advanced enzymes
Where ENZYME is Life

Advanced Enzyme Technologies Ltd.
CIN: L24200MH1989PLC051018
Sun Magnetica, 'A' wing, 5th Floor, LIC Service Road, Louiswadi, Thane (W)-400 604, India
Tel: +91-22-4170 3200, Fax: +91-22-2583 5159
Email: info@advancedenzymes.com, www.advancedenzymes.com

July 13, 2023

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code-540025

National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E) Mumbai- 400 051
Trading Symbol-ADVENZYMES

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2022-23 and Notice of 34th Annual General Meeting of the Company
Ref.: ISIN: INE837H01020

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and in furtherance to our letter dated July 08, 2023 intimating about the 34th Annual General Meeting of the Company ("**AGM**"), please find enclosed the Annual Report for the financial year 2022-23 along with Notice of the 34th AGM of the Company ("**AGM Notice**") scheduled to be held on Saturday, August 12, 2023 at 3:00 p.m. (IST) through Video Conference or Other Audio Visual Means, which is also being sent by electronic mode to the Members of the Company.

The Annual Report and AGM Notice are also uploaded on the website of the Company:
Annual Report: www.advancedenzymes.com/investors/annual-report/
AGM Notice : www.advancedenzymes.com/investors/announcements-notices/
(ref. the tab 'Shareholder Meetings' on the website for AGM Notice)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company has fixed Saturday, August 05, 2023 as the Cut-Off date to ascertain the eligibility of the Members of the Company entitled to vote electronically on all the resolutions, as per the procedure and other details mentioned in the AGM Notice.

This is for your information and for public at large.

Thanking you,
Yours faithfully,
For Advanced Enzyme Technologies Limited

SANJAY PRAKASH BASANTANI
Digitally signed by SANJAY PRAKASH BASANTANI
Date: 2023.07.13 17:09:27 +05'30'

Sanjay Basantani
Company Secretary and Head-Legal

Encl: As above

advanced enzymes
Where ENZYME is Life

INTEGRATING
INNOVATION
NURTURING
SUSTAINABILITY

Advanced Enzyme Technologies Limited

Integrated Annual Report **2022-23**

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Please find the online version of the Annual Report at:

https://www.advancedenzymes.com/wp-content/uploads/2023/07/Annual-Report-2022-23.pdf

Scan this QR code

Disclaimer: This document contains statements about expected future events and financials of Advanced Enzymes Technologies Limited (hereafter referred to as 'AETL', 'Your Company'), which are forward-looking. By their nature, forward-looking statements require your Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

INVESTOR INFORMATION

Market Capitalisation as of March 31, 2023	: ₹ 25,904 million
CIN	: L24200MH1989PLC051018
BSE Code	: 540025
NSE Symbol	: ADVENZYMES
Bloomberg Code	: ADVENZY:IN
Dividend Proposed	: ₹ 1/share
AGM Date	: August 12, 2023

CORPORATE **OVERVIEW**

BOARD OF DIRECTORS

Mr. Vasant Rathi
Non-Executive Chairman

Mr. Mukund M. Kabra
Whole-time Director

Ms. Rasika Rathi
Non-Executive Director

Mr. Kedar Desai
Independent Director

Mr. Pramod Kasat
Independent Director

Mr. Rajesh Sharma (upto August 10, 2023)
Independent Director

Mr. Vinodkumar Jajoo
Independent Director

Dr. Sunny Sharma
Non-Executive Director

Ms. Rajshree Patel
Independent Director

Mr. Nitin Desmukh
Independent Director

Ms. Vandana Tilak (w.e.f July 01, 2023)
Addl. Director (Independent)

MANAGEMENT TEAM

Mr. Beni Prasad Rauka
Chief Financial Officer

Mr. Dipak Roda
Sr. VP. Marketing & Business Development

Mr. Sanjay Basantani
Company Secretary & Head-Legal

Mr. Harshad Doshi
Chief Financial Officer & Chief Operating Officer of the US subsidiaries

Ms. Martina Doering
Managing Director/Head of Business Development, evoxx technologies GmbH, Germany

Dr. Michael Puls
Managing Director/Head of R&D, evoxx technologies GmbH, Germany

PLANTS (including subsidiaries)

A-61/62, M.I.D.C. Area, Sinnar,
Nashik - 422 103, Maharashtra

SORL, H-17, M.I.D.C, Satpur Area,
Nashik - 422 007, Maharashtra

Survey No.30, Pali, Vasind, Shahpur,
Thane - 421 601, Maharashtra

Plot No. B-5-13, SEZ, Pithampur,
Dhar 452 774, Madhya Pradesh

Plot No. 548 to 550, APIIC Growth Centre, Gundlapalli Village, Maddipadu Mandal, Prakasam District,
Ongole - 523 211, Andhra Pradesh

Unit I - A-3, Unit II - A-12/13, STICE, Musalgaon, Tal. Sinnar District,
Nashik - 422 112, Maharashtra

13591 Yorba Avenue, Chino, California 91710 4880 Murrieta St., Chino CA 91710

R&D LOCATIONS (including subsidiaries)

Plot No. A-161, Main Road No. 27, Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra

A-135, Road No. 23, Wagle Industrial Estate, Thane (W) - 400 604, Maharashtra

A-43, STICE, Musalgaon, Sinnar, Nashik - 422 112, Maharashtra

Plot No. 548 to 550, APIIC Growth Centre, Gundlapalli Village, Maddipadu Mandal, Prakasam District, Ongole - 523 211, Andhra Pradesh

Alfred-Nobel-Str. 10, 40789 Monheim am Rhein, 1406 Lexington Street, Tustin CA 92782

REGISTERED OFFICE

Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018
A - Wing, Sun Magnetica, 5th Floor, LIC Service Road, Louiswadi,
Thane (W) - 400 604, Maharashtra
Tel: +91-22-41703200
Fax: +91-22-25835159
Email: info@advancedenzymes.com
Website: www.advancedenzymes.com

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra
Tel: +91-22-49186270
Fax: +91-22-49186060
Email ID: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

STATUTORY AUDITORS

MSKA & Associates
Chartered Accountants
408, 4th Floor, Manish Chambers, Sonawala Road, above Axis bank, Jay Prakash Nagar, Goregaon, Mumbai - 400063, Maharashtra

INTERNAL AUDITORS

Aneja Associates
Chartered Accountants
301, Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013, Maharashtra

SECRETARIAL AUDITORS

Mr. Shiv Hari Jalan, Shiv Hari Jalan & Co.
Practicing Company Secretaries,
1055, Level 10, Hubtown Solaris,
N.S. Phadke Marg, Andheri (East),
Mumbai - 400 069, Maharashtra

BANKERS

Citi Bank N.A.
HDFC Bank Limited
DBS Bank Limited
ICICI Bank Limited
Axis Bank Limited

INTEGRATING **INNOVATION** NURTURING **SUSTAINABILITY**

In the last few years, there have been rapid changes related to the environment as well as the health and wellness ecosystems. In such a scenario, the need of the hour is to integrate innovation and nurture sustainability through technological and biological research and development. In this regard, Advanced Enzyme Technologies Limited (AETL) has remained committed to the cause of greater good. This theme highlights your Company's commitment towards incorporating innovative ideas through a sustainable approach. We believe innovation plays an important role in shaping our future and when it blends with sustainability, the outcomes are long-term. The theme highlights the continuous innovation in the enzymes, ensuring that the progress is environmentally sustainable. With focus on innovation and sustainability, we strive towards progress that will benefit your Company along with marking a new milestone in the industry, while also enhancing the brand's reputation and reducing risks.

INTEGRATING INNOVATION

Your Company strives to develop and implement new technologies in the process to meet customer needs through its various offerings. By innovating, we stay competitive in the market and continuously add value for our stakeholders.

NURTURING SUSTAINABILITY

Your Company is committed to growing its business in a sustainable manner. We strive to minimise environmental impact by adopting sustainable practices thereby ensuring economic viability in long-term. This includes reducing our carbon footprint, conserving resources, and promoting the well-being of our stakeholders.

Your Company's focus is on balancing innovation and sustainability to create a better future for all its stakeholders in long-term. The aim of this theme is to position AETL as a forward-thinking organisation committed to delivering innovative solutions that are sustainable and environment-friendly.

₹ 1,564 million
EBITDA

₹ 1,039 million
PAT

₹ 12,351 million
Net Worth

10%
RoCE

WHO ARE WE AND
WHAT DO WE DO?

Advanced Enzyme Technologies Limited (hereafter referred to as 'AETL' or 'Your Company'), is a preeminent research-driven company. This consistency has helped it emerge as a global player in the manufacturing of enzymes and probiotics. By leveraging a strong and resilient team, your Company has managed to master a range of over 400 products developed with over 68 indigenous enzymes and probiotics. This seeds from your Company's unwavering dedication to the substitution of chemicals with that of ecologically sound solutions which find its application across diversified industries. Our aim is to help consumers access side-effect free healthcare, help farmers enhance nutrition for animals and replace traditionally used chemicals with eco-friendly enzymatic solutions.

R&D Laboratories

Across India, the US and Germany

WHAT MAKES AETL UNIQUE?

- Strong Research and Development Capabilities
- Strong Financial Performance
- Specialised Business with High Entry Barriers
- Significant Focus on International Markets and Brand Building
- Integrated Player with Presence Across the Enzyme Value Chain
- Inherent Diversification in the Business Model
- Global Competitiveness

WHAT ARE ENZYMES?

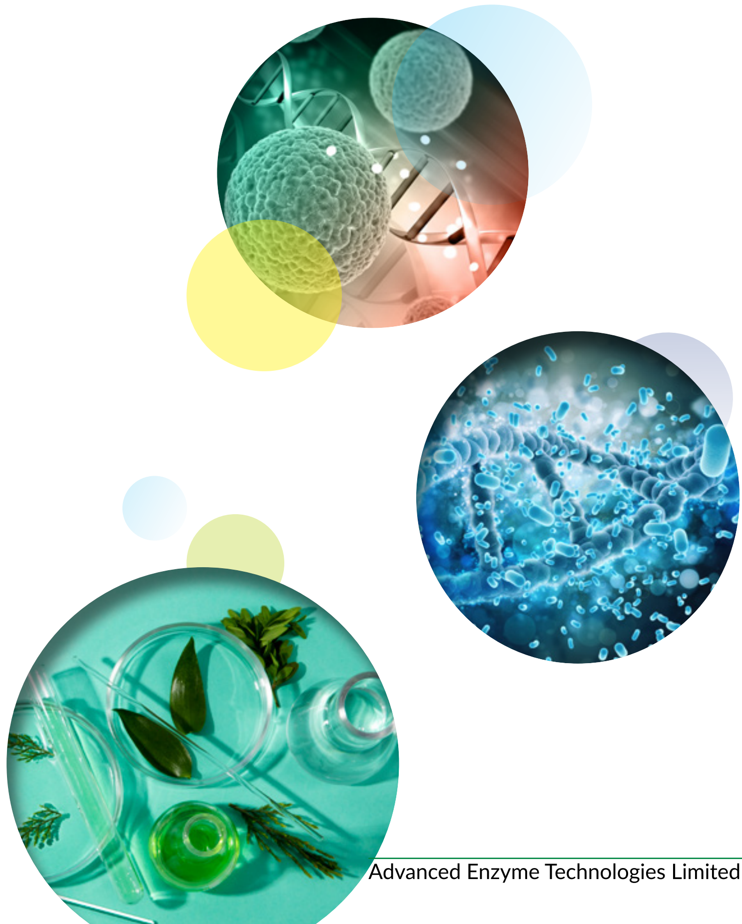
Enzymes are proteinaceous molecules which serve as biological catalysts. They facilitate the acceleration of chemical reactions and metabolic processes. By replacing traditional chemical agents, enzymes bolster the efficiency and efficacy of an extensive array of products utilised across a diverse range of industries and applications.

WHAT ARE PROBIOTICS?

Probiotics are micro-organisms like living bacteria that confer considerable health benefits to both humans and animals, by facilitating the maintenance of robust bodily functions and bolstering the immune system. In addition to promoting overall wellness, probiotics are highly effective in treating a host of afflictions, including but not limited to inflammatory bowel disease and urogenital infections.

End-User Application

Human health care and nutrition, animal nutrition, baking, fruit and vegetable processing, brewing and malting, grain processing, protein modification, dairy processing, specialty applications, textile processing, leather processing, paper and pulp processing, biofuels, biomass processing, and biocatalysis, among others.



MISSION

It is our mission to see that every human being is able to utilise the power of enzymes and probiotics, for general well-being, health and improving the quality of life. It is also our mission to see that every possible industry is able to take the advantage of enzymes, to create and produce innovative products, improve the quality of the end products, reduce energy costs, optimise the use of raw materials and resources, and reduce pollution and the overall carbon footprint of the process.

VISION

Our vision at AETL is to become a leading, respected and preferred, enzymes and probiotics-based solutions provider in the global market.

THE PILLARS OF OUR STRENGTH

KEY FACTS

1st
Listed Indian Enzyme Company

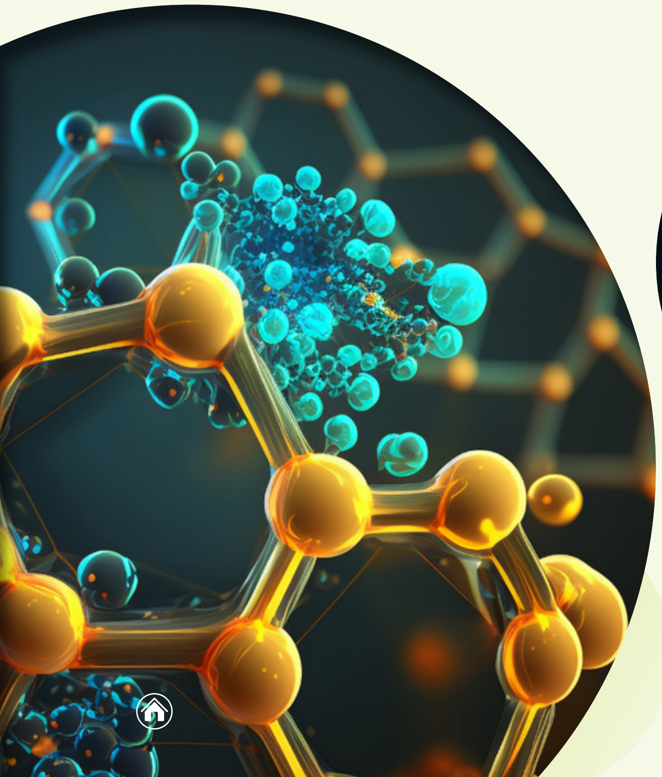
2nd
Highest Market Share in India

68+
Enzymes and Probiotics

400+
Proprietary Products

45+
Countries Worldwide Presence

700+
Customers Worldwide



750+
Employees

13*
Patents

500 m^3
Fermentation Capacity

13#
Food Enzymes Dossiers Filed with EFSA

25+
Years of Fermentation Experience

7**
GRAS Dossier Evaluated by the US FDA

9
Manufacturing Units (seven in India, two in USA)

1##
Novel Food Dossier Filed

7
R&D Units (five in India, one in USA, one in Germany)

*Patents includes the filed applications
#Food Dossier filed with EFSA, out of which positive opinion is received for seven dossiers & six are under evaluation
**No question letter received for 5 Dossier, another two are under evaluation
##Novel food dossier has been filed with EFSA is under evaluation

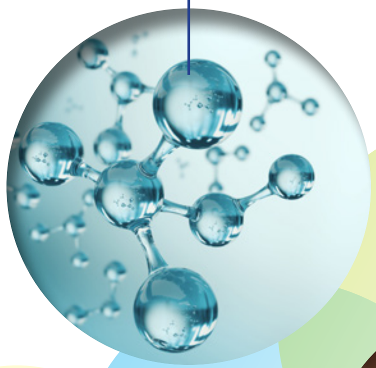
INNOVATING FOR SUSTAINABILITY:

OUR JOURNEY OVER YEARS

Drawing upon its 30+ year expertise, your Company has made significant strides and continues to thrive via organic and inorganic means. By procuring a host of global entities, your Company has effectively established a foothold in the international market, thereby enabling easy accessibility in the global market and delivering constant growth.

1989

Incorporated as Advanced Biochemicals Private Limited



1994

First fermentation facility commissioned at Sinnar, Maharashtra

2001

R&D locations (Thane and Sinnar) recognised by DSIR

2004

- Advanced Biochemicals ranked as the largest domestic manufacturer of industrial enzymes
- Advanced Biochemicals files its first patent

2005

Advanced Biochemicals Limited renamed as Advanced Enzyme Technologies Limited

2011

Takeover of Cal-India Foods International – USA presence

2012

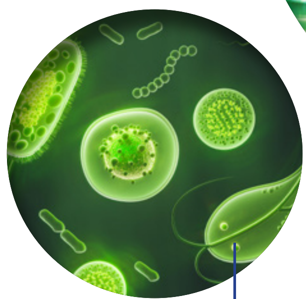
- Equity investment by Kotak Private Equity*
- Takeover of Advanced Supplementary Technologies
- Second fermentation facility commissioned at Pithampur, Indore

2014

First food enzyme dossier filed

2016

- Floated IPO
- Acquired 70% stake in JC Biotech with a fermentation facility at Ongole, Andhra Pradesh



2017

- Acquired 100% stake in evoxx technologies GmbH, Germany
- First GRAS dossier filed with US FDA

2018

- Four food enzymes approved as a processing aid with Food Safety Standard Authority of India (FSSAI)
- Four enzymes registered with REACH -ECHA (European Chemical Agency)

2021

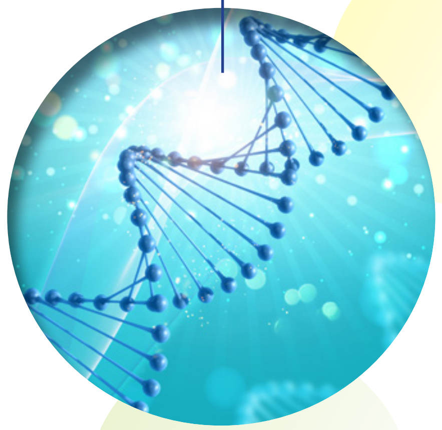
Acquired 51% stake in SciTech Specialities Private Limited with two manufacturing facilities and one R&D unit

2022

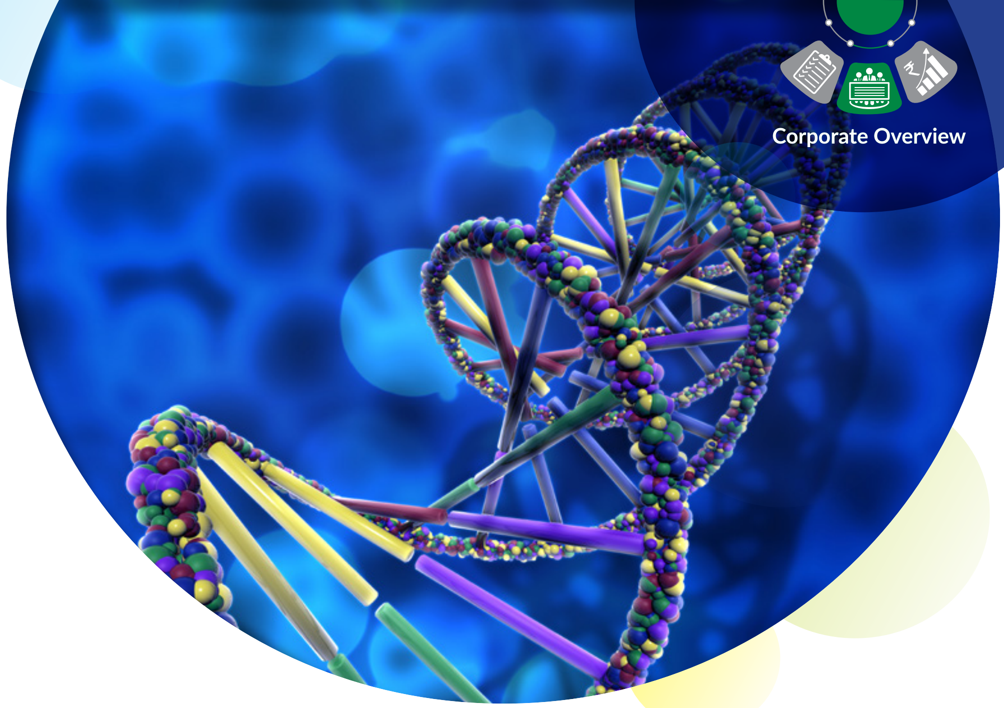
- Received NIH grant for ImmunoSEB and ProbioSEB CSC3
- Approvals of 2 GRAS Dossiers for SEBtilis™ and SEBclausii™
- Increased 15% stake in JC Biotech

2023

- Acquired 50% stake in Saiganesh Enzytech Solutions Private Limited
- Acquired an additional stake of 4.83% in J C Biotech
- Launched Wellfa , an in house B2C consumer brand



Note : * Through Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund



CREATING DISTINCTIVE MARKET PRESENCE THROUGH

INNOVATION AND NURTURING SUSTAINABILITY

AETL manufactures enzymes that perform better than naturally occurring enzymes. This means they can be more active, specific, stable, and tolerant to different environmental conditions. In addition, there are many other factors to count on that make AETL stand out from competitors in this field.

EXPERIENCE AND EXPERTISE

With over 25 years of specialised technical expertise in microbial fermentation, your Company's team possesses a wealth of knowledge in manufacturing. Its proven track record in enzyme development, starting from just seven enzymes in 1994 to now over 68, showcases the unmatched expertise in this field. Moreover, your Company's decades of experience in solving customer problems and invaluable product and process insights have provided it with a unique perspective and understanding of the industry. In short, this expertise is not just theoretical knowledge, but rather a culmination of years of hands-on experience in the field.

TEAM CAPABILITIES

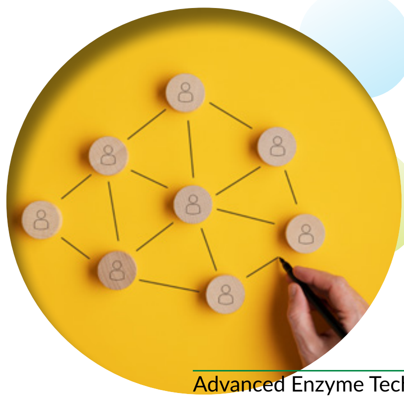
Your Company is always focussed on seizing growth opportunities and offering continuous solutions to its clients. The biggest challenge faced is the high entry barrier since it requests real time R&D with continuous upgrade given the technical and specialised nature of the business. Your Company's large manufacturing capabilities, experienced promoters, integrated value chain of in-house development of products, and manufacturing and marketing helps it to stand out from competitors.

STRONG RESEARCH & DEVELOPMENT

Your Company possesses strong R&D capabilities towards developing new products. This showcases its ability to innovate and improve the enzyme products as well as the discovery, development and optimisation of new enzymes. The strong R&D capabilities also serve as a catalyst for growth and create healthy competition with the top players in the market.

INTEGRATED PLAYERS WITH PRESENCE ACROSS THE ENZYME VALUE CHAIN

As per customer requirements, your Company offers a wide range of enzymes. Over the years your Company has constantly improved its fermentation capacity. It always intends to create various formulations through R&D and strives to invest to build its portfolio in focussed application and industry.



INHERENT DIVERSIFICATION IN THE BUSINESS MODEL

Your Company offers an extensive range of enzyme products that find application in various industries. These include textile, paper and pulp, leather, baking, nutrition, pharmaceutical, human and animal healthcare. This helps in reducing the risk of imbalance in any single market. Diversification in the business helps in increased stability and growth.

SIGNIFICANT FOCUS ON INTERNATIONAL MARKETS & BRAND BUILDING

As your Company analyses its current business landscape, it is evident that its international markets hold great significance in driving our overall revenue growth. With 53% of its total revenue originating from these markets, it is imperative that AETL allocate significant focus and resources towards expanding its presence and brand building efforts internationally. By doing so, your Company can not only solidify its position in existing markets but also tap into new and emerging markets to unlock further growth potential. By placing significant focus on international markets and brand building, AETL plans to harness the potential of these markets and drive sustained revenue growth.

CORPORATE STRUCTURE

60%

Advanced Bio-Agro Tech Limited
Incorporated: 2004
Core Areas: Animal Nutrition
Presence: South Asia

100%

Advanced EnzyTech Solutions Limited
Incorporated: 2008
Core Areas: Non-Food Industrial Bioprocessing
Presence: South Asia

100%

Advanced Enzymes USA Inc.
Incorporated: 2010
Core Areas: Holding Company for Americas

100%

Cal-India Foods International
Incorporated: 1985
Core Areas: Human Nutrition B2B
Presence: North, Central and Latin America

100%

Enzyme Innovation Inc.
Incorporated: 2013
Core Areas: Animal Nutrition and Industrial Bioprocessing
Presence: North, Central and Latin America

100%

Advanced Supplementary Technologies Corporation
Incorporated: 2010
Core Areas: Owned & Branded Supplements for Nutraceutical Applications
Presence: North, Central and South America

90%

JC Biotech Private Limited
Incorporated: 1991
Acquired: 2016
Core Areas: Manufacturing of Enzymes
Presence: India

100%

Advanced Enzymes (Malaysia) Sdn.Bhd.
Incorporated: 2016
Acquired: 2017
Core Areas: Industrial Bioprocessing
Presence: Southeast Asia

100%

Advanced Enzymes Europe B.V.
Incorporated: 2017
Core Areas: Holding Company for Europe

100%

evoxx technologies GmbH
Incorporated: 2006
Acquired: 2017
Core Areas: Contract Research and Industrial Bioprocessing
Presence: Europe

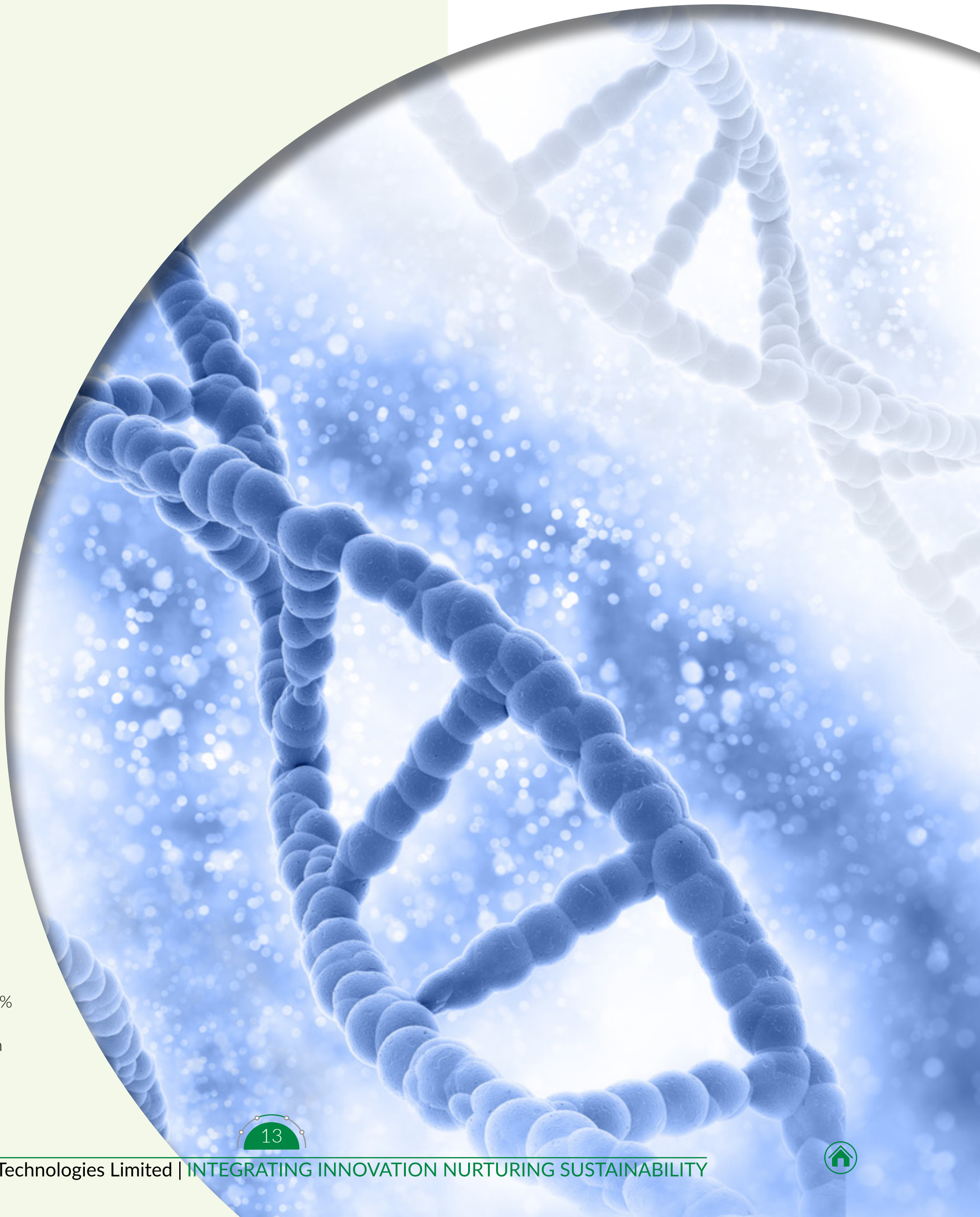
51%

SciTech Specialities Private Limited
Incorporated: 2007
Acquired: 2021
Core Areas: Effervescent-based Products
Presence: India

50%

Saiganesh Enzytech Solutions Private Limited
Incorporated: 2022
Acquired: 2023
Core Areas: Human Health/Nutrition and Food Industry
Presence: India

Note:
1. Advanced Enzymes currently holds 89.83% in JC Biotech
2. Dynamic Enzymes Inc. (USA) merged with Advanced Supplementary Technologies Corporation (USA) during the year 2023



CHAIRPERSON'S MESSAGE

DEAR SHAREHOLDERS,

As Chairperson of your Company, I am proud to report our first integrated annual report for the fiscal year FY 2022-23. Despite global challenges, our team's dedication and hard work enabled us to maintain a strong market position.

In the past two years, we have seen a significant transformation in human behavior, particularly in terms of adopting a healthier lifestyle. We strive to stay ahead of the curve and create innovative products that reflect our commitment to sustainability while meeting our customers' evolving needs. Our focus on innovation enabled us to develop eco-friendly and highly effective enzyme products that cater to the evolving needs of our customers. All this transformation has led to a growth in the nutraceuticals market.

> We strive to stay ahead of the curve and create innovative products that reflect our commitment to sustainability while meeting our customers' evolving needs. Our focus on innovation enabled us to develop eco-friendly and highly effective enzyme products that cater to the evolving needs of our customers.

Power of technology and R&D

Some notable breakthroughs achieved in FY 2022-23 include the development of next-gen engineered proteins for biocatalysis, human/animal nutrition and food. Promising commercial results were obtained in enzyme development for API intermediates. We were also granted patents for an enzyme/probiotic complex to promote protein digestion, a soya protein concentrate preparation, and an oil extraction method from oil palm fruits using enzyme compositions.

Key Developments during the Year

- We witnessed growth in the Asian market from animal healthcare products
- We invested ₹ 60 million for 50% stake in Saiganesh Enzytech Solutions (SESL). We believe obtaining a reliable and high-quality intrastate supply of a vital digestive enzyme enhances our ability to deliver consistent and superior formulated solutions for human health, nutrition, and the food industry
- We acquired an additional stake of 4.83% in our subsidiary, JC Biotech, resulting in a total stake of 89.83%
- We launched Wellfa, our B2C brand focused on human health and well-being
- We introduced several new products throughout the year, including: enzymes for producing chiral/ non-chiral molecules; Pepzyme Pro, clinically proven product for optimizing protein digestion, uptake, and gut modulation; SacchariSEB ML for easily absorbable dietary fiber production; and Code T-400, designed to enhance tea properties

> Moving ahead as a pre-eminent enzyme manufacturer, AETL is well-positioned to thrive in the growing global market. The market is being driven by trends such as the shift towards proactive/ preventative healthcare, the growing importance of nutraceuticals, and the need for cleaner nutrition alternatives.

Financials

Despite economic challenges, our Company achieved financial results with a total net revenue of ₹ 5,406 million. Our EBITDA was recorded at ₹ 1,564 million, a 22% decline, and PAT was seen at ₹ 1,039 million, a 16% decrease as compared to previous year. This decline is due to constant fluctuation in input material prices and elevated fuel costs, which resulted in a higher operating cost for the Company. However, we are optimistic about our business fuelled by changing preferences and industry dynamics. Aligned with these developments, we are launching new products and exploring opportunities in nutraceutical and cosmeceutical segments. We also have strong connections with API manufacturers for long-term financial stability.

Challenges Leading Towards Landscape of Opportunity

The business environment is filled with challenges, ongoing supply chain disruption and uncertainty, cues of a potential recession leading to layoffs, and sluggish consumption. Inflation remains high, and geopolitical crises continue to fluctuate, adding to the uncertainty.

However, there are some positive signs as raw material prices and freight costs ease. This will reflect growth and help in stabilization in the coming quarters. Despite the challenges, our financial results showed an improved top-line growth, driven by animal nutrition and bio processing segments. However, elevated operating costs impacted profit margins, highlighting the need for continued focus on cost management in these uncertain times.

We are ready for the next leap with a strong pipeline of enzymes and probiotics developed for various industries, and improved tools for generating recombinant strains. Our top priority will be to develop enzymes to promote healthy aging, modify proteins, process juices and beverages, and improve guar gum processing. We aim to expand our enzyme library for biocatalysis, probiotics library for dairy applications, and create probiotic-postbiotic-prebiotic products for multiple uses.

Closing Note

Moving ahead as a pre-eminent enzyme manufacturer, AETL is well-positioned to thrive in the growing global market. The market is being driven by trends such as the shift towards proactive/preventative healthcare, the growing importance of nutraceuticals, and the need for cleaner nutrition alternatives. Additionally, research and an emphasis on customer experience and innovation are creating a fertile environment for success. Our commitment to innovation, sustainability, and a wide product portfolio, along with our leadership and investment in R&D, ensures that we continue to create value for our stakeholders, resulting in a mutually beneficial outcome.

I, along with my leadership team, would like to thank everyone associated with the Company, including board members, employees, shareholders, suppliers and all other stakeholders for believing in us. I look forward to working together to achieve our goals and create a brighter future for all.

With my best wishes,

V. L. RATHI
(Chairperson)

NAVIGATING OUR WAY TO SUCCESS:

OPPORTUNITY LANDSCAPE

AGEING POPULATION

As individuals age, their immunity is likely to be adversely impacted due to a decline in their Natural Killer cells (NK cells). However, probiotics may serve to enhance and regulate some of these processes, ultimately leading to improved NK cell function within the body. Specifically, lactic acid bacteria (LAB) and bifidobacteria, which are present in the gut of both humans and animals, are types of beneficial bacteria commonly found in probiotic supplements. To cater to the demand and opportunity, your Company offers an extensive range of probiotics solutions that help in regaining the NK cells in the body. There is thus significant potential for growth in the field of human healthcare, with the ageing population as a driving factor.

INCREASED FOCUS TOWARDS CHEMICAL-FREE PROCESSES

The nation is progressively shifting its focus toward chemical-free methodologies, and transitioning to more ecologically sustainable products. This trend is predominantly driven by customers who demand safer, and more eco-friendly processes.

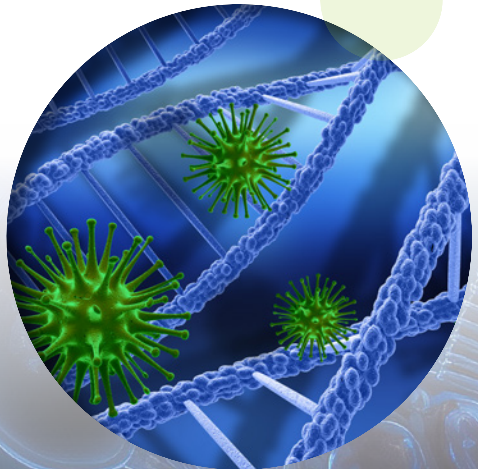
As a research-oriented enterprise, your Company is firmly committed to replacing conventional, potentially hazardous chemicals with benign enzymes in pursuit of its overarching mission. This is done by focussing on sustainable processes. AETL is uniquely positioned to capitalise on this trend and drive its revenue growth.

GROWING PREVALENCE OF DIGESTIVE DISORDERS

Human bodies create digestive enzymes, which are substances that aid in food digestion. This helps in the breakdown of proteins, carbohydrates, and fats and makes it possible for the minerals in our food to be absorbed into the bloodstream. This supports in the functioning of all the cells in the body. Changing lifestyles are making it difficult to balance digestion and therefore, maintaining of overall well-being. There is thus a need for products that help in the process of digestion. This is fuelling the growth of the digestive enzyme market and AETL is ready to meet this demand.

PRIORITISATION OF A HEALTHIER LIFESTYLE

Individuals are gravitating towards adopting a wholesome way of living. They are exploring novel avenues to accommodate physical activity and prioritise their well-being. There is thus a high demand for pioneering health and wellness solutions, which is driving the growth of companies operating within this domain. Notably, the human health and wellness sector which currently constitutes over 66% of the total business, is indicative of the profound impact of this trend on organisational expansion. The market holds immense potential as the masses prioritise healthier lifestyles. In this positive landscape, AETL is delivering eco-friendly products to the industry thereby driving the well-being of society.



HOW YOUR COMPANY IS POSITIONED TO BENEFIT FROM THE KEY TREND

AETL is among the largest and most reputed enterprises in its field of work. The extensive integration of innovative technologies, and commitment to researching and developing sustainable products have given AETL a significant advantage. As a result, we have developed several key strengths, including:

- Diverse business verticals catering to a variety of industries
- Larger presence in the human healthcare market
- Research on the development of biocatalysts

INNOVATING FOR ULTIMATE SUCCESS:
INTEGRATED BUSINESS MODEL

AETL's holistic integrated business framework encompasses the entire value chain of enzymatic manufacturing, spanning investigation and evolution of enzymes to their fabrication, marketing, and dissemination. This integrated model guarantees maximal efficacy and economy, while establishing a fluid connection between the various activities within the organisation.

Note: *Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive opinion is received for 7 Dossiers & 6 are under evaluation

**No question letter received for 5 Dossier, another 2 are under evaluation

##Novel food dossier has been filed with EFSA is under evaluation

All the data mentioned w.r.t. Human, Social & Relationship and Natural capital is on standalone basis.

Resources

FINANCIAL CAPITAL
Funding obtained from providers of capital, deployed to invest in our strategy and support business activities.

Equity: **₹ 224 million**

Reserves: **₹ 12,127 million**

MANUFACTURED CAPITAL
The manufacturing facility excels in controlled processes and competitiveness with flexible downstreaming with varying batch sizes.

R&D units: **7**

Manufacturing facilities: **9**

Capital Expenditure: **~ ₹ 381 million**

INTELLECTUAL CAPITAL
Repository of organisational knowledge, insight, systems, protocols and intellectual property, including brands

R&D centre: **7**

R&D and technology talent pool: **100+**

Number of patents filed: **13***

Food Enzyme Dossiers filed with EFSA: **13#**

GRAS Dossier evaluated by US FDA: **7****

Novel food dossier filed: **1##**

HUMAN CAPITAL
The Company prioritises employee development and well-being for lasting value and success.

Total employees: **320+**

Total Women Employees: **70**

Total Remuneration Paid: **₹ 400+ million**

SOCIAL AND RELATIONSHIP CAPITAL
Our role as a socially responsible corporate citizen and how we enrich our relationships with stakeholders, from suppliers to customers, regulators, investors and the communities where we operate.

Customer: **700+**

CSR expenditure: **~ ₹ 16 million**

Key industry associations: **10+**

Contribution to Exchequer: **~ ₹ 300+ million**

Shareholders: **75,000+**

NATURAL CAPITAL
Relates to natural resources on which we depend to create value and our role in promoting their conservation.

Total electricity consumption: **34,492 GJ**

Total fuel consumption: **133,047 GJ**

Total energy consumptions: **167,540 GJ**

Total water consumption: **130,082 KL**

Process

Research and Development

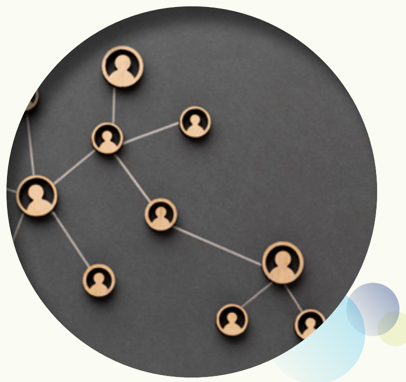
Being research-driven, your Company has a continuous focus on developing and upscaling the technology for amplified production. With a robust infrastructure of seven units of R&D with best-in-class technology, your Company has gained expertise in manufacturing safe enzymes.

Manufacturing

Your Company follows an integrated business model in which the enzymes are manufactured in-house. This enables higher quality control along with reduced costs while maintaining a robust market position and innovating high-quality products.

Marketing and Distribution

Your Company has several direct and indirect channels to reach out to its customers in different regions and markets. This, along with the strong online presence of the marketing and distribution team, enables your Company to improve product sales while also ensuring quick delivery to its clients through its strong network of distributors and agents.



Delivering Value to Our Stakeholder / SDGs Impacted

FINANCIAL CAPITAL
We deliver consistent return to our shareholders and investors.

Revenue: **₹ 5,406 million**

EBITDA: **₹ 1,564 million**

PAT: **₹ 1,039 million**

Dividend: **₹ 1 per equity share**

SDGs Impacted: 1, 8

MANUFACTURED CAPITAL
Capacity utilisation: **~ 60%**

SDGs Impacted: 8, 9, 12, 13, 17

INTELLECTUAL CAPITAL
We substitute chemicals with enzymes derived from sustainable sources to meet the needs of various industries.

SDGs Impacted: 9, 11, 13

HUMAN CAPITAL
Fatality: **NIL**

Total employees trained on:

Skill upgradation: **77.02%**

Environment, health and safety: **72.67%**

Employee turnover rate: **~15%**

SDGs Impacted: 1, 3, 5, 8, 9, 10, 16, 17

SOCIAL AND RELATIONSHIP CAPITAL
Worldwide presence: **45+ Countries**

Timely approvals from regulatory bodies

Long-term relationships with our customers

SDGs Impacted: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

NATURAL CAPITAL
Water recycled: **20,779 KL**

Safe handling and minimal usage of hazardous and toxic chemicals

Adherence to all relevant environmental regulations

Food Safety System Certifications (FSSC) **22000**

Global Organic Textile Standard (GOTS)

ISO **9001:2015**

ISO **14001:2015**

ISO **45001:2018**

Halal Certification

Kosher Certificate

WHO-GMP Certification

Written Confirmation Certification

Export Inspection Agency Certification

SDGs Impacted: 7, 9, 11, 12, 13, 15

FINANCIAL CAPITAL

At AETL, we understand the value of well-used financial resources. As the Human Nutrition, Animal Nutrition, Food Processing and Non-Food Processing continue to grow, prospects are also growing, which opens up various exciting areas for future expansions and wins.

FINANCIAL SNAPSHOT

Fixed Asset Turnover (x)

FY19	FY20	FY21	FY22	FY23
2.51	2.06	1.99	1.95	1.87

Free Cash Flow (in ₹ million)

FY19	FY20	FY21	FY22	FY23
1,163	905	1,435	954	1,024

EBITDA (in ₹ million)

FY19	FY20	FY21	FY22	FY23
1,819	2,023	2,316	2,014	1,564

EBITDA Margin (%)

FY19	FY20	FY21	FY22	FY23
44	46	46	38	29

PAT (in ₹ million)

FY19	FY20	FY21	FY22	FY23
1,159	1,330	1,513	1,238	1,039

PAT Margin (%)

FY19	FY20	FY21	FY22	FY23
28	30	30	23	19

Net Working Capital (Days)

FY19	FY20	FY21	FY22	FY23
105	115	120	132	135

Net Worth (in ₹ million)

FY19	FY20	FY21	FY22	FY23
6,788	8,397	9,709	10,886	12,351

ROE (%)

FY19	FY20	FY21	FY22	FY23
19	18	17	12	9

ROCE (%)

FY19	FY20	FY21	FY22	FY23
24	22	22	16	10

Net Debt/Equity (x)

FY19	FY20	FY21	FY22	FY23
0.05	0.02	0.02	0.01	0.01

ROIC (%)

FY19	FY20	FY21	FY22	FY23
29	28	32	26	15

All the numbers are on Consolidated basis
Net working capital days =((Trade receivables + inventories – Trade payables)/Net Sales)*365
Net Debt = Long-term debt + short-term debt + current maturities of long-term debt – Cash & Cash Equivalent
ROIC=EBITDA/(Equity + Net Debt)
Return ratio calculated based on average of shareholders' fund and average debt

FINANCIAL SUMMARY (CONSOLIDATED)

(numbers in ₹ million)

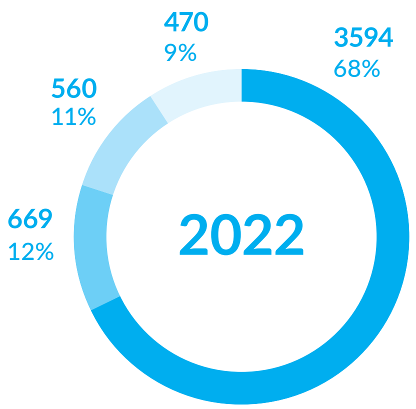
Particulars	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from Operations (including excise duty and export incentives)	5,406	5,294	5,018	4,440	4,196
Net Sales (excluding excise duty and export incentives)	5,404	5,289	5,004	4,416	4,177
EBITDA	1,564	2,014	2,316	2,023	1,819
Depreciation	350	349	287	258	211
EBIT	1,214	1,665	2,029	1,765	1,608
Finance Charge	24	18	16	30	39
Profit Before Tax & Exceptional Items	1,190	1,647	2,013	1,735	1,569
Exceptional Items	41	-	-	-	-
Profit After Tax & Exceptional Items	1,149	1,647	2,013	1,735	1,569
Other Income	255	64	88	56	50
Profit Before Tax	1,404	1,711	2,101	1,791	1,619
Tax	365	473	588	461	460
Profit After Tax Including Minority (PAT)	1,039	1,238	1,513	1,330	1,159
Profit After Tax and Allocation of Minority Interest	1,056	1,196	1,459	1,293	1,111
Paid-Up Capital-Equity	224	224	223	223	223
Reserves & Surplus	12,127	10,662	9,486	8,173	6,565
Shareholders' Fund	12,351	10,886	9,709	8,397	6,788
Minority Interest	491	518	617	278	260
Long-Term Borrowings (including current maturities)	78	81	99	72	137
Working Capital Finance	50	19	38	127	213
Short-Term Borrowings	5	9	54	-	-
Total Debt	132	109	191	199	350
Current Liabilities (excluding short-term borrowings and current maturities)	721	576	584	437	372
Other Liablities	523	587	461	372	341
Tangible Fixed Assets (property, plant and equipment) (net)*	2,888	2,718	2,510	2,143	1,665
Intangible Assets (net)	609	663	747	645	680
Goodwill on Consolidation	3,209	2,961	2,887	2,941	2,715
Current Assets	7,221	6,044	5,160	3,756	2,821
Other Assets	292	290	222	300	230
Net Worth	12,351	10,886	9,709	8,397	6,788
Total Outside Liabilities (TOL)	1,868	1,790	1,852	1,286	1,323

Note - Book value and EPS are based on face value of ₹ 2 per share
*Based on Net sales
All figures are in ₹ million, unless otherwise stated
#Return ratio calculated based on average shareholders' fund and average debt

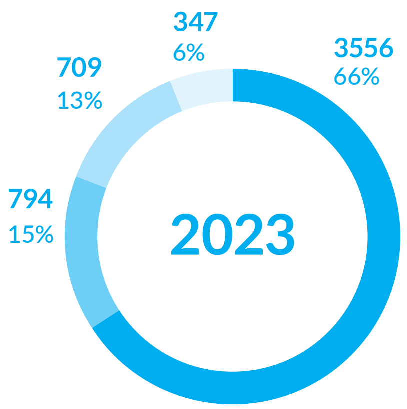
Particulars	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
Growth Indicators					
Net Sales	2%	6%	13%	6%	8%
EBITDA	(22%)	(13%)	14%	11%	11%
EBIT	(27%)	(18%)	15%	10%	10%
PAT	(16%)	(18%)	14%	15%	24%
Key Operating Ratio*					
Gross Margin	76%	79%	80%	82%	82%
EBITDA Margin - EBITDA/Net Sales	29%	38%	46%	46%	44%
EBIT Margin- EBIT/Net Sales	22%	31%	41%	40%	38%
PAT Margin-PAT/Net Sales	19%	23%	30%	30%	28%
Financial Leverage					
Net Debt/Equity	0.01	0.01	0.02	0.02	0.05
Interest Coverage	50.57	92.68	126.07	58.14	41.23
Debt/EBITDA	0.09	0.05	0.08	0.10	0.20
Return Ratios#					
RoE (PAT/Shareholders' Fund)	9%	12%	17%	18%	19%
RoCE (EBIT/(Shareholders' Fund + Total Debt))	10%	16%	22%	22%	24%
ROIC(EBITDA)/(Equity+ Total Debt-Cash & Cash equivalent)	15%	26%	32%	28%	29%
Other Ratios					
Turnover to Tangible Assets (Net)	1.87	1.95	1.99	2.06	2.51
TOL to Net Worth Ratio	0.15	0.16	0.19	0.15	0.19
Book Value/Share (₹)	110.45	97.37	86.90	75.18	60.80
EPS (Basic)	9.45	10.70	13.09	11.58	9.95
EPS (Diluted)	9.45	10.68	13.07	11.56	9.94
Working Capital Cycle (No. of Days)*					
Inventory Turnover	84	83	68	66	67
Accounts Receivable	69	61	63	61	51
Accounts Payable	17	12	11	12	13
Net Working Capital	135	132	120	115	105
R&D Spends					
Capital Expenditure	50	16	54	22	6
Recurring Expenditure	173	150	125	115	107
R&D Spends	223	166	178	137	113
As % of Net Sales	4%	3%	4%	3%	3%

MANUFACTURING CAPITAL

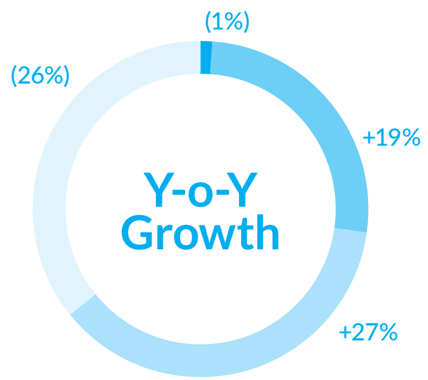
AETL has spread its operation across four verticals: human healthcare and nutrition, animal nutrition, industrial bioprocessing, and specialised manufacturing.



