Carrying Amount (INR)	Weighted Average Loss Rate	Loss Allowance
Not due	108,388,543	0.00%	-
0-90 days	56,105,652	0.00%	-
90-180 days	1,312,770	0.00%	-
180-270 days	-	0.00%	-
270-360 days	-	0.00%	-
More than 360 days	-	0.00%	-
	<u>165,806,965</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.

**Advanced Enzymes USA, Inc. and subsidiaries****Notes to fit-for-consolidation consolidated financial statements**

for the year ended on March 31, 2025, and March 31, 2024

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

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

Region	As at March 31 (INR)	
	2025	2024
USA	219,991,168	160,251,504
Asia	-	1,150,506
Europe	11,221,621	4,393,908
Others	-	11,047
	<b>231,212,789</b>	<b>165,806,965</b>

**Cash and cash equivalents**

The Company held cash and cash equivalents of INR 807,213,907 and INR 978,321,684 as at March 31, 2025, and March 31, 2024, respectively. The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings. The Company has investments in US Treasury Bills amounting to INR 4,381,611,124. The US Treasury bills are liquid investments and carry risk free status with the credit rating of AAA with stable outlook.

The Company has no financial assets that are past due but not impaired.

**Advanced Enzymes USA, Inc. and subsidiaries**  
**Notes to fit-for-consolidation consolidated financial statements**  
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**Financial instruments – Fair values and risk management (continued)**

**iii. Liquidity risk**

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

Exposure to liquidity risk:

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

March 31, 2025	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Lease liabilities	85,022,461	85,022,461	49,633,777	35,388,684	-	-
Trade payable	128,841,852	128,841,852	128,841,852	-	-	-
Other financial liabilities	28,988,346	28,988,346	28,988,346	-	-	-

March 31, 2024	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Lease liabilities	125,343,433	125,343,433	46,151,789	79,191,644	-	-
Trade payable	197,590,310	197,590,310	197,590,310	-	-	-
Other financial liabilities	34,211,222	34,211,222	34,211,222	-	-	-



Advanced Enzymes USA, Inc. and subsidiaries  
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for the year ended on March 31, 2025, and March 31, 2024

**30 Earnings per share (EPS)**

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

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

**i. Profit attributable to Equity holders**

	March 31, 2025		March 31, 2024	
	USD	INR	USD	INR
Profit attributable to equity holders from continuing operations	8,311,192	714,473,537	7,362,811	615,543,156

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

	March 31, 2025	March 31, 2024
Issued ordinary shares as of beginning of the year	5,839	5,839
Effect of fresh issue of shares for cash	-	-
<b>Weighted average number of shares as at the end of the year for basic EPS</b>	<b>5,839</b>	<b>5,839</b>

**Basic and Diluted earnings per share**

	March 31, 2025		March 31, 2024	
	USD	INR	USD	INR
Basic earnings per share	1,423	122,362	1,261	105,419
Diluted earnings per share	1,423	122,362	1,261	105,419

**Advanced Enzymes USA, Inc. and subsidiaries**  
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for the year ended on March 31, 2025, and March 31, 2024  
*(All amounts are stated in Indian Rupees, unless otherwise stated)*

**31 Segment reporting**

**Primary segment**

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

**Secondary segment (based upon geography)**

	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
<b>Segment revenue (based upon location of customers)</b>		
Outside USA	92,575,607	99,550,660
Within USA	2,249,634,035	2,028,775,169
	<b>2,342,209,642</b>	<b>2,128,325,829</b>

**Segment assets (based upon location of assets)**

Outside USA	-	-
Within USA	3,105,367,685	3,661,218,987
	<b>3,105,367,685</b>	<b>3,661,218,987</b>

**Capital expenditure**

Outside USA	-	-
Within USA	48,843,680	36,197,010
	<b>48,843,680</b>	<b>36,197,010</b>

**Advanced Enzymes USA, Inc. and subsidiaries**

**Notes to fit-for-consolidation consolidated financial statements**

for the year ended on March 31, 2025, and March 31, 2024

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

**32 Impairment testing of goodwill**

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

Particulars	March 31, 2025	March 31, 2024
Goodwill	2,898,813,144	2,824,040,705
	<u>2,898,813,144</u>	<u>2,824,040,705</u>

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

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

Particulars	March 31, 2025	March 31, 2024
Discount rate	10%	10%
Terminal value growth rate	5%	5%
Sales growth rate	9%	12%

The discount rate for was post tax measure estimated based on the weighted-average cost of capital.

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

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

The Company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the cash generating unit's to exceed its recoverable amount.

**Advanced Enzymes USA, Inc. and Subsidiaries**  
**Notes to the consolidated financial statements**  
for the year ended on March 31, 2025, and March 31, 2024  
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**33** During the financial year ended March 31, 2025, the Company has formed a new wholly owned subsidiary ("WOS") named as Starya Labs, Inc ("Starya Labs"). Necessary forms for incorporation have been filed with the Office of Secretary, State of California and the newly incorporated WOS has been incorporated on December 9, 2024.

**34 Subsequent events**

The Company has evaluated all events and transactions that occurred after March 31, 2025, through the date the consolidated financial statements were available for issue. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

**For KNAV CPA LLP**  
**Certified Public Accountants**

*Atul Deshmukh*

**Atul Deshmukh, CPA**  
Engagement Partner  
Place : Atlanta, Georgia  
Date: May 10, 2025

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

*V. L. Rath*

**V. L. Rath**  
Director  
Place : China  
Date: May 10, 2025