Revenue (₹ in million)



Revenue (₹ in million)



Revenue growth (in %)

Human healthcare and nutrition
Industrial bioprocessing
Animal nutrition
Specialised manufacturing

HUMAN HEALTHCARE AND NUTRITION

AETL offers an extensive range of enzyme products and customisable enzyme solutions that are supplied to pharmaceuticals and nutraceutical companies across the globe, including India, North America, Asia (excluding India), Europe, and beyond. Its enzymes add significant value to food, augmenting its nutritional profile. Your Company's diverse range of products includes anti-inflammatory, prodigestion and probiotic products that cater to a wide variety of customers.

The use of cutting-edge technology has facilitated the production and application of several important probiotics, which have proven to be instrumental in the treatment of digestive disorders and various other ailments. Your Company's R&D team has made notable strides in developing biocatalysis for API manufacturers providing enzymatic based solutions that are target specific and help reduce costs, energy consumption, time, and the use of harmful chemicals.

INDUSTRIAL BIOPROCESSING

Bioprocessing, which involves utilising living organisms and their components to create new products, represents a natural, secure, and efficacious means of manufacturing. Your Company's industrial bioprocessing is a specialised branch of chemical engineering focussing on the development and production of various products in areas such as agriculture, and polymers, among others.

Non-Food Processing

Enzymes act as a prevailing biocatalyst in majority of the reactions and help in boosting the process thereby saving time. Your Company offers a wide range of eco-friendly solutions for a variety of industries such as textiles, leather, detergents, and paper and pulp that are used in manufacturing a wide range of products. This helps in reducing energy consumption, waste water, and overall waste. These measures reduce the load of effluent and waste thereby improving efficiency and shrinking the overall cost of the industrial processes.

Food Processing

Enzymes are a natural, safe, and effective way to manufacture food & beverage products. They help manufacturers improve the quality of the food products and provide consumers with healthy options that have a high nutritional value.

ANIMAL NUTRITION

Animals also require adequate nutrition and a balanced diet to foster growth, development, and reproduction and bolster their immune systems to combat infections. For this purpose, your Company offers enzyme-based feed additives for animal nutrition, which provide animals with all the essential nutrients that facilitate digestion. Your Company's products are rich in nutrients and provide good nourishment for animals. This leads to cost-effective feed, reduced animal waste, and mitigation of environmental pollution.

With the help of our extensive R&D team, your Company has formulated probiotic solutions that feature cutting-edge metabolites. Probiotics actively contribute to supporting animal performance by keeping their digestive systems clean, increasing their efficiency, and augmenting their profitability.

SPECIALISED MANUFACTURING

Under this your Company uses a special technology called effervescent technology to make products for different industries like health supplements, medicine, baking, cleaning solutions and other special products. These products dissolve quickly and work effectively. AETL also works with a company called SciTech Specialities to improve B2C business.

PRESENCE ACROSS THE GLOBE

Europe:
(₹ in million)

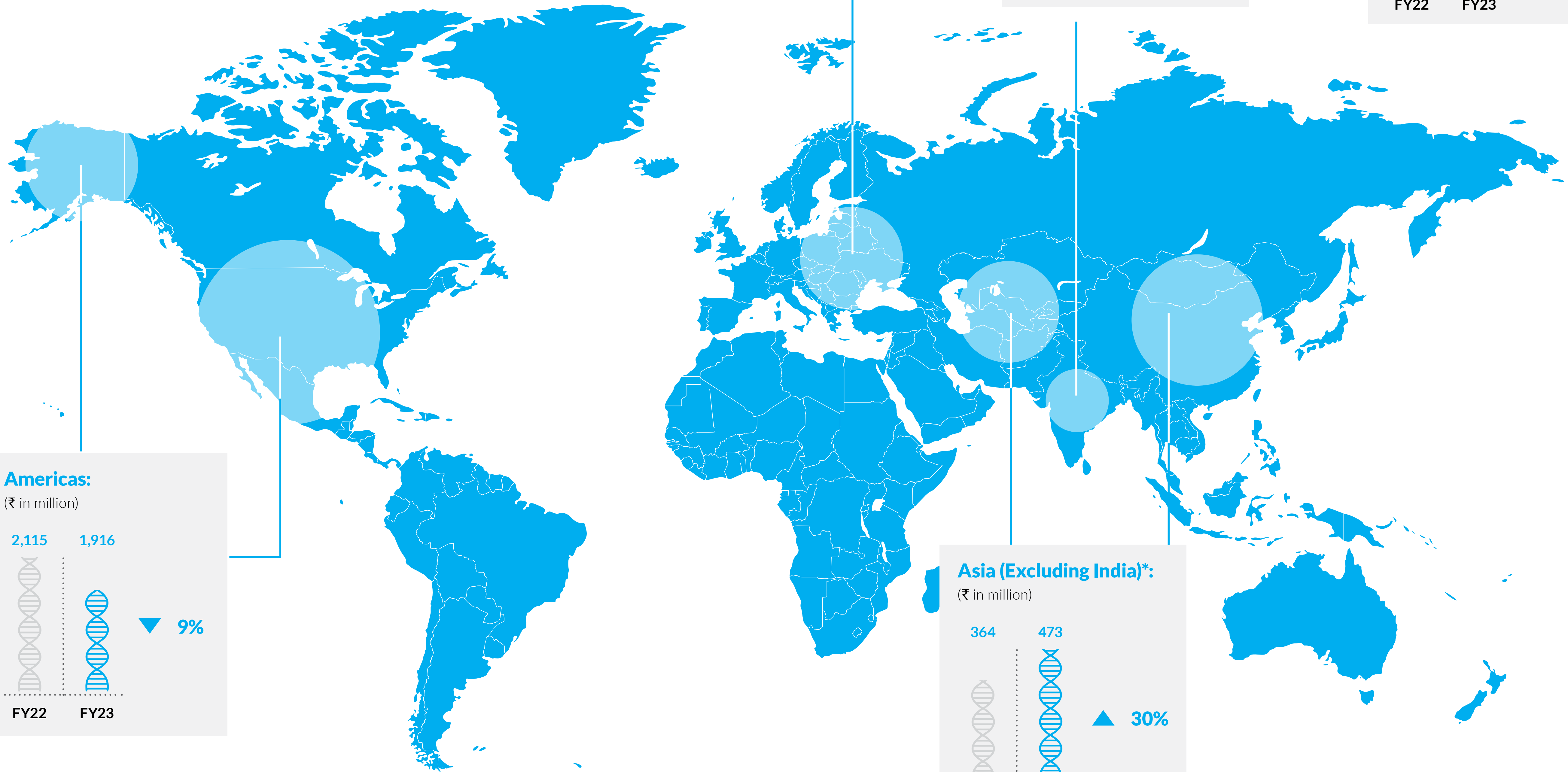
FY22	FY23	
322	354	▲ 10%

India:
(₹ in million)

FY22	FY23	
2,342	2,557	▲ 9%

Rest of the World:
(₹ in million)

FY22	FY23	
150	106	▼ 29%



Americas:
(₹ in million)

FY22	FY23	
2,115	1,916	▼ 9%

Asia (Excluding India)*:
(₹ in million)

FY22	FY23	
364	473	▲ 30%

Notes:
All the decimals are rounded off to their relevant nearest number
*Asia is excluding India

INTELLECTUAL CAPITAL

As one of the very few manufacturers in the world with great depth and expertise in fermented enzyme manufacturing, we take pride in our pioneering role in India's enzyme production and our ongoing commitment to setting trends through research and development for new applications across various industries.

We are striving to improve the existing products and trying to enter new business lines in the segment of human and animal nutrition. With our extensive investments in R&D, we are increasingly focussing on the human nutraceuticals, food areas and biocatalysis.

OUR R&D PROCESS

Enzymes & Probiotic Development
- Strengthens the enzyme engineering part of R&D
- Helps in designing the right set of enzymes with their target applications in mind

Proteomics & Applied Microbiology
- Purification & characterisation of enzymes & probiotics
- Generate data for filing regulatory Dossiers
- Develop newer & improved microbial systems for enzyme & probiotic application

Process Development & Optimisation
- Upscaling fermentation
- Enhance efficiency of downstream processes
- Improve recovery & purification yields

Application Development
- Develop innovative enzyme & probiotic solutions for various food & non-food processing industries
- Lab trials support for enzyme & probiotic applications

7
R&D Locations in India & Germany

13*
Patents Granted

13#
Food Enzyme Dossiers Filed

7**
GRAS Dossiers are Evaluated by the US FDA

1##
Novel Food Dossier Filed

100+
Scientists, Microbiologists, Engineers, Food Technologists, Biotechnologists

HIGHLIGHTS

During the year following developments took place:

- Developed next-generation engineered proteins
- Developed process for extracting oil from oil palm fruits and enzyme compositions

TECHNOLOGICAL ADVANCEMENTS

To excel in devising and executing new solutions, it is imperative to leverage innovation and technology. This not only streamlines the process of problem-solving but also ensures that your Company stays ahead of its competitors. Additionally, conducting thorough research allows the organisation to identify untapped opportunities and address gaps in the market through cutting-edge innovation and technology.

We have recognised the importance of adapting to new technological advancements in conducting competitive scientific research. This has led to the procurement of high-end equipment and the implementation of new technologies such as the regulatory element screening kit. Other initiatives include the development of industrial processes for API intermediates at the customers' end and continuous efforts to address ETP problems through the EnvisoSEB series.

TECH FOSTERING GROWTH

At AETL, we are continuously focussed on improving our R&D expenses. Our R&D investments have gone up to ₹ 223 million during FY 2022-23 from ₹ 166 million in FY 2021-22.

KNOWLEDGE MANAGEMENT

Knowledge management empowers individuals with the essential resources and techniques required to proficiently amass, analyse, and comprehend information. This methodology facilitates comprehensive understanding of intricate topics, thereby enabling individuals to make informed decisions of relevance. Your Company is firmly committed to advancing knowledge management, ensuring that individuals remain apprised of the latest breakthroughs and are provided ample prospects for progress and enrichment. Consequently, these yield heightened efficacy, aid innovation, and lead to the overall enhancement of processes.

PATENTS, TRADEMARKS, AND INTELLECTUAL PROPERTY RIGHTS, AMONG OTHERS

Patents and trademarks help in safeguarding proprietary innovations and fostering brand recognition within the industry, thereby facilitating growth. Your Company constantly endeavours to develop novel and sophisticated products that can be protected via patents. Furthermore, intellectual property laws offer a robust framework for addressing any legal disputes, thereby mitigating the risk of litigation.

*Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive opinion is received for 7 Dossiers & 6 are under evaluation

**No question letter received for 5 Dossier, another 2 are under evaluation

##Novel food dossier has been filed with EFSA is under evaluation

NATURAL CAPITAL

PROGRESSING BY NURTURING SUSTAINABILITY

ESG stands for Environmental, Social, and Governance. The environmental factor showcases our determination towards conserving nature, whereas the social factor denotes the relationship between all stakeholders. Governance refers to all the compliances and standard policies that AETL follows.

As a responsible corporate, AETL, is committed to improving people's lives. We believe in and understand the factors that need the most attention. We are committed to ESG principles through various initiatives and practices. We have recently implemented environmental monitoring and stack emission monitoring through an external agency approved by the State Pollution Control Board.

ENVIRONMENTAL

Sustainability is at the core of AETL's business. Your Company always strives to remain an environmentally reliable entity that focusses on environmental conservation. It has developed a mechanism that fits 'standard operating procedures' along with certain measures towards conservation of energy. This is done through installation of more energy-efficient technology and products across its manufacturing units and offices.

$5.39*10^{-5}$ GJ/INR

Energy Intensity Per Rupee of Turnover

4,095 Kilolitres

Reduction in Surface Water Consumption over the Previous Year

167,540 GJ

Total Energy Consumption

WASTE MANAGEMENT

At AETL, we are committed to implementing efficient and sustainable waste management practices to safeguard the environment and minimise our ecological footprint. We have established comprehensive protocols for managing various types of waste, including plastics, e-waste, hazardous waste, and other forms of waste.

Our approach ensures that all waste is disposed of responsibly through authorised scrap dealers, registered with the State Pollution Control Board. Moreover, we prioritise the reprocessing of hazardous waste in-house, utilising it as a valuable raw material in the production of other application products. By adopting these practices, we ensure that no hazardous waste is left unaddressed within our facility. Furthermore, we also treat liquid waste generated by our R&D centre in accordance with the State Pollution Control Board's guidelines, subsequently repurposing the treated waste for watering plants. Through these initiatives, we strive to demonstrate our commitment to environmental sustainability and responsible waste management.

8.44 metric tonnes

Waste Safely Disposed

5,580 Kilolitres

Treated Water Discharge

1.51 metric tonnes

Reduction in Waste Generation

ZERO LIQUID DISCHARGE FACILITY

We have established a comprehensive system that effectively manages both process effluent and equipment wash water. This system incorporates a three-stage forced-feed Evaporation Plant, which converts the wastewater into steam. The steam is then collected and condensed, resulting in recycled water that can be utilised in various utilities such as boilers, water-cooled compressors, and cooling towers.

To ensure minimal waste, the remaining slurry and sludge are further processed in a cage mill, transforming them into a non-hazardous powder. This powder serves as a valuable raw material for the production of non-pharmaceutical application products.

This highly efficient Zero Liquid Discharge (ZLD) system has been operational since 2003 and comprises an Effluent Treatment Plant (ETP), Mechanical Vapour Recompression Evaporator (MEE), and Dryer.

All the data mentioned w.r.t. Natural capital is on standalone basis.

HUMAN CAPITAL

EMPLOYEE MATTERS

AETL is committed to investing in the development and well-being of its people for long-term value and success.

AETL has developed its workforce by providing advanced training and providing a fair and inclusive work environment. This includes recognition and appreciation to motivate the employees and enable them to drive innovation and business value. Your Company believes in fair and equal HR practices and enforces a zero-tolerance discrimination policy.

Key Material Topics in HR

1. **Recruitment and Selection**

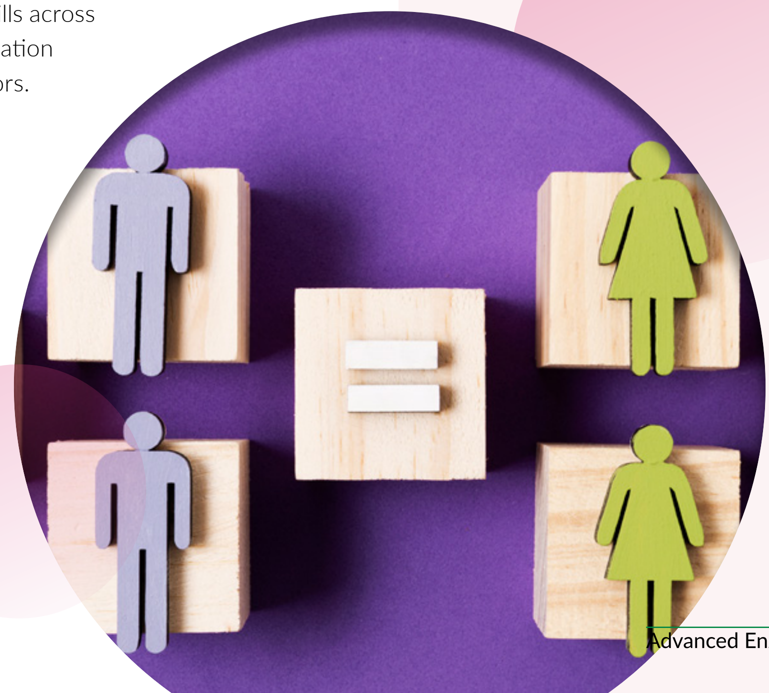
   Your Company hires fresh graduates and post graduates and trains them in the required skills.

2. **Succession Planning**

   Developing leadership skills across different levels of organisation helps in building successors.

3. **Learning and Development**

   Your Company designs on-the-job training modules and internal training programmes to address the customised development needs. External training programmes are also organised.



EMPLOYEE WELL-BEING

AETL is focussed on developing leadership and providing personal development opportunities for all employees. Your Company recruits candidates and provides them with on-the-job and internal training to shape their careers.

To ensure employee safety at workplace, AETL conducted training on good lab practices, fire safety sessions, and mock drills. Your Company's customised on-the-job training modules and internal training programmes address specific development needs. Annual health check-ups and doctor consultations, remote work options, and other programmes are implemented to maintain employee health and well-being, engagement, and productivity.

100%

Employees Covered Under Accidental Insurance

Inclusivity

The organisation embraces an Equal Opportunity Policy, promoting an inclusive and diverse workplace environment. We are committed to providing equal employment opportunities and ensuring that all employees are treated with fairness and respect, irrespective of factors such as gender, age, physical abilities, beliefs, religion, sexual orientation, ethnicity, caste, or any other form of discrimination. We deeply value the diverse perspectives and contributions of our workforce, recognising that it is through this diversity that we can thrive and achieve optimal performance. We foster an atmosphere of mutual trust and collaboration, supporting the development and growth of talent within our organisation.

~15%

Employee Turnover Rate

Environment, Health, and Safety

Your Company has taken proactive measures to prioritise the health, safety, and environmental well-being of all employees. An EHS (Environment, Health, and Safety) Committee, consisting of both management and worker representatives, has been established at the plant level. This committee meets regularly to discuss and address various aspects of EHS management. The meetings serve as a platform to identify training requirements, review Hazard Identification and Risk Assessment (HIRA) processes, propose enhancements, and deliberate on other relevant topics. Through these discussions, the committee ensures that necessary corrective and preventive measures are implemented to create a secure and healthy work environment for all employees.

In addition to the EHS Committee's efforts, your Company places great emphasis on fire safety arrangements. Comprehensive fire safety measures are in place to mitigate risks and respond effectively in case of emergencies. Regular inspections, drills, and trainings are conducted to enhance preparedness and ensure a safe and healthy workplace. These initiatives demonstrate our commitment to upholding the highest standards of safety and well-being for our employees.

80+

Total No. of Trainings and Awareness Programmes Held

POLICY TO SAFEGUARD WORK CULTURE

- Code of Conduct
- Whistle Blower Policy
- Policy for Sexual Harassment at Workplace
- Policy on Broad Diversity

FOCUS AREAS

- Skill-Based Hiring
- Employee Well-Being
- Higher Engagement Programmes
- Leadership Across All Levels in the Organisation

70%+

Employees Trained on Health and Safety Measures

KEY PRIORITIES

- Designing and implementing reward and recognition programmes
- Employee retention and skill development programmes
- Increase internal customised training sessions

320+

Total Employees

~22%

Women Employees

₹ 400+ million

Total Remuneration Paid

All the data mentioned w.r.t. Human capital is on standalone basis.

SOCIAL & RELATIONSHIP CAPITAL

COMMUNITY MATTERS

AETL reinforces its commitments to the community and society through various collaborations with NGOs and other social entities.

Your Company is deeply committed to making a positive and lasting impact on society by uplifting underprivileged, disadvantaged, and marginalised communities. Through its robust Corporate Social Responsibility (CSR) policy, your Company focusses on a wide range of initiatives that contribute to sustainable livelihoods and foster a culture of human development.

CSR FOCUS

HEALTHCARE

EDUCATION

Recognising the importance of addressing specific challenges faced by different communities, your Company has identified key areas for improvement to enhance the overall standard of living and create a more equitable society. To effectively achieve its goals, your Company has forged partnerships with trusted and credible trusts and non-governmental organisations (NGOs) to fund and implement CSR activities. These activities encompass a diverse range of projects, such as vocational training programmes for differently-abled adults, initiatives to combat malnutrition and improve educational standards among tribal children, access to treatment for thalassemia patients, and support for educational endeavours.

CONTRIBUTION TOWARDS THE SOCIETY THROUGH VARIOUS SOURCES

Narayan Reiki Satsang Parivar Trust has spent ₹ 2.25 million allocated by the Company for purchase of a premises at Goregaon (W), Mumbai for various activities of the Trust for (i) providing support for education, healthcare and medical aid to under privileged members of the Society, (ii) providing support to aged, differently abled people and widows, and (iii) trust's daily seva projects i.e. free reiki healings, group prayers, acupressure services and free counselling (wherein the Trust teaches Reiki healing techniques and healing through prayer; and donation received in this regard is used by the Trust for the social projects for the needy individuals and primarily for women who need financial support and providing services to the Trust).

The Arpan Thalassemia Society in Nashik has been allocated ₹ 0.50 million to support its various activities related to the treatment and management of thalassemia patients.

Shree Gurudev Bahudheshiya Samajik Sanstha's Divya Vidyalaya has been allocated ₹ 0.38 million to cover the annual expenses of three children, including food, clothing, accommodation, and special education at a residential school for blind and mentally handicapped children in Jawahar, Palghar, Maharashtra.

Sangam Gram Vikas Mandal is allocated ₹ 0.85 million to construct a kitchen facility for residential special children at Dr. Devendra Ohara Residential Mentally Challenged (Handicapped) School in Sangamner.

₹ 0.40 million was spent for purchase of equipment required by hospital to provide healthcare services and support.

Shree Laxminarayan Rathi Bahuuddeshiya Seva Sanstha has been allocated ₹ 9.83 million to construct a building/premises at Yeola Taluka, Nashik, Maharashtra, for charitable purposes related to promoting education, health care, skill development, vocational training, installation of solar power and lifts.

₹ 1.15 million has been allocated to Vanvasi Kalyan Ashram, Maharashtra for Beriste Medical Centre for tribals at Mokhada Taluka of Palghar.

₹ 0.15 million has been allocated for direct spending on medical treatment as health care assistance for the treatment of prostate cancer, including but not limited to medical care, chemo treatment, therapy required, medical reports, and any incidental expenses.

~₹ 16 million

Total CSR Spent

All the data mentioned w.r.t. Social & Relationship capital is on standalone basis.

RISK MANAGEMENT

The objective of Risk Assessment and Management policy is to manage risks in all Company activities, minimise losses, and maximise opportunities. The policy aims to assist decision-making processes and improve uncertainty management and approaches to new opportunities. All employees are responsible for identifying potential risks, while top management is responsible for developing and implementing risk mitigation plans and strategies.

RISK MANAGEMENT PROCESS

The Risk Management Process involves identifying and analysing potential risks related to business objectives, evaluating existing controls, and assessing risk levels. Prioritisation is done based on current control activities, and risks are evaluated and ranked using pre-established criteria and a Risk Map. The Risk registers are compiled, and specific risk management plans are developed. The involvement of the CRO (Chief Risk Officer) and management ensures appropriate planning and monitoring of risks. The Risk Management Committee is led by an Independent Director serving as Chairperson, ensuring effective oversight and governance.

OUR STRONG CORPORATE GOVERNANCE

Governance is another critical component of AETL's ESG framework. Your Company has established a robust governance framework to ensure transparency in its operations. It has a well-defined code of conduct and ethics created to benefit its employees.

The Board reviews and approves all key policies, as per the applicable regulations. Your Company is engaged with employees through regular activities and initiatives.

POLICIES AND PROGRAMMES

AETL is dedicated to upholding the utmost level of ethical behaviour and integrity in all its business transactions. Additionally, your Company has developed a comprehensive compliance programme consisting of policies, frameworks, and training initiatives. The programme's objective is to encourage ethical conduct and prevent violations of laws, regulations, and Company policies. This initiative is routinely evaluated and adjusted to adapt to the constantly evolving business landscape.

CODE OF CONDUCT AND ETHICS

AETL has implemented an anti-corruption and anti-bribery policy, which applies to all associates and business partners defined in the policy, including its subsidiaries worldwide. The policy underscores our strict stance against corrupt practices and bribery. We have established internal controls to prevent your Company or its employees from engaging in unethical behaviour. The policy offers guidance on identifying and addressing bribery and corruption issues. As part of our Code of Conduct awareness, we also create awareness among employees on anti-corruption and anti-bribery topics.

STRENGTHENING OUR WORK CULTURE: POLICIES

Whistle Blower Policy

A whistle blower policy is an essential part of any organisation's governance framework, as it provides a mechanism for employees to report any unethical or illegal conduct within the organisation without fear of retaliation. Through a whistle blower, an employee can raise a Protected Disclosure under this Policy.

SUPPORTING POLICIES ADOPTED BY YOUR COMPANY

- Corporate Social Responsibility Policy
- Prohibition of Insider Trading Code
- Board Evaluation Policy
- Whistle Blower Policy
- Code for Fair Disclosure
- Policy on Material Subsidiaries
- Policy on Related Party Transactions
- Policy on Human Rights and Employee Well-Being
- Policy on Board Diversity
- Code of Conduct and Ethics
- Dividend Distribution Policy
- Board Evaluation Policy
- Nomination and Remuneration Policy

BOARD OF **DIRECTORS**

M M M

Mr. V. L. Rathi

Chairman & Non-Executive Director

Mr. Vasant Laxminarayan Rathi is the Promoter Chairman and a Non-Executive Director of your Company. He holds a Bachelor's degree in Pharmacy from Nagpur University and a Master's degree in Science from the University of Hawaii. He has over 43 years of experience in the enzyme industry and was one of the co-founders of Rathi Papains Private Limited incorporated in 1978, which was engaged in the business of manufacturing enzymes from papain. He promoted and incorporated Cal-India in 1985 and has been associated with your Company/Group since 1985. Mr. Vasant Laxminarayan Rathi heads AETL's international subsidiaries based in the US.

M M M

Mr. Mukund M. Kabra

Whole-Time Director

Mr. Mukund Madhusudan Kabra is a Whole-Time Director of AETL. He holds a Bachelor's degree in Chemical Engineering from Sambalpur University. He has more than 28 years of experience in the enzyme industry and joined your Company in 1995. He is responsible for overseeing the manufacturing operations of your Company at Sinnar and Indore and for optimising the fermentation of existing products, strain improvement, downstream research, and analytical research.

C M C C

Mr. Kedar Jagdish Desai

Independent Director

Mr. Kedar Jagdish Desai holds a Bachelor's degree in Commerce and Law from the University of Mumbai. He is also a qualified solicitor from the Bombay Incorporated Law Society. He has over 25 years of experience in the field of law. Mr. Desai was associated with Messrs Kanga & Co. from 1997 to 2007. From 2004 to 2007, he was a partner at Messrs Kanga & Co. Subsequently and ever since, he has been a part of Messrs Desai, Desai, Carrimjee & Mulla, Advocates and Solicitors, as a partner.

M C

Mr. Pramod Kasat

Independent Director

Mr. Pramod Kasat holds an Engineering Degree from BITS, Pilani and a Master's degree in Finance from Sydenham Institute of Management Studies, Mumbai University. He is currently the Managing Director of Intellecap Advisory Services. He holds diverse experience in a leadership role across various reputed organisations such as IndusInd Bank, Pioneer Investcorp, Credit Suisse, Deutsche Bank, Citibank NA and IL&FS Group. He serves as an Independent Director on the Board of Natural Capsules Limited and Fermenta Biotech Limited.

M M

Mr. Rajesh Sharma*

Independent Director

Mr. Rajesh Sharma earned his Presidential & CEO and Key Executive Master of Business Administration degree from Pepperdine University and is a Certified Public Accountant. He also completed an executive education programme in healthcare delivery from the Harvard Business School and is an inaugural fellow of Coro's Health Leadership programme and a fellow of Leadership Southern California. He is the President & CEO of Emanate Health. Mr. Sharma has over 24 years of experience in healthcare finance and leadership. He most recently served as Senior Vice President of Financial Operations for City of Hope. Other previous appointments include positions at St. Mary Medical Centre in Long Beach, Calif., California Hospital Medical Centre in Los Angeles and Glendale Memorial Hospital and Health Centre.

*upto August 10, 2023

M

Ms. Rasika Rathi

Non-Executive Director

Ms. Rasika Rathi is a Promoter Group Member and Non-Executive Director on the Board of AETL. She is a Juris Doctorate in Law from the University of Michigan Law School & B.A. Economics from the University of California. She has a rich experience of over 18 years and has been associated as Vice President, General Counsel & Secretary at Specialty Enzymes & Probiotics, Chino; California (SEB), since August 2013. Prior to this, she was associated with Allen & Overy LLP as an Associate – Tax and Litigation in New York, the United States of America (USA). She has also founded a Non-profit National Information Centre in California USA, named Pulmonary Fibrosis NOW to disseminate information about pulmonary fibrosis, conduct research and search for alternative therapies.

C Chairperson of the Committee
M Member of the Committee
Audit Committee
Nomination and Remuneration Committee
Stakeholders' Relationship Committee
CSR Committee
Risk Management Committee

M **C**

Mr. Vinod Kumar Jajoo

Independent Director

Mr. Vinod Kumar Hiralal Jajoo is a Chartered Accountant in practice by profession. He holds a Master's degree in Commerce (M.Com) and is a Fellow member of the Institute of Chartered Accountants of India. He has over 34 years of experience in the field of Direct and Indirect Taxation. Further, he also has vast experience in the field of Audit work.

Dr. Sunny Sharma

Non-Executive Director

Dr. Sunny Sharma holds an MBA from the Indian Institute of Management, Bangalore and a medical degree (M.B.B.S.) from the Christian Medical College, Ludhiana. He is also a Senior Managing Director of Orbimed Asia. Prior to joining OrbiMed, Dr. Sharma was with Investor Growth Capital (IGC), the investment arm of Investor AB in North America, and before that with Easton Capital in New York. Earlier in his career, Dr. Sharma worked in the healthcare investment banking group of Lehman Brothers in London, and before that he practiced medicine in northern India.

M

Ms. Rajshree Patel

Independent Director

Ms. Rajshree Patel is a B.S (Bachelor of Science) from Stonybrook University, New York. JD (Juris Doctor) from St. John's University, New York. As a lawyer, she was a prosecutor for the United States Attorney's Office and the Los Angeles District Attorney's Office before becoming a high-profile Leadership Consultant. With three decades of experience, she has facilitated over 6,500 workshops globally. Ms. Patel has served as the lead project manager for major global initiatives, and raised millions of dollars for social service projects.

Mr. Nitin Deshmukh

Independent Director

Mr. Nitin currently serves as an Advisor at Kotak Investment Advisors Limited and holds several Board and Advisory Board positions. Nitin has previously held investment roles at Kotak Investment Advisors Limited, ICICI Venture Funds Management Company Limited, Dresdner Kleinwort Benson Advisory Services (India) Private Limited and on the operations side at Cipla Limited. He holds a postgraduate degree in Pharmacy from the University of Mumbai and a postgraduate degree in Management from the University of Mumbai.
He also completed a Postgraduate Programme in Pharmaceutical Technology from the University of Ghent, Belgium. He is a Distinguished Alumnus of the Institute of Chemical Technology (earlier known as UDCT).

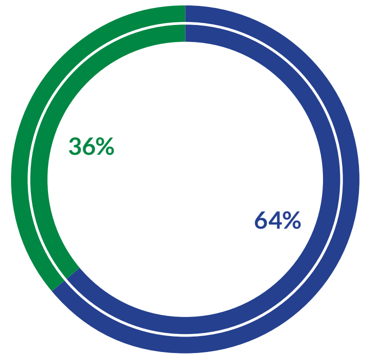
Ms. Vandana Tilak#

Addl. Director (Independent)

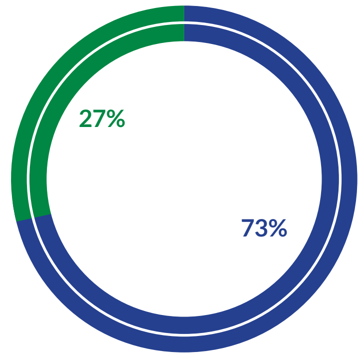
Ms. Vandana R. Tilak, a social entrepreneur and visionary, possesses outstanding skills in sales, fundraising, and marketing. She has successfully launched companies in filmmaking, Ayurveda, real estate, and Almex USA Inc., a niche firm specialising in cast house technology for aerospace-grade aluminum alloys. Currently, she serves as the Director and CEO of the Akshaya Patra Foundation USA.

#w.e.f July 01, 2023

Independence



Gender Diversification



Average Age (years)

C Chairperson of the Committee
M Member of the Committee
Audit Committee
Nomination and Remuneration Committee
Stakeholders' Relationship Committee
CSR Committee
Risk Management Committee

MANAGEMENT TEAM






1. **Mr. Beni Prasad Rauka**

   Group CFO and Director - Advanced Bio-Agro Tech Limited, Advanced Enzytech Solutions Limited, JC Biotech Private Limited and SciTech Specialities Private Limited, Saiganesh Enzytech Solutions Private Limited

2. **Mr. Dipak Roda**

   Sr. Vice President – Marketing & Business Development, Director - Advanced Enzytech Solutions Limited, India

3. **Mr. Sanjay Basantani**

   Company Secretary & Head Legal

4. **Mr. Harshad Doshi**

   Chief Financial Officer & Chief Operating Officer of the US subsidiaries

5. **Ms. Martina Doering**

   Managing Director/Head of Business Development - evoxx technologies GmbH, Germany

6. **Dr. Michael Puls**

   Managing Director/Head of Business Development - evoxx technologies GmbH, Germany

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

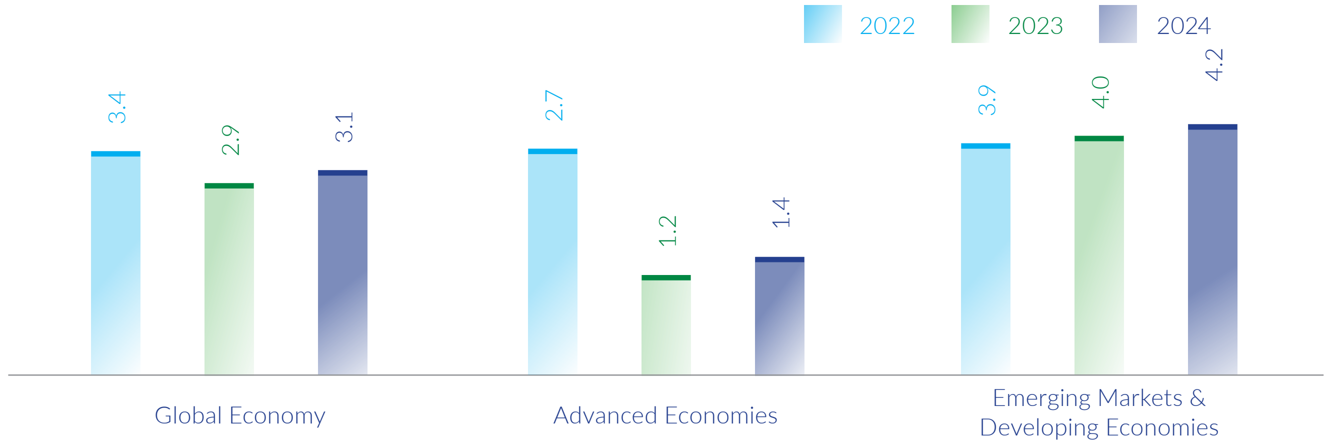
The global economy made a significant recovery in 2022, boosted by the pent-up demand from the previous year. This resurgence was further supported by the alleviation of both the COVID-19 pandemic and the cooling down of uncertainties in the international market, signalling a positive turn of events. However, the year 2022 had its share of challenges as well. Geopolitical tensions due to the Russia-Ukraine war, banking policy, rising fuel and input costs, interest rate hikes, and supply-side shocks all together are contributing to growing inflation. Considering various circumstances impacting economic performance, the IMF World Economic Outlook has projected a decline in the growth rate of the global economy from an estimated 3.4% in 2022 to 2.9% in 2023.

According to IMF projections, the growth rate of advanced economies was 2.7% in 2022 but is expected to decrease significantly to 1.2% in 2023. In contrast, emerging markets and developing economies are predicted to maintain a relatively stable growth rate of 4.0% in 2023, compared to 3.9% in 2022.

The year 2022 has been a witness to an increase in interest rates by the major banks. This has resulted in tighter financial conditions and lower demand in various sectors, including housing. As the inflation rate in the U.S. remains high, the Federal Reserve is expected to increase interest rates to a peak of 5.75% to control it. Additionally, emerging market currencies experienced volatility and depreciation in 2022. This was due to the Russia-Ukraine conflict,the COVID-19 pandemic resurgence in China, changes in commodity prices, and measures taken by the central banks to tackle inflation.

WORLD ECONOMIC OUTLOOK UPDATE JANUARY 2023

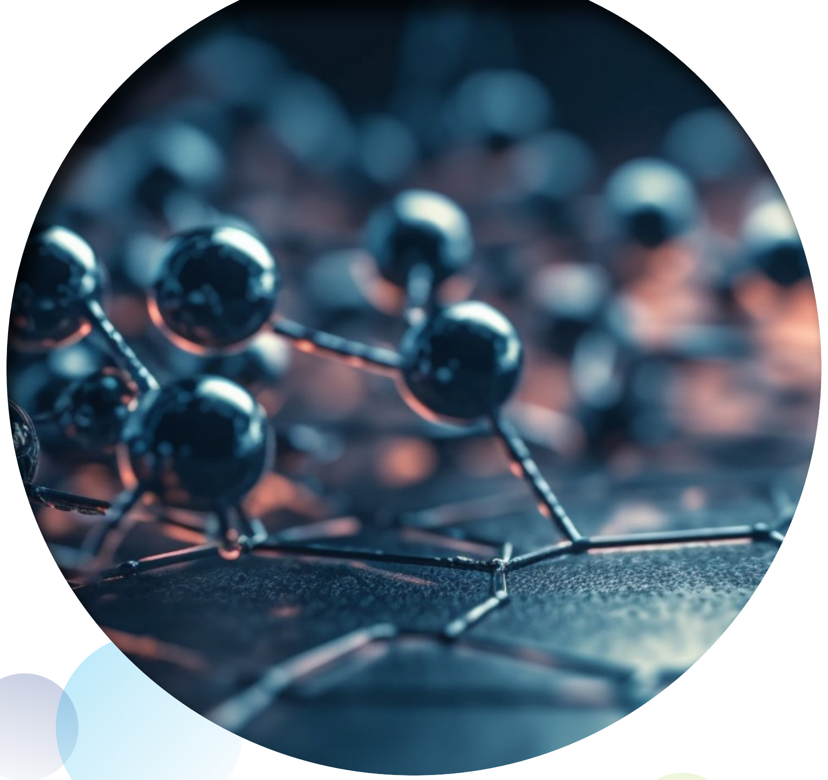
GROWTH PROJECTIONS



OUTLOOK

The outlook for the global economy will remain unstable as the year has seen both headwinds and opportunities. The positivity stems from the strong monetary policy, which will reduce inflation. Moreover, though the rapid spread of COVID-19 pandemic in China dampened growth in 2022, the recent re-opening has paved the way for a faster-than-expected recovery. However, tightened global financial conditions could trigger emerging markets' debt distress. Hence, the economy's focus is on restoring price stability and alleviating cost-of-living pressures. This multi-lateral approach will further fast-track the economy.

Source: IMF



INDIAN ECONOMY

INTRODUCTION

The Indian economy has been witnessing substantial growth over the past decade, emerging as one of the world's leading economies. Despite facing inflationary pressures in the current year, India has implemented various fiscal policies to improve the economy, such as the reduction of excise duty on petrol and diesel, rationalisation of tariffs, and stock limits on edible oils and oil seeds. Additionally, the Reserve Bank of India's Monetary Policy Committee has increased the policy repo rate. The decline in global commodity prices has brought down retail inflation to below the RBI's upper tolerance target.

GLOBAL IMPEDIMENTS

India has also faced challenges from global impediments, such as the Russia-Ukraine conflict, the depreciation of currencies against the USD, the US-China trade war, and 'China + 1 strategy', adopted by the world. However, despite these challenges, India has been able to leverage existing opportunities, which is evident from the fact that the proportion of crude oil imports from Russia has significantly risen. It now comprises 40% of India's total crude oil imports, leading to lower costs.

INFRASTRUCTURE SPENDING

Increasing infrastructure spending has been central to the Government's strategy, with a focus on road transport and highways, railways, and defence. The Government has increased capital expenditure in its Union Budget from ₹ 7.28 lakh crore in FY 2022-23 to ₹ 10 lakh crore for FY 2023-24. Despite some technical challenges at the state level, infrastructural programmes have been successfully implemented across the country.

DIGITAL PLATFORMS AND POLICY INITIATIVES

The expansion of public digital platforms and game-changing policies, such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive Scheme to boost manufacturing output, will provide additional support for economic growth. Additionally, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been playing a crucial role in providing direct employment opportunities in rural areas. The scheme is also indirectly aiding rural households in diversifying their income sources. The implementation of initiatives such as PM-Kisan and PM Garib Kalyan Yojana has been instrumental in ensuring food security across the country. Their efficacy has been recognised by the United Nations Development Programme (UNDP).

Source: Economic Times

OUTLOOK

The Indian economy has shown significant growth over the past decade, and the Government has implemented policies to further improve it. However, challenges from global impediments and inflationary pressures need to be monitored closely. The Government should also continue to focus on increasing infrastructure spending and implementing policies to boost economic growth.

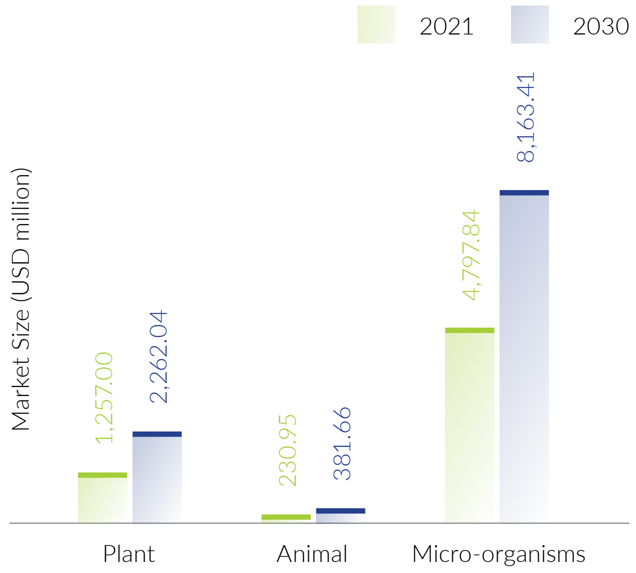
According to the forecast of the International Monetary Fund (IMF), the Indian economy will contribute 15% of global growth in 2023. This makes the country a relative 'bright spot' in the global economy. However, despite this, India's growth is expected to decline from 6.8% in 2022 to 6.1% in 2023, before again picking up and reaching 6.8% in 2024. Moreover, the RBI, after increasing the key benchmark policy rate for six consecutive times, has finally paused in April 2023, while effectively bringing the interest rate to 6.5% as the benchmark. These measures were implemented to provide greater comfort and flexibility, and to soothe market sentiment amid the challenging global backdrop.

Various Government initiatives are further fuelling the growth of the Indian economy. These initiatives include PLI schemes and enhanced budget allocation for the Ministry of Agriculture and Farmers Welfare with Agricultural education and research receiving about ₹ 1.25 lakh crore. Further, capital investment in infrastructure has increased by 33.4% to ₹ 10 lakh crore. Taken together, these factors are anticipated to steer the Indian economy towards an upward growth trajectory.

GLOBAL INDUSTRIAL ENZYME MARKET

Enzymes act as biocatalysts, modifying the rate of chemical reactions in metabolic processes. Due to their diverse capabilities, enzymes are high-in-demand across various industries worldwide. These industries include pharmaceutical & biotechnology, human healthcare, nutritional food, dairy processing, fruit & vegetable processing, grain processing, biofuels, and biomass processing, among others. The Global Industrial Enzymes market is expected to register a 6.27% CAGR during the forecast period of 2022-2030, and is predicted to reach USD 10,807.10 million in 2030.

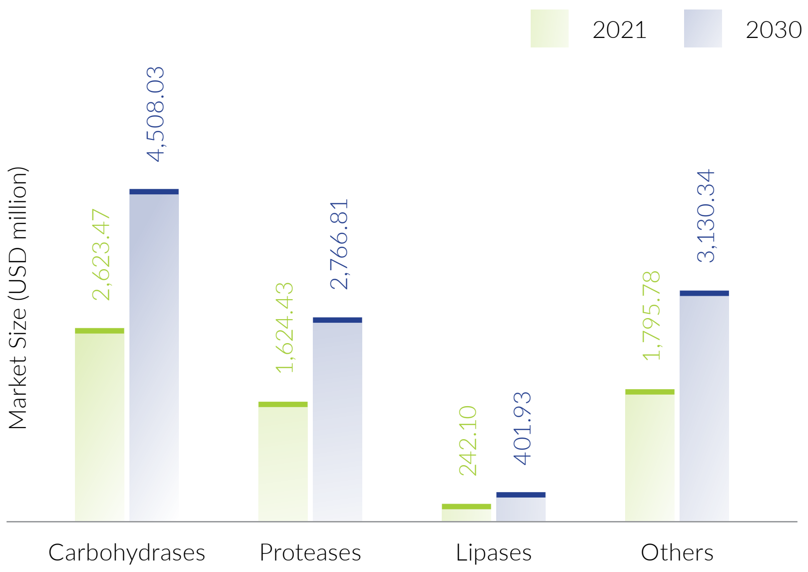
Global Industrial Enzymes Market, By Source, 2021 & 2030 (USD million)



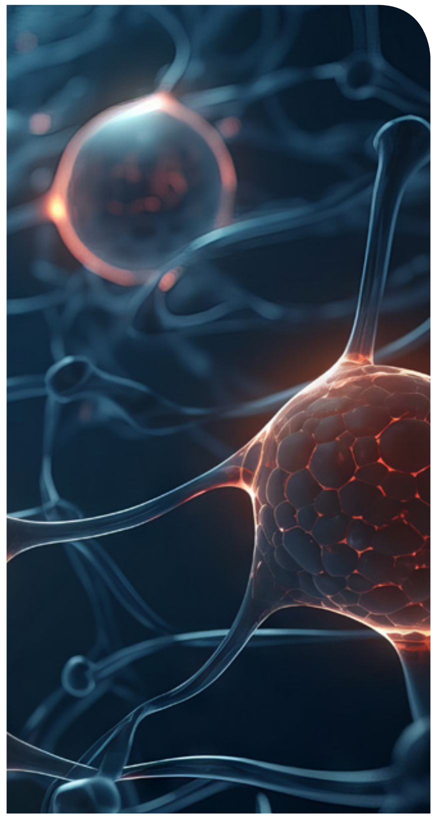
Source: Enzymes Technology Association, WHO, The Association of Manufacturers and Formulators of Enzyme Products, Japan Enzyme Association, Annual Reports, Research Journals, White Papers, MRFR Analysis

Developments in genetic and protein engineering have led to improvements in the stability, economic viability, specificity, and overall application potential of industrial enzymes. The market for enzymes as functional food has witnessed significant growth in recent years, driven by increasing health awareness among consumers. Propelled by the increasing population of elderly individuals, the market is projected to experience additional growth. Also, the growing demand for enzymes – due to increasing environmental norms and regulations regarding the use of chemicals – is likely to boost the market growth of industrial enzymes. This surge will further result in an increase in the demand for bioethanol, growing environmental awareness, advancements in green chemistry, genetically engineered enzymes, and the necessity for cost-effective and resource-efficient manufacturing processes. Furthermore, new product innovations and expansions of application bases are anticipated to provide numerous opportunities for this optimism.

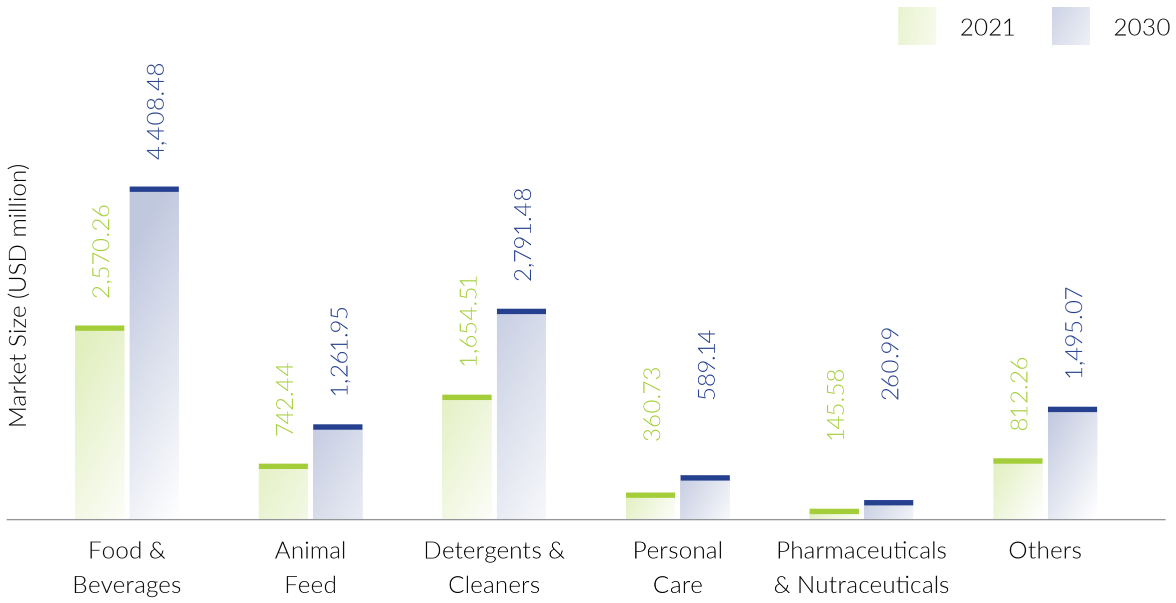
Global Industrial Enzymes Market, By Type, 2021 & 2030 (USD million)



Source: Enzymes Technology Association, WHO, The Association of Manufacturers and Formulators of Enzyme Products, Japan Enzyme Association, Annual Reports, Research Journals, White Papers, MRFR Analysis



Global Industrial Enzymes Market, By Source, 2021 & 2030 (USD million)



Source: Enzymes Technology Association, WHO, The Association of Manufacturers and Formulators of Enzyme Products, Japan Enzyme Association, Annual Reports, Research Journals, White Papers, MRFR Analysis

HUMAN HEALTHCARE ENZYME MARKET

Human nutrition is concerned with providing the necessary nutrients in food for sustaining human life and promoting wellness. Digestive enzymes play a crucial role in this regard, and are used to enhance human health and the overall quality of life. Digestive enzymes, secreted by the digestive organs, are responsible for breaking down complex molecules into their constituent parts for better absorption by the body.

These enzymes are widely used in pharmaceutical, biotechnology, and diagnostics industries, among others. The digestive enzymes market is experiencing growth due to an increase in the occurrence of gastrointestinal disorders across all age groups. The other drivers include a rapid surge in the elderly population and middle-class population, growing instances of diseases, changing lifestyles, and the enhanced use of pharmaceutical products after the COVID-19 pandemic.

Food and feed are still the largest industrial sectors for enzyme demand. However, enzymes are also becoming increasingly popular in a variety of applications for personal care and cosmetic products. These include hair dyes, skin care, oral care, and, more recently, sun care products. Enzymes have proven to be a very useful tool for skin treatment therapies, treating many of the skin conditions related to ageing, acne, congestion, and pigmentation. This trend can be partially attributed to the move towards organic compounds, replacing petrochemical-based ingredients. The shift has further been highlighted by one of the sector's fastest growth trends, namely natural and organic products.

Personal Care: Market Estimates & Forecast, By Region, 2019-2030 (USD million)

Region	2019	2020	2021	2022	2023	2024	2025	2030	CAGR % (2022-2030)
North America	141.45	145.76	151.71	158.15	164.87	172.07	179.85	228.07	4.68%
Europe	63.57	66.20	69.63	73.33	77.30	81.57	86.19	115.39	5.83%
Asia-Pacific	91.00	95.46	101.16	107.32	113.93	121.08	128.86	178.69	6.58%
Rest of the World	34.43	36.10	38.22	40.45	42.97	45.68	48.61	66.98	6.51%
Total	**330.45**	**343.52**	**360.73**	**379.25**	**399.06**	**420.40**	**443.52**	**589.14**	**5.66%**

Source: Industry Experts, Secondary Research, and MRFR Analysis

Pharmaceutical companies are increasing the use of industrial enzymes as active ingredients in their drugs and nutraceuticals for the treatment of various diseases. In nutraceuticals, which are primarily US-focussed, the companies use these enzymes in dietary supplements and functional foods, such as breakfast cereals and sports drinks, among others. A decline in the cost of DNA manipulation and sequencing is projected to drive demand and increase usage of enzymes in research, biotechnology, and pharmaceutical applications. An increase in the geriatric population in developed countries is also anticipated to propel the demand for healthcare specialty enzymes. Research and biotechnology applications of enzymes are estimated to increase at a rapid pace. This is due to advances in diagnostic tests, which have led to a decline in DNA sequencing costs. As a result, there is likely to be an increase in testing for agricultural, food, and medical applications.

Pharmaceuticals And Nutraceuticals: Market Estimates & Forecast, By Region, 2019-2030 (USD million)

Region	2019	2020	2021	2022	2023	2024	2025	2030	CAGR % (2022-2030)
North America	55.15	57.59	60.75	64.17	67.80	71.72	75.98	102.97	6.09%
Europe	25.60	26.91	28.57	30.36	32.30	34.40	36.69	51.43	6.81%
Asia-Pacific	35.40	37.43	39.97	42.73	45.71	48.96	52.51	75.70	7.41%
Rest of the World	14.43	15.26	16.30	17.40	18.64	19.99	21.46	30.88	7.44%
Total	**130.58**	**137.19**	**145.58**	**154.66**	**164.46**	**175.07**	**186.64**	**260.99**	**6.76%**

Source: Industry Experts, Secondary Research, and MRFR Analysis

FEED ENZYME MARKET

As of 2022, the global market size for feed enzymes exceeded USD 783.93 million and is projected to increase at a CAGR of 6.13%. By 2030, the estimated market value will reach USD 1,261.95 million, indicating a steady and sustained demand for feed enzymes in various industries. The expected surge is backed by cost-efficiency, and the significant need to maintain livestock performance and protein-rich meat diet.

The feed enzymes demonstrate multiple benefits. They aid not only in the digestive process of livestock animals by enhancing and increasing the animals' immunity, but also improve the nutrient content of the feed. They have the ability to sustain themselves under acidic pH conditions as well as pelleting temperatures during feed processing operations. This results in improved energy and nutrient utilisation. Additionally, by enhancing animal gut health, feed enzymes help reduce environmental pollution by reducing waste generation and feed management costs.

These factors have contributed to the steady growth of the global feed enzyme market.

The rising demand is also attributed to the changing food consumption pattern, as people are now choosing more naturally nutritious and healthy products to maintain a healthy lifestyle. As a result, the market demand for protein-based products, such as dairy, eggs, and meat, is increasing. This, in turn, pushes up the demand for feed enzymes for animal feed, further boosting the growth of the feed enzymes market. This addresses the farmers' growing concern about the welfare of their livestock, as feed enzymes aid in the digestion of feed and the efficient utilisation of nutrients from feed. Providing enzyme supplements to the livestock helps produce more meat per animal at a very low cost. It also improves the overall health of the livestock over the long-term, which increases the profit margin of the poultry farmer or owner.

Animal Feed: Market Estimates & Forecast, By Region, 2019-2030 (USD million)

Region	2019	2020	2021	2022	2023	2024	2025	2030	CAGR % (2022-2030)
North America	291.05	301.93	316.38	331.93	348.47	366.25	385.48	505.80	5.41%
Europe	127.80	133.50	140.86	148.79	157.33	166.56	176.57	240.24	6.17%
Asia-Pacific	182.81	192.34	204.40	217.49	231.56	246.83	263.47	370.91	6.90%
Rest of the World	72.42	76.11	80.80	85.72	91.30	97.30	103.81	145.00	6.79%
Total	**674.09**	**703.88**	**742.44**	**783.93**	**828.66**	**876.94**	**929.34**	**1,261.95**	**6.13%**

Source: Industry Experts, Secondary Research, and MRFR Analysis

SPECIALTY ENZYME MARKET

The global specialty enzymes market was valued at USD 816.79 million in 2022, and is projected to register a CAGR of 9.7%, reaching USD 1,423.42 million by 2028. Functioning as biocatalysts in pharmaceutical and diagnostic reactions, specialty enzymes increase the rate of reactions to produce the desired results, making them a critical component in many industries. The growing pharmaceutical industry is driving demand for specialty enzymes. This can be attributed to increased investments in the development of pharmaceutical production facilities, with the goal of increasing the production of drugs to fight chronic diseases. As a result, there is a healthy demand for specialty enzymes to produce specialty drugs and disease-specific medicines. The anticipated increase in the elderly population and surging cases of cardiovascular & lysosomal diseases, seasonal allergies, and asthma, among others, are expected to drive demand for specialty enzymes over the forecast period. Furthermore, the rapid transition from artificial or chemical catalysts to specialty enzymes as biocatalysts is boosting the segment's growth. This, in turn, is further augmenting the overall prospect of the global specialty enzymes market.

Source: Market Watch

OTHERS

Other applications include the textile industry, leather processing, and pulp & paper industries. Enzymes are being increasingly recognised for their non-toxic and environmentally friendly properties in the textile chemical processing industry worldwide. This is due to the growing requirements for textile enterprises to reduce pollution in textile production. In addition, the use of enzymes is proven to reduce processing time, save energy and water, and improve product quality and potential process integration. Enzymes are also being increasingly used in leather processing, which is one of the most polluting industrial activities.

Others: Market Estimates & Forecast, By Region, 2019-2030 (USD million)

Region	2019	2020	2021	2022	2023	2024	2025	2030	CAGR % (2022-2030)
North America	317.38	332.16	351.12	371.52	393.50	417.21	442.93	606.07	5.41%
Europe	146.74	154.86	165.08	176.12	188.14	201.19	215.43	307.53	6.17%
Asia-Pacific	188.92	200.61	215.17	231.04	248.24	267.01	287.58	423.11	6.90%
Rest of the World	71.05	75.43	80.89	86.68	93.24	100.36	108.12	158.35	6.79%
Total	**724.09**	**763.07**	**812.26**	**865.37**	**923.13**	**985.77**	**1,054.06**	**1,495.07**	**7.07%**

Source: Industry Experts, Secondary Research, and MRFR Analysis

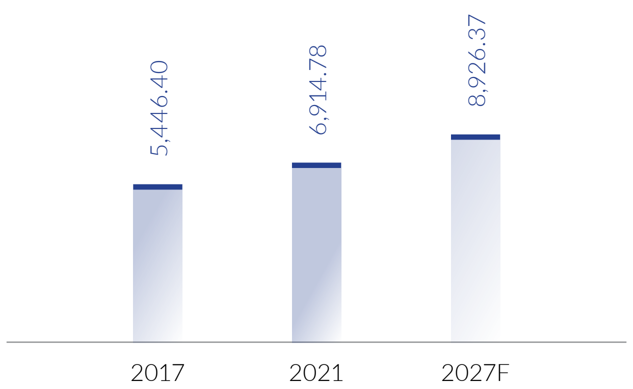
GLOBAL PROBIOTIC MARKET

Probiotics are micro-organisms that benefit humans and animals by maintaining intestinal microbial balance. Probiotic ingredients stimulate natural digestive juices and enzymes in the body to ensure proper functioning of the digestive system. They are beneficial in the treatment of diseases in both humans and animals, such as intestinal inflammation and urogenital infections. End-users are benefitted from their multi-functional usage.

The probiotics market on a global scale has shown significant growth, with a valuation of roughly USD 6,914.78 million in 2021. It is anticipated that this market will continue to prosper, reaching a value of approximately USD 8,926.37 million in 2027. The factors driving the growth include a shift in consumer behaviour towards health and well-being, increased consumer awareness about the benefits of probiotics, and higher demand for probiotic-infused premium products.

The rising awareness of consumers about the health benefits of consuming probiotic supplements, ranging from digestive health, oral care, and immune boosters, among others, has proliferated the demand for probiotic supplements globally. Additionally, probiotic manufacturers across the world are increasingly developing supplements with multiple strains to offer consumers high-quality supplements with added immunity benefits. Moreover, the inclination of probiotic manufacturers towards the launch of health lectures for the elderly adult population is expected to make a significant contribution and fuel the demand for probiotic supplements across the world in the forthcoming years.

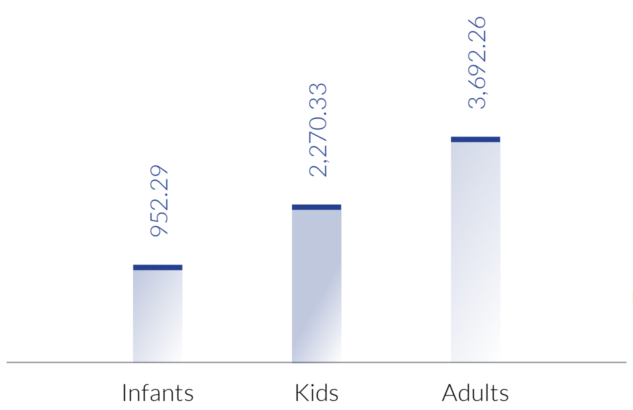
Global Probiotic Supplements Market Revenues (USD million), 2017, 2021 & 2027F



Global Probiotic Supplements Market Revenues (USD million), By Form, 2017, 2021 & 2027F

	2019	2021	2027F
Tablets	581.80	705.31	849.00
Capsule	1,525.71	1,976.74	2,637.59
Gummies	833.25	1,049.05	1,337.52
Powder	1,343.44	1,751.34	2,330.08
Chewable	688.30	864.12	1,083.44
Others	473.89	568.32	6,888.89

Global Probiotic Supplements Market Revenues (USD million), By End-User 2021



F: Forecast

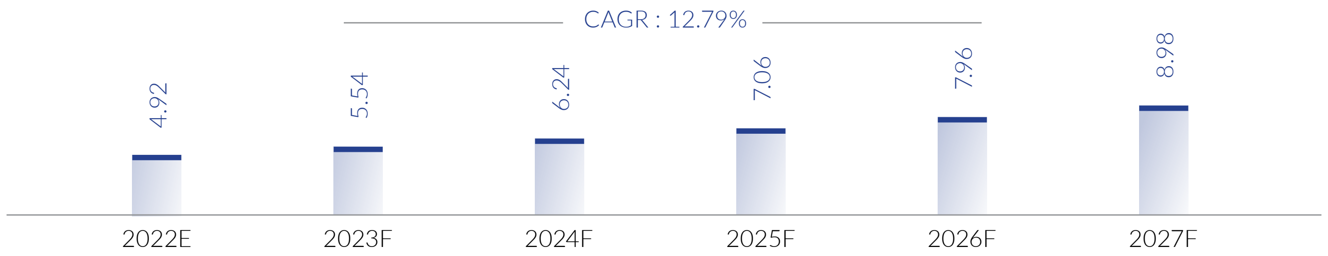
APPLICATIONS

- Dairy Products
- Infant Formulas
- Non-Dairy Beverages
- Dietary Supplements
- Functional Food & Beverages
- Powders
- Tablets
- Liquids
- Capsules
- Soft Gels
- Cereals
- Animal Feeds

GLOBAL PET PROBIOTIC MARKET

The increasing awareness among pet parents for natural, safe, and effective solutions for their pets has shown a positive impact on the growth of pet probiotic ingredients during the historical period. The demand for probiotics increased due to the health benefits associated with their consumption. It helps to improve the immune system of pets by maintaining the microbial flora in their intestinal tracts. According to an industry player, approximately 24% of pet parents have adopted probiotics to improve their pets' digestive health, immunity, and overall well-being. Further, the availability of liquid and solid forms allows for convenient and efficient integration into animal feed, ensuring that animals receive the necessary health benefits provided by these beneficial micro-organisms.

In addition to their numerous health benefits, probiotics used in animal nutrition have been shown to have a significant impact on the absorption of nutrients from feed, in addition to aiding total body weight gain in various animals. Moreover, the use of probiotic micro-organisms in animals results in enhanced quality of milk, meat, and eggs. Additionally, the administration of probiotics in animal feed has proven to boost gut immunity, minimise bacterial shedding, facilitate diagnosis, and enhance resistance to disease and overall well-being.



Source: MarkNtel Advisors, Trade and Secondary Press, Company Research, Primary Interviews

IMPACT ON HUMAN PROBIOTICS MARKET

Growing awareness among consumers is one of the key factors in the growth of the rising market for probiotic supplements as they improve gut health, and boost the immune system, among others.

For a significant period of time, consumers have primarily sought health benefits and immune system support through vitamin and mineral-based supplements. However, this trend has undergone a shift in recent years. Probiotic supplements are increasingly being consumed as a preventive measure to avoid health-related issues. The probiotics support the treatment of gastrointestinal issues, conditions in infants, dental disorders, allergic attacks, and acne, among others. Moreover, one of the major reasons for the increase in demand for probiotic supplements was the global COVID-19 pandemic in 2020. During the pandemic, the demand for probiotics promulgated drastically as consumers became increasingly aware of their food habits and supplements, which help boost immunity. The fitness community, which has traditionally relied on health supplements to enhance physical attributes like endurance, has also seen a rise in awareness. Therefore, sportspersons have been shifting towards probiotic supplements, as a means to enhance immunity.

F: Forecast
E: Estimate

INDIAN ENZYME MARKET

The Indian enzyme market was estimated to be worth USD 370.35 million in 2022. It is projected to accelerate and reach USD 669.76 million by 2030 at a 7.69% CAGR during the forecast period (2023-30). This increase can be attributed to the significant growth of the healthcare, food & beverage, and chemical sectors. Rapid population growth and rising consumer expenditure are also driving market growth across various industries. These include human health care and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, specialty applications, textile processing, leather processing, paper & pulp processing, biofuels, biomass processing, and biocatalysis. As a result, there is an expansion in enzyme demand. In addition, as people become more aware of the significance of digestive health, the demand for enzyme supplements has increased. These supplements facilitate digestion and support gut health, which is becoming a crucial concern for many individuals.

Advances in food technology, coupled with an escalating consciousness among consumers towards superior-quality products that utilise enzymes, are among the many factors driving the growth of enzymes in India. The Indian industrial food enzyme market is concentrated on bakery, confectionery, dairy, frozen desserts, meat, poultry, seafood products, and beverages, among others. Further, the adoption of western diets are set to influence the growing demand for these products. It is noteworthy that the bakery sector uses the highest quantity of enzymes across the nation. Thus, the rise in demand for processed foods, including bakery items, has consistently contributed to the rise in demand for enzyme applications due to the expansion and convenience of food retail chains. To add to these trends, the rising demand for convenience and processed foods, such as ready-to-eat foods, ready-to-drink beverages, snacks, and frozen meals, among others, are some of the major factors driving the growth of the food additives market. Thus, leading to increased utilisation of enzymes in the market.

The presence of the largest enzyme companies, rising sales of yeast enzymes, and increasing demand for enzymes in textile processing are further driving market expansion. The increasing industrial developments in India have also contributed to the growing adoption of enzymes for the production process. Additionally, companies are developing new enzymes, and production processes to meet the ever-increasing market requirements.

GROWTH DRIVERS

- **Growing demand from food & beverage applications:** Food processing industries, such as the baking industry, brewing industry, and fruit juice industry, are currently the largest users of food enzymes. This is the fastest-growing application segment, mainly supported by the ever-growing global population and its increasing purchasing power. Moreover, greater health awareness is also playing a significant role in growing demand for food quality, safer production processing, and improved nutritional value. The increasing demand for high-quality foods in terms of natural flavour and taste has become a common trend among present-day consumers. This trend has triggered the need for the development of flavourful and tasty processed foods, using industrial enzyme applications.

- **Making industries more environmentally friendly:** Enzymes can often replace chemicals or processes that present safety or environmental issues. For example, enzymes can replace acids in the starch processing industry, and alkalis or oxidising agents in the fabric industry. This can reduce the amount of hazardous industrial waste produced and in process, protect the environment. This is in sync with the current scenario, as the need for non-renewable sources has increased during the last few decades. Hence, the search for sustainable and renewable alternative sources has gained growing traction across the world.

India: Industrial Enzymes Market, By Application, 2019-2030 (USD million)

Application	2019	2020	2021	2022	2023	2024	2025	2030	CAGR % (2022-2030)
Food & Beverages	126.85	134.32	143.65	153.84	164.81	176.76	189.84	275.61	7.56
Bakery & Confectionary	47.13	49.78	53.10	56.72	60.60	64.82	69.43	99.47	7.27
Dairy & Frozen Desserts	34.54	36.66	39.29	42.18	45.29	48.69	52.42	76.98	7.81
Breweries & Distilleries	22.59	23.91	25.56	27.37	29.31	31.43	33.74	48.92	7.53
Sweet & Savory Snacks	11.24	11.88	12.68	13.55	14.49	15.51	16.62	23.90	7.35
Others	11.35	12.09	13.01	14.02	15.11	16.31	17.62	26.35	8.20
Animal Feed	36.15	38.25	40.87	43.74	46.82	50.17	53.84	77.83	7.47
Detergent & Cleaners	82.00	86.70	92.59	99.02	105.93	113.45	121.67	175.34	7.40
Personal Care	17.74	18.74	20.00	21.37	22.84	24.44	26.19	37.57	7.31
Pharmaceuticals & Nutraceuticals	6.94	7.39	7.94	8.55	9.21	9.94	10.73	16.01	8.15
Others	34.62	37.19	40.35	43.83	47.61	51.77	56.37	87.40	9.01
Total	**304.29**	**322.58**	**345.41**	**370.35**	**397.22**	**426.52**	**458.62**	**669.76**	**7.69**

Source: Enzymes Technology Association, WHO, The Association of Manufacturers and Formulators of Enzyme Products, Japan Enzyme Association, Annual Reports, Research Journals. White Papers. MRFR Analysis

INDIAN NUTRACEUTICAL MARKET

The Food Safety and Standards Authority of India (FSSAI) defines 'nutraceutical' as a type of food product that offers physiological benefits and supports overall health. As a result of its perceived health benefits, the demand for nutraceuticals is on the rise, leading to the emergence of numerous companies producing these products. However, in order to ensure their safety and effectiveness in the Indian market, FSSAI has established regulatory guidelines for the approval of nutraceuticals.

The Indian neutraceutical market was valued at USD 5,408.18 million in 2022, and is expected to register a CAGR of 11.77% during 2023-30. The rising demand for functional food, which have certain health and medical benefits, is driving growth in the Indian market for plant-based nutraceuticals. This can be attributed to the growing consumer preference for healthy diets in recent years. The growing demand for natural and safe health supplements, coupled with increasing awareness about the benefits of nutraceuticals for overall health and wellness has contributed to the growth of the market. The demand for high-quality nutraceutical products in India has been further boosted by a segment of Indian consumers who are increasingly prioritising product quality and effectiveness over pricing. Furthermore, rising veganism and an increasing vegetarian population in the country are driving the adoption of plant-based products. This trend is being observed in a variety of industries, including nutraceuticals. The buoyant prospects of the Indian market have attracted the attention of global nutraceutical companies as well, leading to an increased focus on the country.

DEMAND DRIVERS FOR INDIAN NUTRACEUTICAL MARKET

- **Shifting mindset toward proactive/preventative healthcare Post-COVID-19 pandemic:** Indian consumers are increasingly adopting a proactive approach to healthcare post-COVID-19 pandemic, with the preventive healthcare sector expected to reach USD 197 billion by 2025 at a CAGR of 22%. Nutrition is a vital element of this change, as consumers want clean, healthy foods that support their overall well-being.
- **Moving away from a one-size-fits-all approach:** Nutraceuticals are becoming essential for managing health issues and overall wellness, with better access through digital technology and e-commerce channels. Nutraceuticals are being used to address specific lifestyle requirements, such as sleep, bone, heart, brain, and eye health, and are considered a daily nutritional intake rather than medicine.
- **Need for cleaner alternatives for nutrition:** Consumers demand clean, transparent, and scientifically backed nutraceutical products. The industry is investing in R&D and innovation to provide alternative supplements, such as fish oil, ultra-refined black seed oil, and calcium tablets, that target specific health issues and overall wellness.
- **Ingredients backed by research and application:** Advancements in chemical engineering enable the effective harnessing of difficult-to-harness and unstable natural extracts used in supplements, expanding the availability of new compounds for natural health. Scientific research and evidence support the selection and level of ingredients used in supplements.
- **An increase in the prevalence of chronic and non-communicable diseases:** Poor nutrition due to globalisation and urbanisation in developing countries, including India, is driving the global demand for nutraceuticals, with the aim of preventing chronic diseases and non-communicable diseases.
- **Escalating healthcare expenses:** Consumers are seeking nutraceuticals for health benefits and looking at fortified food & beverage as alternatives to prescription drugs and over-the-counter medications.
- **Increasing desire for convenience:** Growing need for convenient nutraceutical options among consumers has led to the emergence of gummies and effervescent tablets as alternatives to traditional pills, while snack bars are evolving as a popular choice for those leading busy lives.
- **Lack of faith on traditional medicine:** The rising concern over the side effects of pharmaceutical drugs, including COVID-19 pandemic vaccines and treatments is potentially driving the consumption of nutraceuticals.
- **The desire for baby boomers to relish their retirement years:** Baby boomers, with greater disposable income are contributing to the rising demand for nutraceuticals, driven by the desire to maintain a healthy lifestyle throughout retirement. Millennials are incurring expenditure to boost healthy choices as well.
- **Growing popularity of dietary supplements:** The popularity of supplements as a form of preventive care is increasing, fuelled by those struggling with lifestyle illnesses and ageing issues. People are preferring supplements to improve their health with the rise of healthcare costs.
- **Surging interest in fitness nutrition:** Sports nutrition products are promoting wellness for non-athletes. In addition, intensive marketing and endorsements have created a sporty image of supplements. This has made sports nutrition products popular among regular exercisers and hobbyists, increasing the market size. For example, demand for protein powder is rising exponentially even among people not frequently visiting gyms.

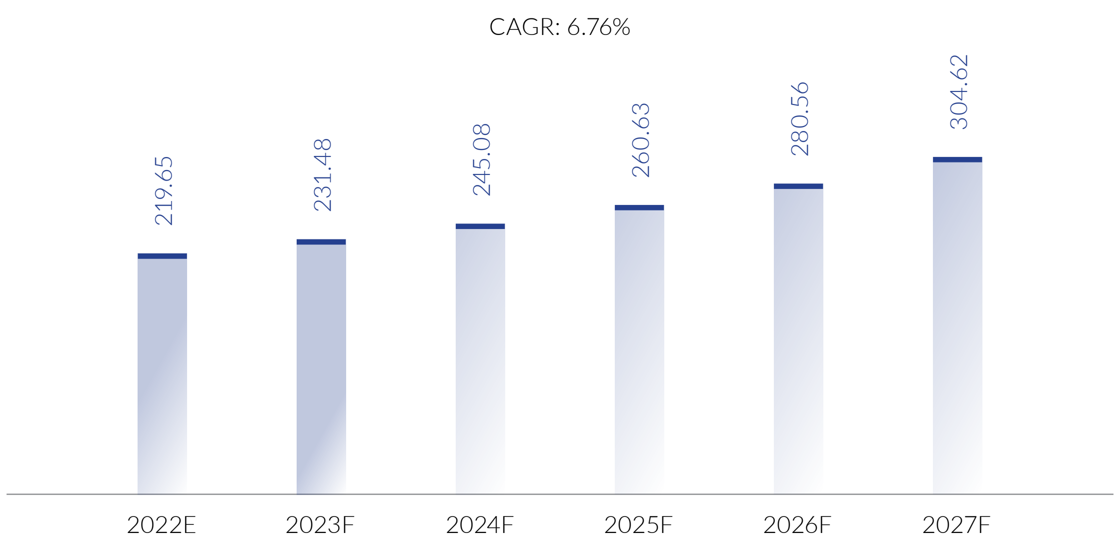
Source: Techsciresearch

INDIAN PROBIOTIC MARKET

The probiotic market in India was valued at USD 211.75 million in 2021, and is projected to reach USD 304.62 million by 2027, with an expected value of USD 219.65 million in 2022. The market is being driven by the younger population's increasing focus on wellness and nutrition due to their busy lives and fast-paced lifestyles. The conventional Indian diet, which is high in oils, spices, refined sugar, tea, and coffee, has led to a rise in digestive issues, thereby increasing the demand for functional food & beverages, such as probiotic yogurt and cereals.

Furthermore, the increasing recognition of the advantages of probiotics in enhancing gut health and immunity, the rising elderly population, and the shift towards functional foods are all driving the growth of the market. The increasing number of working women and the focus on women's health, along with the popularity of ready-to-eat products, are driving demand for specialised probiotics with portable and flexible packaging. The availability of dairy-free, allergen-free, and sugar-free formulations is also positively impacting the probiotic market in India.

India Probiotic Supplement Market Revenue (USD million), 2022-2027F



Source: Research and Markets

F: Forecast
E: Estimate

COMPANY OVERVIEW

Advanced Enzyme Technologies Limited (referred to as '**AETL**' or '**Your Company**') is a research-driven company that boasts a prominent global standing in the production of enzymes and probiotics. With over three decades of experience, your Company stands as India's largest enzyme company, providing an impressive range of over 400 proprietary products, manufactured using around 68 indigenous enzymes and probiotics. AETL has a presence across America, Europe, India, and ~ 3% in rest of the world. It has recently launched Wellfa, a B2C brand that focusses on providing health and wellness products to consumers, with the ultimate goal of improving their quality of life.

Your Company is committed to provide ecologically sustainable solutions to a wide range of industries, including human healthcare & nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting grain processing, protein modification, dairy processing, specialty applications, textile processing, leather processing, paper & pulp processing, biofuels & biomass processing, and biocatalysis, among others. AETL aims to help consumers in gaining access to healthcare without any side-effects, aid farmers in improving animal nutrition, and facilitate industries to replace traditional thermal-chemical-mechanism processes with enzyme-based processes.

Your Company offers hundreds of enzyme & probiotic products, and is equipped with cutting-edge manufacturing facilities, with research & development centres in India, Germany, and the U.S. AETL takes pride in being one of the few manufacturers in the world with extensive experience and knowledge in the production of fermented enzymes.

Your Company is well-positioned to drive business growth across geographies due to its manufacturing capabilities, global footprint, diverse product portfolio, and industry expertise.

400+
Proprietary Products

68+
Indigenous Enzymes & Probiotics

6.44
CAGR

0.01/1
Debt/Equity Ratio

SUBSIDIARIES

AETL comprises twelve subsidiaries i.e. four wholly-owned direct subsidiaries, four direct subsidiaries, and four step-down wholly-owned subsidiaries.

ADVANCED ENZYMES USA (AEU)

Advanced Enzymes USA Inc. ('AEU') is a body corporate and a direct wholly-owned subsidiary of Advanced Enzyme Technologies Limited. It specialises in researching, developing, and marketing best-in-class, all-natural, highly effective, and innovative enzyme solutions. AEU's primary focus is on catering to the markets of North America and Latin America. AEU has a stake in the following corporations. In FY 2022-23, AEU recorded a consolidated revenue of ₹ 1,933 million and a profit after tax (PAT) of ₹ 583 million.

Advanced Supplementary Technologies Corporation (AST)

Advanced Supplementary Technologies Corporation ('AST') is a wholly-owned subsidiary of Advanced Enzymes USA, and was incorporated on December 30, 2010, with its registered address in Chino, California. Advanced Enzymes USA acquired AST on October 31, 2012. It continues to be a leading manufacturer of professional-grade, enzyme-based strength supplements. These supplements are formulated to support a host of health concerns, including cardiovascular issues, inflammation, joint pain, digestive disorders, and colon-related problems. AST uses only non-genetically modified natural ingredients that are tested by a team of leading scientists and industry experts to ensure the highest quality, activity, purity, and safety. AST's enzyme supplements are manufactured in-house, assuring customers of the highest quality.

Dynamic Enzymes, Inc. (DEI) [merged into AST]

Dynamic Enzymes, Inc. ('DEI') was a California-based wholly-owned subsidiary of Advanced Enzymes USA, that was incorporated on February 24, 2015. DEI offers high-quality systemic and digestive enzyme supplements through retail channels. During the year, the Boards of respective wholly-owned subsidiaries i.e. DEI and Advanced Supplementary Technologies Corporation, USA ('AST') approved the proposed merger of DEI and AST. Post-merger, DEI merged with and into AST and consequently DEI ceases to exist.

Cal-India Foods International (Doing Business as Specialty Enzymes and Biotechnologies)

Specialty Enzymes and Biotechnologies ('SEB'), also known as Cal-India, is a leading producer of enzymes in the Western Hemisphere. With over 35 years of experience, SEB, a wholly-owned subsidiary of Advanced Enzymes USA – offers a complete range of enzyme solutions for healthcare and nutrition, primarily to North American and Latin American markets.

SEB specialises in creating custom enzyme blends from conception to finished products, and also offers highly effective and established enzyme products. SEB's expertise in the field of enzymes has made it a trusted partner for the healthcare and nutrition industries.

Enzyme Innovation (EI)

Enzyme Innovation ('EI') is a wholly-owned subsidiary of Specialty Enzymes and Biotechnologies, USA, that offers customised enzyme solutions for various industries in the US. EI caters to industries, such as baking & milling, brewing & malting, craft brewing & distilling, fruit & vegetable processing, animal feed, protein modification, grain alcohol, paper & pulp, waste management, wine, and detergents & cleaning aids. EI's extensive expertise in the field of industrial enzymes has cemented its position as a highly reliable and trusted partner for these industries.

ADVANCED BIO AGRO TECH LIMITED (ABTL)

Advanced Bio Agro Tech Limited ('ABTL') is a public limited company and a subsidiary (60%) of Advanced Enzyme Technologies Limited. It was established in 2004 and has grown to be an important player in feed enzymes and the animal nutrition industry. ABTL is engaged in the business of promoting, developing, marketing, and selling products of your Company in the animal health & nutrition segment. It also explores new markets for crop protection solutions and composting.

ABTL has established itself as a leader in poultry enzyme solutions within the Indian sub-continent, and offers solutions to the large Southeast Asian markets of Vietnam, Thailand, Malaysia, and the Philippines. It manufactures and markets enzyme-based solutions for industries, such as poultry and cattle.

In terms of financial performance, during FY 2022-23, ABTL generated a revenue of ₹ 472 million and a PAT of ₹ 60 million.

ADVANCED ENZYTECH SOLUTIONS LIMITED (AESL)

Advanced EnzyTech Solutions Limited ('AESL') is a wholly-owned subsidiary of your Company, and was incorporated on September 01, 2008, as a public limited company. AESL is a leading provider of eco-safe enzyme solutions for a wide range of industries, including textiles, leather, paper, detergents, and cleaning aids.

AESL is engaged in the business of promoting, developing, marketing, and selling products in the bioprocessing non-food segment, including providing enzymatic and other solutions to process industries. Its aim is to replace traditional harsh chemical processes in these industries with innovative, eco-friendly, cost-effective solutions, which use enzymes, micro-organisms, and biodegradable chemicals.

In addition to providing solutions for various industries, AESL also focusses on addressing pollution-related problems faced by process industries. Its dedicated R&D facility supports the development of innovative solutions that offer better environmental outcomes.

In FY 2022-23, AESL's revenue increased from ₹ 119 million to ₹ 134 million, and its PAT decreased from ₹ 18.20 million to ₹ 18.03 million.

JC BIOTECH PRIVATE LIMITED (JC BIOTECH)

JC Biotech Private Limited ('JC Biotech') was established in 1991 with the aim of manufacturing nutraceuticals, biopharmaceuticals, and biochemicals. Your Company acquired stake in JC Biotech during FY 2016-17. In FY 2021-22, JC Biotech reported revenues of ₹ 503 million and a PAT of ₹ 72 million, respectively. In FY 2022-23, its revenue and loss stood at ₹ 502 million and ₹ (18) million, respectively. JC Biotech is well-focussed on developing and manufacturing biopharmaceutical molecules, and has plans to produce algae DHA in the near future. Your Company increased its stake in JC Biotech by 4.83% during the year under review (i.e. 89.83% in total as part of the integration).

SCITECH SPECIALITIES PRIVATE LIMITED (SCITECH)

SciTech Specialities Private Limited ('SciTech') is a technology-based manufacturing company established in 2007, specialising in the manufacturing of effervescent granules and tablets, focussed on animal health, pharma, and nutraceuticals. Your Company acquired 51% stake in SciTech during January 2021. SciTech was created by Pharma Technocrats, who has over 20 years of cumulative working experience in India and abroad. SciTech manufactures effervescent products with aqueous granulation technology, and supplies its Efferceutical and Solugran products to major markets in India, Southeast Asia, the Middle East, North Africa, Eastern Europe, USA, Canada, and Australia. In terms of financial performance, SciTech's revenue in FY 2021-22 stood at ₹ 473 million, while its PAT was ₹ 37 million, respectively. For FY 2022-23, SciTech's revenue and loss clocked ₹ 353 million and ₹ (62) million, respectively.

SAIGANESH ENZYTECH SOLUTIONS PRIVATE LIMITED

Saiganesh Enzytech Solutions Private Limited ('Saiganesh Enzytech') was incorporated on November 01, 2022 (by way of conversion from erstwhile partnership firm with the name M/s. Shree Sai Agros to the said private company). It is located in Burhanpur, Madhya Pradesh. Saiganesh Enzytech is primarily focussed on extracting latex from papaya, purifying it, and providing finished papain enzyme in liquid form for use in agricultural extraction of papain enzyme. Papain is one of the most important digestive enzymes used in formulated solutions for human health & nutrition, as well as in the food industry. During the year FY 2022-23, your Company invested ₹ 60 million in Saiganesh Enzytech (50% stake). In addition to this, the said Saiganesh Enzytech's Board approved the purchase of the entire business undertaking of Shri Ganesh Industrial Enzymes through a slump sale on a going concern basis for an amount of ₹ 9 million. In terms of financial performance, Saiganesh Enzytech's revenue for FY 2022-23 (effective January 03, 2023) is ₹ 26 million, and its PAT for the same period is ₹ 2 million.

ADVANCED ENZYMES EUROPE B.V., AMSTERDAM (NETHERLANDS) (AEE BV)

Advanced Enzymes Europe B.V. ('AEE BV') is a wholly-owned subsidiary of your Company, incorporated on July 11, 2017, with an issued share capital of € 2 million. On April 07, 2023, consequent to conversion of the loan granted earlier by the Company to AEE, AEE issued 2,276,837 Equity shares of a par value of EUR 1 each at a share premium of € 0.63 each to your Company, against outstanding loan amount including interest aggregating to € 3.71 million. AEE continues to be the wholly-owned subsidiary of your Company and there was no change in the Percentage shareholding (100%) of your Company in AEE post-conversion of the said loan. It is registered with the Chamber of Commerce, and serves as a special purpose vehicle for the European market, holding 100% equity in evoxx technologies GmbH.

In FY 2022-23, on consolidated basis, AEE BV's revenue stood at ₹ 240 million as compared to ₹ 220 million in FY 2021-22, whereas loss for the current year was ₹ (39) million, demonstrating an upward growth trend compared to the previous year's reported loss of ₹ (103) million.

evoxx technologies GmbH (evoxx)

In August 2017, your Company acquired evoxx technologies GmbH ('evoxx'), an industrial biotech company that produces enzymes and oligosaccharides, used in food applications. The acquisition contributed ₹ 18 million to the bottom line. In FY 2022-23, evoxx generated a revenue of ₹ 240 million. evoxx has two sites in Germany and a team of around 40 scientists and technicians. They continue to focus on developing best-in-class ingredients that offer consumer health benefits.

ADVANCED ENZYMES (MALAYSIA) SDN. BHD (AEM)

AEM is a wholly owned subsidiary of your Company. During FY 2019-20, the Board of Directors of your Company approved the discontinuation of operations and closure of AEM and initiated the process of closure thereto as AEM was not giving desired results. The closure and voluntary strike-off of AEM are in process.

RESEARCH AND DEVELOPMENTS (R&D)

Your Company boasts DSIR-approved R&D centres, which are exclusively focussed on the development, evaluation, validation, and scaling of cutting-edge technologies for commercial production. Furthermore, these centres are also dedicated to the development of novel enzyme formulations that cater to both industrial processing and human welfare needs. These R&D centres specialise in cloning and expressing industrial enzymes in safe microbial hosts, including strains expressing thermostable enzymes and other enzymes.

In addition to the DSIR-approved R&D centres, your Company also has several labs, focussed on specific areas, including the Process Development Lab, Applied Microbiology Lab, Life Sciences Application Lab, Food Applications Development Lab and Industrial Applications Development Lab.

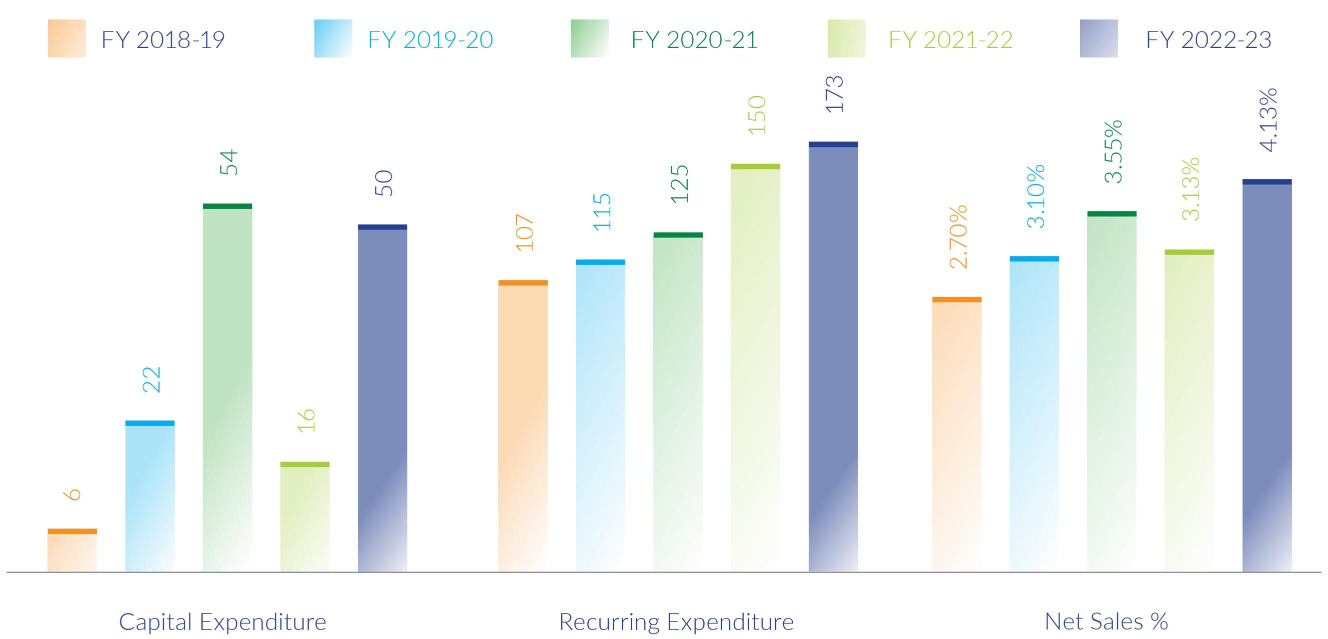
Furthermore, AETL has successfully developed technology for the production of EPA and DHA, using immobilised lipase, and scaled it up for commercialisation. The R&D centre at Sinnar carries out research & development on improving enzyme production through conventional mutation techniques, optimisation and improvement in fermentation technologies, and scaling up enzyme production. Your Company benefits from the fact that probiotic research has emerged stronger in recent years, resulting in the advancement of strains and technologies for producing crucial probiotics belonging to the Bacillus and Lactobacillus genera.

AETL has also developed a proprietary technology for high-density cultivation of the spore-forming bacterium Bacillus coagulants. Furthermore, it has created a regulatory element screening kit for identifying the clone with an improved process. The acquisition of evoxx has enabled your Company to enhance its R&D capabilities as this has boosted AETL's product portfolio and offerings for the Pharma Biocatalysis and food bioprocessing industries, while bringing in specialised nutritional carbohydrases.

AETL is committed to producing healthy products that promote well-being. To achieve this goal, your Company prioritises the manufacture of products that improve digestion and blood circulation to facilitate healthy ageing. In addition, it also modifies proteins for better processing. Additionally, AETL strives to enhance the industrial properties of juice, beverage, and guar gum processing. Your Company is also expanding enzyme and probiotic libraries, and emphasising on the creation of probiotic-postbiotic-prebiotic products to meet market demand. These efforts are powered by intellectual property protection, customisation, application development, process scale-up, and microbial engineering.

For FY 2022-23, your Company's consolidated research and development expenditure stands at ₹ 223 million (4% of net sales).

Research & Development Spends (₹ million) as % of Net Sales



MANUFACTURING FACILITIES

AETL operates nine state-of-the-art manufacturing facilities globally, including four in India, one in the US, and four located in different geographical regions. These facilities are equipped with large fermentation, recovery, purification, and formulation capabilities. They cater to a range of industries, including animal nutrition, nutraceuticals, pharmaceuticals, poultry products, cosmetics, and other specialty products. The facilities are certified with ISO and WHO cGMP, with the US-based facilities focussing on the blending and mixing of enzymes and probiotics.

BUSINESS VERTICAL DISCUSSION

AETL is dedicated to serving a diverse range of industries and verticals, such as human nutrition, animal nutrition, and bioprocessing. Your Company's primary objective is to enhance nutrition for both humans and animals. Additionally, it is actively advocating in favour of enzyme-based processes as a sustainable and eco-friendly alternative to conventional thermal, mechanical, and chemical methods.

For FY 2022-23, the human nutrition vertical, which provides active ingredients for nutraceuticals and pharmaceuticals, was the largest revenue contributor at 66%, followed by bioprocessing and animal nutrition at 15% and 13%, respectively and contract manufacturing (SciTech) contributed 6%.

YOUR COMPANY OFFERS A DIVERSE ARRAY OF PRODUCTS AS MENTIONED BELOW:

HUMAN NUTRITION

AETL offers a broad range of enzyme products and customised solutions to pharmaceutical and nutraceutical companies worldwide, which they use as active ingredients in their formulations. Buoyed by its product profile, your Company's human nutrition sales shrunk by 1%, amounting to ₹ 3,556 million in FY 2022-23. AETL's top-selling anti-inflammatory enzyme, serratiopeptidase, contributed 24% of its total revenue, with sales of ₹ 1,290 million in FY 2022-23. Your Company's B2C business in the human nutrition division also contributed to ₹ 383 million in FY 2022-23.

Overall, AETL provides a diverse range of nutritional products that cater to global consumers, including those in India, North America, Asia (excluding India), and Europe.

Enzymes

Your Company offers exclusive enzyme products and personalised enzyme solutions to different pharmaceutical and nutraceutical companies globally. Its range of products and solutions are designed to serve various markets, such as India, North America, Asia (excluding India), Europe, and other countries.

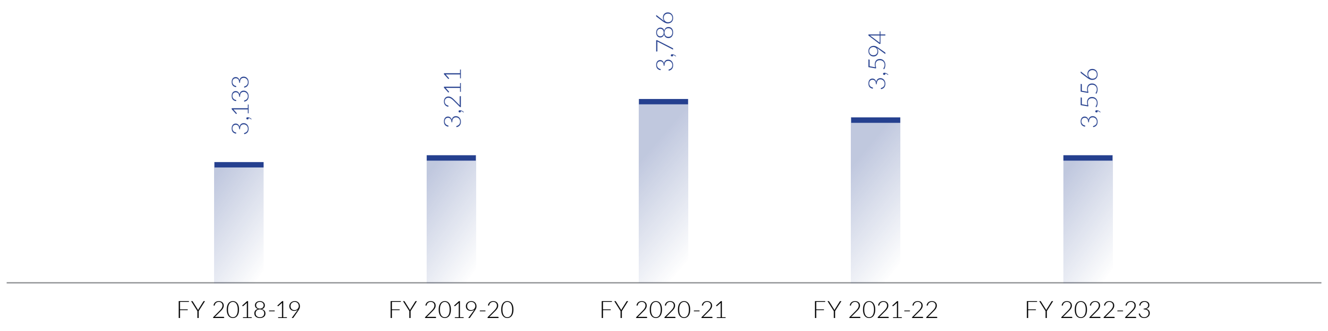
Probiotics

Probiotics are living micro-organisms that provide advantageous effects on the health of humans and animals as long as they are administered in sufficient quantities. As per the current trend, probiotics are commonly included in various treatments for digestive disorders. Furthermore, continued research is taking place to explore their potential for treating a range of other diseases.

Biocatalysts

Enzymes that catalyse the transformation of non-natural compounds are known as biocatalysts. These enzymes are rapidly gaining popularity in chemical manufacturing processes because of their exceptional ability to catalyse almost all types of chemical reactions. This characteristic makes them a promising alternative to traditional catalysts, which are limited in their effectiveness. Biocatalysts are particularly valuable in the production of specialty chemicals, such as pharmaceutical actives, cosmeceuticals, and oleo chemicals because of their high-value and low-volume usage.

AETL has made remarkable progress in biocatalyst development for API manufacturers. Your Company offers customised enzymatic solutions that are tailored to specific targets. These solutions not only save time, but also reduce energy and chemical costs, resulting in significant cost savings for API manufacturers. In addition to supplying the necessary enzymes, AETL also provides guidance to API manufacturers in the process of developing their APIs through the enzymes.



Human Nutrition Sales (₹ in million)

ANIMAL NUTRITION

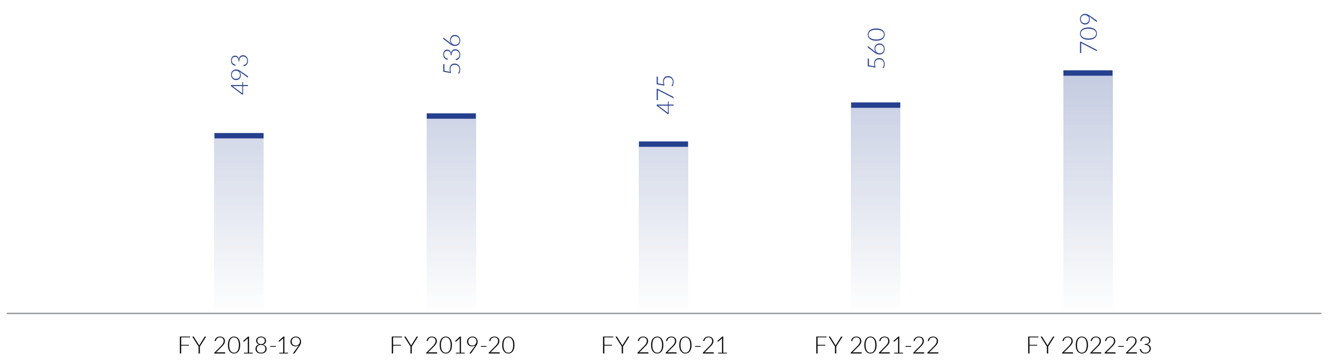
The animal nutrition vertical has been a standout performer, delivering strong growth of 27% to register revenue of ₹ 709 million in FY 2022-23, compared to ₹ 560 million in FY 2021-22. The remarkable growth that your Company has achieved underscores the significance of its animal nutrition segment as a key driver of overall growth. In future, this segment is well-positioned to continue its upward growth trajectory.

Enzymes

Enzymes play a crucial role in improving the digestibility of animal feeds, leading to better feed-to-gain ratios for both ruminants and monogastric animals. For instance, enzymes, such as cellulase and hemicellulose, are effective in enhancing the nutritional content of silage, corn, and soy-based feeds. Likewise, certain enzymes like alpha-galactosidase are known to boost the nutritional value of Non-Starch Polysaccharides (NSP). Enzymes not only improve the digestibility of pet foods for dogs and cats, but also promote a stronger immune system. Your Company's enzyme products consistently deliver high-quality and effective results, while maintaining affordability.

Probiotics

Probiotics are live micro-organisms that provide health benefits, and are primarily known for their ability to promote a healthy gut microbiome. They are also gaining widespread adoption in animal healthcare as an antibiotic alternative and growth promoter. Companies have developed and tested probiotic formulations to improve nutrient absorption, boost immunity, and reduce infection risks, making them an essential tool for animal well-being.



Animal Nutrition Sale (₹ in million)

BIOPROCESSING

The bioprocessing business vertical exhibited mixed performance in FY 2022-23 with revenue of ₹ 794 million and ₹ 669 million in FY 2021-22.

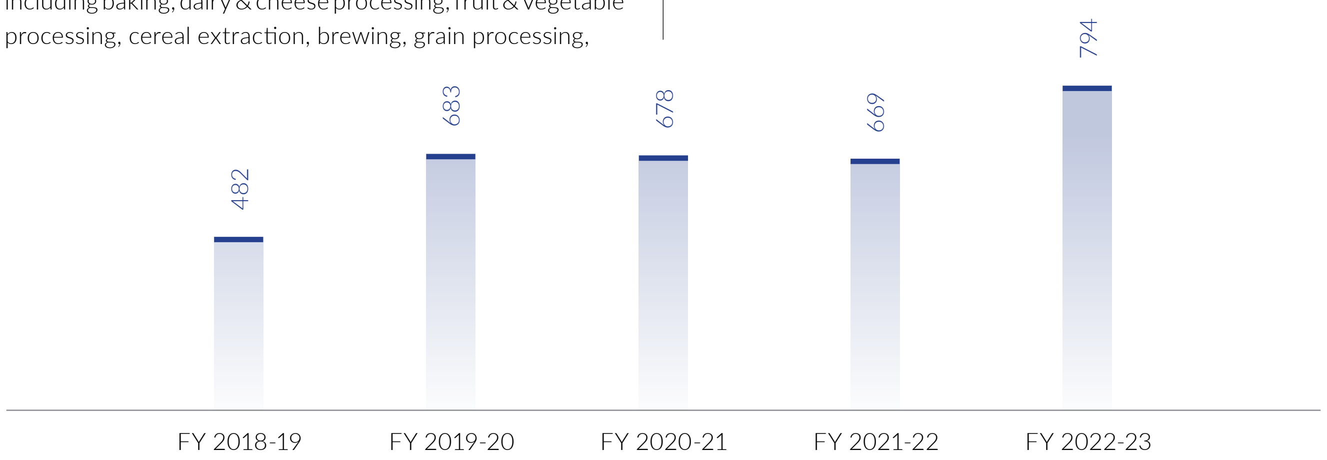
The bioprocessing vertical improved its contribution to revenue in FY 2022-23 from 13% to 15% YoY and grew by ₹ 125 million. The food business grew 15% to attain ₹ 596 million, while the non-food business registered a growth of 31% to reach ₹ 198 million YoY (Year-on-Year).

Food Processing

In today's world, enzymes play a crucial role in the creation of appealing and nutritious food & beverages. They offer several advantages that go beyond traditional methods. Your Company provides exclusive enzyme products and tailored enzyme solutions for various food processing industries, including baking, dairy & cheese processing, fruit & vegetable processing, cereal extraction, brewing, grain processing, protein processing, and oil & fat processing. These specialised enzyme products help AETL's customers enhance their product quality, minimise waste, optimise resources, increase yields, lower costs and reduce environmental pollution.

Non-Food Processing

By utilising enzymes as potent biocatalysts, your Company provides eco-friendly solutions to multiple industries. These solutions are used for the manufacturing of a wide range of products used in the textile, leather, detergent, and pulp & paper industries. These biological solutions improve the effectiveness of industrial processes as they result in significant savings in energy, water, and other resources. They also contribute to a reduction in waste and effluent loads. Adopting sustainable solutions can help companies meet pollution regulations and save on production costs.



Bioprocessing Sales (₹ in million)

DEVELOPMENTS DURING FY 2022-23

ACQUISITION OF 50% STAKE IN SAIGANESH ENZYTECH SOLUTIONS PRIVATE LIMITED

During the year under review, your Company invested ₹ 60 million for a 50% stake in Saiganesh Enzytech Solutions Private Limited ('Saiganesh Enzytech') and the Board of Saiganesh Enzytech approved the purchase of the entire business undertaking of Shri Ganesh Industrial Enzymes ('SGIE'), a partnership firm based in Burhanpur, Madhya Pradesh, through a slump sale on a going concern basis for ₹ 9 million. This investment is set to provide your Company with a consistent supply of one of the most important digestive enzymes. Saiganesh Enzytech and SGIE are primarily into extracting Latex from papaya, purifying and providing finished papain enzyme in liquid form (agriculture extraction of papain enzyme). Thus, helping your Company to provide better and regular offerings in relation to the formulated solution for human health, nutrition, and the food industry.

ADDITIONAL 4.83% ACQUISITION OF JC BIOTECH PRIVATE LIMITED

During the year under review, your Company acquired an additional 4.83% stake in its existing subsidiary, JC Biotech Private Limited ('JCB'). This has been accomplished through the purchase of 1,000,000 equity shares from one of the existing shareholders of JCB for a total consideration of ₹ 68 million. Following the completion of this transaction, your Company's shareholding has increased from 85% to 89.83% of the paid-up share capital of JCB. AETL believes that this acquisition will further strengthen its position in the biotech industry. This will also enhance its ability to provide innovative solutions to its valued customers.

Your Company is committed to continuing its strategic growth and expansion plans, while exploring further opportunities to achieve its objectives. Your Company remains focussed on providing exceptional value to its stakeholders and consolidating its position as a leading player in the biotech industry.

MERGER OF TWO STEP-DOWN WHOLLY-OWNED SUBSIDIARIES

A step towards simplification of organisation structure, improving operational efficiency was taken wherein after consideration of the challenges associated with maintaining two separate entities with a similar product line but different distribution models, it was decided, during the year under review, to merge two entities, Dynamic Enzymes, Inc. US, and Advanced Supplementary Technologies Corporation, US. The State of California (US) has granted approval for the merger of Dynamic Enzymes, Inc. USA into Advanced Supplementary Technologies Corporation, USA, (and consequently DE ceases to exist).

LAUNCH OF B2C BRAND

Wellfa

Your Company has introduced Wellfa B2C, a consumer brand that aims to enhance the quality of life for individuals, through health and wellness products. Wellfa provides a range of resources and tools, which are personalised to meet the diverse needs and preferences of consumers. By offering products, such as immune support, skin care, gut health, metabolism boosters, detox solutions, weight management aids, stress relief, and respiratory health products, Wellfa has a positive impact on consumer health and lifestyle.

Cal-India Foods International USA doing business as Specialty Enzymes & Biotechnologies (SEB)

SEB has over 35 years of experience as a top probiotic and enzyme manufacturer. The diverse selection of more than 25 probiotic strains caters to various applications in the nutraceutical, food & beverage industries, with a recent foray into pet supplements. The brand's objective is to provide natural and effective enzymes & probiotics to fulfil its customers' requirements. The company boasts a comprehensive range of quality certifications from esteemed organisations, such as NSF International, Organic, the Non-GMO Project, ANAB, OK Kosher, and ISA Halal, which reflects its commitment to quality and customer satisfaction.

ProbioSEB CSC3™ PET and ImmunoSEB™ (PET)

SEB, a leading manufacturer and supplier of enzymes and probiotics, has recently launched a range of new supplement blends. Specifically designed for dogs and cats, these blends – ProbioSEB CSC3™ PET and ImmunoSEB™ PET – aim to promote gut and immune health. SEP is dedicated to utilising natural, research-backed probiotics and enzymes to address these two fundamental aspects of animal health, and takes great pride in doing so.

MAJOR CHALLENGES DURING FY 2022-23

HIGHER INPUT COST

Due to inflationary factors, input prices have experienced a notable increase during the reviewed year. Raw material prices, including those of soya, edible oil, and solvents like glycerine, phosphorus salts, and lithium have risen between 3x-4x, mainly due to supply chain disruption and increased logistic costs. These factors have also affected procurement costs in domestic markets. In addition, fuel prices including that of coal, have also surged by 2x-3x, adding to the rise in manufacturing costs.

SUPPLY CHAIN AND LOGISTICS

Global trade has suffered due to supply chain disruptions and a shortage of truckers in the US, UK, and Europe. Containerised freight rates have increased drastically. Businesses are facing delays in goods procurement and clearance. The surge in fuel and freight costs has also impacted the overall costs for companies, leading to a short-term impact on margins.

SLUGGISH CONSUMPTION

The global market for enzymes has been facing challenges due to sluggish consumption in several industries. AETL finds applications in various industries, including food and beverages, textiles, animal feed, and biofuels. However, the COVID-19 pandemic has significantly impacted the demand for these enzymes, as several industries were forced to shut down or operate at reduced capacity. Moreover, supply chain disruptions and transportation restrictions have also affected the availability of raw materials and finished products. Despite these challenges, the increasing demand for sustainable and eco-friendly products is expected to drive the growth of the enzymes market in the long-run.

INFLATION

Global inflation in the past year has risen more than anticipated in major economies like the US and Europe, causing a tightening of financial conditions. With this, there has been a notable shift in consumer preference towards prioritising basic survival needs over purchasing supplements, particularly in developed countries. Further China's economy has been hit harder than expected by COVID-19 pandemic outbreaks, while negative spillovers from the war in Ukraine have further impacted the situation. The US is expected to see a decline in growth due to reduced household purchasing power and tighter monetary policy. While overall global inflation has decreased due to a sharp reversal in energy and food prices, core inflation (excluding energy and food components) is yet to peak in many countries, with a projected decline to 5.1% this year.

FINANCIAL ANALYSIS ON CONSOLIDATED BASIS

REVENUE FROM OPERATIONS

AETL's revenue from operations on a consolidated basis increased to ₹ 5,406 million in FY 2022-23 from ₹ 5,294 million in FY 2021-22, marking an increase of 2%.

The total revenue includes international sales of ₹ 2,850 million (FY 2021-22 - ₹ 2,951 million), decrease of 4%, and domestic sales of ₹ 2,557 million (including export incentives of ₹ 3 million) (FY 2021-22 - ₹ 2,342 million),(including export incentives of ₹ 5 million), an increase of 9%. During FY 2022-23, domestic sales accounted for about 47% of your Company's revenue, up from 44% in FY 2021-22. In FY 2022-23, international sales accounted for 53% of revenue from operations versus 56% in FY 2021-22.

FINANCIAL COSTS

Financial costs increased to ₹ 24 million in FY 2022-23 from ₹ 18 million in FY 2021-22, an increase of approximately 33%.

PROFIT

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation excluding other income) for FY 2022-23 is marked at ₹ 1,564 million (29%) as compared to ₹ 2,014 million (38%) for FY 2021-22, registering a decrease of 22%. During FY 2022-23, profit before tax registered a decline of 18 % to ₹ 1,404 million (26%) from ₹ 1,711 million (32%) the previous year. AETL's profit after tax declined by 16 % to ₹ 1,039 million in FY 2022-23 from ₹ 1,238 million in FY 2021-22.

OTHER INCOME

Other income for FY 2022-23 was ₹ 255 million in comparison to ₹ 64 million in FY 2021-22.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation for FY 2022-23 increased by ₹ 1 million to ₹ 350 million as compared to ₹ 349 million in FY 2021-22.

NET WORTH AND RETURNS

As of March 31, 2023, the net worth of the shareholders was ₹ 12,351 million compared to ₹ 10,886 million the previous year. Return on Equity (ROE) for FY 2022-23 is 9% as compared to 12% for the previous year. (Return ratio is calculated based on average shareholders' funds).

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in FY 2022-23 stood at ₹ 1,233 million as opposed to ₹ 2,736 million in FY 2021-22.

Details of significant changes (i.e. change of 25% or more as compared to the immediately preceding financial year) in key financial ratios, along with detailed explanations include the following:

Ratio	FY 2022-23	FY 2021-22	Variance	Reason for Variance
Interest Coverage Ratio	50.16 times	90.29 times	44%	Reduced due to lower earnings before interest and tax (EBIT)

Note: There has been no significant change in the Current ratio, Debt/Equity Ratio, Debtors' turnover ratio, Inventory turnover ratio, Operating profit margin and Net Profit margin, as compared to FY 2021-22. Due increases in raw material costs and operating costs, EBITDA margin decreased from 38% to 29% ,resulting in a decline in margins.

OUTLOOK

Your Company is committed to enhancing and fortifying its business model in all three divisions, including Human Nutrition, Animal Nutrition and Bio-Processing. Your Company's specific focus is to expand its enzymes and probiotics business through the development and launch of new products in its target markets. To achieve this, your Company is actively developing new molecules in the areas of enzymes, probiotics and biocatalysts. AETL expresses a high level of confidence in its present capabilities and capital investments to effectively support its growth endeavours.

HUMAN NUTRITION

Your Company is leveraging its successful B2C business model in the U.S. to drive growth in India. Your Company is focussing on expanding its B2C business in the human nutrition segment with the introduction of new immunity-boosting products like ImmunoSeb and Biome Ultra, that have been effective in alleviating Post-COVID-19 pandemic symptoms. As part of its strategy to drive growth, it has entered into a B2C brand – Wellfa – an online platform that caters specifically to the Indian market. The platform has products that will help consumers check this supplement nutrients, enzymes, and probiotics as per their body requirements. AETL's diverse range of products, available through Wellfa, cover immune support, skin care, gut health, metabolism boosters, detox aids, weight management solutions, stress relief, and respiratory health support.

This move is expected to be a significant growth driver for AETL. It is also exploring other online avenues for selling its products, highlighting its commitment to staying ahead of the curve in the fast-paced digital marketplace.

ANIMAL NUTRITION

In the field of animal nutrition, your Company is committed to enhancing the efficiency of animal feeds by creating high-quality nutritional products. To achieve this goal, AETL is continuously conducting trials and studies in its pursuit of excellence. Additionally, it is working on introducing and registering more products in both domestic and international markets. Furthermore, to expand market reach, it is targeting the U.S., MENA and Asian markets. It is also planning to appoint more distributors to achieve this goal. In order to fortify its distribution network, your Company is expanding its sales and marketing team.

PROBIOTICS

Your Company is focussed on introducing a range of probiotic products for both human and animal nutrition. In human nutrition, AETL is working towards introducing probiotic products that promote immunity development, improve gut health and support nutraceutical applications. Whereas, in animal nutrition, it is determined to launch products that boost immunity, enhance digestion, and increase the nutritional value of animal feed. With the expansion of its product offerings in both sectors, your Company strives to offer effective solutions for enhancing overall health and well-being.

BIO CATALYSIS

By developing bio catalases for API manufacturers, your Company has made substantial progress towards offering enzymatic solutions. These are tailored to specific targets, thereby reducing energy consumption, time and the use of chemicals. A few of these products are currently undergoing advanced trials at the plant level, highlighting this area as a key opportunity for AETL to persist in its efforts and focus.

BAKING

AETL has a line of enzymes, specifically tailored for the food processing sector. It has submitted 12 product dossiers for review by the European Food Safety Authority (EFSA). Of these dossiers, four have received positive feedback. Your Company's product line performs equally well with its existing market offerings. Even in the face of challenges posed by the COVID-19 pandemic, AETL has managed to stimulate growth in this segment. Your Company is confident about its ability to expand in the European, and North & South American baking industries, and it aims to leverage available and emerging opportunities in these regions.

RESEARCH & DEVELOPMENT

Your Company is making substantial investments in state-of-the-art R&D centres. It is planning to lead in the formulation of new applications, with a particular emphasis on expanding its portfolio across various industries. To achieve this goal, AETL intends to expand and strengthen its R&D team.

INORGANIC EXPANSION

Over the past five years, your Company has demonstrated a track record of successful inorganic growth through three internal accrual-based acquisitions, while maintaining its status as a zero-debt company. AETL is committed to continuing this trend by seeking out strategic acquisitions. This is aimed at further strengthening its front-end marketing capabilities, expanding its geographic reach, broadening its product portfolio and enhancing its B2C business.

RISKS & MITIGATION

SUPPLY CHAIN DISRUPTIONS

The enzyme and probiotic industry depend on a global supply chain for raw materials. The industry is at risk of disruptions due to various factors, including geopolitical tension, climate change and increasing demand for natural and sustainable ingredients. These disruptions have the potential to impact production and availability of raw materials. Hence, the companies may need to diversify their sourcing, invest in technology and collaborate with suppliers to manage supply chain risks. Your Company is constantly improving its supply chain management, by maintaining good relations with its suppliers. This, in turn, is ensuring regular supply, alongside reducing the dependency on a particular supplier, thus, allowing flexibility.

REGULATORY CHANGES

The enzyme and probiotic industry is subject to specific regulations in many countries. These regulations include requirements for safety, quality and labelling. In some markets, there may be changes in regulations related to the use of enzymes and probiotics, which could impact the ability of companies to sell their products in those markets. For example, new regulations on dietary supplements and food additives could impact the use of these solutions in food & beverage items. Your Company steadfastly follows all the regulatory norms that make it industry compliant.

COMPETITION

The enzyme and probiotic industry is witnessing growing competition, with numerous new companies entering the market and established players expanding their product offerings. This could lead to increased competition and pricing pressure, which could impact profitability for some companies. Furthermore, some companies may encounter difficulties in distinguishing their products from those of their competitors, which could potentially hinder their ability to acquire a significant market share. To mitigate this risk, your Company is constantly focussing on innovation and aligning itself to the market trend, enabling it to stay one step ahead of its competitors.

CONSUMER DEMAND

Consumer demand for enzymes and probiotics have been growing in recent years, driven by increased interest in health and wellness. However, consumer preferences may shift in response to changing trends or unforeseen events, such as the COVID-19 pandemic. For example, consumers may shift their spending priorities away from dietary supplements and towards other health and wellness products, such as fitness equipment or healthy foods. To keep pace with this ever-evolving consumer preference, your Company is constantly focussing on its R&D capabilities. It dedicatedly strives to innovate and improve products, but still may face obstacles in the form of insufficient funding, stricter regulations, and technology bottleneck. To overcome these challenges, your Company can collaborate with external partners, invest in new technologies and explore new funding sources. It understands that innovation is essential for growth, and it must continue to improve the quality of its products through robust R&D to suit consumer preference.

PRODUCT QUALITY AND SAFETY

Enzyme and probiotic companies must maintain excellent product quality and safety standard, to ensure risk-free consumption by humans and animals. Any issues with quality or safety could result in product recalls, legal liabilities or damage to a company's reputation. Your Company is constantly improving products that undergoes multiple stages of R&D, resulting in globally accepted highest standards.

INTELLECTUAL PROPERTY

Enzyme and probiotic companies invest significant resources in developing new products and processes. Protecting these investments requires a strong intellectual property portfolio, including patents, trademarks and trade secrets. These companies may face challenges in protecting their intellectual property from competitors or in enforcing their rights in cases of infringement. To mitigate this risk, your Company is filing for patents in a timely manner that protect AETL from competitions. While its experienced R&D team enables your Company to conduct thorough research and align its products with market demand.

FOREX RISK

Foreign exchange (forex) risk can impact enzyme and probiotic companies due to their reliance on global supply chains, international sales and foreign investments. Currency market volatility during the year has increased the effect of this risk. To manage this risk, companies may need to implement strategies, including hedging, diversification and monitoring market developments. Your Company is taking all the necessary steps to counter forex risk and mitigate currency volatility.

OPPORTUNITIES

Enzymes and probiotics are essential for maintaining a healthy gut microbiome, which has been linked to various health benefits, such as improved skin health and weight loss. The world's growing population has led to an increased demand for enzymes and probiotics to address digestive issues and promote better overall health. As more people become aware of the benefits of these natural supplements, there is a surge in demand for high-quality products that meet their needs. This trend is particularly noticeable in countries, such as the US and India, where healthcare spending is increasing. As more people adopt vegan and vegetarian diets, the demand for plant-based enzymes and probiotics is also increasing. To cater to this demand, the supplement market is expanding its offerings, providing consumers with a range of natural digestive health solutions to choose from.

As per Healthcare Analytics Market Report published in December 2022, the global healthcare industry is expected to experience substantial revenue growth, increasing from USD 27.4 billion in 2022 to USD 85.9 billion by 2027, with a CAGR of 25.7% between 2022 and 2027.

According to National Health Expenditure Projections 2021-30, published in Health Affairs report, it is projected that healthcare spending in the US will continue to rise. With an estimated annual growth rate of 4.9% from 2022-24 and 5.3% per year after that, it will register a total spending of USD 6.8 trillion in 2030.

The growing global awareness of the health benefits associated with enzymes and probiotics has resulted in a significant increase in demand. According to industry reports, the global enzyme market is projected to reach USD 14.7 billion by 2028, with the food & beverage sector being the largest end-user. Similarly, the global probiotic market is projected to reach USD 94.4 billion by 2028 due to increased awareness of their ability to enhance gut health, immunity and reduce the risk of chronic diseases. The growth of both enzymes and probiotics is being fuelled by several factors, including increased consumer awareness of their health benefits, demand for natural and sustainable products, and their growing use in various industries. As a result, the demand for these products is expected to continue increasing in the coming years.

Growing awareness of the health benefits of enzymes and probiotics has led to a surge in demand for these products in India. The use of enzyme has seen an uptick in various industries, including food & beverage, pharmaceuticals and textiles. Similarly, the demand for probiotics has increased due to the rising awareness about gut health and lifestyle diseases. The growing disposable income and changing dietary patterns of Indian consumers are expected to fuel the demand for functional foods and dietary supplements that contain enzymes and probiotics in the coming years. Therefore, the Indian market for enzymes and probiotics is expected to experience substantial growth in the foreseeable future.

Further, advancements in biotechnology and genetic engineering are also creating new opportunities to develop innovative solutions that meet current and future needs.

Companies that are at the forefront of these developments may have a competitive advantage in the market.

Source: Advisory Board

Markets and Markets

THREATS

The enzyme and probiotic industry is facing a number of challenges that could impact its profitability and growth. One of the biggest challenges is the intense competition from newer entrants, as they are more innovative and have lower cost structures. This could lead to a reduction in market share and profitability for established companies.

Regulatory challenges are also a major concern for companies in this industry. Compliance with strict regulations and guidelines, both domestically and internationally, can result in significant costs, while non-compliance can lead to fines and penalties that can harm a company's financial health and reputation. Obtaining regulatory approval for products can also be time-consuming and expensive, which can delay time-to-market and increase costs. Supply chain disruptions are another potential threat to the enzyme and probiotic market. Natural disasters, political instability, and other factors can disrupt the supply chain, making it difficult for companies to manufacture and distribute their products. The COVID-19 pandemic has highlighted the vulnerability of global supply chains, and their potential impact on product availability and sales.

Intellectual property infringement is also a potential challenge for companies in this market. Competitors who infringe on a company's intellectual property rights can lead to costly legal battles and a decline in market share. Lastly, evolving consumer preferences could impact the enzyme and probiotic market. Shifts in consumer trends, such as a preference for plant-based diets or a focus on sustainability, could affect the demand for enzyme and probiotic products. Companies that are unable to adapt to these changes could lose market share to more innovative and adaptable competitors.

In today's highly competitive industry, it is imperative for companies to keep up with the latest technological advancements to thrive and succeed. Failing to do so, could put companies at a disadvantage and hinder their growth prospects.

In summary, the enzyme and probiotic market face several potential threats, and your Company is navigating these challenges to thrive in this sector.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

There is an internal control system in place at your Company to ensure the efficiency and effectiveness of its operations. The internal control system is essential to the risk identification and mitigation process. It contributes to compliance with legal requirements. Within your Company, a proper communication channel from top-to-bottom and vice-versa safeguards the internal control system by considering both internal and external factors in an appropriate and timely manner.

AETL's risk assessment and management policy is based on the concept that a robust risk management system ensures commensurate controls and monitoring mechanisms, for smooth and efficient management of the business. Various risks are identified, measured, evaluated, monitored, and mitigated in the policy. A review of the risk management framework of your Company has been conducted by the internal auditors. Risk registers are prepared by the concerned departments. They contain information about the respective risks as well as their current control activities and mitigation plans, if any. Thereafter, the registers are reviewed.

On a continuous basis, IT systems are improved on a preventive basis as well as in response to hacking challenges. Evaluation of an internal control system is done by setting targets on a continuous basis, with corrective actions taken in case of any deficiency by comparing them to the actual results. According to its size and nature of operations, your Company maintains an appropriate internal control system and internal financial controls. Internal auditors and statutory auditors of your Company test and certify the internal control systems.

MATERIAL DEVELOPMENTS IN HUMAN **RESOURCES/INDUSTRIAL RELATIONS**

Your Company acknowledges the significance of its human resources. AETL is dedicated to investing in its people and their processes to enrich the organisation's human capital, and create value for its stakeholders. With the growth and execution of new projects, there has been an emphasis on recruitment. As a result, your Company has successfully attracted professional talent to fill gaps at various levels. The Management endeavours to create a supportive work environment through various employee engagement programmes to help employees excel. Currently, your Company has more than 320 employees with diverse backgrounds.

To enhance employee performance, your Company provides better tools, technology, and techniques at the workplace. It takes measures to ensure occupational safety and health at workplaces and manufacturing sites.

The HR department organises training and development programmes to sharpen skills and update concepts. Furthermore, external technical training is provided to certain critical functional heads to prepare them for new projects. Your Company aims to create a culture of learning, sharing, and helping others succeed, while emphasising on the importance of having a 'growth-oriented mindset.' Additionally, AETL places importance on de-stressing techniques, as it believes that a happy individual performs better.

Throughout the year, your Company has maintained cordial industrial relation as the HR department constantly strives to maintain a constructive work environment. AETL's focus on personnel development has enabled it to attract and retain talented employees, ensuring continued growth and success.

CAUTIONARY **STATEMENT**

In this Management Discussion and Analysis Report, certain forward-looking statements may be made based on various assumptions about the Company's present and future business strategies, the environment in which it operates, and other factors. Risks and uncertainties can cause actual results and information to differ materially from those stated or implied. Among these risks and uncertainties are the effects of economic and political conditions in India and abroad, volatility in interest rates and the securities market, new Government regulations and policies that may impact your Company's businesses, and its ability to implement its strategies. The information contained herein, is as of the date referenced, and your Company has no obligation to update it. Market data and other information have been obtained from sources deemed trustworthy by your Company or it has been estimated internally, but the accuracy or completeness can't be guaranteed.

BOARD'S REPORT

for the financial year ended March 31, 2023

Dear Members,

Your Board of Directors ("**Board**") is pleased to present the 34th Annual Report of Advanced Enzyme Technologies Limited ("**Company**") along with the Audited financial statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the financial year ended March 31, 2023 is summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	**3,115**	2,728	**5,406**	5,294
EBITDA	**749**	727	**1,564**	2,014
Less:				
Finance Cost	**1**	1	**24**	18
Depreciation and Amortisation	**103**	96	**350**	349
Add:				
Other income	**98**	91	**255**	64
Profit before exceptional items and tax	**743**	721	**1,445**	1,711
Exceptional items	**-**	-	**41**	-
Profit Before Tax	**743**	721	**1,404**	1,711
Less: Provision for Taxation				
Current tax	**183**	180	**428**	504
Deferred tax	**5**	(5)	**(63)**	(31)
MAT credit entitlement	**-**	-	**-**	-
Tax adjustment for earlier years	**-**	-	**-**	-
Tax expenses	**188**	176	**365**	473
Profit for the year	**555**	545	**1,039**	1,238
Surplus Brought Forward from Previous Year	**3,827**	3,349	**9,173**	7,977
Amount Available for Appropriations	**4,175**	3,827	**10,023**	9,174
Earnings Per Share (Amount in ₹)				
Basic	**4.97**	4.88	**9.45**	10.70
Diluted	**4.97**	4.87	**9.45**	10.68

RESULTS FROM OPERATIONS

Revenue – Consolidated

Your Company's revenue from operations on consolidated basis increased to ₹ 5,406 million in the financial year 2022-23 ("FY23") from ₹ 5,294 million in the financial year 2021-22 ("FY22"), a growth rate of 2%. The total revenue comprises of international sales amounting to ₹ 2,850 million (FY22 - ₹ 2,951 million), fall of 4% and domestic sales amounting to ₹ 2,557 million (including Export Incentives of ₹ 3 million) (FY22 - ₹ 2,342 million (including Export Incentives of ₹ 5 million)), an increase of 9%.

Your Company's domestic sales constitute about 47% of revenue from operations during FY23 as compared to 44% of revenue from operations during FY22. International sales were 53% of revenue from operations as compared to 56% of revenue from operations during FY22.

Revenue - Standalone

Your Company's revenue from operations on standalone basis increased to ₹ 3,115 million in FY23 from ₹ 2,728 million in FY22, at an increase of 14%. The total revenue comprises international sales of ₹ 975 million (FY22 - ₹ 782 million), an increase of 25% and Domestic sales at ₹ 2,140 million (including Export Incentives of ₹ 2 million) (FY22 - ₹ 1,946 million (including Export Incentives of ₹ 4 million)), an increase of 10%.

The domestic sales constitute 69% of revenue from operations during FY23 as compared to 71% of revenue from operations during FY22. International sales were 31% of revenue from operations during FY23 as compared to 29% of revenue from operations during FY22.

Profits - Consolidated

EBITDA (Earnings before interest, tax, depreciation & amortisation excluding other income) during FY23 was

₹ 1,564 million (29%) as compared to ₹ 2,014 million (38%) during FY22, a decrease of 22%.

Profit before tax stood at ₹ 1,404 million (26%) during FY23 as against ₹ 1,711 million (32%) in the previous year, a decline of 18%. Profit after tax stood at ₹ 1,039 million during FY23 as compared to ₹ 1,238 million during the FY22, decline of 16%.

Profits - Standalone

EBITDA during the year under review was at ₹ 749 Million (24%) as compared to ₹ 727 million (27%) in the FY22. Profit before tax stood at ₹ 743 Million during FY23 as compared to ₹ 721 million in the FY22, an increase of 3%. Profit after tax stood at ₹ 555 million during FY23 as compared to ₹ 545 million during FY22, an increase of 2%.

DIVIDEND

Pursuant to the Dividend Distribution Policy of the Company, the Board recommends a final Dividend @ 50% i.e. ₹ 1/- per Equity Share of face value of ₹ 2/- each for the financial year 2022-23 ("FY23"), aggregating to about ₹ 111.82 million (subject to deduction of taxes, as applicable) i.e. same rate of final dividend as in the previous financial year 2021-22 ("FY22"). Further, the Board of Directors of your Company had also declared an Interim Dividend @ 200% i.e. ₹ 4/- per Equity Share of face value of ₹ 2/- each for the financial year 2023-24 ("FY24"), aggregating to about ₹ 447.30 million (subject to deduction of taxes, as applicable).

The Dividend Distribution Policy of the Company is provided as Annexure I and forms an integral part of this Report and the said policy is available on the Company's website at www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies.

The final Dividend payout is subject to approval of the Members at 34th Annual General Meeting ("AGM") of your Company.

The Dividend Distribution Tax payable by domestic companies on declaration of dividend has been abolished w.e.f. April 01, 2020. Pursuant to this amendment and consequential amendments brought vide Finance Act, 2020, as the dividend by the companies is taxable in the hands of the shareholders, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the Income Tax Act, 1961 (as amended from time to time).

RESERVES

During the FY23, your Company has not transferred any amount to the General Reserves.

EMPLOYEES STOCK OPTION PLAN

The disclosure pertaining to the details of Employees Stock Option Scheme 2015 [as amended] ("**ESOP Scheme 2015**"), Employees Incentive Plan 2017 ("**Plan 2017**") and Employees Stock Option Scheme 2022 (**"ESOP 2022"**) are provided in Annexure II and forms part of this Report. The said disclosure is displayed on the website of the Company under the tab 'Details of Employees Stock Option' at www.advancedenzymes.com/investors/shareholder-information

ESOP 2015

The Nomination & Remuneration Committee in its meeting held on February 14, 2017 granted 220,000 stock options of ₹ 2/- each to its eligible employees of the Company and the employees of subsidiaries ("**Grantee**"). As per the provisions of ESOP Scheme 2015, the stock options granted under the said scheme for the eligible employees/Grantees vested as follows:

(i) First tranche of 10% of stock options got vested on February 15, 2018;

(ii) Second tranche of 20% on February 15, 2019;

(iii) Third tranche of 30% on February 15, 2020, and

(iv) Fourth and last tranche of 40% on February 15, 2021.

Each Option is convertible and is equivalent to One (1) Equity Share. Based on the exercise applications received, the Board / Committee allotted 23,400 Equity Shares of ₹ 2/- each (at an exercise price of ₹ 60/- each) during the year under review, under ESOP Scheme 2015 as follows:

Sr. No.	Date of Meeting (Allotment Date)	No. of shares allotted
1.	May 22, 2022	5,900
2.	July 21, 2022	11,250
3.	September 30, 2022	4,250
4.	February 11, 2023	2,000
	Total	**23,400**

In view of above, the Paid-up share capital of your Company has increased as follows (as on March 31, 2023):

Particulars	Paid-up Capital	
	No. of shares	Amount (₹)
At the beginning of the year	111,800,675	223,601,350
Allotments during the year	23,400	46,800
At the end of the year	111,824,075	223,648,150

Based on the exercise applications of the Grantees and amount received thereto, total 23,400 Equity Shares of ₹ 2/- each were allotted to such Grantees by the Board during FY23 and accordingly the paid up share capital of the Company has increased from ₹ 223,601,350 to ₹ 223,648,150.

The Equity Shares allotted under ESOP Scheme 2015 are subject to lock in for a period of 1 year from the date of allotment.

During the year under review, the Board of your Company decided that there shall be no further grant under the ESOP Scheme 2015 and the Options that are already granted/ vested but not exercised shall continue till the time they are either lapsed or exercised, as per terms of the grant/ provisions of the ESOP Scheme 2015. Thereafter, the ESOP Scheme 2015 shall be deemed cancelled/terminated. As all the Options granted have either been allotted or lapsed, the ESOP Scheme 2015 stands terminated.

Employees Incentive Plan 2017

The Members of the Company have also approved the AETL Employees Incentive Plan 2017 ("**Plan 2017**") through trust route and related matters on May 04, 2017 through Postal Ballot. Your Company has received in-principle approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). As on the date of this report, no Stock Options / Stock Appreciation Rights have been granted under the Plan 2017.

No grant of options has been made under the Plan 2017. The Board of Directors in its meeting held during the year under review, cancelled/terminated the Plan 2017.

ESOP 2022

The Members of the Company have approved the AETL Employee Stock Option Scheme 2022' ("**ESOP 2022**") and related matters on August 19, 2022 at the 33rd Annual General Meeting of the Company. Your Company has received in-principle approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). As on the date of this report, no Stock Options have been granted under the ESOP 2022.

FINANCIAL STATEMENTS

The financial statements of your Company for the year ended March 31, 2023 are prepared in accordance with the Indian Accounting Standards ("**IND AS**"), read with the provisions of Section 129 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") rules framed thereunder and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force) ["**SEBI Listing Regulations**"] and forms part of this Annual Report.

The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2023.

SUBSIDIARIES

Your Company has twelve (12) subsidiaries as listed below:

Domestic Subsidiaries:

1. Advanced Bio-Agro Tech Limited (60%) ["**ABAT**"];
2. Advanced EnzyTech Solutions Limited (100%) ["**AESL**"];
3. JC Biotech Private Limited (89.83%) ["**JCB**"];
4. SciTech Specialities Private Limited (51%) ["**SciTech**"]
5. Saiganesh Enzytech Solutions Private Limited (50%, effective from January 03, 2023) ["**Saiganesh**"]

In terms of the financial performances:

i. ABAT's revenue for FY23 was ₹ 472 million (previous financial year ["FY22"] - ₹ 404 million), and Profit after Tax for FY23 was ₹ 60 million (FY22 - ₹ 66 million).

ii. AESL's revenue for FY23 was ₹ 134 million (FY22 - ₹ 119 million), and Profit after Tax for FY23 was ₹ 18 million (FY22 - ₹ 18 million).

iii. JCB's revenue for FY23 was ₹ 502 million (FY22 – ₹ 503 million), and Profit/(loss) after Tax for FY23 was ₹ (18) million (FY22 - ₹ 72 million).

iv. SciTech's revenue for FY23 was ₹ 353 million (FY22 - ₹ 473 million), and Profit/(loss) after Tax for FY23 was ₹ (62) million (FY22 - ₹ 37 million).

v. Saignesh's revenue for FY23 was ₹ 26 million (FY22 - ₹ 84 million), and Profit after Tax for FY23 was ₹ 2 million (FY22 - ₹ 4.68 million). Saiganesh became subsidiary of the Company effective from January 03, 2023.

International Subsidiaries:

1. Advanced Enzymes USA (100%)
   A. Advanced Supplementary Technologies Corporation (100% Subsidiary of Advanced Enzymes USA);*
   B. Cal-India Foods International (doing Business as Specialty Enzymes and Biotechnologies) (100% Subsidiary of Advanced Enzymes USA);
   C. Enzyme Innovation Inc. (100% Subsidiary of Cal-India Foods International);

   *Note: During the financial year 2022-23, the Board of Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("DE") and Advanced Supplementary Technologies Corporation, USA ("AST") approved merger of DE and AST. Further, the State of California (USA) had approved the merger of DE into AST and consequently thereafter, DE merged into AST, and DE ceases to exist.

   In terms of the consolidated financial performance of Advanced Enzymes USA, the revenue for FY23 was ₹ 1,933 million (FY22 - ₹ 2,140 million), and Profit after Tax for FY23 was ₹ 583 million (FY22 - ₹ 647 million).

2. Advanced Enzymes (Malaysia) Sdn. Bhd. (100%) ["**AEM**"]

   The Company acquired AEM in the year 2017 (incorporated in 2016). During FY20, the Board of your Company approved the discontinuation of the business and closure of AEM and to initiate the process of closure thereto, since AEM was not giving the desired results. During FY23, no business activities were carried out resulting into Nil profit in the year whereas During FY22, the assets which were no longer receivable were written-off and the liabilities which were no longer payable were written-back resulting in a (loss) about ₹ (0.60) million). AEM is currently under the process of voluntary Strike-off.

3. Advanced Enzymes Europe B.V. (100%) ["**AEE**"]

   In terms of the consolidated financial performance (including its subsidiary, evoxx technologies, GmbH), AEE's revenue for FY23 was ₹ 240 million (FY22 - ₹ 220 million), and Profit / (loss) for FY23 was ₹ (39) million (which includes about ₹ 58 million of operational gain, ₹ 7 million of other income, ₹ 9 million of deferred tax reversal, ₹ 63 million of amortization expense, and ₹ 51 million of finance cost) as compared to loss of ₹ 103 million for FY22.

4. evoxx technologies GmbH [100% subsidiary of AEE] ["**evoxx**"]

   For FY23, the revenues for evoxx was ₹ 240 million (FY22 - ₹ 220 million) and had a positive impact on the bottom line by ₹ 18 million including operational gain of ₹ 36 million (FY22 – Rs 6 million operational loss) and charge of ₹ 12 million (FY22 – ₹ 14 million) of an amortization expense and finance cost of ₹ 9 million (FY22 - ₹ 9 million).

   The Policy for determining Material Subsidiaries is available on the Company's website: www.advancedenzymes.com/investors/corporate-governance. During the year under review, Cal-India Foods International in USA was Material Subsidiary of your Company based on the criteria specified in the SEBI Listing Regulations.

   A separate statement containing the salient features of the financial performance of subsidiaries in the prescribed Form AOC-1 is annexed to the financial statements of the Company. The Audited Consolidated financial statements together with Auditors' Report form an integral part of the Annual Report.

   The individual financial statements and other reports of the Company's subsidiaries have not been attached to the financial statements of the Company for FY23. Pursuant to the provisions of Section 136 of the Act read with the SEBI Listing Regulations, the financial statements of the subsidiaries and related information are uploaded on the website of your Company and can be accessed on the web link, www.advancedenzymes.com/investors/quarterly-updates/financial-results and also available for inspection, during working hours at the registered office of the Company on working days except Saturdays and Sundays, up to the date of 34th AGM of the Company. Any Member desirous of conducting inspection and/or of seeking information on the Annual financial statements of the Company's subsidiaries may write and intimate in advance, to the Company Secretary.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

A. During the year under review, the Board of your Company, at its meeting held on November 11, 2022, approved the following (brief of approval with update is as follows):

   (i) Acquisition of an additional stake of 4.83% (i.e. 1,000,000 Equity Shares) from an existing shareholder of JC Biotech Private Limited ("JCB"), at a consideration of ₹ 68 million. The said acquisition by increase in stake in JCB was completed on January 03, 2023 and the stake of your Company in JCB has increased from existing 85% to 89.83%.

   (ii) Acquisition of 50% (i.e. 19,991,663 Equity Shares) stake in Saiganesh Enzytech Solutions Private Limited ("Saiganesh"), by way of subscription to the fresh issue under Private Placement, at a consideration of ₹ 60 million. Saiganesh is primarily into extracting Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme). The Company has also entered into Share Subscription and Shareholders' Agreement with Saiganesh. The said acquisition of 50% stake in Saiganesh was completed on January 03, 2023.

   (iii) Conversion of loan/Inter Corporate deposits granted by your Company to Advanced Enzymes Europe B.V, Netherlands (wholly owned subsidiary) ("AEE") in to the Equity Shares of AEE to the extent of total outstanding principal and interest accrued on the mutually agreed date of conversion, in one or more tranches. On April 7, 2023, consequent to conversion of the aforesaid loan, AEE issued 2,276,837 Equity shares of a par value of EUR 1 each at a share premium of EUR 0.63 each, to your Company against outstanding loan amount including interest aggregating to EUR 3,711,244.60. AEE continues to be the wholly-owned subsidiary of your Company and there is no change in the Percentage shareholding (100%) of your Company in AEE post conversion of loan given by your Company to AEE.

B. During the Financial year 2022-23, the Board of Directors of Saignesh Enzytech Solutions Private Limited (50% Subsidiary) ["Saiganesh"] approved the purchase of entire business undertaking of Shri Ganesh Industrial Enzymes (a partnership firm based in Burhanpur, Madhya Pradesh) ("Shri Ganesh"), through a slump sale on a going concern basis for an amount not exceeding ₹ 9 million, for the purpose of Market expansion & growth for products of Saiganesh. Shri Ganesh is involved in the business of processing Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme) i.e. same business activity as that of Saiganesh (Health care industry). The total turnover and net-worth of the Shri Ganesh for financial year 2021-22 was ₹ 57.6 Million and ₹ 10.3 million respectively. Saiganesh is in the process of completing the said purchase by way of slump sale.

C. During the Financial year 2022-23, the Board Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("DE") and Advanced Supplementary Technologies Corporation, USA ("AST") approved the merger of DE and AST. Further, the State of California (USA) approved the merger of DE into AST. Pursuant to the above, DE merged with and into AST and consequently thereafter DE ceases to exist.

   The details are available on the website of the Company at www.advancedenzymes.com/investors/announcements-notices

   Except as mentioned above, no other Company has become or ceased to be a Subsidiary, Joint Venture or Associate of the Company during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of your Company, Subsidiaries and its Business including Risks, Opportunities and Threats are given in the Management Discussion and Analysis, as required under the SEBI Listing Regulations, which is provided in separate section and forms an integral part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief and based on the information and explanations provided to them, confirm that:

a. in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b. appropriate accounting policies have been selected and applied consistently and judgments and estimates are made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a 'going concern' basis;

e. Proper internal financial controls are devised to ensure compliance with all the provisions of the applicable laws and that such internal financial controls are adequate and are operating effectively; and

f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT

Your Company understands that controlling risks through a formal program is a necessary component and an integral cornerstone of Corporate Governance. Your Company has adopted Risk Assessment & Management policy which embeds the vision that a robust Risk Management system ensures commensurate controls and monitoring mechanism for smooth and efficient management of Business. The Policy outlines the framework for identification, measurement, evaluation, monitoring and mitigation of various risks. The Management has also reviewed the Risk Management framework of the Company. The Risk Registers are prepared by the concerned departments wherein the respective risks are identified along with its current control activities and the mitigation plans. Thereafter, the registers are reviewed.

The Risk Management Committee constituted by the Board assists the Board in monitoring and review of Risk Management Policy of the Company including associated systems, processes, controls & strategies thereto, various risks exposures of the Company, on a periodic basis and then inform the Board about the risks assessed, their concerns and action plan with strategy for mitigation of the risks and such other functions related to risk management & mitigation as may be required by the Board, from time to time.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions with the Related Parties were placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee was obtained for the Related Party transactions which are repetitive in nature. The Audit Committee and the Board, reviewed all the transactions entered into pursuant to the omnibus approvals on a quarterly basis. All the transactions with Related Parties, entered into during the year under review, were in the ordinary course of business and on arms' length basis in accordance with the provisions of the Act, Rules made thereunder and the SEBI Listing Regulations. Approval of the Members of the Company is also obtained in case any Related Party transaction exceeds the prescribed limits and as good corporate governance practice as there may be few transactions that may be carried out in the long-term interest of the Company. The transactions of the Company with its wholly-owned subsidiaries are exempted from approval of the Members, and hence such approvals are not obtained by the Company.

The Policy on Related Party Transactions (as amended) is available on the Company's website and can be accessed at www.advancedenzymes.com/investors/corporate-governance

As prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Account) Rules, 2014, particulars of contracts/arrangements with Related Parties are given in Form AOC-2, annexed as Annexure III to this Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124(6) of the Companies Act, 2013, all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund ("**IEPF**"). In view of this, your Company has transferred 4,000 unclaimed Equity Shares pertaining to financial year 2014-15 to the Demat account of IEPF during October, 2022. The details of the said shares are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

During the year under review, the Company has transferred unclaimed Dividend of ₹ 69,710 for the financial year 2014-15. As on March 31, 2023, the total amount lying in the Unpaid Dividend accounts of the Company in respect of the last seven years is around ₹11,66,139. Details of unclaimed Dividend and Shares due for transfer with due dates and procedure to claim the same are provided in the Notes to the Notice convening 34th AGM of the Company ("AGM Notice" / "Notice of 34th AGM") and briefly in the Corporate Governance Report which forms an integral part of this Report.

Details of Nodal Officer are displayed on the Company's website at:

www.advancedenzymes.com/investors/shareholder-information

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Annual Report on Corporate Social Responsibility activities has been provided in Annexure IV and the report along with all the details thereto, forms an integral part of this Report. The Composition of CSR Committee is disclosed in the said Annual Report on CSR Activities and in the Corporate Governance report section.

The Corporate Social Responsibility Policy, as amended, may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance.

POLICY ON CRITERIA FOR APPOINTMENT / REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

As per the Nomination & Remuneration Policy of the Company ("**Policy**"), the Nomination and Remuneration Committee *inter alia* recommends the appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The Policy lays down the criteria for such appointments and the framework in relation to remuneration of Directors including Managerial Personnel, KMPs and employees of the Company. The Nomination & Remuneration Committee oversees the matter of remuneration to the Executive Directors, KMPs and Senior Management Personnel and recommends to the Board, revision, if any, in the remuneration of the said Directors / Personnel subject to limits as may be approved by the Members.

The Nomination and Remuneration Policy may be accessed on the Company's website at www.advancedenzymes.com/investors/corporate-governance.

The Board of your Company affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the following changes occurred in the composition of the Board and the Key Managerial Personnel of your Company:

(i) The Board of your Company approved the appointment of Mr. Nitin Jagannath Deshmukh (DIN: 00060743) as an Additional Director (Independent) with effect from

July 01, 2022 and the Members of the Company in the 33rd AGM of the Company held on August 19, 2022 approved his appointment as an Independent Director of the Company for a period of five years effective from July 01, 2022.

(ii) The Board of your Company in its meeting held on May 13, 2023, based on the recommendation of the Nomination and Remuneration Committee:

a) Approved the appointment of Ms. Vandana R. Tilak (DIN: 10048021) as an Additional Director (Independent) with effect from July 01, 2023 to hold office up to the date of this AGM or the date up to which AGM shall be held whichever is earlier. She is not related to any of Directors of the Company. The Board recommends the appointment of Ms. Vandana R. Tilak as an Independent Director, not liable to retire by rotation, for a period of five (5) years effective from July 01, 2023 and her brief profile is provided in the Notice convening the said 34th AGM of the Company ("AGM Notice").

b) Approved the re-appointment of Mr. Vinodkumar Hiralal Jajoo (DIN: 08224980) as an Independent Director for second term with effect from February 09, 2024 to hold office for the term of five years up to the date February 08, 2029 subject to approval of shareholders at the 34th AGM of the Company. He is not related to any of Directors of the Company. The Board recommends the appointment of Mr. Vinodkumar Hiralal Jajoo as an Independent Director, not liable to retire by rotation, for the said period of five (5) years effective from February 09, 2024 and his brief profile is provided in the Notice convening the said 34th AGM of the Company ("AGM Notice").

c) Approved the re-appointment of Ms. Rajshree Patel (DIN: 08761022) as an Independent Director for second term of three years with effect from June 12, 2023 to June 11, 2026 subject to approval of shareholders at the 34th AGM of the Company. She is not related to any of Directors of the Company. The Board recommends the re-appointment of Ms. Rajshree Patel as an Independent Director, not liable to retire by rotation, for the said period of three (3) years effective from June 12, 2023 and her brief profile is provided in the AGM Notice.

Except as mentioned above, there has been no change in the composition of Board and Key Managerial Personnel of the Company, during the year under review.

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given the following declarations stating that:

(i) they meet the 'criteria of Independence' as defined under Regulation 16(1) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 read with Schedule IV and the relevant Rules made thereunder;

(ii) they have complied with the provisions of the Code of Conduct & Ethics of the Company. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

(iii) they have complied with the provisions of Rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended) with regards to the registration on the Independent Directors' databank.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

The Independent Directors of your Company have registered on the Independent Directors' Databank pursuant to the provisions of Section 149 of the Companies Act, 2013 and the applicable rules thereto ("Act"). The Independent Directors, as on March 31, 2023, have informed the Company, that they have either claimed exemption or passed the online proficiency test prescribed under the Act.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder and the Articles of Association of the Company, Dr. Sunny Sharma (DIN: 02267273), Non-Executive Director retires by rotation at the 34th AGM and being eligible offers himself for re-appointment. The Board recommends the said re-appointment of Dr. Sunny Sharma at the 34th AGM and his brief profile is provided in the Notice convening 34th AGM of the Company.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s. MSKA & Associates, Chartered Accountants [Firm's Registration No: 105047W] were appointed as Statutory Auditors for a term of five consecutive years to hold office from the conclusion of 32nd AGM up to the conclusion of the 37th AGM. The Auditors' Report to the Members on the financial statements of the Company for the year ended March 31, 2023 forms a part of the Annual Report and the Auditors' Report does not contain any qualification, reservation or adverse remark.

COST RECORDS AND AUDIT

The Company has maintained Cost records in accordance with the provisions of Section 148(1) of the Companies Act, 2013, during the year under review. Based on the criteria specified under the Act, the Cost Audit was not applicable for the financial year 2022-23.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Mr. Shiv Hari Jalan, Practicing Company Secretary (FCS No. 5703, C.P. No. 4226) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2022-23 is annexed as Annexure V and forms an integral part of this Report. The Secretarial Audit Report for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance and the Certificate of the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as required pursuant to the provisions of the SEBI Listing Regulations, are enclosed as Annexure VI. Declaration signed by the Whole-time Director affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel also forms part of this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Pursuant to the provisions of Regulation 34 of the SEBI Listing Regulations (as amended), top one thousand listed entities based on market capitalization (calculated as on March 31 of previous financial year) shall provide in its Annual Report, with effect from the financial year 2022-23, the Business Responsibility and Sustainability Report ("BRSR Report") in the format as specified by the Securities and Exchange Board of India, from time to time. In view of the said provision, the BRSR report for FY23 is provided in a separate section of this Annual Report FY23 of your Company.

COMMITTEES OF THE BOARD

As per the Companies Act, 2013 and the SEBI Listing Regulations, during the year under review, the Board has five statutory Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee. The details of the composition of these Committees along with number of meetings held and attendance at the meetings are provided in the Corporate Governance Report, which forms an integral part of this Report.

VIGIL MECHANISM

Your Company had adopted Whistle Blower Policy / Vigil Mechanism Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the Companies (Meetings of Board and Its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations. Details on the Vigil Mechanism of your Company have been outlined in Corporate Governance Report, which forms an integral part of this Report.

The Whistle Blower Policy may be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance

MEETINGS OF THE BOARD

During the year, 5 (five) meetings of the Board of Directors were held. The requisite details of the Board Meetings and the details of the Directors present are provided in the Corporate Governance Report, which forms part of this Report.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board and General Meetings, as notified by the Ministry of Corporate Affairs of India.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has undertaken an Annual Evaluation of its own performance, its various Committees and individual Directors. The manner in which the performance evaluation has been carried out has been given in the Corporate Governance Report, annexed to this Report. The Board expressed its satisfaction of the evaluation process and outcome.

The Board Evaluation policy can be accessed on your Company's website at www.advancedenzymes.com/investors/corporate-governance.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, the details of familiarization program is available on the website of your Company at www.advancedenzymes.com/investors/corporate-governance. Further, upon appointment of an Independent Director, the Company issues a letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on the Company's website at: www.advancedenzymes.com/investors/corporate-governance

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has in place a Code of Conduct for Prohibition of Insider Trading (known as the AETL Insider Trading Code), which lays down the process for trading in securities of the Company by the Designated Persons and to regulate, monitor and report trading by the employees of the Company either on his/her own behalf or on behalf of any other person, on the basis of Unpublished Price Sensitive Information.

The aforementioned Code, as amended, is available on the website of the Company at www.advancedenzymes.com/investors/corporate-governance

INTERNAL CONTROL AND ITS ADEQUACY

Your Company has adopted procedures and systems for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of financial disclosures. Your Company maintains appropriate and adequate Internal Control System / Internal Financial Control commensurate to its size and nature of operations. Your Company's Internal Control systems are tested and certified by the Internal Auditors and Statutory Auditors of the Company.

The Audit Committee periodically reviews the report(s) of the independent Internal Auditors along with the adequacy and effectiveness of Internal Control systems.

SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and its future operations.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in Business and in the nature of Business of your Company during the year under review affecting the financial position of the Company.

MATERIAL CHANGES FROM THE DATE OF END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Except as otherwise mentioned in this report, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial year of the Company to which the financial statements relates and the date of this report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The details of Loans and Investments under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended), for the FY23 are given in the Standalone financial statements (Note No. 54 to the Standalone financial statements). Your Company has not provided any guarantee or security under Section 186 of the Act during the year under review.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company as on March 31, 2023 is available on the website of the Company at www.advancedenzymes.com

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended) is furnished in Annexure VII and forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended ("Rules"), the details are disclosed in Annexure VIII to this report. In terms of Section 136(1) of the Act read with second proviso to the Rule 5 of the said Rules, the Annual Report with Annexure VIII is being sent to the Members excluding the statement of particulars of employees under Rule 5(2) and (3) of the Rules ("Information"), which forms part of this report. The Annexure VIII / Information under Rule 5(2) and (3) is available for inspection by the Members at the registered office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member interested in conducting inspection and/ or obtaining a copy of the said Annexure/Information may write to the Company Secretary at the Registered Office address of your Company.

DEPOSITS

During the year under review, your Company did not invite or accept any Deposits covered under Chapter V of the Act. There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014 (as amended), at the end of the year under review or the previous financial year.

CREDIT RATING

During the year under review, there is no change in the Credit Rating obtained by the Company i.e. a long term rating of CRISIL A+/Stable (Reaffirmed) and a short term rating of CRISIL A1 (Reaffirmed) for outstanding Bank loan facilities (outstanding facilities), by Credit Rating Information Services of India Limited (CRISIL).

GENERAL DISCLOSURES

During the year under review:

a) The Whole-time Director of your Company has not received any remuneration or commission from any of the subsidiaries.

b) Your Company has not issued Shares with Differential Rights as to Dividend, Voting or otherwise.

c) Your Company has devised a policy on Prevention of Sexual Harassment to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is hosted on the Company's website at www.advancedenzymes.com. During the year under review, there were no cases / grievances reported or pending and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

d) There are no details to be disclosed under Section 134(3)(ca) of the Act as there has been no such fraud reported by the Auditors under Section 143(12) of the Act.

e) There are no applications made by or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the support received by the Company from the Banks, Government agencies/ organizations and employees of your Company.

Your Directors also acknowledge with thanks the faith reposed by the Investors in the Company and look forward to their continued support for times to come.

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Mukund Kabra	**Kedar Desai**
Whole-time Director	**Director**
DIN: 00148294	**DIN: 00322581**
Place: Nashik	**Place: Mumbai**
Date: May 13, 2023	

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended] ("Regulations") mandates for the top 1000 listed companies (as per market capitalization) to formulate, adopt and disclose the company's Dividend Distribution Policy in its Annual report and website.

The Board of Directors **("Board")** of Advanced Enzyme Technologies Limited **("Company")** has adopted this Dividend Distribution Policy **("Policy")** to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this Policy is applicable. The Policy is subject to review by the Board, when the Company issues different class of shares.

The terms not defined herein shall have the meaning ascribed to them under the Companies Act, 2013, rule made therein and/or under the SEBI Regulations.

OBJECTIVE OF THE POLICY

The Policy establishes the principles to ascertain amount that can be distributed as dividend by the Company to its shareholders as well as to enable the Company strike a balance between payout and retained earnings, in order to meet the future fund requirements of the Company.

FACTORS/PARAMETERS TO BE CONSIDERED AT THE TIME OF RECOMMENDATION / DECLARATION OF DIVIDEND

The philosophy of the Company is to maximize the stakeholders' wealth in the Company and the Board shall consider the following factors while declaring interim dividend / recommending final dividend to its shareholders:

a) Internal Factors / Financial Parameters:

- Operating Profit after Tax and Distributable surplus available as per the provisions of the applicable laws including the Companies Act, 2013 and rules made thereunder;
- Working Capital requirements;
- Capital Expenditure (CAPEX) plans /requirements;
- Fund requirement in relation to the acquisitions and/or diversification plans;
- The Company's Cash Flow position including Cash Flow, if any, required for Contingencies;
- Outstanding and proposed Borrowings;
- Dividend pay-out trend / history; and
- Assessment of Impact of Dividend pay-out on Credit Rating & other consequential factors
- Any other factor(s) that the Board may consider relevant.

b) External Factors:

- Applicable Interest rates on the borrowings of the Company;
- Taxation on distribution of dividend;
- Covenants of any loan agreement(s)
- Dividend Payout Ratios of comparable companies / companies in same industry; and
- Applicable statutory / regulatory conditions or restrictions laid down under the laws including tax laws
- Prospective business opportunities and threats or in the event of any expected challenging circumstances such as change in regulatory / Government policies and/or financial environment.
- Any other factor(s) that the Board may consider relevant

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

i) The Company proposes/has undertaken a significant expansion project/CAPEX;

ii) Mergers, Acquisitions or Joint Ventures (proposed / in-process);

iii) Buy-back of securities and the proposed utilization of surplus cash / reserves;

iv) Any other similar plan or proposal which requires higher capital allocation; and/or

v) Due to inadequacy of profits or losses.

RETAINED EARNINGS

Subject to the provisions of the applicable laws, the retained earnings of the Company may be applied for the following purpose(s):

i) Capital expenditure / working capital requirements;

ii) Organic and/ or inorganic growth;

iii) Investment in new business(es) and/or additional investment or expansion of the existing business(es);

iv) Issue of Bonus shares;

v) Buy back of shares;

vi) General corporate purposes;

vii) Any other permissible purposes

GENERAL

i) This Policy is subject to any amendments/revisions as per the guidelines that may be issued by Ministry of Corporate Affairs and/or Securities and Exchange Board of India, from time to time;

ii) The Company / Board reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy, as it may deem fit, subject to the provisions of the applicable laws; and

iii) In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

ANNEXURE II

DETAILS OF EMPLOYEES STOCK OPTION SCHEME 2015 (ESOP 2015), EMPLOYEES INCENTIVE PLAN 2017 (PLAN 2017) AND EMPLOYEES STOCK OPTION SCHEME 2022 (ESOP 2022)

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ["SEBI SBEB REGULATIONS"] READ WITH PART F OF SCHEDULE - I OF SEBI SBEB REGULATIONS AND RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 ["DISCLOSURES"]

The Members, at the Extra-Ordinary General Meeting of the Company held on December 23, 2015, passed a Special Resolution approving the Company's Employee Stock Option Scheme 2015 ("**ESOS 2015**" / "**Scheme**"). The Scheme was then amended primarily to align it with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time).

The main features of the amendments to the ESOS 2015 are as follows:

1. The Nomination and Remuneration Committee shall not act in any manner, which may be detrimental to the interest of its employees.
2. Maximum quantum of benefits to be provided per employee under the Scheme.
3. Implementation and administration of the Scheme.
4. Procedure adopted for adjustment to the entitlement of number of Options and to Exercise price in the event of any Corporate Actions of the Company.
5. Statement of Risks.

The detailed note on the disclosure in terms of the accounting standards and the 'Guidance note on accounting for employee share-based payments' is under Note No. 42 to the Standalone financial statements for the year ended March 31, 2023 and forms an integral part of this Report.

Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 - Details of same are provided under Note No. 39 to the aforesaid Standalone financial statements and forms an integral part of this Report.

(I) Employee Stock Option Scheme 2015 (ESOP 2015) [As on March 31, 2023]

1) Brief Description:

Sr. No.	Particulars	Details
1.	Date of Shareholders' approval	Approval of Scheme by the Members at Extra Ordinary General Meeting held on December 23, 2015 Amendment to ESOP 2015 approved by the Members on September 15, 2016.
2.	Total number of options approved under ESOS	1,000,000 Options*
3.	Vesting requirements	The Options shall not vest for a period of one year after grant. After the expiry of one year, the vesting of Options shall take place over a term of four years, as follows: **Year of Vesting** — **Percentage of Vesting** 1 year after the date of grant — 10% 2 years after the date of grant — 20% 3 years after the date of grant — 30% 4 years after the date of grant — 40%
4.	Exercise price or pricing formula	Not exceeding ₹ 60/- per share*
5.	Maximum term of options granted	Exercise period shall not exceed five years from the relevant vesting date and the date after which the option shall lapse.
6.	Source of shares (primary, secondary or combination)	Primary
7.	Variation in terms of options	The Company shall not vary the terms of the Scheme, in any manner, which may be detrimental to the interests of the Eligible Employees.

*At the time of approval of the Scheme, number of options approved was 200,000 (face value: ₹ 10/- each) and the Exercise Price was ₹ 300/-. Thereafter, sub-division of Equity Shares from face value of ₹ 10/- each to ₹ 2/- each was approved by the Members on May 04, 2017. The present face value of the Equity Shares is ₹ 2/- each. Accordingly, in the above table the number of Options and the Exercise Price is correspondingly adjusted to that extent.

2) **Method used to account for ESOS**: Fair Value as at the grant date (Black-Scholes-Option Valuation Model)

3) **Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed**: Not Applicable

4) **Option movement during the year (For each ESOS):**

Number of options outstanding at the beginning of the period	23,700 (face value of ₹ 2/- each)
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	300
Number of options vested during the year	NIL
Number of options exercised during the year	23,400
Number of shares arising as a result of exercise of options	23,400
Money realized by exercise of options (INR), if scheme is implemented directly by the company	1,404,000 (23400*60)
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	NIL
Number of options exercisable at the end of the year	NIL

5) **Weighted-average exercise prices and weighted-average fair values of options :**

A. as it is less than market price of the stock

(in ₹)

Date of Vesting	February 15, 2018	February 15, 2019	February 15, 2020	February 15, 2021
Weighted-average exercise prices	₹ 60*			
Weighted-average fair value of options	270	272	274	276

*At the time of approval of the Scheme, 200,000 options (of ₹ 10/- each) was approved and the Exercise Price was ₹ 300/-. Thereafter, sub-division of Equity Shares from face value of ₹ 10/- each to ₹ 2/- each was approved by the Members on May 04, 2017. The present face value of the Equity Shares is ₹ 2/-. Accordingly, in the above table Exercise Price is correspondingly adjusted to that extent.

B. as it is equals or exceeds the market price of the stock

Date of Vesting	February 15, 2018	February 15, 2019	February 15, 2020	February 15, 2021
Weighted-average exercise prices	NA			
Weighted-average fair value of options	NA			

6) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:**

a) Senior Managerial Personnel;

During the year under review, there was no stock option granted to the Senior Managerial Personnel of your Company.

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: NIL

c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: NIL

ANNEXURE II (Contd.)

7) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Sr. No.	Particulars	Details			
1.	the weighted-average values of share price:				
	Date of Vesting	**February 15, 2018**	**February 15, 2019**	**February 15, 2020**	**February 15, 2021**
	exercise price:	₹ 60			
	expected volatility:	0.49	0.49	0.49	0.49
	expected option life:	3 years	3.5 years	4 years	4.5 years
	expected dividends % :	0.06%	0.06%	0.06%	0.06%
	the risk-free interest rate:	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.
	any other inputs to the model	-			
2.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes-Option Valuation Model			
3.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	• Fair value calculated by using Black-Scholes option pricing model. • Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted. • Exercise Price: Exercise Price is the price (₹ 60 per share) as determined by the Nomination and Remuneration Committee. • Expected Volatility: Volatility of the Company's stock price based on the NSE price data from the date of listing (i.e. August 1, 2016) up to the date of grant. • Expected Option Life: The expected life of the options i.e. the average of the period up to the vesting date and the exercise period corresponding to each vesting. • Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the five financial years preceding the date of the grant. • Risk free interest rate: Zero coupon Government Bond rate representing the risk free interest rate.			
4.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.				

(II) AETL's Employees Incentive Plan 2017 (Plan 2017)

Brief Description:

Sr. No.	Particulars	Details
1.	Date of shareholders' approval	The Scheme / Plan 2017 was approved by the Members through Postal Ballot on May 4, 2017.
2.	Total number of options approved under the Plan 2017	Under this Plan 2017, the maximum number of Shares awarded through Options and Stock Appreciation Rights (SARs), shall not exceed 4,580,000 Equity shares (916,000 Equity Shares before sub-division) Or 5% of the paid up share capital of the Company whichever is lower. 1 (One) Stock Option shall be on Exercise be entitled to 1 (one) Equity Share of the Company. 1 (One) SAR shall on Exercise be entitled to Appreciation on 1 (one) Equity Share of the Company, payable in the form of Equity Shares and /or cash payment.
3.	Vesting requirements	The Options and SARs shall not Vest for a period of one year from the date of the Grant. After the expiry of one year from the date of the Grant, the Vesting of Options and/or SARs shall take place over a term of 4 (four) years, as per provisions of this Plan 2017. **Year of Vesting** — **Percentage of Vesting** 1 year after the date of grant — 10% of Options/SARs Granted shall Vest 2 years after the date of grant — 20% of Options/SARs Granted shall Vest 3 years after the date of grant — 30% of Options/SARs Granted shall Vest 4 years after the date of grant — 40% of Options/SARs Granted shall Vest

Sr. No.	Particulars	Details
4.	Exercise price or pricing formula	Exercise Price shall not be higher than the prevailing Market Price of the Shares as on Grant date ('relevant date') discounted by 20%. "Market Price" means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date.
5.	Maximum term of options granted	Exercise period shall not exceed five years from vesting date and the date after which the option shall lapse.
6.	Source of shares (primary, secondary or combination)	Combination
7.	Variation in terms of options	Subject to the provisions of the SEBI Regulations, the Committee may alter, modify, and/or amend the terms and conditions of the Plan 2017 provided that such amendment/ alterations/ modification is not detrimental to the interests of the Employees.

As no Options / SARs have been granted by the Company under the Plan 2017, during the year under review and as on the date of Board's Report, other Disclosures are not applicable.

(III) Employee Stock Option Scheme 2022 (Scheme 2022 / Scheme)

Brief Description:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Date of Shareholders' approval</td><td>Approval of Scheme by the Members at 33rd Annual General Meeting held on August 19, 2022</td></tr>
<tr><td>2.</td><td>Total number of options approved under ESOS</td><td>2,500,000 Options
(Maximum number of Options, in aggregate, that can be Granted shall not exceed 2,500,000 Options, in aggregate and shall not exceed 600,000 Options per financial year)</td></tr>
<tr><td>3.</td><td>Vesting requirements</td><td>The Options shall not vest for a period of one year after grant. After the expiry of one year, the vesting of Options shall take place over a term of five years, as follows:
For Category - I
<table>
<tr><th>Year of Vesting</th><th>Percentage of Vesting</th></tr>
<tr><td>1 year after the date of grant</td><td>100%</td></tr>
<tr><td>2 years after the date of grant</td><td>-</td></tr>
<tr><td>3 years after the date of grant</td><td>-</td></tr>
<tr><td>4 years after the date of grant</td><td>-</td></tr>
<tr><td>5 years after the date of grant</td><td></td></tr>
</table>
For Category – II
<table>
<tr><th>Year of Vesting</th><th>Percentage of Vesting</th></tr>
<tr><td>1 year after the date of grant</td><td>For first 500 Options - 100%
For remaining Options - 5%</td></tr>
<tr><td>2 years after the date of grant</td><td>10% of remaining Options
(excluding first 500 Options as mentioned above)</td></tr>
<tr><td>3 years after the date of grant</td><td>20% of remaining Options
(excluding first 500 Options as mentioned above)</td></tr>
<tr><td>4 years after the date of grant</td><td>30% of remaining Options
(excluding first 500 Options as mentioned above)</td></tr>
<tr><td>5 years after the date of grant</td><td>35% of remaining Options
(excluding first 500 Options as mentioned above)</td></tr>
</table>
For Category – III
<table>
<tr><th>Year of Vesting</th><th>Percentage of Vesting</th></tr>
<tr><td>1 year after the date of grant</td><td>5%</td></tr>
<tr><td>2 years after the date of grant</td><td>10%</td></tr>
<tr><td>3 years after the date of grant</td><td>20%</td></tr>
<tr><td>4 years after the date of grant</td><td>30%</td></tr>
<tr><td>5 years after the date of grant</td><td>35%</td></tr>
</table>
The Nomination & Remuneration Committee ("Committee") will determine the criteria based on the provisions of Clause 8 and other provisions of the Scheme including any other relevant factors for the eligibility of the employees for Options under Category – I, Category – II and Category - III.</td></tr>
</table>

ANNEXURE II (Contd.)

Sr. No.	Particulars	Details
4.	Exercise price or pricing formula	The Exercise Price including method for arriving at it, shall be determined by the Committee, from time to time at the time of Grant, provided that the said Exercise Price shall not be higher than the prevailing Market Price of the Shares discounted by minimum 33.33% (ceiling); as may be determined by the Committee based on the criteria as specified in the Scheme, subject to the provisions of the Applicable Law including SEBI SBEB Regulations; and that the Exercise Price per Option shall not be less than the then prevailing face value of the Equity Shares of the Company.
5.	Maximum term of options granted	The maximum period within which the vested Options shall be exercised is 6 (six) months from the date of vesting, unless otherwise extended by the Committee, in exceptional circumstances. If not exercised by the eligible employee(s) within the said period, the relevant Options shall lapse.
6.	Source of shares (primary, secondary or combination)	Primary
7.	Variation in terms of options	The Company shall not vary the terms of the Scheme, in any manner, which may be detrimental to the interests of the Eligible Employees.

As no Options / SARs have been granted by the Company under the Plan 2017 and Scheme 2022, during the year under review and as on the date of Board's Report, other Disclosures are not applicable.

ANNEXURE III

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISO THERETO

1. **Details of contracts or arrangements or transactions not at Arm's Length basis:** NIL
   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
   (f) Date(s) of approval by the Board: Not Applicable
   (g) Amount paid as advances, if any: Not Applicable
   (h) Date on which the Special Resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Transaction – Sales / Purchase
a)	**Name(s) of the related party and Nature of relationship**	JC Biotech Private Limited ("JC Biotech") Subsidiary (89.83%)
b)	**Nature of contracts/ arrangements/ transactions**	Sales / Purchase of Goods
c)	**Duration of the contracts/ arrangements/ transactions**	Transactions during the year ended March 31, 2023
d)	**Salient terms of the contracts or arrangements or transactions including the value, if any**	Total (Sales & Purchase of goods): ₹ 499.92 million (Sales : ₹ 1.51 million Purchase : ₹ 498.41 million) Shareholders' approval received in the Annual General Meeting held on September 08, 2021 and August 19, 2022 for aggregate limit of Sales and Purchase of ₹ 750 Million for the period from October 01, 2021 to September 30, 2022 and the same aggregate limit of Sales and Purchase of ₹ 750 Million for the period from October 01, 2022 to September 30, 2023 respectively.
e)	**Date(s) of approval by the Board, if any**	May 20, 2022 and February 11, 2023
f)	**Amount paid as advances, if any**	Advances, if any and as may be paid by the Company, during the year, were only towards the supply of goods by JC Biotech to the Company, under the limits as mentioned above.

Notes:

1. The above disclosure of material related party transaction(s) is based on the aggregate transaction value exceeding 10% of annual consolidated turnover of the Company pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Policy on Related Party Transactions of the Company, as amended from time to time.
2. During the year under review, the Company has completed the acquisition of additional stake of 4.83% in JC Biotech by way of purchase of 1,000,000 Equity Shares from a selling shareholder of JC Biotech, for a consideration of ₹ 68 million i.e. ₹ 68 per Equity Share. In view of this, the shareholding of the Company in JC Biotech has increased from 85% to 89.83% of paid-up share capital of JC Biotech.

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Mukund Kabra
Whole-time Director
DIN: 00148294
Place: Nashik
Date: May 13, 2023

Kedar Desai
Director
DIN: 00322581
Place : Mumbai

ANNEXURE IV

ANNUAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1) A brief outline of the CSR policy of the Company

The CSR policy of the Company intends to focus on certain long term projects which includes initiatives in the field of Education, Skill development/Vocational training, Health Care, Sanitation, Safe Drinking Water, Environment Sustainability, Women Empowerment and Rural Development which will *inter alia* enable creation of a sustainable livelihood in society and better human capital culture.

The CSR policy of the Company covers the proposed CSR activities in line with the provisions of Section 135 of the Companies Act, 2013 (as amended) and Schedule VII thereto. The CSR Policy of the Company including the overview of projects or programme may be accessed from the website of the Company, at www.advancedenzymes.com/investors/corporate-governance

2) The Composition of the CSR Committee is as under

Sr. No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kedar Desai	Independent Director & Chairman of Committee	1	1
2	Mr. Mukund Kabra	Whole-time Director	1	1
3	Mr. Vasant Rathi	Non-Executive Director	1	1
4	Ms. Rajshree Patel	Independent Director	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.advancedenzymes.com/investors/corporate-governance

4) Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5) (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 77,58,07,319/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 1,55,16,146/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹ Nil

(e) Total CSR obligation for the financial year [(b) + (c) - (d)]: ₹ 1,55,16,146/-

6) (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 31,96,721/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹ 31,96,721/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 31,96,721/-	1,23,19,425/-	April 14, 2023	-	-	-

(f) **Excess amount for set-off, if any:**

Sr. No	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7) **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1.	2.	3.	4.	5.	6.		7.	8.
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6 of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) *	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹)	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	36,95,000	16,73,000	-	-	-	16,73,000	-
2	2021-22	1,10,19,640	1,10,19,640	79,32,356	-	-	30,87,284	-

*Note : Unspent balance as on April 1, 2022

8) **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/ acquired: Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if Applicable	Name	Registered address
-	-	-	-	-	-	-	-

9) **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per as per subsection (5) of section 135.:** Not Applicable

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Kedar Desai
Director & Chairman of CSR Committee
DIN: 00322581
Place: Mumbai
Date: May 13, 2023

Mukund Kabra
Whole-time Director & CSR Committee member
DIN: 00148294
Place: Nashik

ANNEXURE V

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Advanced Enzyme Technologies Limited
Sun Magnectica, 5th Floor,
Near LIC Service Road, Louis Wadi,
Thane- 400604.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in practice have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Advanced Enzyme Technologies Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the review period)

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the review period)

(g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review)

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the review period)

(i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the company during the review period)

(j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period)

(k) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

(vi) Other laws applicable specifically to the Company namely:

(a) Factories Act, 1948;

(b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;

(c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;

(d) Environment Protection Act, 1986

(e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;

(f) Explosive Act, 1884;

(g) The Petroleum Act, 1934;

(h) Drugs & Cosmetics Act, 1940;

(i) Food Safety and Standard Act, 2006 & rules made thereunder;

(j) Prevention of Food Adulteration Act, 1954.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in accordance with the provisions of Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company had no specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai	**For Shiv Hari Jalan & Co.**
Date: 13.05.2023	**Company Secretaries**
UDIN: F005703E000300899	**FRN: S2016MH382700**

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P. No: 4226
PR No. 1576/2021

This report is to be read with my letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

Annexure A'

To,
The Members,
Advanced Enzyme Technologies Limited
Sun Magnectica, 5th Floor,
Near LIC Service Road, Louis Wadi,
Thane - 400604.

My Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai	**For Shiv Hari Jalan & Co.**
Date: 13.05.2023	**Company Secretaries**
UDIN: F005703E000300899	**FRN: S2016MH382700**

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P. No: 4226
PR No. 1576/2021

ANNEXURE VI

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about maximizing shareholders value legally, ethically and sustainably with a goal to ensure fairness for every stakeholder. We are dedicated to ensure to adopt and attain the best practices in Corporate Governance. The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in the functioning of the Company, and believes that these are pre-requisites for attaining sustainable growth in this competitive corporate world.

BOARD OF DIRECTORS

Composition of the Board of Directors as on March 31, 2023

The Board of Directors of the Company (hereinafter referred as "the Board") comprises an optimum combination of Executive and Non-Executive Directors. As on March 31, 2023, the Board comprised 10 (Ten) Directors i.e. 1 (One) Executive Director and 9 (Nine) Non-Executive Directors, out of which 6 (Six) were Independent Directors (including one Woman Independent Director). The Chairman of the Board is a Non-Executive Director (Promoter) and more than half of the Board members are Independent. The composition of the Board is in line with requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred as the "SEBI Listing Regulations"). The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgment in any manner. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. The Board members are eminently qualified and experienced professionals in business, finance and corporate management.

The relevant details of composition of the Board of Directors are as follows:

Sr. No.	Name	Category
1.	Mr. Vasant L. Rathi	Chairman & Non-Executive Director (Promoter)
2.	Mr. Mukund Kabra	Whole-time Director
3.	Ms. Rasika Rathi	Non-Executive Director (Promoter Group Member)
4.	Mr. Kedar Desai	Independent Director
5.	Mr. Pramod Kasat	Independent Director
6.	Mr. Rajesh Sharma	Independent Director
7.	Mr. Vinodkumar Jajoo	Independent Director
8.	Dr. Sunny Sharma	Non-Executive Director
9.	Ms. Rajshree Patel	Independent Director
10.	*Mr. Nitin Deshmukh	Independent Director

* Mr. Nitin Deshmukh (DIN: 00060743) appointed as an Independent Director with effect from July 01, 2022 for a term of 5 (five) consecutive years.

None of the Directors of the Company are related to any other Director on the Board in terms of the definition of 'Relative' under the Companies Act, 2013 read with the corresponding Rules framed thereunder ("Act") except Ms. Rasika Rathi (Promoter group member) who is a daughter of Mr. Vasant Rathi.

Number of Board or Board Committees of which a Director is a member or Chairperson; the names of Other Listed entities where the Directors of the Company are Directors and the Category of their Directorship:

Sr. No.	Names of Directors	No. of Directorship held in other companies ($)	No. of Committee members-hip in other Companies(*)	No. of Committees in which Director is a Chairperson (other companies)(*)	Name of the listed entities where the person is a Director (Category of Directorship)
1.	Mr. Vasant Rathi	-	-	-	-
2.	Mr. Mukund Kabra	5	2	-	-
3.	Ms. Rasika Rathi	1	-	-	-
4.	Mr. Kedar Desai	3	3	-	-
5.	Mr. Pramod Kasat	4	2	1	Natural Capsules Limited and Fermenta Biotech Limited (Independent Director)
6.	Mr. Rajesh Sharma	-	-	-	-
7.	Mr. Vinodkumar Jajoo	-	-	-	-
8.	Dr. Sunny Sharma	1	1	-	Marksans Pharma Limited (Non-Executive Director)
9.	Ms. Rajshree Patel	-	-	-	-
10.	Mr. Nitin Deshmukh	3	2	-	-

$ Excludes Directorship in private companies, foreign companies and Section 8 companies.

** Audit Committee and Stakeholders' Relationship Committee in listed and unlisted public limited companies have been considered.*

Note: During the year under review, all the recommendations of the Committees of the Board, which are mandatorily required, were approved by the Board.

Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year 2022-23 ("FY23"), the meeting of the Board of Directors of the Company was held five (5) times i.e. on May 20, 2022 (No. 03/2022), July 21, 2022 (No. 04/2022), August 06, 2022 (No. 05/2022), November 11, 2022 (No. 06/2022) and February 11, 2023 (No. 01/2023). The maximum gap between any two Board meetings was less than 120 days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations. Details of attendance at the Board meetings and General Meeting as the Directors of the Company, during the year under review, are as follows:

Sr. No.	Name	No. of Board Meeting attended		Attended - last AGM held on August 19, 2022
		Held	Attended	
1.	Mr. Vasant Rathi	5	5	Yes
2.	Mr. Mukund Kabra	5	5	Yes
3.	Mr. Kedar Desai	5	5	Yes
4.	Mr. Pramod Kasat	5	5	Yes
5.	Mr. Rajesh Sharma	5	1	Yes
6.	Ms. Rasika Rathi	5	5	Yes
7.	Mr. Vinodkumar Jajoo	5	5	Yes
8.	Dr. Sunny Sharma	5	4	Yes
9.	Ms. Rajshree Patel	5	5	Yes
10.	#Mr. Nitin Deshmukh	4	3	Yes

#appointed as an Independent Director effective July 01, 2022 and approved by the Shareholders in its meeting held on August 19, 2022

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board comprises of qualified personnel who have the key skills, competencies and expertise required for the Board members' effective contribution to the Board & its Committees and also for the Board to function effectively. Following is the chart / matrix setting out the requisite skills/ competencies/expertise of the Board:

SKILLS/COMPETENCIES/EXPERTISE OF THE BOARD OF DIRECTORS OF THE COMPANY	
Experience in the enzyme business / industry	The experience in the enzyme business / industry is seen as most critical considering the nature of business of the company
Leadership	Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth
Finance	Finance field skills/competencies/ expertise is seen as important for intricate and high quality financial management and financial reporting processes
Legal	In order to strengthen and maintain the governance levels & practices in the organization
Understanding of Global Business	Owing to presence across the globe, the understanding of global business & markets is seen as pivotal

ANNEXURE VI (Contd.)

The aforementioned skills are only indicative and not possessing any skill/competency/expertise and not be seen as a disqualifying ability. The nominations to the Board was made on the recommendations of the Nomination and Remuneration Committee, which considers various other factors.

Following is the chart/matrix setting out the Names of the Directors of the Company possessing the requisite skills/competencies/expertise:

Name of Directors	Skills/Competencies/expertise (to be read along with profile as provided elsewhere in the Annual report under the heading "Board of Directors")
Mr. Vasant Rathi	Immense experience in Enzyme business / industry, Business strategic planning & development, Finance, Leadership with experience of business at global level and international markets
Mr. Mukund Kabra	Experience in Enzyme business, Business Strategy, Sales, Marketing, Leadership with understanding of global business and markets
Ms. Rasika Rathi	Experience in Enzyme business, Legal including Risk Management, Leadership and understanding of global business
Mr. Kedar Desai	Legal with rich experience in field of law, Leadership and understanding of global business
Mr. Pramod Kasat	Finance with rich experience in Investment Banking, Leadership and understanding of global business
Mr. Rajesh Sharma	Finance with rich experience in health care finance & Leadership and understanding of global business
Mr. Vinodkumar Jajoo	Finance with rich experience in Direct/Indirect Taxation and Audit
Dr. Sunny Sharma	Finance, rich experience in Investment Banking/Fund, Leadership and understanding of global business
Ms. Rajshree Patel	Prolific Organizational, Strategy and Executive Leadership Consultant
Mr. Nitin Deshmukh	Dynamic experience in Investment Banking/Private equity, Advisory, Leadership skills, understanding of global business.

CERTIFICATION FROM THE COMPANY SECRETARY IN PRACTICE

Mr. Shiv Hari Jalan, Practicing Company Secretary (FCS No.: 5703), has issued a certificate as required under the SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as an Annexure to this report.

AUDIT COMMITTEE

Brief Description of term of reference

The terms of reference of Audit Committee articulates the roles, responsibilities and powers of the Audit Committees under Regulation 18(3) read with Schedule II (Part C) of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 (hereinafter referred to as "the Act"). The Role of the Audit Committee is as prescribed under Regulation 18 of the SEBI Listing Regulations.

The role of the Audit Committee *inter alia* includes the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review with the management, the statement of uses / application of funds, if any, raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Act and the SEBI Listing Regulations.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

Composition, Name of Members and Chairman, Meetings of the Committee and Attendance during the year

In accordance with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act, the Audit Committee of the Board comprises three (3) Independent Directors and one (1) Non-Executive Director as on March 31, 2023. All the members of the Audit Committee are financially literate. The Committee invites the representatives of the Statutory and Internal Auditors. Further, the Chief Financial Officer also attends the Audit Committee meetings. The Company Secretary acts as a Secretary to the Audit Committee.

During the FY23, the Audit Committee met four (4) times i.e. on May 20, 2022 (No. 03/2022), August 06, 2022 (No. 04/2022), November 11, 2022 (No. 05/2022) and February 11, 2023 (No. 01/2023).

The composition of the Audit Committee along with the details of the meetings held and attended during the aforesaid period, is detailed below:

Name of Members	Designation	No. of Audit Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	4	4
Mr. Pramod Kasat	Member	4	4
Mr. Rajesh Sharma	Member	4	1
Mr. Vasant Rathi	Member	4	4

NOMINATION AND REMUNERATION COMMITTEE

Brief Description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The role of the Nomination and Remuneration *inter alia* includes the following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;

c) Devising a policy on diversity of the Board;

d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

f) Recommend to the Board, the remuneration, in whatever form, payable to the senior management.

g) Devising a policy on Employee Stock Option Scheme and ensuring proper implementation as per scope provided in ESOP Scheme.

Composition, Name of Members and Chairman, Meetings of the Committee and Attendance during the year

During the FY 23, Nomination and Remuneration Committee met two (2) times i.e. on May 20, 2022 (No. 02/2022) and July 21, 2022 (No. 03/2022).

The composition of the Nomination and Remuneration Committee as on March 31, 2023 along with the details of the meetings held and attended during the aforesaid period, is detailed below:

Name of Members	Designation	No. of Meetings	
		Held	Attended
Mr. Pramod Kasat	Chairman	2	2
Mr. Kedar Desai	Member	2	2
Mr. Vasant Rathi	Member	2	2
Mr. Rajesh Sharma	Member	2	1

Familiarization Programme for Independent Directors

The Familiarization programme for the Directors during the year covered topics such as Operations, Financials, Strategy, Performance, Outlook and update on amendment of statutory & regulatory laws.

The details of the Familiarization programme are available on the Company's website at: www.advancedenzymes.com/investors/corporate-governance

Performance Evaluation of Board and Individual Directors

The Board has adopted a formal policy for evaluating the performance of its Board, Committees and Directors, including the Chairman of the Board ("Board Evaluation Policy"). The said evaluation typically examines the role of the Board and the entailing responsibilities, and assesses their effectiveness by the Board. The effectiveness of the Board depends on various factors, some of which are derived from the functions of the Board. A structured performance evaluation exercise was carried out based on criteria such as Board / Committee compositions, dynamics and functioning of the Board, Business Strategy, Governance & Monitoring role, Financial reporting, Internal Audit, Internal Controls and Advisory role etc.

Pursuant to provisions of the Act, SEBI Listing Regulations and Board Evaluation Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and the Independent Directors (excluding the Director being evaluated), as per evaluation forms circulated to them. The evaluation of Independent Directors was conducted on the basis of the parameters which included the participation & contribution at the Board & Committee meetings, understanding of the governance, regulatory, financial, fiduciary and ethical requirements of the Board & Committees, standards of ethics & integrity, ability to exercise objective independent judgment in the best interests of the Company and its stakeholders.

A meeting of Independent Directors of the Company was held through video conference on March 25, 2023 to: (a) review the performance of Chairperson, Non-Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board. The results of the performance evaluation were placed for review at the meeting of the Independent Directors, Nomination and Remuneration Committee and the Board.

REMUNERATION OF DIRECTORS

There were no pecuniary relationships or transactions between the Non-Executive Directors (including Independent Directors) and the Company, except the following:

1. Sitting fees drawn by Independent Directors for attending the meeting of the Board, Committee(s) thereof and Independent Directors' Meeting.
2. Commission to Non-Executive Directors of the Company.

Criteria for making payment to Non-Executive Directors

The Company has formulated a Nomination and Remuneration Policy, which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration / commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force. The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committees. Limits of

Remuneration / Commission to be paid shall be within the monetary limits as approved by Members, and not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

The said Policy is available on the Company's website. The web-link for the same is www.advancedenzymes.com/investors/corporate-governance.

Details of Remuneration to Directors:

Remuneration to Executive Director

The details of the Remuneration of Executive Director of the Company, for the year ended March 31, 2023 is as follows:

(in ₹)

Particulars		Mr. Mukund M. Kabra
Basic	**A**	60,86,328
Other Allowances		1,33,62,955
Bonus		4,70,094
	B	**1,38,33,049**
Sub-total	**(A+B)**	**1,99,19,377**
Contribution to :		
Provident fund		7,30,356
Super Annuation Fund		5,64,113
Gratuity		2,71,208
	C	**15,65,677**
Total	**(A+B+C)**	**2,14,85,054**
Commission to Directors for FY23	**D**	27,65,878
Grand Total	**(A+B+C+D)**	**2,42,50,932**
Stock Options (Granted during the year)		NIL

Note: The aforesaid amount is excluding leave encashment.

Remuneration and Shareholding (as on March 31, 2023) of the Non-Executive Directors

All the Independent Directors receive remuneration by way of sitting fees for attending meetings of the Board/Committees and for meeting of the Independent Directors. The details of Sitting Fees and Commission paid/payable to Independent Directors and Non-Executive Directors for the FY23 along with the Shareholding of the Non-Executive Directors are as under:

Names of Directors	Category of Non-Executive Directorship	Sitting Fees (Note 1) (₹ In million)	Commission (Note 2) (₹ In million)	No. of Shares (Face Value ₹ 2/- each)	% of Shareholding
Mr. Vasant Rathi	Non-Executive Non-Independent	-	0.99	3,65,03,702*	32.64
Ms. Rasika Rathi	Non-Executive Non-Independent	-	0.58	26,36,700	2.36
Dr. Sunny Sharma	Non-Executive Non-Independent	-	0.33	NIL	NIL
Mr. Kedar Desai	Independent Director	0.40	1.07	2,000	0.001
Mr. Pramod Kasat	Independent Director	0.35	0.91	NIL	NIL
Mr. Rajesh Sharma	Independent Director	0.09	0.25	NIL	NIL
Mr. Vinodkumar Jajoo	Independent Director	0.28	0.66	NIL	NIL
Ms. Rajshree Patel	Independent Director	0.23	0.50	NIL	NIL
**Mr. Nitin Deshmukh	Independent Director	0.13	0.25	NIL	NIL

* Including 75,00,000 Equity Shares held by Mr. Vasant Rathi on behalf of Vasant and Prabha Rathi Generation Trust and shown/clubbed basis PAN of Mr. Vasant Rathi.

** Mr. Nitin Deshmukh (DIN: 00060743) appointed as an Independent Director with effect from July 01, 2022 for a term of 5 (five) consecutive years.

Note 1: During the year under review, ₹ 35,000/- was paid/payable for each Board Meeting thereafter and ₹ 25,000/- was paid/payable for each Committee Meeting and Independent Directors' Meeting.

ANNEXURE VI (Contd.)

Note 2: Commission payable to Non-Executive Directors is as per the approval of the Members at the 30th Annual General Meeting held on August 08, 2019. The amount of commission is determined and approved by the Board in proportion to the number of meetings of the Board and Committees thereto attended by the respective Non-Executive Director(s) during the financial year 2022-23. The total amount of commission to Non-Executive Directors is within the limit of 1% of the Net profits of the Company for the year under review, calculated as per the provisions of the Act.

Details of service contracts, notice period and severance fees of the Executive Director

Name of Director	Mr. Mukund Kabra, Whole-time Director
Date of contract	October 06, 2021
Term of contract	Five years w.e.f April 01, 2022
Notice Period	Three Months
Severance Fees	-

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations read with Part D of Schedule II thereto, the Company has in place, a Stakeholders' Relationship Committee ("SRC"). The SRC comprises two (2) Independent Directors and the Whole-time Director as on March 31, 2023. The Chairman of the Committee is an Independent Director. The Company Secretary and the Head-Legal, acts as a Secretary to the Committee.

During the FY23, Stakeholders' Relationship Committee met once i.e. on August 06, 2022 (No. 01/2022).

The following is the constitution of the Stakeholders' Relationship Committee along with the meeting and attendance during the year:

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	1	1
Mr. Mukund Kabra	Member	1	1
Mr. Vinodkumar Jajoo	Member	1	1

The role of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and as per Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations and *inter alia* includes:-

i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

ii) Review of measures taken for effective exercise of voting rights by shareholders.

iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

v) Other matters as may be required for aforesaid purposes.

Name and Designation of Compliance Officer

Mr. Sanjay Basantani - 'Company Secretary & Head - Legal'

Status Report of Investor Complaints for the year ended March 31, 2023

No. of Complaints as on April 01, 2022	- NIL
No. of Complaints Received during the year	- NIL
No. of Complaints Resolved during the year	- NIL
No. of Complaints not resolved to the satisfaction of the shareholders	- NA
No. of Complaints Pending as on March 31, 2023	- NIL

All valid requests for dematerialization wherein the complete documentation was received during the year have been acted upon and no such valid dematerialization request is pending for more than prescribed period, as on date of this report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITEE)

In line with the provisions of Section 135 of the Act read with the corresponding Rules framed thereunder, as on March 31, 2023, the CSR Committee comprises two (2) Independent Directors, a Non-Executive Director and the Whole-time Director. The Company Secretary and the Head-Legal, acts as a Secretary to the Committee.

During the FY23, the CSR Committee has met once i.e. on May 20, 2022 (No. 01/2022).

Constitution of the CSR Committee along with the number of meeting held during the year and attendance, is as follows:

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Kedar Desai	Chairman	1	1
Mr. Mukund Kabra	Member	1	1
Mr. Vasant Rathi	Member	1	1
Ms. Rajshree Patel	Member	1	1

The terms of reference of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act and *inter alia* includes:

- To formulate and recommend to the Board, a CSR Policy (including any modification thereto) which shall indicate the framework within which the proposed CSR activities would be undertaken;
- To formulate and recommend to the Board, the Annual Action Plan, which shall include the following:
    - o the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - o the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules
    - o the modalities of utilization of funds and implementation schedules for the projects or programmes;
    - o monitoring and reporting mechanism for the projects or programmes; and
    - o details of need and impact assessment, if any, for the projects undertaken by the Company:

      Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- To monitor the implementation of the CSR Policy from time to time and take such other action as it may deem fit in pursuance of the CSR Vision of AETL; and
- Any other role, as may be specified in the Act/Rules from time to time and as may be required by the Board.

RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, constitution of Risk Management Committee was mandatory for top 1000 listed entities determined on the basis of the market capitalization as at the end of the immediate previous financial year. Pursuant to the composition of the Risk Management Committee prescribed under the provisions of Regulation 21 of the SEBI Listing Regulations, the Risk Management Committee, as on March 31, 2023, comprises an Independent Director, a Non-Executive Director, Whole-time Director, Chief Financial Officer and Company Secretary.

During the FY23, the Risk Management Committee met twice i.e. on June 23, 2022 (No. RCM 02/2022) and on December 16, 2022 (No. RCM 03/2022).

Following is the constitution of the Risk Management Committee along with number of meetings held and attendance during the year:

Name of Members	Type of Membership	No. of Committee Meetings	
		Held	Attended
Mr. Vinodkumar Jajoo	Chairman	2	2
Mr. Mukund Kabra	Member	2	2
Ms. Rasika Rathi	Member	2	2
Mr. Beni P Rauka	Member	2	2
Mr. Sanjay Basantani	Member	2	2

The terms of reference of the Risk Management Committee *inter alia* includes:

(a) To monitor & review Risk Management Policy of the Company including associated systems, processes, controls & strategies thereto;

(b) To monitor & review various risks exposures of the Company, on a periodic basis and then inform the Board about the risks assessed, their concerns and action plan with strategy for mitigation of the risks;

(c) To assist Audit Committee in assessment of internal financial controls, monitoring of the risk management plan, overview of processes for identification & assessment of the risks, reviewing the outcomes of risk management processes and for advising the Committee, as may be necessary, from time to time;

(d) To perform such other functions related to risk management & mitigation as may be required by the Board of Directors and/or SEBI Listing Regulations, from time to time;

(e) To formulate a detailed risk management policy which shall include:

  i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

  ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

  iii. Business continuity plan.

(f) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

ANNEXURE VI (Contd.)

(h) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(i) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(j) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

GENERAL BODY MEETINGS

Details of location, time & date of last three Annual General Meetings, are provided below:

Financial Year	Date	Location	Time
2021-22 (FY22)	August 19, 2022 (33rd AGM)	Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India)	10:00 a.m.
2020-21 (FY21)	September 08, 2021 (32nd AGM)	Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India)	10:00 a.m.
2019-20 (FY20)	July 15, 2020 (31st AGM)	Through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (deemed venue: Registered office of the Company at Thane (W) – 400604, Maharashtra, India)	10:00 a.m.

Special Resolutions passed in the previous three Annual General Meetings (AGMs)

During the Annual General Meetings held in the last 3 years i.e. for FY20 to FY22 approvals of the Members were obtained by passing special resolutions in AGMs, as follows:

Sr. No.	Special Resolutions	Date of Meeting
1.	Continuation of Directorship of Mr. Vasant Rathi, Non-Executive Director (DIN: 01233447) in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)	August, 19, 2022
2.	Appointment of Mr. Nitin Jagannath Deshmukh (DIN: 00060743) as an Independent Director of the Company	August, 19, 2022
3.	Approval of AETL - Employee Stock Option Scheme 2022	August, 19, 2022
4.	Grant of stock options to the employees of the Subsidiaries of the Company under AETL – Employee Stock Option Scheme 2022	August, 19, 2022
5.	Re-appointment of Mr. Pramod Kasat (DIN: 00819790) as an Independent Director of the Company	September 08, 2021

Resolutions passed through postal ballot & details of voting pattern

During the year under review, no resolution was passed through postal ballot.

MEANS OF COMMUNICATION

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with Members through multiple channels of communication such as results announcement and Newspaper publications, Annual Report, media releases, website of the Company and specific communications to the Stock Exchanges, where the Equity Shares of the Company are listed.

Quarterly Results

The unaudited quarterly financial results of the Company were published in English and regional newspaper. The financial results were not sent individually to the Members.

Newspapers wherein results are normally published

The results are normally published in an English Newspaper viz. The Free Press Journal and a Regional Newspaper viz. Navshakti.

Website

The Company has in place a website addressed as www.advancedenzymes.com. The Website contains the basic information about the Company viz. details of its Business, financial information, Annual Reports, Company's policies & Code of Conduct & Ethics as required under the Act and the SEBI Listing Regulations, Shareholding Pattern, Compliance with Corporate Governance report, contact information of the Designated officials of the Company, who is responsible for assisting and handling Investor Grievances and such other details as may be required under sub Regulation (2) of Regulation 46 of the SEBI Listing Regulations. The Company ensures that the contents of this website are periodically updated. In addition, the Company publishes official news release and presentations, if any, made to institutional investors /analysts on its website.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Date, Time and Venue	34th Annual General Meeting (AGM) August 12th, 2023 (Saturday), at 3:00 p.m. IST Through Video Conference or Other Audio Visual Means with Registered Office of the Company deemed to be the venue for the proceedings of the AGM
Financial Year	April 01 to March 31
Schedule (Tentative) for declaration of financial results during the FY24	First quarter – Up to August 14, 2023 Second quarter – Up to November 14, 2023 Third quarter - Up to February 14, 2024 Annual & fourth quarter – Up to May 30, 2024 Annual General Meeting – Up to September 30, 2024
Dividend Payment Date	On or after August 16, 2023 (subject to declaration of dividend by the Members at the 34th AGM)
Listing on Stock Exchanges	Company's Shares are listed at: **BSE Limited (BSE)** Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 **National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra-Kurla Complex, Mumbai 400051 The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and National Stock Exchange of India Limited.
Stock Code / Symbol ISIN	**BSE:** 540025/ **NSE:** ADVENZYMES INE837H01020
Registrar & Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel: (+91 22) 49186270 Fax: (+91 22) 49186060 Email ID: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

Share Transfer System

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form. The operational guidelines for transfer and dematerialization of re-lodged physical shares were laid down by SEBI vide circular SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020.

Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that listed entities shall henceforth issue securities in dematerialized form while processing the following requests:

i. Issue of duplicate securities certificate

ii. Claim from Unclaimed Suspense Account

iii. Renewal/Exchange of securities certificate

iv. Endorsement

v. Sub-division / Splitting of securities certificate

vi. Consolidation of securities certificates/folios

vii. Transmission

viii. Transposition

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of Equity Shares in electronic form are effected through the depositories with no involvement of the Company. SEBI also vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May 2022 and circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022 has simplified the procedure and standardized the format of documents for transmission of securities & issuance of duplicate securities certificates respectively.

Updation of PAN, KYC and Nomination details:

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to inter alia furnish PAN, KYC and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st October, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

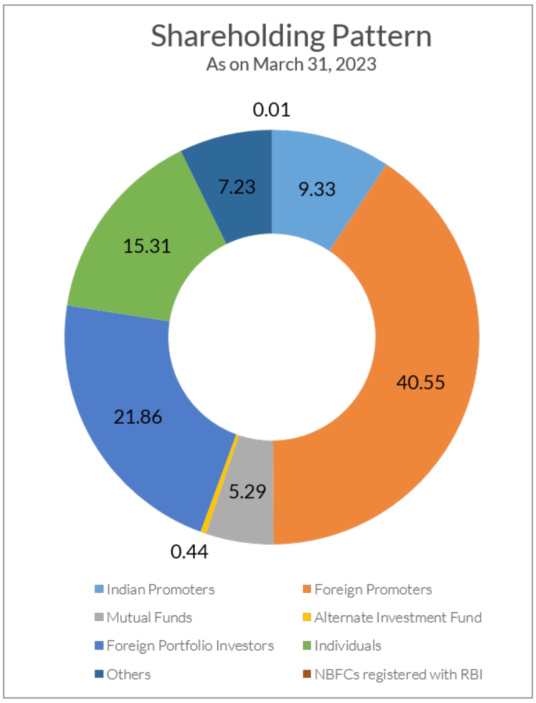
The certificate received from a Practicing Company Secretary pursuant to the provisions of Regulation 40(9) of the SEBI Listing Regulations (as amended) is submitted by the Company to the Stock Exchanges, on an annual basis. The Certificate was received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, with respect to timely dematerialization of shares of the Company and reconciliation of the share capital of the Company, as required under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Company has designated the e-mail ID: investor.grievances@advancedenzymes.com, for addressing the investors' grievances.

ANNEXURE VI (Contd.)

Shareholding Pattern of the Company as on March 31, 2023:

Category of Shareholder	No. of Shares held	% of holding
($)Promoter and Promoter Group:		
-Indian	1,04,28,361	9.33
-Foreign	4,53,41,760	40.55
Sub-Total (A)	**5,57,70,121**	**49.88**
Public:		
Institutions:		
-Mutual Funds	59,17,248	5.28
-Alternate Investment Fund	4,87,017	0.44
-Foreign Portfolio Investors	2,44,43,128	21.85
-Financial Institutions/Banks	NIL	NIL
Non Institutions:		
-Individuals	1,71,18,534	15.31
-HUF/ NRI/ Trust/ Bodies Corporate/ IEPF/ Clearing Members/ Others	80,81,527	7.23
NBFCs registered with RBI	6,500	0.01
Sub-Total (B)	**5,60,53,954**	**50.12**
Grand Total (A+B)	**11,18,24,075**	**100.00**



Distribution of Shareholding as on March 31, 2023:

Shareholding (Range)	Number of Shareholders	%	Shares	%
up to 500	74,855	94.87	57,12,353	5.11
501 to 1000	2,165	2.74	16,63,877	1.49
1001 to 2000	957	1.21	14,23,327	1.27
2001 to 3000	283	0.36	7,14,126	0.64
3001 to 4000	151	0.19	5,52,122	0.49
4001 to 5000	88	0.11	4,11,422	0.37
5001 to 10000	174	0.22	13,13,483	1.17
10001 and above	228	0.29	10,00,33,365	89.46
Total	**78,901**	**100**	**11,18,24,075**	**100**

Note: The above distribution summary of Shareholding Pattern is folio based and not PAN based.

($) Pursuant to the Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Company received approval from the Stock Exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") dated April 17, 2023 for the Company's application dated September 14, 2022 submitted to BSE/NSE for reclassification from Promoter group category to Public category of few Promoter Group Members. Accordingly the summary of the Shareholding Pre-Reclassification and Post-Reclassification are as follows:

Quarter (March 2023)	Promoter Holding		Public Holding	
	Shares Held	Percentage	Shares Held	Percentage
Pre-Reclassification	5,57,70,121	49.87	5,60,53,954	50.13
Post-Reclassification	5,54,31,704	49.57	5,63,92,371	50.43

Dematerialization of shares and liquidity

As on March 31, 2023, 99.76% of shareholding was held in Dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

Note: Trading in the Equity Shares of the Company is permitted only in Dematerialized form in accordance with the circular issued by SEBI.

Particulars of Unclaimed Dividend of the Company

Financial Year	Type of Dividend	Date of Declaration	Due date to transfer to IEPF
2015-2016	Interim Dividend	March 26, 2016	May 01, 2023
2016-2017	Final Dividend	September 11, 2017	October 17, 2024
2017-2018	Final Dividend	September 14, 2018	October 16, 2025
2018-2019	Final Dividend	August 08, 2019	September 13, 2026
2019-2020	Final Dividend	July 15, 2020	August 20, 2027
2020-2021	Final Dividend	September 08, 2021	October 09, 2028
2021-2022	Final Dividend	August 19, 2022	September 22, 2029

The Company will transfer the Unclaimed dividend to Investor Education and Protection Fund (IEPF) within thirty (30) days from the due date.

Equity Shares lying with the Company in Suspense Account

Pursuant to the provisions of Regulation 39(4) read with Schedule V (F) of the SEBI Listing Regulations, details of equity shares in Advanced Enzyme Technologies Limited – Unclaimed Securities Suspense Account as follows:

	Particulars	No of Shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2022	14	48,200
	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	2	3,500
Less	Number of shareholders to whom shares were transfer red from suspense account during the year	1	(1,500)
Less	Number of shareholders whose shares got transferred from suspense account to the IEPF Authority during the year	2	(4,000)
Closing Balance	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	11	42,700

All the corporate benefits if any against those shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.

Pursuant to Section 124(6) of the Companies Act, 2013, all Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund ("**IEPF**"). The details of the said shares transferred and/or are provided on the website of the Company at www.advancedenzymes.com/investors/shareholder-information

Market Price Data of the Shares of the Company listed on BSE and NSE:

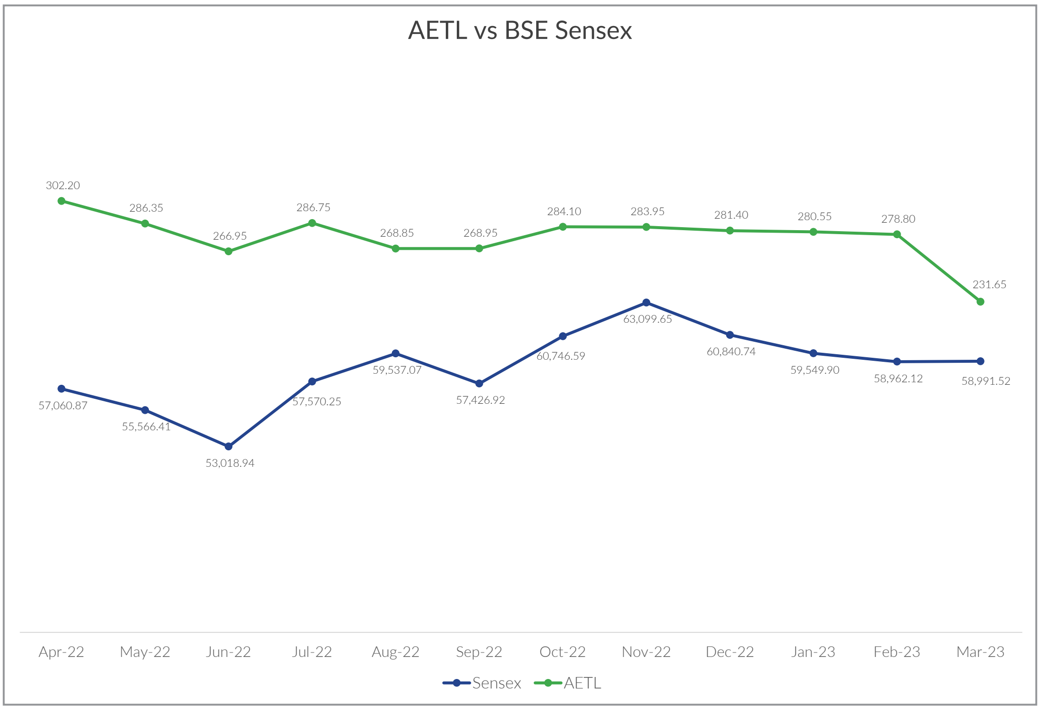
(in ₹)

Month	BSE		NSE	
	High	Low	High	Low
Apr-22	328.35	280.00	328.60	283.60
May-22	301.55	266.00	301.85	267.30
Jun-22	306.55	265.00	306.80	264.00
Jul-22	300.00	258.00	300.65	258.40
Aug-22	297.30	260.55	298.00	260.10
Sep-22	310.65	263.05	310.50	263.00
Oct-22	290.90	264.70	291.00	264.75
Nov-22	300.00	266.35	300.00	270.05
Dec-22	323.65	268.00	323.75	267.60
Jan-23	305.00	266.00	297.50	266.00
Feb-23	289.00	264.45	289.45	268.20
Mar-23	283.70	225.00	284.00	225.00

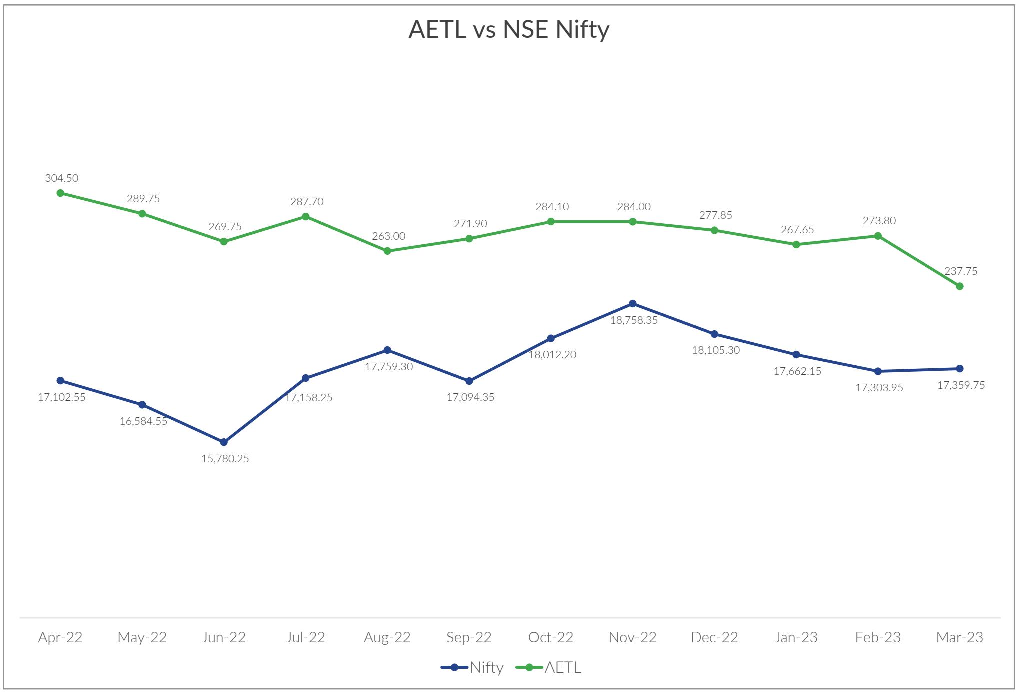
ANNEXURE VI (Contd.)

Share Price performance in comparison to broad based indices – S & P BSE Sensex & NSE Nifty

AETL vs. BSE Sensex



AETL vs NSE NIFTY



**The above graphs are prepared on the basis of closing prices on the last trading day of every month*

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not trade in commodities. The relevant details of foreign exchange exposure & risk / hedging activities are provided in Note No. 40 of Standalone financial statements

Custodian Fees

The Company has paid custodian fees for folios maintained by National Securities Depository Limited and Central Depository Services (India) Limited for the FY23, as per the Invoices received.

Plant Locations of the Company

1. A-61/62, M.I.D.C. Area, Sinnar, Nashik - 422 103, Maharashtra
2. SORL, H-17, M.I.D.C, Satpur Area, Nashik – 422 007, Maharashtra
3. Survey No.30, Pali, Vasind, Shahpur, Thane – 421 601, Maharashtra
4. Plot No. B-5-13, SEZ, Pithampur, Dhar - 452774, Madhya Pradesh

Address for Correspondence

Advanced Enzyme Technologies Limited
5th Floor, 'A' wing, Sun Magnetica, LIC Service Road,
Louiswadi, Thane (W), Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: investor.grievances@advancedenzymes.com
Website: www.advancedenzymes.com

Company Secretary and Compliance Officer

Mr. Sanjay Basantani
Company Secretary & Head - Legal
5th Floor, 'A' wing, Sun Magnetica, LIC Service Road,
Louiswadi, Thane, Maharashtra - 400604, India
Phone: +91-22-4170 3200, Fax: +91-22-2583 5159
Email Id: sanjay@advancedenzymes.com
Website: www.advancedenzymes.com

Registrar & Transfer Agent

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400083
Tel: +91-22-49186270 Fax: +91-22-49186060
Email Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintme.co.in

CREDIT RATING

Your Company has received a long term rating of CRISIL A+/Stable (Reaffirmed) and a short term rating of CRISIL A1 (Reaffirmed) for outstanding Bank loan facilities (outstanding facilities), by Credit Rating Information Services of India Limited (CRISIL).

OTHER DISCLOSURES

Materially Significant Related Party Transactions

During the year under review, the Related Party Transactions were done on an arm's length basis and in ordinary course of business. The Company presents a statement of the Related Party Transactions before the Audit Committee on a quarterly basis specifying *inter alia* the nature and value of the transactions. The transactions with Related Parties were conducted in a transparent manner in the interest of the Company, were approved by the Audit Committee and had no potential conflict with the interest of the Company at large. There were no significant Related Party transactions, monetary transactions or relationships between the Company and Directors, the Management, Subsidiaries or Relatives except as disclosed in the Note No. 41 of the Standalone financial statements for the year ended March 31, 2023 and AOC - 2 annexed as Annexure III to this Board's report.

Whistle Blower Policy

The Board had adopted Vigil Mechanism/Whistle Blower Policy pursuant to the provisions of Section 177(9) of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 22 of the SEBI Listing Regulations, in order to establish a Vigil Mechanism for the Directors and Employees to report the genuine concerns in such manner as may be prescribed. Your Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and open communication. Accordingly, the Whistle Blower Policy has been formulated with a view to provide a mechanism for associates of the Company to approach the Chairperson of the Audit Committee of the Company to, *inter alia*, report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's policy.

No personnel was denied access to the Audit Committee of the Company.

Details of Utilization of Funds Raised through Preferential allotment or Qualified Institutions placement as specified under Regulation 32(7) of SEBI Listing Regulations

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount

The Company and its Subsidiaries have not given any loans and advances in the nature of loans to firms/companies in which Directors are interested.

ANNEXURE VI (Contd.)

Details of total fees paid to the Statutory Auditors

The details of total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023
Company to Statutory Auditors:	
Statutory Audit	**2.15**
Limited review	**1.24**
Certification work	**0.07**
Transfer pricing	**-**
Reimbursement of expenses	**0.26**
Advisory Services	**0.20**
Total	**3.92**
Company to network entity of Statutory Auditors:	
Issuing Form 3CEB	**-**
Transfer Pricing Report for FY 2021-22	**-**
Reimbursement of expenses	**-**
Total	**-**
Subsidiaries	**NIL**

Compliance with mandatory / Non-mandatory requirements

The Company has complied with the mandatory Corporate Governance requirements under the SEBI Listing Regulations.

The provisions of Schedule V Part C read with Schedule II Part E, further states that the non-mandatory requirements adopted by the Company be highlighted in the Corporate Governance Report. Accordingly, the Company has complied with the following non-mandatory requirements:

During the year, the Office of Chairman and the Whole-Time Director or CEO was held by distinct individuals.

The Internal Auditors have direct access to the Audit Committee and present their Internal Audit observations to the Audit Committee.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sr. No.	Particulars	Number
1.	Number of Complaints filed during the financial year	NIL
2.	Number of Complaints disposed of during the financial year	NA
3.	Number of Complaints pending as on the end of the financial year	NA

Disclosures

The Company has a Risk Management Policy. Minutes of Risk Management Committee meetings were placed before the Board, during the year under review.

During the last three years, there were no instances of non-compliance reported by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or the SEBI or any statutory authority, on any matter related to the capital markets. However, as was also disclosed in the previous years of Corporate Governance report published in the Annual Report of FY21 & FY22, a letter/email dated August 20, 2020 was received from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") levying penalty on the Company pertaining to the Regulation 17(1) of the SEBI Listing Regulations with regards to appointment of Woman Independent Director from April 01, 2020, being the then top 1000 listed company. The penalty prescribed was from April 01, 2020 till June 11, 2020, as the effective date of appointment of Ms. Rajshree Patel as a Woman Independent Director on the Board of the Company was June 12, 2020 i.e. date of allotment of Director Identification Number (DIN). On August 25, 2020, the Company submitted an application for waiver of said penalty to BSE and NSE on the grounds inter alia stating that (i) the Nomination & Remuneration Committee and the Board, at its meeting held on March 28, 2020 approved the appointment of Ms. Patel as an Additional Director (Woman Independent) *inter alia* subject to and with effect from the date of obtaining DIN; (ii) the said appointment was intimated by the Company to BSE and NSE vide its letter dated March 28, 2020; (ii) the Company faced difficulty in obtaining the DSC and DIN within the timelines, primarily due to the force majeure condition pertaining to COVID-19 situation and nation-wide lockdown thereto during that period.

The Stock Exchanges waived the said penalty (NSE vide its letter dated February 08, 2021 and BSE vide its email dated May 19, 2021).

Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Whole-time Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2023. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. The Certificate of the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance for the year ended March 31, 2023 by the Company, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations is annexed to this report and forms an integral part of this Report.

Web link for Policy for determining Material Subsidiaries and Related Party Transactions

In accordance with the requirements of the SEBI Listing Regulations, the Company has formulated a Policy for determining Material Subsidiary and Policy on Related Party Transactions. These policies, as amended, are hosted on the website of the Company at: www.advancedenzymes.com/investors/corporate-governance

Details of Material Subsidiaries; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Cal-India Foods International incorporated on March 25, 1985, State of California (US) is the material subsidiary of the Company and the law of the country of its incorporation does not mandatorily requires to get its financial statements audited and hence details of its Statutory Auditors are not applicable.

Shareholders' Right

The Quarterly / Half-Yearly / Annual Results of the Company were published in English and Vernacular newspapers and have been displayed on the Company's website, www.advancedenzymes.com and at the website of the Stock Exchanges, where the shares of the Company are listed / traded, as soon as the results were approved by the Board. These were not sent individually to the Members.

Auditors' Report

The Auditors' Report to the Members on the financial statements of the Company for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT & ETHICS

[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of

Advanced Enzyme Technologies Limited

This is to confirm that the Company has adopted Code of Conduct and Ethics for all the Members of Board of Directors, Senior Management/Officers of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management / Officers of the Company have affirmed compliance with this Code of Conduct & Ethics for the financial year ended on March 31, 2023.

For Advanced Enzyme Technologies Limited

Mukund Kabra
Whole-time Director
DIN: 00148294

Place: Nashik
Date: May 13, 2023

ANNEXURE VI (Contd.)

CERTIFICATION ON CORPORATE GOVERNANCE

To,

The Members of

Advanced Enzyme Technologies Limited

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in practice have examined the compliance of conditions of Corporate Governance by Advanced Enzyme Technologies Limited ('the Company') for the year ended March 31, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Mumbai
Date : May 13, 2023
UDIN: F005703E000300910

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO.: 4226
PR No. 1576/2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Advanced Enzyme Technologies Limited
Sun Magnectica, 5th Floor,
Near LIC Service Road,
Louis Wadi, Thane- 400604.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., Company Secretary in practice have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advanced Enzyme Technologies Limited having CIN L24200MH1989PLC051018 and having registered office at Sun Magnectica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane- 400604 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Mr. Mukund Kabra	00148294	04/09/1999
2	Mr. Kedar Desai	00322581	27/08/2010
3	Mr. Pramod Kasat	00819790	14/12/2016
4	Mr. Vasant Rathi	01233447	05/03/1993
5	Mr. Rajesh Kumar Sharma	08195715	11/08/2018
6	Mr. Vinodkumar Jajoo	08224980	09/02/2019
7	Ms. Rasika Rathi	08300682	08/01/2019
8	Mr. Sunny Sharma	02267273	02/11/2019
9	Ms. Rajshree Patel	08761022	12/06/2020
10	Mr. Nitin Deshmukh	00060743	01/07/2022

*The date of appointment is as per the MCA Portal

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: May 13, 2023
UDIN: F005703E000300901

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P. No: 4226
PR No. 1576/2021

ANNEXURE VII

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2023

A) CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy:

1. Solar Plant installation for 160KW system is under progress.
2. Steam condensate recovery done to feed hot water to Boiler and scheduled cleaning and preventive maintenance of Boilers.
3. Installation of energy efficient air conditioning system and chlorofluorocarbons free clean refrigerant gas utilised for air conditioning.
4. Installation and operation of energy efficient & Variable Frequency Drive (VFD) grade motors for Fermenter agitation.
5. Installation of LED lamps for the various sections of the Plant.
6. Preventive maintenance of electrical substation and power distribution network to enhance electrical power efficiency.
7. Implementation of preventive maintenance plan to enhance energy efficiency for all the critical and utility equipment.
8. Preventive maintenance and dynamic balance checking of blowers done to achieve maximum energy efficiency.
9. Fermentation section condensate water recovery.
10. Fermentation and recovery area insulation work.
11. Maintain Power factor.

(ii) Impact of measures taken:

1. Hot insulation of steam and utility systems improved the quality of dry saturated steam has resulted in reduction of steam consumption from by 85 Kg/hour to 3215 Kg/hour, as compared to 3300 Kg/hour in the previous year.
2. Installation of updated heat exchanger to recover heat at chilled water generation system improved heat recovery and resulted in reduction in consumption of steam by 25 Kg/hour to 390 Kg/hour as compared to 415 Kg/hour in the previous year.
3. Alignment and balancing of Blowers done during preventive maintenance work reduced the vibration and noise and improved performance of Blowers. It further reduced the consumption of electrical current by 13 Ampere-hour (Amp/hour) to 102 Amp/hour from 115 Amp/hour in the previous year.
4. Preventive maintenance of all Critical and Utility equipment had enhanced energy efficiency by 5-8 % and reduction in consumption of Power consumption by 4-8%.
5. Power bill Incentive and other rebates received from MSEDCL is around ₹ 16.31 lakh.
6. Installation of LED light resulted in reduction of the light power consumption by around 12% and in reduced maintenance cost.
7. Using condensate water in the Boiler, resulted in reduction of the Boiler normal feed water consumption and increased Boiler efficiency. Using condensate system has resulted in saving around 20 KL liter water per month.
8. Applying insulation on pile line and other equipment, resulted in reduction of the heat loses. Applying insulation spray dryer resulted in reduction of the working pressure by around 0.5 kg/cm2.
9. Efficient performance of Electrical equipment.

(iii) The steps taken by the company for utilizing alternate sources of energy:

Installation of 160 KW Solar Power Plant is in progress:

1. The Company had completed plant survey for installation of solar power plant at the Company's plant located at Sinnar.
2. Roof top suitability survey done for solar panel installation.
3. Phase wise installation of solar panels has been planned.
4. First phase of 160 KW solar plant is under installation.

(iv) The capital investment on energy conservation equipment:

Sr. No.	Item Description	Amount (₹ in million)
1.	Installation of 160 KW Solar Power Plant PO	9.28
2.	Energy saving Lighting Fixtures	1.09
3.	Energy saving frequency drive & motor	1.08
4.	Energy saving CFC free gas air conditioner	0.58
5.	Condensed recovery system	0.19
6.	Insulation for heat loss	0.38
	Total	**12.60**

B) TECHNOLOGY ABSORPTION

I. Efforts in brief made towards technology absorption:

i. Advanced technologies have been developed and adopted to enable the production and commercialization of enzymes for various industrial applications, biocatalysts, human nutrition and animal feed.

ii. Procurement of hi-end equipment like the high throughput systems to improve the enzyme screening efficiency was adapted.

iii. A virtual laboratory was set up to engineer the proteins through *in silico* analysis.

iv. Focus on development and engineering of biocatalysts and the reaction processes for production of API (Active Pharmaceutical Ingredient) intermediates led to the successful development of new enzymes and processes. These new enzyme-based processes showed promising results at large scale applications at customers end.

v. New enzymes and formulations for baking (shelf life improvement) and food applications been developed.

vi. New enzymes and solutions for protein absorption for human nutrition were developed. Research has been validated by *in vitro in vivo* & clinical research followed by patent.

vii. New probiotic strains and its combination with potential applications in human and animal health have been developed. The new combination of probiotics has been launched at the online marketplaces.

II. Benefits derived as a result of the above efforts:

i. The engineered enzymes give added advantage to customers as they complement the existing enzymes and suit broader industrial applications.

ii. Biocatalysis: New enzymes were launched for producing API intermediate chiral/non-chiral molecules.

iii. Food/ Baking Enzymes: New enzymes/ formulations developed are bringing one-stop solutions to the baking industry. The new enzymes / formulations are complementary to existing products in the baking industry. It will be an add-on solution to the existing customer.

iv. Human Nutrition: New enzymes / formulations developed are digestive health and sports nutrition solutions in modern workplace. With more self-awareness towards health and health care supplements the Company expects demand for nutraceuticals to grow further.

v. Probiotics: The Company is actively pursuing production and sales of probiotics to various customers. The newly developed probiotics and it's combinations with added advantages should bring further sales revenue.

III. Imported technology:

Technology imported: NIL

1. the details of technology imported: Not Applicable
2. Year of Import: Not Applicable
3. Has the technology been fully absorbed: Not Applicable
4. If not fully absorbed areas where absorption has not taken place, and the reasons thereof: Not Applicable

IV. Benefits derived as a result of the above efforts pertaining to Imported Technology: Not Applicable

V. Expenditure incurred on Research and Development:

(₹ in million)

Sr. No.	Particulars	2022-23	2021-22
(a)	Capital	**44.75**	15.61
(b)	Recurring	**244.98**	216.33
(c)	**Total**	**289.74**	231.94
(d)	Total R&D expenditure as a % of Net Sales of the Company	**9.30%**	8.50%

Notes: Net Sales of ₹ 3,115.29 million (previous year ₹ 2,727.98 million)

ANNEXURE VII (Contd.)

On consolidated basis, the Research and Development expenditure for FY 2022-23 is ₹ 223.35 million (4.13% of Net sales) and for FY 2021-22 was ₹ 165.93 million (3.13% of Net sales).

Information on R&D expenditure incurred by the Company pursuant to requirement of the recognition granted to the Company's three In-House Research and Development Centres by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/2159/2022 dated September 09, 2022 is provided in the Note No. 45 of Notes to the financial statements of the Company on Standalone basis.

C) Foreign Exchange Earnings and Outgo

(₹ in million)

Sr. No.	Particulars	2022-23	2021-22
(a)	Foreign Exchange Earnings	**937.47**	735.89
(b)	Foreign Exchange Outgo	**419.96**	434.57

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Mukund Kabra
Whole-time Director
DIN: 00148294

Place: Nashik
Date: May 13, 2023

Kedar Desai
Director
DIN: 00322581

Place: Mumbai

ANNEXURE VIII

DISCLOSURE IN BOARD'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr. No.	Requirements	Disclosure		
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year	**Name of the Directors**	**Remuneration (₹ in million)**	**Ratio to median remuneration**
		Mr. Vasant L. Rathi (Chairman & Non-Executive Director)	0.99	1.90
		Mr. Mukund M. Kabra (Whole-Time Director)	22.69	43.63
		Ms. Rasika Rathi (Non-Executive Director)	0.58	1.12
		Mr. Kedar Desai (Independent Director)	1.07	2.06
		Mr. Pramod Kasat (Independent Director)	0.91	1.75
		Mr. Rajesh Sharma (Independent Director)	0.25	0.48
		Mr. Vinodkumar H. Jajoo (Independent Director)	0.66	1.27
		Dr. Sunny Sharma (Non-Executive Director)	0.33	0.63
		Ms. Rajshree Patel (Independent Director)	0.50	0.96
		Mr. Nitin Deshmukh Independent Director (From July 01, 2022)	0.25	0.48

Notes:

i. The median remuneration of employees of the Company was ₹ 0.52 million.

ii. The Commission for financial year 2022-23 (FY23) payable to Directors is also included in the total remuneration.

iii. For this purpose, the Sitting Fees paid to the Independent Directors have not been considered as remuneration.

iv. Figures have been rounded off wherever necessary.

v. The remuneration of Mr. Mukund Kabra mentioned above is excluding leave encashment. During February 2017, the Company has granted total 12,500 Options during February 2017 to Mr. Mukund Kabra, pursuant to the provisions of Employees Stock Option Scheme 2015 (as amended) of the Company. Out of the total Options, Mr. Mukund Kabra has exercised the entire 12,500 Stock Options at the exercise price of ₹ 60/- per Option and has been allotted by the Board or its Committee.

		Name of the Directors	**Designation**	**% change (to be read with notes)**
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year (Name with % change in the financial year 2022-23) (To be read with notes below)	Mr. Vasant L. Rathi	Chairman & Non-Executive Director	5.32
		Mr. Mukund M. Kabra	Whole-time Director	8
		Mr. Kedar Desai	Independent Director	(1.83)
		Mr. Pramod Kasat	Independent Director	(3.19)
		Mr. Rajesh Sharma	Independent Director	(41.86)
		Ms. Rasika Rathi	Non-Executive Director	61.11
		Mr. Vinodkumar H. Jajoo	Independent Director	1.54
		Dr. Sunny Sharma	Non-Executive Director	(8.33)
		Ms. Rajshree Patel	Independent Director	16.28
		Mr. Nitin Deshmukh	Independent Director (From July 01, 2022)	NA
		Mr. Beni P Rauka	Chief Financial Officer	8
		Mr. Sanjay Basantani	Company Secretary	15

ANNEXURE VIII (Contd.)

Notes:

(i) The % increase in remuneration of Mr. Mukund Kabra, Whole-time Director is determined after excluding commission and leave encashment.

(ii) The percentage change in remuneration of Ms. Rasika Rathi shown in the above table is from the standalone perspective (i.e. commission payable). Besides, as per resolution passed by the Members of the Company in its meeting held on July 15, 2020, recommendation of the Nomination & Remuneration Committee and approval of the Board, since Mr. Vasant Rathi heads the US Operations and Ms. Rasika Rathi is Vice President, General Counsel & Secretary there, they were paid remuneration aggregating to ₹ 39.79 million (excluding commission of ₹ 5.54 million from US Subsidiary) and ₹ 16.56 million respectively for FY23 by the Company's subsidiary in US for the services rendered.

(iii) The % increase in remuneration of Mr. Beni P Rauka, CFO and Mr. Sanjay Basantani, Company Secretary and Head-Legal of the Company, is determined after excluding the annual incentives paid.

(iv) Mr. Nitin Deshmukh has been appointed as Independent Director of the Company w.e.f. July 01, 2022.

3	The percentage increase in the median remuneration of employees in the financial year	During Financial Year 2022-23, the percentage increase in the median remuneration of employees as compared to previous year was approximately 3.18%
4	The number of permanent employees on the rolls of company (As on March 31, 2023)	338
5	Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.	Average increase in remuneration is around 13.04% for employees other than Managerial Personnel and around 8% for Managerial Personnel.

Note: The average percentage increase was based on the financial performance of the Company as summarised in the Board's Report including the relevant factors mentioned in the Nomination and Remuneration Policy of the Company.

6	Affirmation that the remuneration is as per the remuneration policy of the Company	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.
7.	Pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended ("Rules"), the details are disclosed in this Annexure VIII. In terms of Section 136(1) of the Act read with second proviso to the Rule 5 of the said Rules, the Annual Report with Annexure VIII is being sent to the Members excluding the statement of particulars of employees under Rule 5(2) and (3) of the Rules ("Information"), which forms part of this report. The Annexure VIII / Information under Rule 5(2) and (3) is available for inspection by the Members at the registered office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM. Any Member interested in conducting inspection and/or obtaining a copy of the said Annexure/ Information may write to the Company Secretary at the Registered Office address of your Company.	

For and on behalf of the Board of Directors of
Advanced Enzyme Technologies Limited

Mukund Kabra	**Kedar Desai**
Whole-time Director	**Independent Director**
DIN: 00148294	**DIN: 00322581**
Place: Nashik	**Place**: Mumbai
Date: May 13, 2023	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identification Number (CIN) of the Listed Entity	L24200MH1989PLC051018
2.	Name of Listed Entity	Advanced Enzyme Technologies Limited
3.	Year of incorporation	1989
4.	Registered office address	5th Floor, 'A' wing, Sun Magnetica, LIC Service Road, Louiswadi, Thane (W) 400 604, India
5.	Corporate office address	
6.	E-mail	info@advancedenzymes.com
7.	Telephone	+91-22-4170 3200
8.	Website	www.advancedenzymes.com
9.	Financial year for which the reporting is done	FY 2022-23 (April 01, 2022 to March 31, 2023)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) & National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 223.65 million (as on March 31, 2023)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ronak Saraf Manager -Investor Relations ir@advancedenzymes.com +91 22-4170 3200
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures under this report are made on a standalone basis for Advanced Enzyme Technologies Limited

II. Products/Services

14. Details of business activities *(accounting for 90% of the turnover)*

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover)*

S. No.	Product/service	NIC Code	% of total turnover contributed
1.	Enzymes & Probiotics	21001	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National (India)	4	2	6
International	0	0	0

**Note: The Company has 2 R&D laboratories*

BRSR (Continued)

17. Markets served by the entity

a. Number of locations

Locations	Numbers
National (No. of States)	PAN India presence across all 28 states and 8 Union Territories
International (No. of Countries)	Exported to 49 countries across 5 continents

**Note: During FY 2022-23, the Company dispatched its materials to 21 states and 3 Union Territories*

b. What is the contribution of exports as a percentage of the total turnover of the entity?

31% of revenue is generated through exports

c. A brief on types of customers

The Company provides proprietary enzymes & probiotics products and customized solutions to Human Nutrition, Animal Nutrition, Bio-Processing Industry (Food & Non-Food processing)

IV. Employees

18. Details as at the end of Financial year: 2022-23

a. Employees and workers (Including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
	EMPLOYEES					
1.	Permanent (D)	284	221	77.82%	63	22.18%
2.	Other than permanent (E)	38	31	81.58%	07	18.42%
3.	**Total employees (D+E)**	**322**	**252**	**78.26%**	**70**	**21.74%**
	WORKERS					
4.	Permanent (F)	54	54	100%	0	0.00%
5.	Other than permanent (G)	196	186	94.90%	10	5.10%
6.	**Total workers (F+G)**	**250**	**240**	**96.00%**	**10**	**4.00%**

Note: In FY 2023, there were 33 trainees who are included in 'Other than permanent' above.

b. Differently abled employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100%	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total differently abled Employees (D + E)**	**1**	**1**	**100%**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

19. Participation/Inclusion/ Representation of Women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel*	2	0	0

**Note: KMP includes Chief Financial Oficer (CFO) and Company Secretary (CS)*

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	**10.50%**	**30.09%**	**14.52%**	13.77%	37.46%	25.62%	15.56%	9.75%	12.66%
Permanent workers	**1.83%**	**0**	**1.83%**	1.80%	0	1.80%	3.50%	0	3.50%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1.	JC Biotech Pvt. Ltd.	Subsidiary	89.83%	The Subsidiaries are separate entities and hence they follow BR initiatives as per the laws as may be applicable to them.
2.	Advanced Bio-Agro Tech Ltd.	Subsidiary	60%	
3.	Advanced EnzyTech Solutions Ltd.	Subsidiary	100%	
4.	Advanced Enzymes USA	Subsidiary	100%	
5.	Cal-India Foods International	Subsidiary (Step-down)	100%	
6.	Advanced Supplementary Technologies Corporation	Subsidiary (Step-down)	100%	
7.	Dynamic Enzymes Inc*	Subsidiary (Step-down)	100%	
8.	Enzyme innovation Inc.	Subsidiary (Step-down)	100%	
9.	Advanced Enzymes (Malaysia) Sdn. Bhd.	Subsidiary	100%	
10.	Advanced Enzymes Europe B.V.	Subsidiary	100%	
11.	evoxx technologies GmbH	Subsidiary (Step-down)	100%	
12.	SciTech Specialities Pvt. Ltd.	Subsidiary	51%	
13.	Saiganesh Enzytech Solutions Pvt. Ltd.	Subsidiary	50%	

Note: During the financial year 2022-23, the Board Directors of respective wholly owned subsidiaries i.e. Dynamic Enzymes, Inc., USA ("DE") and Advanced Supplementary Technologies Corporation, USA ("AST") approved merger of DE and AST. Further, the State of California (USA) had approved the merger of DE into AST and consequently thereafter, DE merged into AST, and DE cease to exist.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) **Turnover (in million) –** ₹ 3,315.28 million (on standalone basis)

(iii) **Net worth (in million) –** ₹ 5,250.34 million (on standalone basis)

BRSR (Continued)

VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	NIL	NIL		NIL	NIL	
Investors (other than shareholders)	No	NIL	NIL		NIL	NIL	
Shareholders	Yes*	NIL	NIL		NIL	NIL	
Employees and workers	Yes	NIL	NIL		NIL	NIL	
Customers	Yes	35	NIL		19	NIL	
Value Chain Partners	No	NIL	NIL		5	NIL	
Other (please specify)	No	NIL	NIL		NIL	NIL	

Note:

Value Chain Partners include entities with which the organisation has a direct or indirect business relationship and which either (a) supply products or services that contribute to the organisation's own products or services or (b) receive products or services from the organisation.

Weblink of all the policies: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

*The Grievance Redressal Mechanism is as per the applicable regulations

24. **Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Risk	Risk	The Company may face significant changes in its operating environment due to climate change, such as disruptions in production, shifts in customer preferences, and other potential impacts	The Company stays up to date with the latest developments and implements necessary risk mitigation strategy. This may include analysing and assessing the potential consequences that could impact the business	Negative
2.		Opportunity	The Company may consider climate change an opportunity since addressing it will necessitate the development of new and improved products across the globe	The Company is preparing to adapt to the evolving market conditions due to climate change	Positive
3.	Environmental Impact	Risk	As a manufacturing company, the plants run by AETL always carry the risk of having a negative impact on the environment	The Company has a strong system in place for establishing its 'Standard Operating Procedures' with a key focus on protecting the environment. For e.g. the complete range of enzymes produced by the Company is eco-friendly	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Energy Conservation	Opportunity	The Company conserves energy, which results in using less energy to achieve the same or even higher output, reducing costs and significantly reducing environmental impact	The Company consistently implements measures to conserve energy, such as installing more energy-efficient technology and products	Positive
5.	Carbon Emissions	Risk	Scientific studies have shown that industry carbon emissions contribute significantly to the greenhouse effect, which is the primary cause of global climate change	The Company is developing a strategy to decrease its emissions and conform to the 'net zero' goals within its specific regions	Positive
6.	Water Usage and Management	Opportunity	Using and managing water efficiently results in lower costs and also aids in reducing the adverse effects of groundwater depletion and water pollution	The Company has a system in place to recycle wastewater, which is processed accordingly. Additionally, the Company is dedicated to using water efficiently	Positive
7.	Waste Reduction	Opportunity	Minimising waste involves an all-encompassing approach of utilising fewer materials to decrease waste production. Such a practice results in conserving natural resources and cost savings	The Company is dedicated to minimising waste to attain environmental and economic advantages	Positive
8.	Material handling	Risk	Being an industrial manufacturer, the Company deals with material handling, which involves transporting and storing materials and products. This encompasses several stages: raw material handling, manufacturing processes, warehousing, and distribution	The Company employs industry-leading practices to manage both raw materials and finished products, ensuring the most efficient and effective material handling	Negative
9.	Supply chain management	Risk	External and internal events may result in challenges related to the sourcing and transporting of raw materials and finished products, potentially leading to missed business opportunities and revenue losses	The Company continuously strives to optimise cost-effectiveness and timely deliveries. To ensure delivery timelines, raw materials are procured from reputable manufacturers. The Company also maintains adequate buffer stock to prevent potential delivery delays	Negative
10.	Customer Experience	Risk	The survival and success of any business heavily rely on its customers. A decrease or discontinuation in customer demand can negatively impact the Company's revenue and profitability	The Company has been proactively improving the quality and consistency of the customer experience while also diversifying its client base, thereby reducing business risks	Negative

BRSR (Continued)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Health & Safety	Risk	Due to the nature of its operations, the Company must contend with risks that could potentially threaten the health and safety of its employees and customers. This necessitates objectively assessing potential hazards that may lead to harm, injury, illness, or even death of employees or customers	The Company has 'zero tolerance' for any compromise or deviation from accepted norms and everyone is expected to abide with them. The Company also endeavors and strives to fulfil all applicable compliance requirements related to health and safety. The health and safety of our people and customers was, is and will continue to be our topmost priority	Negative
12.	Talent Management	Opportunity	Attracting, developing, and retaining the appropriate talent is crucial for the Company's day-to-day operations and long-term employee morale, and it is critical for the Company's future growth	The Company recognises that human capital is a key factor in achieving success. It has been successful in not only attracting top talent but also in maintaining acceptable attrition rates that are within a healthy threshold	Positive
13.	Employee Engagement	Opportunity	Employee engagement is the assessment of the commitment, enthusiasm, and interest employees feel towards their job and overall responsibilities within the organisation. It presents an opportunity for the Company as studies have shown that employees who are more engaged tend to be more conscientious about their work and the Company's performance	The Company is dedicated to creating a work environment that encourages and supports its employees to excel by implementing employee engagement programmes. The Management is focused on providing employees with better tools, technology, and techniques to optimise their potential and improve teamwork	Positive
14.	Community Engagement	Opportunity	In order to foster resilience in business and establish a positive, sustainable, long-term relationship with the community, organisations must have a clear vision and work collaboratively. The individuals who are directly or indirectly connected with the Company are significant stakeholders	The Company strives to monitor its initiatives aimed at benefiting the community. The senior management regularly reviews and evaluates the programmes and their progress	Positive
15.	Data Privacy & Security	Risk	Data privacy has become a significant risk factor in the modern world, but it can also be a valuable source of competitive advantage if managed properly. Despite this, effective information and data management continues to pose compliance challenges, which may lead to reputation risks	The Company has a strong framework in place to identify cybersecurity risks. Recognising the growing significance of data privacy concerns, the Company takes a comprehensive and coordinated approach to information security and data privacy systems	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16.	Product quality and safety	Opportunity	Improving product quality and safety and meeting customer expectations can attract more customers and subsequently increase revenue	By ensuring high product quality, the company can build a strong reputation for delivering reliable and effective enzymes which can lead towards attracting and retaining customers. Quality and safety measures also minimize product recalls, warranty claims, and customer complaints, leading to cost savings	Positive
17.	Corporate Governance	Opportunity / Risk	Ensuring robust corporate governance is fundamental to fulfilling the objectives of the organization, as any risks have the potential to erode the trust of the stakeholders, dent the reputation of the organization, and may disrupt its business	The Board effectiveness is enhanced by selecting the right mix of individuals to serve on the Board, with the requisite qualifications, expertise and experience, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability	Positive
18.	Investment in R&D	Opportunity	To attain operational excellence and generate value for our stakeholders, we aim to bolster our research capabilities by utilizing state-of-the-art technologies and establishing world-class laboratories	By adopting new technological innovations, Advanced Enzyme can gain a competitive edge and explore new opportunities for sustainable growth in the long run	Positive
19.	Regulatory compliance	Risk	The enzymes and probiotics industry is subject to extensive regulation, and the regulatory framework is continuously evolving in response to the impacts of globalization, the emergence of new markets, the introduction of new technologies, and the increasing expectations of patients, investors, and regulators.	Maintaining the highest standards of quality and adhering to applicable regulatory requirements are top priorities for us. Our facilities located nationwide follow Good Manufacturing Practice (GMP) guidelines.	Negative

BRSR (Continued)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements referred as P1-P9 as given below:

P1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

P2 - Businesses should provide goods and services in a manner that is sustainable and safe.

P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 - Businesses should respect the interests of and be responsive to all their stakeholders.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect and make efforts to protect and restore the environment.

P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 - Businesses should promote inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their consumers in a responsible manner.

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7#	P 8	P 9
Policy and management processes										
1.	**a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	Y	Y	Y	Y	Y	N	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	c. Web Link of the Policies, if available	www.advancedenzymes.com/investors/corporategovernance/#codes-and-policies								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)***	Y	Y	Y	Y	Y	Y	N	Y	Y
4.	**Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle**	Food Safety System Certifications (FSSC) 22000 Global Organic Textile Standard (GOTS) ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 Halal Certification Kosher Certificate WHO-GMP Certification GMP Plus Certification Written Confirmation Certification Export Inspection Agency Certification								
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any**	N	N	N	N	N	N	NA	N	N

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7#	P 8	P 9
6.	**Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met**	The Company uses eco-friendly methods to create sustainable products, making it a comprehensive offering for both customers and end users. The Company is currently working on establishing emission targets that align with the Science Based Targets initiative, which offers a specific plan for companies to decrease their carbon emissions. • The Company has implemented a human rights policy distributed to all its employees. The employees are fully informed about workplace ethics, labor laws, and other relevant policies through various means of communication such as display boards, handbooks, and other forms of communication. The Company takes measures to prevent the use of forced or child labor within the workplace and conduct thorough compliance audit to ensure this policy is upheld. • The Company takes measures to abide by the laws and regulations in India and in other countries where it conducts business. Additionally, a Whistle Blower Policy is in place that enables directors and employees to report any concerns without fear of retaliation. • The Company strives to strengthen its relationships with stakeholders by actively seeking their perspectives on topics that are important to them. This includes issues related to the environment, society, and the economy that may impact the Company ability to generate value. By gaining these insights, the Company can better understand how the stakeholders perceive value, pinpoint emerging trends, identify potential risks and opportunities, and develop appropriate strategic responses.								
Governance, leadership and oversight										
7.	**Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements** In our Annual Report and Business Responsibility and Sustainability Report, we have addressed all crucial matters concerning business responsibility and sustainability at Advanced Enzyme Technologies Limited. However, I would like to take this opportunity to articulate our unchanging values and strategic priorities regarding business resilience and sustainability. These times are challenging for everyone in various ways, as humanity grapples with combating climate change, eradicating violent conflict, fostering community development, and conducting ethical, transparent, and responsible business. We must prioritize inclusive growth and sustainable development without sacrificing the unique developmental requirements of different regions and the welfare of the poor and marginalized. We have consistently endeavored to include all stakeholders in our journey of growth and progress. It is imperative that we always conduct our business responsibly and sustainably, with trust and transparency. We also encourage and support our suppliers, vendors, distributors, partners, and other stakeholders to adopt the same principles. On behalf of the board and management, I would like to express our commitment to continue conducting our business ethically and responsibly, with the interests of all stakeholders guiding our conduct.									
8.	**Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies)**	Mr. Vasant Rathi Chairman & Non-Executive Director DIN: 01233447								
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details**	Yes. Mr. Mukund Kabra Whole-time Director DIN: 00148294								

BRSR (Continued)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7#	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7#	P 8	P 9
Performance against above policies and follow up action	As a standard practice, the Company's Business Responsibility policies undergo periodic or as-needed reviews by the Board Member(s)/Senior leadership team. This evaluation includes a review of the policies' effectiveness and implementation of necessary changes to policies and procedures.																	
Compliance with Statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with relevant regulations, and the senior management issues a Statutory Compliance Certificate for applicable laws to the Board of Directors.																	

11.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The independent assessment has not been carried out by the Company. However, an internal evaluation is carried out on a periodical basis.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

#Note: Presently, the Company is not engaged in influencing public and regulatory policy

** The value chain partners are encouraged to follow the said policies, as applicable or expected from responsible business.*

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors	4	The Company acquaints its director(s) with its operations, financials, products, markets, risk management framework, business strategy, annual budget, and other important information, mainly during the Board and Audit Committee meetings.	90%
Key Managerial Personnel	6	Programs for familiarisation including Leadership Workshops, and Prevention of Sexual Harassment.	90%
Employees other than BoD and KMPs	37	Leadership Workshop Prevention of Sexual Harassment Data Integrity Labour law-new labour codes, fire safety training, pharma regulations codes, leadership awareness regarding FSSC 22000 Ver. 5.1	80%
Workers	44	Labour law-new labour codes, fire safety training, pharma regulations codes, leadership awareness regarding FSSC 22000 Ver. 5.1 Awareness of ISO standards training, current Good Manufacturing Practices (CGMP) Good Distribution Practices (GDP) HALAL	84%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NIL			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

The Company has implemented an anti-corruption and anti-bribery policy, which applies to all associates and business partners defined in the policy, including its subsidiaries. The policy underscores our strict stance against corrupt practices and bribery. The Company has established internal controls to prevent the Company or its employees from engaging in unethical behavior. Moreover, the Company conducts periodic review/audit/internal investigation to ensure compliance with the policy. The policy offers guidance on identifying and addressing bribery and corruption issues. As part of the Company's Code of Conduct awareness, the Company also creates awareness amongst employees, on anti-corruption and anti-bribery topics.

www.advancedenzymes.com/investors/corporate-governance#codes-and-policies.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/ principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:**

Yes, the Board members are prevented and managed for any conflicts of interests through the Company's strong mechanisms and processes.The Company believes that the Board members need to be loyal as they are responsible for protecting the Company's interests. This is to ensure that the Board members do not take advantage of their position and should avoid any potential conflicts of interest with the Company. To ensure that the conduct of Board members always remain exemplary in the matters related to ethics, the appointment of directors is decided after a careful scrutiny of their previous track record and experience.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	FY 2022-23	FY 2021-22	Details improvement of in environmental and social impacts
R&D	100%	100%	During the year following developments took place: • Developed next-generation engineered proteins • Developed an Enzyme and probiotics • We have an enzyme preparation and method for preparing concentrate from soya protein-containing material • Process for extracting oil from oil palm fruits and enzyme compositions
Capex	100%	100%	

2. a. **Does the entity have procedures in place for sustainable sourcing (Yes/No)**

Yes, the Company has created a supplier sustainability criterion and implemented a process for vendor selection. This encompasses multiple principles and guidelines, such as adhering to the Safety, Health and Environment Policy, complying with legal requirements, obtaining ISO Certification, and more. In addition, Advanced Enzyme Technologies Limited procures its raw materials locally, thereby reducing its carbon footprint. Furthermore, we make a sincere effort to source raw materials from suppliers who comply with regulatory authority rules and regulations.

b. **If yes, what percentage of inputs were sourced sustainably?**

Approximately 90% of sourcing is procured in a sustainable manner.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

- Plastics, E-waste, Hazardous waste and other waste are disposed-off through authorized (State Pollution Control Board Registered) Scrap dealers.
- Hazardous waste generated in the process is reprocessed in-house in one of the Plant and used as one of the raw materials in the manufacturing of other application products.
- The liquid waste from the RnD center is treated as per the State Pollution Control Board protocol and the treated waste is used for watering plants

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No):**

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, EPR policy is not applicable to the nature of the business carried out by the Company.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? –** NA

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
No					

BRSR (Continued)

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. **Percentage of recycled or reused input material to total material (in metric tonnes) used in production (for manufacturing industry) or providing services (for service industry):**

Indicate input material	Recycled or re-used input material to total material (%)	
	FY 2022-23	FY 2021-22
Raw Material*	22.30	21.56

*Since multiple raw materials are consumed during the process, hence name of each raw material is not mentioned

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

NIL

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
NIL	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent employees										
Male	221	146	66.06%	221	100%	NA	NA	75	33.94%	NA	NA
Female	63	11	17.46%	63	100%	63	100%	NA	NA	NA	NA
Total	**284**	**157**	**58.80%**	**284**	**100%**	**63**	**22.18%**	**75**	**26.41%**	**NA**	**NA**
	Other than Permanent employees										
Male	31	26	83.87%	31	100%	NA	NA	NA	NA	NA	NA
Female	7	7	100%	7	100%	7	100%	NA	NA	NA	NA
Total	**38**	**33**	**86.84%**	**38**	**100%**	**7**	**18.42%**	**NA**	**NA**	**NA**	**NA**

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent workers										
Male	54	54	100%	54	100%	NA	NA	NA	NA	NA	NA
Female	0	0	0	0	0	0	0	NA	NA	NA	NA
Total	**54**	**54**	**100%**	**54**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
	Other than Permanent workers										
Male	186	186	100%	186	100%	NA	NA	NA	NA	NA	NA
Female	10	10	100%	10	100%	10	100%	NA	NA	NA	NA
Total	**196**	**196**	**100%**	**196**	**100%**	**10**	**5.10%**	**NA**	**NA**	**NA**	**NA**

Note: In FY 2023, 33 trainees and in FY 2022, 40 trainees are categorised above under "other than permanent."

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others – Superannuation	21.25%	0%	Y	21.15%	0%	Y

BRSR (Continued)

3. **Accessibility of workplaces:**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Depending on the accessibility requirement of an employee under different departments of our premises / offices, the arrangements are done accordingly. In compliance with the requirements of the Rights of Persons with Disabilities Act, 2016, our plants and offices are accessible by differently abled persons

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.:**

The organisation upholds an Equal Opportunity Policy to cultivate an inclusive workplace that fosters diversity by offering equal employment opportunities and treating all employees equally regardless of gender, age, physical ability, beliefs, religion, sexual orientation, ethnicity, caste, or any other form of discriminatory factor. We highly appreciate the diversity within our workforce and therefore support the development and growth of talent within the organisation. Our optimal performance is achieved when an environment of mutual trust and collaboration exists.

Web link: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	66.67%	Not Applicable	
Female	-	-		
Total	100%	66.67%		

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

The Company places a great emphasis on fostering a work culture founded on mutual trust and respect. However, we acknowledge that circumstances may arise where an employee or worker may have grievances regarding various matters, such as supervisors, co-workers, or working conditions. To address such concerns, we have established a clearly-defined, structured, and hierarchical procedure for redressing grievances. The employee can raise there concern to the reporting mangers and HR, in case the griveances remain unresolved they can raise their concerns with AETL's senior management team. We periodically make suitable adjustments to the process based on the situation and the specific employee category.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes (as mentioned above)
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	**FY 2022-23**			**FY 2021-22**		
	Total employees / workers in respective category (A)	**No. of employees/ workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	**284**	**NIL**	**NIL**	267	NIL	NIL
- Male	**221**	**NIL**	**NIL**	217	NIL	NIL
- Female	**63**	**NIL**	**NIL**	50	NIL	NIL
Total Permanent Workers	**54**	**54**	**100%**	55	55	100%
- Male	**54**	**54**	**100%**	55	55	100%
- Female	**-**	**-**	**-**	-	-	-

8. **Details of training given to employees and workers:**

Category	FY 2022-23						FY 2021-22			
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
	Employees									
Male	252	180	71.42%	189	75.00%	253	170	67.19%	176	69.57%
Female	70	54	77.14%	59	84.29%	59	45	76.27%	53	89.83%
Total	322	234	72.67%	248	77.02%	312	215	68.91%	229	73.40%
	Workers									
Male	240	192	80.00%	142	59.17%	219	178	81.27%	128	58.44%
Female	10	08	80.00%	06	60.00%	10	7	70.00%	4	40.00%
Total	250	200	80.00%	148	59.20%	229	185	80.79%	132	57.64%

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
	Employees					
Male	252	252	100%	253	253	100%
Female	70	70	100%	59	59	100%
Total	322	322	100%	312	312	100%
	Workers					
Male	240	240	100%	219	219	100%
Female	10	10	100%	10	10	100%
Total	250	250	100%	229	229	100%

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

We have put in place a system to manage occupational health and safety, which has been certified under ISO 45001 which ensures requirements for an Occupational Health and Safety (OH&S) management system for all of our units. Our system covers all employees, including regular staff and contractors, and extends to 100% of our organisation. Additionally, we comply with legal requirements, including the Factories Act, Indian Boilers Act, Environment Protection Act, and other government regulations.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company is dedicated to ensuring a safe and healthy work environment within its premises, taking all necessary precautions to prevent safety incidents and work-related illnesses. We have an organised and systematic procedure to identify potential hazards, evaluate associated risks, and implement measures to mitigate and control them. The approach involves taking suitable measures to eliminate or minimise risks and raising awareness among all staff and workers to participate in the process.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)**

Yes, we promote a culture of reporting near-miss incidents among our employees. Each site also has a dedicated procedure in place for reporting work-related hazards, injuries, unsafe conditions, and acts.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, through periodic medical check-ups and the personal accident insurance policy.

BRSR (Continued)

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. **Describe the measures taken by the entity to ensure a safe and healthy work place:**

The Company has established an EHS Committee comprising management and worker representatives at the plant level. In the regular EHS Committee meetings, topics such as identifying training requirements, reviewing Hazard Identification and Risk Assessment (HIRA), proposing enhancements, etc., are deliberated. Necessary corrective and preventive measures are then taken to ensure a secure and healthy work environment. Further, Fire safety arrangement is provided and all efforts are made to ensure a safe & healthy work place.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL			NIL		
Health & Safety						

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the plants were assessed as follows: - Nashik: Entire plant assessment as per ISO 45001:2018, assessment by Jt. Director Health and Safety - Pithampur: Entire plant has been assessed by IR class as per FSSAI guidelines for FSSC 22000 certification.
Working Conditions	

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N):**

   (A) Employees - Yes (either in the form of mediclaim or accidental death insurance policy or others)

   (B) Workers – Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:**

   AETL guarantees that all applicable statutory dues related to its transactions are withheld and deposited according to current regulations. This process is also scrutinised during internal / statutory audits.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	NIL	NIL	NIL	NIL
Workers				

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

NIL

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

The Company recognises any person, group, or organisation that directly or indirectly influences its operations or business chain as a crucial stakeholder. This group includes customers, shareholders, suppliers, communities, government and regulatory bodies, and employees. The Company performs periodic mapping exercises to recognise and engage with its stakeholders.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

- Employees
- Shareholders
- Customers
- Suppliers
- Communities
- Media
- Governments and Regulatory bodies

BRSR (Continued)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Employees	No	One-on-One interactions, e-mail, senior management meet, internal communication platforms	Quarterly & annually (but also as and when required)	Career development salary and other perquisites, work ethics, policy communication, team building
Shareholders	No	Press releases, email, media releases, annual general meeting, stock exchange (s) intimations, website	Quarterly, half-yearly, annual, as and when required	Financial performance, key risks and mitigation, operational highlights, share price appreciation, dividend distribution
Customers	No	Email, SMS, pamphlets, advertisement, website, meetings	Ongoing & need-based	Superior customer service throughout the life cycle
Suppliers	No	Email, website, meetings	Ongoing & need-based	Timely delivery, payment terms & conditions, quality of goods procured
Communities	Yes	Email, meetings, telecommunications, One-on-one meetings	Ongoing	CSR, community complaints, awareness program, community development
Media	No	Press meets, management interviews, conference calls, newspaper, advertisement, website	Quarterly or need-based	Business and industry updates, quarterly results
Governments and Regulatory bodies	No	Meetings, visits	Need-based	Compliance, governance practices, regulatory approvals

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

   The Company employs diverse communication channels to engage with its various stakeholders and regularly conducts surveys to comprehend their opinions. The Company is committed to maintaining persistent, ongoing, and proactive conversations with all its essential stakeholders. This helps in refining the Company's strategies and performance. It is crucial to develop policies and programmes that are equitable and transparent, balancing the interests of all stakeholders.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:**

   Yes, the Company considers the promotion of a healthy and active lifestyle among people to be a significant societal objective, and as such, it collaborates with diverse stakeholders to gain a deeper understanding of their expectations and to compare its practices with the best in the industry. The Company is consistently and actively striving to comprehend the impact of its sustainability strategy and future priorities with all stakeholders. Regular consultations with both internal and external stakeholders are pivotal to the Company's ability to develop its CSR agenda and sustainability initiatives.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The Company is dedicated to promoting the welfare of underprivileged, disadvantaged, and marginalised sectors of society and strives to create sustainable livelihoods and a better human capital culture. Its Corporate Social Responsibility (CSR) policy focuses on initiatives in fields such as education, skill development, healthcare, sanitation, environmental sustainability, women's empowerment, and rural development. The Company has identified specific areas for improvement to enhance the standard of living and create a better society. To achieve its goals, the Company has collaborated with trusts and NGOs to fund CSR activities, including vocational training for differently-abled adults, addressing malnutrition and poor educational standards among tribal children, treating Thalassemia patients, and supporting education-related activities. The Company particularly emphasises assisting children, elderly, women, differently abeld and impoverished individuals, engaging with and prioritising support for these groups. The Company has implemented several programmes under its CSR Policy to benefit these vulnerable groups, and the details are available in the Annual Report on CSR Activities.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of Employees / workers covered (D)	% (D / C)
				Employees		
Permanent	284	284	100%	267	267	100%
Other than Permanent	38	38	100%	45	45	100%
Total Employees	322	322	100%	**312**	**312**	**100%**
				Workers		
Permanent	54	54	100%	55	55	100%
Other than Permanent	196	196	100%	174	174	100%
Total Workers	250	250	100%	**229**	**229**	**100%**

In FY 2023, 33 trainees and in FY 2022, 40 trainees are categorised above under "Other than permanent."

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Permanent										
Male	221	22	9.95%	199	90.05%	217	16	7.37%	201	92.63%
Female	63	09	14.29%	54	85.71%	50	8	16.00%	42	84.00
Other than Permanent										
Male	31	-	-	31	100%	36	-	-	36	100%
Female	07	-	-	07	100%	9	-	-	9	100%
					Workers					
Permanent										
Male	54	54	100%	-	54	55	55	100%	-	-
Female	-	-	100%	-	-	-	-	-	-	-
Other than Permanent										
Male	186	186	100%	-	186	164	164	100%	-	-
Female	10	10	100%	-	10	10	10	100%	-	-

3. **Details of remuneration/salary/wages, in the following format:**

(Median remuneration is in ₹ million)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	07	0.66	02	0.54
Key Managerial Personnel	03	11.85	0	0

BRSR (Continued)

Employees other than BoD and KMP	252	0.71	70	0.37
Workers	54	0.64	0	0
Contractual workers	186	0.18	10	0.18

Notes:

1. *The Commission payable to Board members as of March 31, 2023, has been considered to determine the median remuneration of BoD. Sitting fees paid to Independent Directors have not been considered.*
2. *For the purpose of the above disclosure, the remuneration (excluding Commission) of Mr. Mukund Kabra (Whole-Time Director & KMP) has been considered to determine the median remuneration for KMPs.*
3. *The median remuneration calculated for KMPs excludes the Commission/Annual Incentives, Leave encashment, gratuity and ESOP (as may be/wherever applicable).*

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Company has assigned the responsibility of addressing human rights issues or impacts to the Head of the Human Resource department, Board and Senior Management of AETL. The Company's Human Rights Policy mandates that all relevant stakeholders adhere to the policy principles.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues:**

The core principle at the Company is that any stakeholder should be able to raise their grievances and should be able to report any breach or perceived violation, with complete confidence and trust, confidentially and anonymously and without fear of retaliation. They should be able to report any breach of policies and procedures in the Company. The grievance can be reported in the following manner, a) General Human Right Grievances – To be addressed to Human Resource Department, Immediate supervisor, team lead of the department, with adequate arrangement for escalation, b) Any Sexual Harassment related incidents should be reported to Prevention of Sexual Harassment Committee (i.e. Internal Complaints Committee), Head - Human Resources / the Board.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	**NIL**			NIL		
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

The Company ensures that all workers and employees are treated with dignity, and provides a work environment free from any type of harassment, whether it be physical, verbal or psychological, including any such conduct directed towards third parties during business operations. Additionally, the employees are allowed to express their opinions freely. The Company is committed to ensuring optimal levels of safety and security in the workplace, devoid of violence, harassment, intimidation, and other unsafe or disruptive conditions that may arise due to internal or external threats. The Head of Human Resources, team lead/manager of the department, Management, and Board are all responsible for preventing any adverse consequences to the complainant in cases of discrimination and harassment, with appropriate escalation mechanisms in place.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   The human rights requirements is covered in detail in AETL Code of Conduct. The 'AETL Code of Conduct and Ethics' is available at: www.advancedenzymes.com/investors/corporate-governance/#codes-and-policies

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% (Assessed during various audits)
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:**

    Not Applicable.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has not received any grievances or complaints related to human rights concerns. However, the Company is implementing various measures to ensure that the Company upholds human rights and safeguards the rights of all employees and workers. Further, Company's human rights policy is publicly available and encompasses several key principles, including the prohibition of child labor and forced labor, harassment-free workplace, non-discrimination in the workplace by providing equal opportunity, diversity and freedom of association, compensation that exceeds legal standards, compliance with standard working hours as stipulated by relevant laws.

2. **Details of the scope and coverage of any Human rights due-diligence conducted:**

   Not Applicable.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes. Depending on the accessibility requirement of an employee under different departments of our premises / offices, the arrangements are done accordingly. In compliance with the requirements of the Rights of Persons with Disabilities Act, 2016, our plants and offices are accessible by differently abled persons

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil, the Company holds its value chain partners to the same high standards of corporate values, ethical principles, and human rights that it adheres to in all of its business operations. Although no specific evaluation regarding value chain partners has been conducted, this is an ongoing commitment.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:**

   Not Applicable.

BRSR (Continued)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

(In Joules or multiples)

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	**34,492 GJ**	30,714 GJ
Total fuel consumption (B)	**1,33,047**	1,24,363
Coal	**1,13,957**	1,03,008
Furnace Oil & LDO	**15,532**	19,131
Diesel	**3,558**	2,248
Energy consumption through other sources (C)	**NIL**	NIL
Total energy consumption (A+B+C)	**167,540 GJ (approximately)**	155,100 GJ (approximately)
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	**$5.38 * 10^{-5}$ GJ/INR (approximately)**	$5.69 * 10^{-5}$ GJ/INR (approximately)
Energy intensity (optional)- **the relevant metric may be selected by the entity**	**NIL**	NIL

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.:

No independent assessment was carried out by any external agency.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	**112,016**	116,111
(ii) Groundwater	**NIL**	NIL
(iii) Third party water	**NIL**	NIL
(iv) Seawater / desalinated water	**NIL**	NIL
(v) Others – Recycled water	**20,779**	8,021
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**132,795**	124,132
Total volume of water consumption (in kilolitres)	**130,082**	118,132
Water intensity per rupee of turnover (Water consumed / turnover)	**$4.18 * 10^{-5}$ Kilo litres/INR (approximately)**	$4.33 * 10^{-5}$ Kilo litres/INR (approximately)
Water intensity (optional) **– the relevant metric may be selected by the entity**	**NA**	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No independent assessment was carried out by any external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:**

Yes, the Company implemented a comprehensive mechanism to treat both process effluent and equipment wash water, utilising a three-stage forced feed Evaporation Plant. This process generates steam, which is collected and condensed to create recycled water for use in utilities such as boilers, water-cooled compressors, and cooling towers. The resulting slurry and sludge are then dried in the cage mill to produce a non-hazardous powder that serves as a raw material for non-pharmaceutical application products. This effective Zero Liquid Discharge (ZLD) system has been in place since 2003 and includes an Effluent Treatment Plant (ETP), Mechanical Vapor Recompression Evaporator (MEE), and Dryer.

5. **Please provide details of air emissions (other than GHG emissions) by the entity in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Mg/Nm^3	**19.32**	20.11
SOx	Mg/Nm^3	**11.92**	5.66
Particulate matter (PM)	Mg/Nm^3	**29.80**	47.86
Persistent organic pollutants (POP)	Mg/Nm^3	**1.23**	1.22
Volatile organic compounds (VOC)	Mg/Nm^3	**1.42**	1.42
Hazardous air pollutants (HAP)	Mg/Nm^3	**1.70**	1.89
Others - please specify	Mg/Nm^3	**NA**	NA

Note: POP, VOC and HAP data is available for Sinnar plant only.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

Yes

- Ashwamedh Engineers & Consultants- Laboratory services division, Nashik
- Azis Labs, Pithampur, Madhya Pradesh

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	The Company has just introduced environmental monitoring and stack emission monitoring from respective State Pollution Control Board approved external agency.	
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) **– the relevant metric may be selected by the entity**			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details:**

NIL

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	**4.47**	4.09
E-waste (B)	**0.53**	1.97
Bio-medical waste (C)	**NIL**	NIL
Construction and demolition waste (D)	**NIL**	NIL
Battery waste (E)	**0.29**	0.70
Radioactive waste (F)	**NIL**	NIL
Other Hazardous waste. Please specify, if any (G)	**272.45**	155.64
Other Non-hazardous waste generated (H) Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	**1.69**	1.05
Total (A + B + C + D + E + F + G + H)	**279.43**	**163.45**

BRSR (Continued)

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NIL	NIL
(ii) Re-used	271.00	153.50
(iii) Other recovery operations	NIL	NIL
Total	271.00	153.50
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations (authorized Through State Pollution Control Board – Registered Scrap Dealers)	8.43	9.95
Total	8.43	9.95

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No external agency carried out any independent assessment.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:**

   The Company's policies mandate that all operations be conducted in a manner that prioritises the following: (i) the safe handling and minimal usage of hazardous and toxic chemicals in both products and processes, with best practices implemented to manage resulting waste; (ii) adherence to all relevant environmental regulations; and (iii) the optimal utilisation of resources. All Company plants and laboratories are committed to improving energy efficiency through innovative techniques and ideas, which reduce wastage and optimise consumption.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
AETL's offices and manufacturing units are not located in Ecological sensitive zone			

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
NA				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

(In Joules or multiples)

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	NIL	NIL
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	34,492	30,714
Total fuel consumption (E)	133,047	124,386
Energy consumption through other sources (F)	NIL	NIL
Total energy consumed from non-renewable sources (D+E+F)	167,540 GJ (approx.)	155,100 GJ (approx.)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(ii) To Groundwater		
- No treatment (Potable water use for Gardening)	7,200	3,000
- With treatment (Toilet wash water - Passed through brick-bite Soak Pits)	5,580	2,500
(iii) To Seawater		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(v) Others		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kilolitres)	12,780	5,500

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency:

No external agency carried out independent assessment.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Not applicable, we are established away from water stress locations.

For each facility / plant located in areas of water stress, provide the following information: NA

(i) **Name of the area**

(ii) **Nature of operations**

BRSR (Continued)

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the entity may select the relevant metric		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance carried out by an external agency? (Y/N) If yes, the name of the external agency.

NA

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NIL	
Total Scope 3 emissions per rupee of turnover		NA	
Total Scope 3 emission intensity (optional) – **[the relevant metric may be selected by the entity]**			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:**

   NA

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Initiative undertaken	Details of the initiative (Weblink, if any, may be provided alongwith summary)	Outcome of the initiative
The Company is actively working towards enhancing its reliance on renewable energy sources by implementing solar panels at its Nashik plant. Upon the completion of testing, the Company will get the advantages of 160 kWh of renewable energy, thereby reducing its dependence on non-renewable energy sources		

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:**

   Yes. On broad basis, the business continuity plan is as follows: The Company has multi-location production facilities capable of manufacturing all the products i.e. Sinnar Factory/Pithampur Factory/Vasind Factory/plant(s) of the subsidiaries. Further, in case of any disaster/force majeure condition/cyber-attack at one of the location, the Company, in addition to the production facilities, has other locations from where the work / business can commence such as New Thane Research Centre, Wagle Research Centre, Thane Corporate Office. The Company has policy of taking backup of the systems on regular basis, hence the data can be restored and the work can be commenced without significant loss of data.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   NA

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:**

   NIL

BRSR (Continued)

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations:**

The Company is affiliated with the following 10 chambers/associations (refer point (b) below).

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry	National
2.	Health Foods and Dietary Supplements	National
3.	The Council of EU Chambers of Commerce	International
4.	Chamber of Bombay Commerce and Industry	State
5.	Pharmaceuticals Export Promotion Council of India	National
6.	Confederation of Indian Food Trade and Industry	National
7.	Confederation of Indian Food Regulatory Cell	National
8.	Trade Promotion Council of India	National
9.	Protein Foods and Nutrition Development	National
10.	Pithampur Audyogik Sangathan	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
NA		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable The Company remains committed to supporting and promoting the growth of the supplement and nutrition industry, as its primary goal is to improve the health and well-being of people across the globe.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated In public domain (Yes / No)	Relevant Web link
NIL					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NIL						

3. **Describe the mechanisms to receive and redress grievances of the community:**

The Company places great importance on establishing an effective system for receiving and addressing the concerns of the community. The Company has a well-defined process to receive any kind of enquiry/grievance/comment/suggestion from an external stakeholder, including local community members. All such queries received are assigned to the relevant person in the Company immediately and appropriate action is taken. There is a designated 'point of contact' through various communication channels for all these communications. All our internal and external stakeholders, including the communities we serve, can use this channel as a reporting platform to address a wide range of issues such as ethics, misrepresentation, fraud, misconduct, corruption, financial matters, conflicts of interest, insider trading, antitrust regulations, theft, embezzlement, employee relations, and human resources issues.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	9%	5%
Sourced directly from within the district and neighbouring districts	20%	24%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In ₹)
NIL			

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

   No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/vulnerable groups.

   (b) From which marginalized /vulnerable groups do you procure? NA

   (c) What percentage of total procurement (by value) does it constitute? NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:** NA

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:** NA

Name of authority	Brief of the Case	Corrective action taken
NA		

6. **Details of beneficiaries of CSR Projects:**

   Please refer to Annexure-IV (Annual report on CSR Activities) of the Board's Report within the Annual report FY 2022-23

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

   Most of the Company's sales revenue comes from orders placed by repeat customers, indicating a strong and established relationship with them. Nonetheless, the Company has put in place a structured mechanism to promptly address any customer complaints or feedback regarding its products and services. Customers have multiple options to contact the Company, and its representatives maintain regular communication with them to ensure that any issues are resolved satisfactorily. Resolutions to customer feedback are provided with great care and speed to prevent future customer dissatisfaction and enhance customer value.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	as a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	NA

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy:**

   Yes, the Company has implemented a strong system to identify potential cybersecurity risks. With the increasing significance of data privacy, the Company adopts a comprehensive and coordinated approach to information security and data privacy systems. The policy mainly pertains to internal users and verified external entities but is not publicly available online. It is only shared with relevant entities based on their need and relevance.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services:**

   NA

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   www.advancedenzymes.com, www.wellfa.com and other leading platforms in the market.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company's product(s) carry information about safe and responsible usage, as may be applicable.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

   The Company maintains regular communication with its customers to prevent customer relationship issues from escalating and affecting the business. In the event of any delays in customer delivery due to controllable or uncontrollable factors such as transportation disruptions or local disturbances, the Company promptly informs the customers to prevent any misunderstandings. Additionally, the Company makes every effort to minimise such incidents.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   No, the Company adheres to the applicable laws & regulations regarding displaying the product label and related information.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      NIL

   b. **Percentage of data breaches involving personally identifiable information of customers**

      NA

INDEPENDENT AUDITOR'S REPORT

To the Members of

Advanced Enzyme Technologies Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Advanced Enzyme Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Advanced Enzyme Technologies Limited (AETL or the "Company") has made investment in Advanced Enzymes Europe B.V. (AEEBV) Group (Advanced Enzymes Europe B.V. and Evoxx Technologies GmbH together referred as "AEEBV Group"). Investment amount in AEEBV is ₹. 149.85 million. Further, loans given by AETL to AEEBV Group is to the tune of ₹ 245.96 million and interest accrued on the same is ₹ 83.06 million as at 31 March 2023. AEEBV Group has been making losses in the past three year and its net worth has been eroded as on 31 March 2023 as per its consolidated financials statements. Management of the Company has performed the testing of impairment in relation to the Investments, Loans and the interest accrued as per the requirements of Ind AS 36 "Impairment of Assets". As per Ind AS 36, in regard to the impairment testing on its investments, the determination of the fair value of the AEEBV requires management of the Company to estimate significant assumptions including future revenue and terminal growth rates apart from margin assumptions and discount rates to estimate future cash flows. Also, in regard to the loans made, testing the recoverability of these loan balances requires management judgement and uncertainty assumptions. Considering involvement of significant judgement and assumptions used in the impairment evaluation of investment and loans made by AETL to AEEBV Group, we have considered this matter as Key Audit Matter (KAM).	Our audit procedures to address the impairment of Investments, Loans and its interest receivable included and were not limited to the following: 1. Obtained an understanding from the management of the Company with respect to policies and procedures followed by the management with respect to measurement and testing of impairment on the Company's Investment and Loans and advances made to AEEBV Group. 2. Reviewed valuation reports of AEEBV Group provided by the management of the Company by involvement of registered valuer. 3. Assessed the reasonableness of inputs used in valuation report provided by management for the future revenue and margin projections, the accuracy of the cash flow forecasts and analyzed the underlying key assumptions, including discounting rates and terminal growth rates. 4. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board of AEEBV and tested the mathematical accuracy of management's calculations. 5. Involved our internal experts to assess the consistency and reasonableness of Company's valuation methodology and assumptions, applied in determining the fair value of the subsidiary, in order to assess related impairment on investment and Loans and advances made to subsidiary. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises of Management Discussion and Analysis and Director's Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 52 to the standalone financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUP1191

Place: Mumbai
Date: 13 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31 March 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUP1191

Place: Mumbai
Date: 13 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment were physically verified by the management in accordance with a planned programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.

iii. (a) During the year, the company has made investment in two companies. According to the information explanation provided to us, the Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) (c),(d), (e) and (f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year though there have been slight delay in few cases.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, service tax and duty of excise on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount demanded (₹ in Million)	Amount paid under protest (₹ In Million)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.4	-	AY 2004-05	Bombay High Court
Income Tax Act, 1961	Income Tax	24.37	4.87	AY 2012-13	Commissioner Appeals
Income Tax Act, 1961	Income Tax	0.16	-	AY 2010-11	Commissioner Appeals
Income Tax Act, 1961	Income Tax	0.18	-	AY 2013-14	Commissioner Appeals
Income Tax Act, 1961	Income Tax	0.12	-	AY 2020-21	Commissioner Appeals
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Service Tax, Interest and Penalty	12.51	10.38	July 2010 to January 2015	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	2.84	2.50	April 2012 to January 2015	Additional Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	4.19	-	July 2010 to January 2015	Additional Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	2.79	2.79	July 2011 to January 2015	Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty, Interest and Penalty	0.53	0.53	March 2015 to October 2015	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Service Tax, Interest and Penalty	1.37	1.13	March 2015 to December 2015	Customs, Excise and Service Tax Appellate Tribunal, West Zone
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	0.60	-	March 2015 to December 2015	Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	2.11	-	Jan 2016 to June 2017	Commissioner of Central Excise, Customs and Service Tax
Central Excise Act, 1944 read with Cenvat Credit Rules, 2004	Excise Duty	0.64	0.13	Dec 2015 to January 2017	Commissioner of Central Excise, Customs and Service Tax

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended 31 March 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued by the internal auditor during our audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts in relation to project other than ongoing project which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance Section 135(6) of the said Act. This matter has been disclosed in Note 46 to the standalone financial statements.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUP1191

Place: Mumbai
Date: 13 May 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Advanced Enzyme Technologies Limited on the Financial Statements for the year ended 31 March 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Advanced Enzyme Technologies Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023 based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUP1191

Place: Mumbai
Date: 13 May 2023

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2023

(₹ in million)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	**1,424.45**	1,315.37
(b) Capital work-in-progress	5A	**56.06**	32.45
(c) Other intangible assets	6	**4.13**	4.88
(d) Intangible assets under development	6A	**54.19**	54.39
(e) Financial assets			
(i) Investments			
- investment in subsidiaries	7	**1,854.20**	1,726.22
- other investment	7	**0.62**	0.62
(ii) Loans	8	**333.43**	243.49
(iii) Other financial assets	9	**19.69**	14.06
(f) Income tax asset (net)		**110.91**	126.80
(g) Other non-current assets	10	**8.94**	11.08
Total non-current assets		**3,866.62**	3,529.36
(2) Current assets			
(a) Inventories	11	**767.89**	800.77
(b) Financial assets			
(i) Investment	12	**159.90**	166.84
(ii) Trade receivables	13	**666.68**	490.85
(iii) Cash and cash equivalents	14	**94.49**	134.98
(iv) Bank balances other than (iii) above	14A	**152.74**	44.77
(v) Loans	15	**0.42**	57.99
(vi) Other financial assets	16	**3.07**	13.76
(c) Other current assets	17	**46.19**	56.90
Total current assets		**1,891.38**	1,766.86
Total assets		**5,758.00**	5,296.22
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	**223.65**	223.60
(b) Other equity	19	**5,029.67**	4,579.93
Equity attributable to equity holders of the parent		**5,253.32**	4,803.53
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	20	**14.45**	9.51
(b) Provisions	21	**3.15**	8.62
(c) Deferred tax liabilities (net)	22	**118.10**	111.48
Total non-current liabilities		**135.70**	129.61
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**0.07**	1.75
(ii) Lease liabilities	20	**7.96**	4.57
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		**17.54**	5.40
b) total outstanding dues other than micro enterprises and small enterprises		**163.76**	197.19
(iv) Other financial liabilities	25	**120.58**	105.31
(b) Other current liabilities	26	**36.23**	27.46
(c) Provisions	21	**19.92**	20.58
(d) Current tax liabilities (net)		**2.92**	0.82
Total current liabilities		**368.98**	363.08
Total equity and liabilities		**5,758.00**	5,296.22
Significant accounting policies	4		
Notes form an integral part of these standalone financial statements	5-57		

As per our report of even date attached.
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 13 May 2023

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	27	**3,115.29**	2,727.98
Other income	28	**98.08**	90.80
Total income		**3,213.37**	2,818.78
Expenses			
Cost of materials consumed	29	**1,214.26**	1,127.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	**14.80**	(135.16)
Employee benefits expense	31	**414.20**	393.17
Finance costs (including exchange difference)	32	**1.35**	0.95
Depreciation and amortisation expense	33	**102.83**	95.61
Other expenses	34	**723.15**	616.32
Total expenses		**2,470.59**	2,098.06
Profit before tax		**742.78**	720.72
Tax expense	35		
Current tax		**182.54**	180.17
Deferred tax charge/(credit)		**4.97**	(4.56)
Total tax expense		**187.51**	175.61
Profit for the year		**555.27**	545.11
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit charge/(credit)		**6.59**	0.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.66)**	(0.07)
B (i) Items that will be reclassified to profit or loss		**-**	-
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
		4.93	0.21
Total comprehensive income for the year		**560.20**	545.32
Earnings per equity share (face value ₹ 2 each fully paid up)	39		
Basic		**4.97**	4.88
Diluted		**4.97**	4.87

Significant accounting policies 4

Notes form an integral part of these standalone financial statements 5-57

As per our report of even date attached.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 13 May 2023

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million)

(a) Equity share capital

	31 March 2023		31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year (refer note 19)	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting year	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Changes in equity share capital during the year	**23,400**	**0.05**	72,250	0.14
Balance at the end of the year	**11,18,24,075**	**223.65**	11,18,00,675	223.60

(b) Other equity

Particulars	Reserves and Surplus					Total Equity
	Securities Premium	Capital Reserve	General reserve	Employee stock option account	Retained earnings	
Balance at 1 April 2021	**787.37**	**3.00**	**32.53**	**26.19**	**3,281.91**	**4,131.00**
Profit for the year	-	-	-	-	545.11	545.11
Other comprehensive income for the year	-	-	-	-	0.21	0.21
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**545.32**	**545.32**
Add : Options granted during the year	-	-	-	-	-	-
Less: Options lapsed during the year	-	-	-	-	-	-
Add / (Less): Exercise of Share options	24.00	-	-	(19.79)	-	4.20
Less: Dividend	-	-	-	-	(100.60)	(100.60)
Balance at 31 March 2022	**811.37**	**3.00**	**32.53**	**6.40**	**3,726.63**	**4,579.93**
Profit for the year	-	-	-	-	555.27	555.27
Other comprehensive income for the year	-	-	-	-	4.93	4.93
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**560.20**	**560.20**
Options granted during the year	-	-	-	0.56	-	0.56
Add / (Less): Exercise of Share options	7.76	-	-	(6.96)	-	0.80
Less: Dividend	-	-	-	-	(111.82)	(111.82)
Balance at 31 March 2023	**819.13**	**3.00**	**32.53**	**-**	**4,175.01**	**5,029.67**

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
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CIN: L24200MH1989PLC051018

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Wholetime Director
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Place: Nashik

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Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni P. Rauka
Chief Financial Officer
Membership No: 039980

Place: Thane
Date: 13 May 2023

Place: Mumbai

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million)

		Year ended 31 March 2023	Year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit before tax	**742.78**	720.72
	Adjustments for non-cash transactions		
	Depreciation and amortization expense	**102.83**	95.61
	Property, plant and equipment written off	**6.87**	-
	(Profit) on sale of property, plant and equipment	**7.85**	(11.81)
	Bad debts written off	**-**	0.96
	Provision for doubtful trade receivables provided	**4.40**	0.25
	Excess provision written back	**(1.28)**	(2.99)
	Sundry balances written off/ (back) (net)	**0.42**	0.11
	Unrealized foreign exchange loss	**(0.96)**	0.05
	Fair value adjustment on investments	**(5.12)**	(2.24)
		857.79	800.66
	Items considered separately		
	Interest income	**(34.04)**	(25.92)
	Interest expenses	**1.35**	0.95
	Dividend income	**(31.60)**	(38.20)
	Operating profit before working capital changes	**793.50**	737.49
	Adjustments for working capital changes		
	(Increase) / Decrease in Non-current loans	**-**	37.96
	(Increase) / Decrease in Other non-current financial assets	**(5.62)**	(1.39)
	(Increase) / Decrease in Other non-current assets	**0.52**	(1.16)
	(Increase) / Decrease in Inventories	**32.89**	(166.55)
	(Increase) / Decrease in Trade receivables	**(179.22)**	55.57
	(Increase) / Decrease in Current loans	**(0.26)**	(37.78)
	(Increase) / Decrease in Other current financial assets	**10.71**	2.24
	(Increase) / Decrease in Other current assets	**10.70**	(0.50)
	(Decrease) / Increase in Provisions	**0.48**	(0.92)
	(Decrease) / Increase in Trade payables	**(20.49)**	(20.07)
	(Decrease) / Increase in Other current financial liabilities	**15.53**	12.89
	(Decrease) / Increase in Other current liabilities	**8.77**	(32.34)
	Cash generated from operating activities	**667.51**	585.44
	Income taxes paid (net)	**(164.55)**	(214.42)
	Net cash generated from operating activities	**502.96**	371.02
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (tangible and intangible both)	**(234.24)**	(105.37)
	Proceeds from sale of property, plant and equipment	**1.51**	12.44
	Purchase of intangible assets (net of refunds)	**(0.54)**	(0.60)
	Purchase of non-current investments	**(127.97)**	(211.25)
	Proceeds / (Purchase) from sale of current investments (net)	**12.05**	163.08
	Interest received	**1.93**	0.42
	Dividend received	**31.60**	38.20
	(Increase) in bank deposits with maturity more than 3 months but less than 12 months	**(107.88)**	(39.29)
	(Increase) / Decrease in bank deposits with maturity of more than 12 months #	**(0.00)**	(0.00)
	Net cash (used in) investing activities	**(423.54)**	(142.37)
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital including securities premium	**1.42**	4.34
	Repayment from long-term borrowings (net)	**-**	(1.75)
	Repayment of short-term borrowings (net)	**(1.69)**	(5.44)
	Interest paid	**(1.35)**	(0.95)
	Payment of Lease liabilities	**(6.47)**	(4.32)
	Dividends paid (including dividend distribution tax)	**(111.82)**	(100.60)
	Net cash (used in) financing activities	**(119.91)**	(108.72)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(40.49)**	119.93
	Cash and cash equivalents as at the beginning of the period	**134.98**	15.05
	Cash and cash equivalents as at the end of the period*	**94.49**	134.98
	*** Composition of cash and cash equivalents (refer note 14)**		
	Cash in hand	**0.45**	0.42
	Balance with banks :		
	Current account	**94.04**	134.56
	Deposits with maturity more than 3 months but less than 12 months	**-**	-
		94.49	134.98

\# Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

STANDALONE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million)

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities

Particulars	Notes	31 March 2022	Cashflows	Non cash changes				31 March 2023
				Acquisitions	Foreign exchange movement	Fair value change	Other adjustments	
Non-current borrowings	20 & 23	-	-	-	-	-	-	-
Cash credit, packing credit, working capital demand loans and deferred sales tax liabilities	23	1.75	(1.68)	-	-	-	-	0.07
Total liabilities from financing		**1.75**	**(1.68)**	**-**	**-**	**-**	**-**	**0.07**

Notes to the standalone cash flow statement

1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Amrish Vaidya
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Mukund Kabra
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Sanjay Basantani
Company Secretary
Membership No: A19637

Beni P. Rauka
Chief Financial Officer
Membership No: 039980

Place: Mumbai
Date: 13 May 2023

Place: Thane
Date: 13 May 2023

Place: Mumbai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million)

1 OVERVIEW OF THE COMPANY

Advanced Enzyme Technologies Limited ('the Company') was incorporated on 15 March 1989 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing and sales of enzymes. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013 ("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. The standalone financial statements were authorised for issue by the Company's Board of Directors on 13 May 2023.

All the 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 Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained the operating cycle to be 12 months.

Functional and presentation currency:

These Standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

Historical cost convention:

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

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

3 USE OF ESTIMATES

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 are as follows:

a. Property, plant and equipment

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

b. Recognition and measurement of defined benefit obligations

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

c. Recognition of deferred tax assets

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

(₹ in million)

d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

f. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

g. Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers.

h. Measurement of fair values

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

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

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

- 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.

3A STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 31, 2023, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 1, 2023. Key Amendments relating to the same where financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The

(₹ in million)

Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

4 SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue and other income

Revenue recognition

i. The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point of time when the control of goods is transferred to the customer. Revenue is measured based on transaction price, which is the consideration, adjusted for estimated returns and allowances, discounts and volume rebates, if any, as specified in the contracts with the customers. Sales are exclusive of Goods and Service Tax (GST).

ii. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.

Other income

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

ii Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

b. Property, plant and equipment and depreciation

Recognition and measurement

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.

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

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

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

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

Subsequent expenditure

vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

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

The estimated useful life of assets are as follows:

Particulars	Estimated useful life
Building	30 - 60 years
Plant and equipment	10 - 25 years
Furniture and fixture	10 years
Vehicles	8 years
Office equipments	5 years
Computer and data processing equipment	3 - 6 years

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

viii. Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease.

ix. The Company has reviewed its policy for providing depreciation on its tangible assets and has also reassessed their useful lives as per Part C of Schedule II of the Act. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II of the Act, for all classes of tangible assets.

c. Intangible assets

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

ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of intangible asset. Intangible assets under development are tested for impairment annually to determine if recoverable amount of an asset is greater of its value in use and its fair value less costs to sell.

iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iv. An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

v. Any expected loss is recognized immediately in the Statement of Profit and Loss.

vi. Intangible assets that are ready for use are amortized on a straight line basis as follows:

Particulars	*Estimated useful life*
Computer software	4 years
Product dossiers	10 years

d. Non-current assets held for sale

Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss. Once classified as held-for-sale they are no longer depreciated.

e. Impairment of non-financial assets

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

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

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

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

f. Foreign currency transactions

i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of Profit and Loss in the period in which they arise.

g. Stock based Compensation:

Employees Stock Option Plans ("ESOPs"):

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option account". On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

Employee stock options provided to the employees of subsidiary under a group plan is accounted as capital contribution to the subsidiary, if no payments for related costs from the subsidiary to the Company is agreed, and recorded as investments in the standalone financial statements.

h. Inventories

i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.

ii. Cost of raw materials, consumables and packing materials is determined on weighted average basis. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

During the previous year, valuation policy for raw materials, consumables and packing materials inventory was changed from first in first out to Weighted average to align with valuation methods for finished goods and stock in process. The impact of the change in accounting policy for raw material and packing material as at 31 March 2020 is insignificant to the financial statements.

i. Employee benefits

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

i. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of Profit and Loss, when the contribution to the Fund is due.

ii. **Defined benefit plans**

The Company provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Company policy.

j. Income taxes

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

Current tax

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as deferred tax in the the Statement of Profit and Loss. The Company recognizes MAT credit available as an asset only when it is probable that the future economic benefit associated with it will flow to the Company i.e. the Company will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, by way of credit to the Statement of Profit and Loss and shown as "Deferred tax" MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid evidence no longer exists.

k. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

l. Research and development costs

Research and development costs incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of assets and depreciated on the same basis as other assets.

m. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

n. Leases

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach.

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

(i) the contact involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

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

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

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

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

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

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

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

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

o. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Operating cycle

Operating cycle is the time between the acquisition of assets for processing an their realization in cash or cash equivalents. Based on the nature of products/ activities of the Company, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q. Share issue expenses

Share issue expenses are adjusted against the Securities premium as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the Securities premium. Share issue expenses in excess of the balance in the Securities premium is expensed in the Statement of Profit and Loss.

r. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

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

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

ii. Classification

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

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

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

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

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

i. Recognition and initial measurement

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

iv. Derecognition

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

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

v. Impairment of financial assets

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

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

ii. Trade receivables.

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

vi. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

b. Financial liabilities

i. Recognition and initial measurement

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

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

Loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii. Classification, subsequent measurement and gains and losses

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

iii. Derecognition

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

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

iv. Offsetting

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

v. Financial guarantee contract

Financial guarantee contracts issued on behalf of a subsidiary is accounted as capital contribution to the subsidiary, if no payments from the subsidiary to the Company is agreed, and recorded as investments in the standalone financial statement.

vi. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the Statement of profit and loss.

s. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in million)

5 PROPERTY, PLANT AND EQUIPMENT

Gross block	Land freehold	Land leasehold	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Computer and data processing equipments	Right to use asset (Refer note b)	Total
Balance as at 1 April 2021	327.22	5.22	251.06	1,031.38	19.91	16.41	11.79	2.37	20.97	20.65	1,706.98
Additions	-	-	-	53.51	4.84	15.63	3.41	0.62	3.46	12.84	94.31
Disposals	-	-	0.73	0.01	-	0.13	-	-	0.01	-	0.88
Balance as at 31 March 2022	**327.22**	**5.22**	**250.33**	**1,084.88**	**24.75**	**31.91**	**15.20**	**2.99**	**24.42**	**33.49**	**1,800.41**
Additions	40.83	-	64.46	75.16	8.58	13.16	5.53	0.61	3.50	14.79	226.62
Disposals	-	-	-	0.68	0.10	11.83	0.66	-	0.01	-	13.28
Reversal on account of assets written off	-	-	-	10.92	0.66	-	0.35	-	0.47	-	12.40
Balance as at 31 March 2023	**368.05**	**5.22**	**314.79**	**1,148.44**	**32.57**	**33.24**	**19.72**	**3.60**	**27.44**	**48.28**	**2,001.35**
Accumulated depreciation and amortization											
Balance as at 1 April 2021	-	0.35	77.36	261.50	13.03	13.65	7.05	1.85	15.05	6.92	396.76
Depreciation and amortization	-	0.07	15.90	58.48	1.83	1.12	2.32	-	3.52	5.28	88.52
Reversal on disposal of assets	-	-	0.11	-	-	0.13	-	-	0.00	-	0.24
Balance as at 31 March 2022	**-**	**0.42**	**93.15**	**319.98**	**14.86**	**14.64**	**9.37**	**1.85**	**18.57**	**12.20**	**485.04**
Depreciation and amortization	-	0.07	16.12	61.00	3.36	5.94	3.35	0.39	3.48	7.62	101.33
Reversal on disposal of assets	-	-	-	0.01	0.09	3.26	0.56	-	0.01	-	3.93
Reversal on account of assets written off	-	-	-	4.51	0.46	-	0.24	-	0.33	-	5.54
Balance as at 31 March 2023	**-**	**0.49**	**109.27**	**376.46**	**17.67**	**17.32**	**11.92**	**2.24**	**21.71**	**19.82**	**576.90**
Net block											
Balance as at 31 March 2022	327.22	4.80	157.18	764.91	9.89	17.27	5.83	1.14	5.84	21.29	1,315.37
Balance as at 31 March 2023	**368.05**	**4.73**	**205.52**	**771.98**	**14.90**	**15.92**	**7.80**	**1.36**	**5.73**	**28.46**	**1,424.45**

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

5A CAPITAL WORK-IN-PROGRESS (CWIP)

	Amount
CWIP as at 1 April 2021	19.61
Additions during the year	93.91
Capitalised during the year	81.07
CWIP as at 31 March 2022	**32.45**
Additions during the year	155.04
Capitalised during the year	131.43
CWIP as at 31 March 2023	**56.06**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

(a) For Capital-work-in progress ageing schedule

CWIP as at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	52.84	0.36	2.86	-	**56.06**
Projects temporarily suspended	-	-	-	-	-

CWIP as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	26.36	5.56	0.00	0.53	**32.45**
Projects temporarily suspended	-	-	-	-	-

(b) For Right to use asset

	Buildings	Land Leasehold	Total
Gross block			
Balance as at 1 April 2021	8.03	12.62	20.65
Additions	12.84	-	12.84
Disposals	-	-	-
Balance as at 31 March 2022	**20.87**	**12.62**	**33.49**
Additions	14.79	-	14.79
Disposals	-	-	-
Balance as at 31 Mar 2023	**35.66**	**12.62**	**48.28**
Accumulated depreciation and amortization			
Balance as at 1 April 2021	6.18	0.74	6.92
Depreciation and amortization	4.54	0.74	5.28
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2022	**10.72**	**1.48**	**12.20**
Depreciation and amortization	6.88	0.74	7.62
Reversal on disposal of assets	-	-	-
Balance as at 31 Mar 2023	**17.60**	**2.22**	**19.82**
Net block			
Balance as at 31 March 2022	10.16	11.13	21.29
Balance as at 31 Mar 2023	**18.06**	**10.40**	**28.46**

(₹ in million)

6 INTANGIBLE ASSETS

Gross block	Computer software	Product Dossiers	Total
Balance as at 1 April 2021	30.22	3.83	34.05
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2022	30.22	3.83	34.05
Additions	0.75	-	0.75
Disposals	**-**	**-**	**-**
Balance as at 31 March 2023	**30.97**	**3.83**	**34.80**
Accumulated amortisation			
Balance as at 1 April 2021	21.22	0.87	22.09
Amortisation	6.70	0.38	7.08
Balance as at 31 March 2022	27.92	1.25	29.17
Amortisation	1.12	0.38	1.50
Balance as at 31 March 2023	**29.04**	**1.63**	**30.67**
Net block			
Balance as at 31 March 2022	2.30	2.58	4.88
Balance as at 31 March 2023	**1.93**	**2.20**	**4.13**

6A INTANGIBLE ASSETS UNDER DEVELOPMENT

	Amount
Balance as at 1 April 2021	53.79
Additions during the year	0.60
Capitalised during the year	-
Balance as at 31 March 2022	**54.39**
Additions during the year	**1.11**
Capitalised during the year	**1.31**
Balance as at 31 March 2023	**54.19**

(a) Intangible assets under development ageing schedule

Intangible assets under development as at 31 Mar 23	Projects in progress	Projects temporarily suspended
Less than 1 year	**0.20**	**-**
1 - 2 years	**0.30**	**-**
2 - 3 years	**-**	**-**
More than 3 years	**53.69**	**-**
Total	**54.19**	**-**

Intangible assets under development as at 31 Mar 22	Projects in progress	Projects temporarily suspended
Less than 1 year	0.30	-
1 - 2 years	0.40	-
2 - 3 years	-	-
More than 3 years	53.69	-
Total	**54.39**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

7 NON-CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Investment in Equity Instruments (Unquoted)		
Investment in subsidiaries (Valued at cost unless stated otherwise)		
60,000 Equity shares (31 March 2022 - 60,000) of ₹ 10 each fully paid up of Advanced Bio-Agro Tech Limited	**0.60**	0.60
70,000 Equity shares (31 March 2022 - 70,000) of ₹ 10 each fully paid up of Advanced Enzytech Solutions Limited	**1.57**	1.57
5,839 Equity shares (31 March 2022 - 5,839) of USD 1,000 each fully paid up of Advanced Enzymes USA, Inc. *	**531.19**	531.19
18,605,680 Equity shares (31 March 2022 - 17,605,680) of ₹ 10 each fully paid up of JC Biotech Private Limited (refer note 47) #	**794.75**	726.75
500,000 Equity shares (31 March 2022 - 500,000) of MYR 1 each fully paid up of Advanced Enzymes (Malaysia) Sdn. Bhd.	**8.38**	8.38
2,000,000 Equity shares (31 March 2022 - 2,000,000) of Euro 1 each fully paid up of Advanced Enzymes Europe B.V.	**149.85**	149.85
520,408 Equity shares (31 March 2022 - 520,408) of ₹ 10 each fully paid up of Scitech Specialities Pvt. Ltd. (refer note 49)	**316.26**	316.26
19,991,663 Equity shares (31 March 2022 - Nil) of ₹ 1 each fully paid up of Saiganesh Enzytech Solutions Private Limited (refer note 50)	**59.98**	-
Less: Provision for diminution in the value of investment	**(8.38)**	(8.38)
	1,854.20	1,726.22
Other investments (unquoted)		
Equity shares at fair value through profit and loss		
19,100 Equity shares (31 March 2022 - 19,100) of ₹ 10 each fully paid up of Advanced Vital Enzymes Private Limited	**0.57**	0.57
1,666 Equity shares (31 March 2022 - 1,666) of ₹ 30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	**0.05**	0.05
	0.62	0.62
	1,854.82	1,726.84
Aggregate value of unquoted investments	**1,854.82**	1,726.84
Provision for diminution in value of investments	**8.38**	8.38

Refer Note 41

* Includes cost of shares options issued to employees of subsidiary under the group plan as per Ind AS 102.

Includes Guarantee commission income recorded for accounting of fair value for financial guarantee contract as per Ind AS 109

(₹ in million)

8 LONG-TERM LOANS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Loans to related parties (Refer note 41)	**247.91**	210.01
Less: Provision for diminution of loan given	**(1.95)**	(1.95)
Interest receivable	**87.66**	35.62
Less: Provision for diminution of interest receivable	**(0.19)**	(0.19)
	333.43	243.49

Type of borrower	Amount of loan or advance in the nature of loan outstanding	
	31 March 2023	31 March 2022
Promoters	**-**	-
Directors	**-**	-
KMPs	**-**	-
Related Parties	**245.96**	245.96
Total amount	**245.96**	245.96

Type of borrower	Percentage to the total loans and advances in the nature of loans	
	31 March 2023	31 March 2022
Promoters	**0%**	0%
Directors	**0%**	0%
KMPs	**0%**	0%
Related Parties	**100%**	100%
Total percentage	**100%**	100%

9 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Non-current bank balances having maturity of more than 12 months	**0.06**	0.05
Security deposits	**19.63**	14.01
	19.69	14.06

10 OTHER NON-CURRENT ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	**1.87**	2.40
Capital advances	**7.07**	8.68
	8.94	11.08

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

11 INVENTORIES

(valued at lower of cost and net realizable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials [including goods-in-transit of ₹ 25.53 million (31 March 2022: ₹ 42.69 million)]	**270.93**	287.66
Work-in-progress	**315.86**	282.06
Finished goods [including goods-in-transit of ₹ 35.36 million (31 March 2022 ₹ 36.11 million)]	**118.24**	166.83
Consumables and fuel	**62.86**	64.22
	767.89	800.77

As at 31 March 2023, the Company has written down the value for slow moving inventory including net realisable value aggregating ₹ 52.08 million (31 March 2022: ₹ 86.56 million). Reversal during the year ended 31 March 2023 is ₹ 34.48 million (31 March 2022: charge of ₹ 0.03 million) is included in cost of materials consumed and changes in inventories.

12 CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Mutual funds (Quoted)		
(carried at fair value through profit and loss)		
DSP Savings fund - Direct - Growth	-	15.49
(No. of units 31 March 2023: Nil, 31 March 2022: 354,042.284)		
(Market value 31 March 2022: ₹ 43.763/unit)		
DSP overnight fund - Direct - Growth	-	10.00
(No. of units 31 March 2023: Nil, 31 March 2022: 8,786.469)		
(Market value 31 March 2022: ₹ 1,138.3791/unit)		
Aditya Birla Sunlife Limited floating rate fund - Direct - Growth	-	17.12
(No. of units 31 March 2023: Nil, 31 March 2022: 60,372.067)		
(Market value 31 March 2022: 283.549/unit)		
ICICI Ultra short term fund	**20.00**	26.02
(No. of units 31 March 2023: 790,248.040; 31 March 2022: 1,087,986.419)		
(Market value 31 March 2023: 25.301/unit; 31 March 2022: 23.911/unit)		
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	-	3.91
(No. of units 31 March 2022: Nil, 31 March 2022: 10,829.661)		
(Market value 31 March 2022: 360.661/unit)		
Aditya Birla Sunlife Limited Overnight Fund - Growth - Direct	**20.03**	81.80
(No. of units 31 March 2023: 16,528.047; 31 March 2022: 71,146.4933)		
(Market value 31 March 2023: 1,212.4461/unit; 31 March 2022: 1,149.6854/unit)		
ICICI Prudential Overnight Fund	-	12.50
(No. of units 31 March 2023: Nil, 31 March 2022: 109,073.397)		
(Market value 31 March 2022: 114.608/unit)		
Investment In UTI Liquid Cash Plan Direct Growth	**44.30**	-
(No. of units 31 March 2023: 12,006.607; 31 March 2022: Nil)		
(Market value 31 March 2023: 3,689.0471/unit)		
INVESTMENT - UTI MONEY MARKET FUND -DIRECT- GROWTH	**75.57**	-
(No. of units 31 March 2023: 28,680.837, 31 March 2022: Nil)		
(Market value 31 March 2023: 2,634.8639/unit)		
	159.90	166.84

(₹ in million)

13 TRADE RECEIVABLES

	As at 31 March 2023	As at 31 March 2022
Secured, considered good	**0.13**	0.13
Unsecured, considered good	**666.55**	490.72
Unsecured, credit impaired	**6.90**	2.50
Less: Impairment loss allowance	**(6.90)**	(2.50)
	666.68	490.85
(Refer note 40 for information about credit risk and market risk of trade receivables)		
The above balance includes amounts due by private companies in which directors are interested (Refer note 41)	**75.81**	21.60

Outstanding as on 31 March 2023

	Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade Receivables – considered good	657.78	6.50	1.92	0.10	**0.38**	666.68
ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	**-**	-
iii)	Undisputed Trade Receivables – credit impaired	1.67	1.39	2.23	0.32	1.29	6.90
iv)	Disputed Trade Receivables – considered good	-	-	-	-	**-**	-
v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	**-**	-
vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	**-**	-
	Total trade receivables	**659.45**	**7.89**	**4.15**	**0.42**	**1.67**	**673.58**
	Provision for doubtful trade receivables	**1.67**	**1.39**	**2.23**	**0.32**	**1.29**	**6.90**
	Net receivable	**657.78**	**6.50**	**1.92**	**0.10**	**0.38**	**666.68**

Outstanding as on 31 March 2022

	Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade Receivables – considered good	486.71	3.23	0.52	0.39	**-**	490.85
ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	**-**	-
iii)	Undisputed Trade Receivables – credit impaired	0.73	0.37	0.10	1.07	0.23	2.50
iv)	Disputed Trade Receivables – considered good	-	-	-	-	**-**	-
v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	**-**	-
vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	**-**	-
	Total trade receivables	**487.44**	**3.60**	**0.62**	**1.46**	**0.23**	**493.35**
	Provision for doubtful trade receivables	**0.73**	**0.37**	**0.10**	**1.07**	**0.23**	**2.50**
	Net receivable	**486.71**	**3.23**	**0.52**	**0.39**	**-**	**490.85**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

14 CASH AND CASH EQUIVALENTS

	As at 31 March 2023	As at 31 March 2022
Cash on hand	**0.45**	0.42
Balances with banks		
- in current accounts	**94.04**	134.56
	94.49	134.98

14A OTHER BANK BALANCES

	As at 31 March 2023	As at 31 March 2022
Unpaid dividend accounts	**1.17**	1.08
Bank deposits with original maturity more than three months but less than twelve months	**146.82**	42.02
Earmarked bank balances	**4.75**	1.67
	152.74	44.77

15 LOANS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Loan to employees	**0.42**	0.16
Loans to related parties (Refer note 41)	**-**	37.90
Interest receivable	**-**	19.93
	0.42	57.99

16 OTHER CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Export incentives receivable	**2.76**	12.95
Others	**0.31**	0.81
	3.07	13.76

17 OTHER CURRENT ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	**7.83**	8.49
Advance to suppliers	**8.62**	17.33
Balance with Government authorities	**25.78**	28.23
Asset recoverable from customers	**3.96**	2.85
	46.19	56.90

(₹ in million)

18 EQUITY SHARE CAPITAL

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Face Value ₹ 2 each	**17,50,00,000**	**350.00**	17,50,00,000	350.00
	17,50,00,000	**350.00**	17,50,00,000	350.00
Issued, subscribed and fully paid up				
Equity shares of Face Value ₹ 2 each	**11,18,24,075**	**223.65**	11,18,00,675	223.60
Total	**11,18,24,075**	**223.65**	11,18,00,675	223.60

a) Reconciliation of equity share capital

a) Reconciliation of equity share capital	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Add : Issued during the year (Refer note 18d below)	**23,400**	**0.05**	72,250	0.14
Balance at the end of the year	**11,18,24,075**	**223.65**	11,18,00,675	223.60

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

b) Shareholders holding more than 5% of the equity shares	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Face Value ₹ 2 each				
Mr. Vasant L. Rathi *	**3,65,03,702**	**32.64%**	3,65,03,702	32.65%
Advanced Vital Enzymes Private Limited (Chandrakant Rathi Innovations and Projects Private limited merged with Advanced Vital Enzymes Private Limited)	**72,32,844**	**6.47%**	72,32,844	6.47%
Nalanda India Equity Fund Limited	**99,63,685**	**8.91%**	68,28,047	6.11%
Orbimed Asia III Mauritius Limited	**1,10,53,245**	**9.88%**	1,10,53,245	9.89%
	6,47,53,476	**57.91%**	6,16,17,838	55.11%

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2023: 7,500,000 shares (6.71%) [31 March 2022: 7,500,000 shares (6.71%)]

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) Shares reserved for issue under options

The Company had reserved issuance of 220,000 Equity shares having face value of ₹ 2 each (31 March 2022: 220,000) for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 43).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

Details of Shares held by Promoters at the end of the year

Sr. No.	Promoter name	As at 31 March 2023		As at 31 March 2022		% change between 31 Mar 23 vs 31 Mar 22	As at 31 March 2021		% change between 31 Mar 22 vs 31 Mar 21
		No. of shares	% of total shares	No. of shares	% of total shares		No. of shares	% of total shares	
1	Vasant Rathi *	**3,65,03,702**	**32.64%**	3,65,03,702	32.65%	**-0.01%**	3,65,78,702	32.74%	-0.09%
2	Chandrakumar Laxminarayan Rathi	**46,500**	**0.04%**	46,500	0.04%	**0.00%**	46,500	0.04%	0.00%
3	Reshma Namita Rathi	**26,46,858**	**2.37%**	26,46,858	2.37%	**0.00%**	26,46,858	2.37%	0.00%
4	Rachana Vasant Rathi	**26,41,500**	**2.36%**	26,41,500	2.36%	**0.00%**	26,41,500	2.36%	0.00%
5	Rasika Vasant Rathi	**26,36,700**	**2.36%**	26,36,700	2.36%	**0.00%**	26,36,700	2.36%	0.00%
6	Prabhavati Vasant Rathi	**9,13,000**	**0.82%**	9,13,000	0.82%	**0.00%**	9,63,000	0.86%	-0.04%
7	Kishor Laxminarayan Rathi	**14,66,000**	**1.31%**	14,66,000	1.31%	**0.00%**	14,66,000	1.31%	0.00%
8	Madhusudan Kabra	**7,15,600**	**0.64%**	7,15,600	0.64%	**0.00%**	-	0.00%	0.64%
9	Savita Chandrakumar Rathi	**-**	**0.00%**	3,71,500	0.33%	**-0.33%**	3,71,500	0.33%	0.00%
10	Radhika Ashish Pujara	**-**	**0.00%**	31,500	0.03%	**-0.03%**	31,500	0.03%	0.00%
11	Piyush Chandrakumar Rathi	**-**	**0.00%**	23,500	0.02%	**-0.02%**	23,500	0.02%	0.00%
12	Jayesh Madhusudan Soni	**10,000**	**0.01%**	10,000	0.01%	**0.00%**	10,000	0.01%	0.00%
13	Sanju Madhusudan Soni	**10,000**	**0.01%**	10,000	0.01%	**0.00%**	10,000	0.01%	0.00%
14	Tejasvi Madhusudan Soni	**10,000**	**0.01%**	10,000	0.01%	**0.00%**	10,000	0.01%	0.00%
15	Abhijit Kishor Rathi	**82,835**	**0.07%**	82,835	0.07%	**0.00%**	-	0.00%	0.07%
16	Ankit Kishor Rathi	**1,00,000**	**0.09%**	1,00,000	0.09%	**0.00%**	-	0.00%	0.09%
17	Amit Kishor Rathi	**75,001**	**0.07%**	75,000	0.07%	**0.00%**	-	0.00%	0.07%
18	Sunita Sunil Attal	**11,760**	**0.01%**	11,860	0.01%	**0.00%**	-	0.00%	0.01%
19	Anisha Sunil Attal	**9,421**	**0.01%**	10,333	0.01%	**0.00%**	-	0.00%	0.01%
20	Megha Jhawar	**10,000**	**0.01%**	10,000	0.01%	**0.00%**	-	0.00%	0.01%
21	Nikita Madhusudan Soni	**10,000**	**0.01%**	10,000	0.01%	**0.00%**	-	0.00%	0.01%
22	Payal Shamsunder Soni	**5,000**	**0.00%**	5,000	0.01%	**-0.01%**	-	0.00%	0.01%
23	Snehal Shamsunder Soni	**4,400**	**0.00%**	5,000	0.01%	**-0.01%**	-	0.00%	0.01%
24	"Advanced Vital Enzymes Pvt Ltd (Chandrakant Rathi Innovations And Projects Private Limited merged with Advanced Vital Enzymes Pvt. Ltd.)"	**72,32,844**	**6.47%**	99,56,344	8.91%	**-2.44%**	1,33,71,876	11.97%	-3.06%
25	Atharva Green Ecotech LLP	**6,29,000**	**0.56%**	6,29,000	0.56%	**0.00%**	6,29,000	0.56%	0.00%
26	Mangala Madhusudan Kabra	**-**	**-**	-	0.00%	**0.00%**	4,35,600	0.39%	-0.39%
	Total	**5,57,70,121**	**49.87%**	**5,89,21,732**	**52.72%**	**-2.85%**	**6,18,72,236**	**55.37%**	**-2.65%**

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2023: 7,500,000 shares (6.71%) [31 March 2022: 7,500,000 shares (6.71%)]

19 OTHER EQUITY

	As at 31 March 2023	As at 31 March 2022
Capital reserves		
Balance at the beginning of the year	**3.00**	3.00
Add : Additions made during the year	**-**	-
Less : Deletions made during the year	**-**	-
Balance at the end of the year	**3.00**	3.00
Securities premium account		
Balance at the beginning of the year	**811.37**	787.37
Add: Premium on issue of equity shares under ESOP scheme	**7.76**	24.00
Balance at the end of the year	**819.13**	811.37
Employee stock option account		
Balance at the beginning of the year	**6.40**	26.19
Add: Options granted during the year (refer note 43)	**0.56**	-
Less: Exercised during the year	**(6.96)**	(19.79)
Less: Lapsed during the year	**-**	-

(₹ in million)

19 OTHER EQUITY

	As at 31 March 2023	As at 31 March 2022
Balance at the end of the year	-	6.40
General reserve		
Balance at the beginning of the year	32.53	32.53
Add : Additions made during the year	-	-
Less : Deletions made during the year	-	-
Balance at the end of the year	32.53	32.53
Retained earnings		
Balance at the beginning of the year	3,726.63	3,281.91
Add: Transferred from Statement of Profit and Loss	555.27	545.11
Add: Transferred from Other comprehensive income	4.93	0.21
Less: Dividend	(111.82)	(100.60)
Balance at the end of the year	4,175.01	3,726.63
	5,029.67	4,579.93

Nature and purpose of reserves

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Dividends

The following dividends were declared and paid by the Company during the year

Particulars	Paid during 01-Apr-22 to 31-Mar-23	Paid during 01-Apr-21 to 31-Mar-22
₹ 1.00 per equity share (31 March 2022: ₹ 0.90 share)	111.82	100.60
	111.82	100.61

20 LEASE LIABILITIES

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Lease liability (refer note 37)	14.45	7.96	9.51	4.57
	14.45	7.96	9.51	4.57

21 PROVISIONS

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Compensated absences	0.71	8.24	2.28	8.11
Gratuity (Refer note 36)	2.44	5.78	6.34	5.96
Provision for sales return (Also, refer note below)	-	5.90	-	6.51
	3.15	19.92	8.62	20.58

Note:

As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Movement in provision for sales return		
Provision at the beginning of the year	**6.51**	6.49
Provision created during the year	**5.90**	6.51
Provision reversed/utilised during the year	**(6.51)**	(6.49)
Provision at the end of the year	**5.90**	**6.51**

22 DEFERRED TAX LIABILITIES (NET)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in standalone financial statements	**129.32**	122.66
	129.32	**122.66**
Deferred tax assets		
Provision for employee benefits	**8.00**	8.91
Others	**3.22**	2.27
	11.22	**11.18**
	118.10	**111.48**

Refer note 35

Movement in deferred tax balances

Particulars	31 March 2023						
	Net balance 1 April 2022	Recognised in Statement of Profit and Loss	Recognised in OCI	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, plant and equipment	(122.66)	(6.66)	-	-	(129.32)	-	(129.32)
Provision for employee benefits	8.91	0.75	(1.66)	-	8.00	8.00	-
Other items	2.27	0.95	-	-	3.22	3.22	-
Tax assets / (liabilities)	**(111.48)**	**(4.96)**	**(1.66)**	**-**	**(118.10)**	**11.22**	**(129.32)**
Offsetting of deferred tax assets and liabilities						**(11.22)**	**11.22**
Net deferred tax assets/(liabilities)	**(111.48)**	**(4.96)**	**(1.66)**	**-**	**(118.10)**	**-**	**(118.10)**

Movement in deferred tax balances

Particulars	31 March 2022						
	Net balance 1 April 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	Others	Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, plant and equipment	(126.97)	4.31	-	-	(122.66)	-	(122.66)
Provision for employee benefits	8.68	0.30	(0.07)	-	8.91	8.91	-
Other items	2.33	(0.06)	-	-	2.27	2.27	-
Others	-	-	-	-	-	-	-
Tax assets / (Liabilities)	**(115.96)**	**4.55**	**(0.07)**	**-**	**(111.48)**	**11.18**	**(122.66)**
Offsetting of deferred tax assets and liabilities						**(11.18)**	**11.18**
Net deferred tax assets/(liabilities)	**(115.96)**	**4.55**	**(0.07)**	**-**	**(111.48)**	**-**	**(111.48)**

(₹ in million)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

23 CURRENT BORROWINGS

	As at 31 March 2023	As at 31 March 2022
Secured		
Loans repayable on demand:		
From banks in rupees	0.07	-
	0.07	-
Current maturities of long term borrowings		
- Deferred sales tax payment liabilities	-	1.75
	-	1.75
	0.07	1.75

a) Details of security for each type of borrowings as at 31 March 2023

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

b) Terms of loans repayable on demand

(i) Cash Credit from bank for ₹ 0.07 million (31 March 2022: ₹ Nil) carries an interest rate of 9% to 11%.

During financial year ended 31 March 2023

There is no discrepancy in the quarterly stock statement submitted to the bank with the books of account.

During financial year ended 31 March 2022

Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 21	HDFC Bank, Citibank, DBS Bank	Inventory	668.91	682.37	(13.46)	On account of Valuation of inventory, Goods-in-transit based on incoterms and Revenue recognition criteria under Ind AS 115.
		Receivables	617.88	653.29	(35.41)	On account of regrouping of advance received, Revenue recognition criteria as per Ind AS 115, revaluation of foreign currency receivables and rate difference.
		Creditors	200.8	145.57	55.23	On account of Goods-in-transit based on incoterms, regrouping of advances, capital payables, normal advances and Bookings vendor invoices received subsequent to submission to bank.
Sep 21	HDFC Bank, Citibank, DBS Bank	Inventory	791.02	790.20	0.82	On account of Valuation of inventory, Goods-in-transit based on incoterms and Revenue recognition criteria under Ind AS 115.
		Receivables	556.34	623.87	(67.53)	On account of regrouping of advance received, Revenue recognition criteria as per Ind AS 115, revaluation of foreign currency receivables and rate difference.
		Creditors	247.37	190.16	57.21	On account of Goods-in-transit based on incoterms, regrouping of advances, capital payables, normal advances and Bookings vendor invoices received subsequent to submission to bank.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Dec 21	HDFC Bank, Citibank, DBS Bank	Inventory	766.63	749.87	16.76	On account of Valuation of inventory, Goods-in-transit based on incoterms and Revenue recognition criteria under Ind AS 115.
		Receivables	558.98	654.91	(95.93)	On account of regrouping of advance received, Revenue recognition criteria as per Ind AS 115, revaluation of foreign currency receivables and rate difference.
		Creditors	191.84	148.63	43.21	On account of Goods-in-transit based on incoterms, regrouping of advances, capital payables, normal advances and Bookings vendor invoices received subsequent to submission to bank.
Mar 22	HDFC Bank, Citibank, DBS Bank	Inventory	767.89	800.88	(32.99)	On account of Valuation of inventory.
		Receivables	666.68	666.68	-	NA
		Creditors	181.30	197.19	(15.89)	Difference is on account of other provisional liabilities booked as on 31 March 2022.

24 TRADE PAYABLES

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues to micro and small enterprises (refer note below)	**17.54**	5.40
Total outstanding dues to others (refer note 41 for payable to related parties)	**163.76**	197.19
	181.30	**202.59**

Note:

Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid	**17.54**	5.40
Interest due thereon	**-**	0.03
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
Interest accrued and remaining unpaid as at balance sheet date	**0.05**	0.05
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**0.05**	0.05

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the standalone financial statements based on information received and available with the Company.

(₹ in million)

Outstanding as at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	17.54	-	-	-	17.54
Others	161.65	1.62	0.23	0.26	163.76
Disputed dues (MSMEs) and	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	179.19	1.62	0.23	0.26	181.30

Outstanding as at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	5.40	-	-	-	5.40
Others	196.58	0.35	0.04	0.22	197.19
Disputed dues (MSMEs) and	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	**201.98**	**0.35**	**0.04**	**0.22**	**202.59**

25 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Unpaid dividends (refer note below)	1.17	1.08
Security deposits from customers	0.17	0.17
Payable for purchase of property, plant and equipment	8.25	8.60
Employee benefits payable	66.08	62.84
Other payables	44.91	32.62
	120.58	**105.31**

Note :

The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.07 million (31 March 2022: 0.04 million).

26 OTHER CURRENT LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Statutory dues:		
Provident fund payable	2.62	2.27
Employees' State Insurance Scheme contribution payable	0.02	0.02
Other dues payable	6.07	6.42
Advance from customers	25.11	16.42
Others	2.41	2.33
	36.23	**27.46**

27 REVENUE FROM OPERATIONS

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations		
Sale of goods (refer note 38)		
Export	974.89	782.41
Domestic	2,137.92	1,941.27
	3,112.81	**2,723.68**
Other operating revenues		
Export incentives	2.48	4.30
	3,115.29	**2,727.98**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

Disaggregation of revenue

'Following table provides disaggregation of revenue and a reconciliation of product category wise revenue and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Human nutrition	2,084.62	1,954.46
Animal nutrition	540.56	372.82
Bio-process	495.18	406.80
	3,120.36	2,734.08
Adjustments		
Reversal/(Provision) for sales return	0.62	0.49
Discount	(8.17)	(10.89)
	(7.55)	(10.40)
Total revenue from contract with customers	3,112.81	2,723.68

28 OTHER INCOME

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on loan to related parties (refer note 41)	28.00	25.57
- on others	6.04	0.35
Liabilities no longer required written back	1.28	2.99
Profit on sale of property, plant and equipment (net)	-	11.81
Net gain on foreign currency transactions and translations	8.93	0.11
Dividend income	31.60	38.20
Miscellaneous income	22.23	11.77
	98.08	90.80

29 COST OF MATERIALS CONSUMED

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	287.66	254.29
Add : Purchases during the year	1,197.53	1,160.54
Less : Closing stock	270.93	287.66
	1,214.26	1,127.17

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN- TRADE

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
- Finished goods	166.83	108.46
- Work-in-progress	282.07	205.27
	448.90	313.73
Closing stock		
- Finished goods	118.24	166.83
- Work-in-progress	315.86	282.07
	434.10	448.90
	14.80	(135.16)

(₹ in million)

31 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	**368.66**	353.27
Contribution to provident and other funds (refer note 36)	**15.30**	13.79
Retirement benefits expense	**10.77**	10.56
Staff welfare expenses	**19.47**	15.54
	414.20	393.17

32 FINANCE COSTS

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses on financial liabilities - borrowings carried at amortised cost	**0.00**	0.13
Interest expenses on lease assets (refer note 39)	**1.35**	0.82
	1.35	0.95

33 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	**93.71**	83.25
Amortisation of intangible assets	**1.50**	7.08
Amortisation of Right to use of lease assets (refer note 37)	**7.62**	5.28
	102.83	95.61

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

34 OTHER EXPENSES

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	**70.02**	63.26
Power and fuel	**195.84**	161.94
Water charges	**4.00**	4.49
Laboratory expenses	**26.34**	24.68
Repairs and maintenance		
- Buildings	**9.64**	13.38
- Plant and equipment	**26.79**	24.25
- Others	**8.45**	5.24
Travel, conveyance and car hire	**22.75**	14.22
Commission	**7.65**	8.19
Sales promotion and advertisement	**0.94**	1.21
Freight outward and forwarding	**45.70**	45.94
Selling and distribution expenses	**15.74**	5.07
Rent (refer note 37)	**1.68**	1.63
Rates and taxes	**51.75**	47.18
Insurance	**8.77**	8.94
Printing and stationery	**1.92**	1.23
Communication expenses	**5.27**	4.47
Directors' sitting fees	**1.47**	1.46
Legal and professional charges	**53.92**	45.16
Technical services	**102.45**	97.80
Payment to Auditors (refer note 44)	**3.72**	4.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

	Year ended 31 March 2023	Year ended 31 March 2022
Bad debts	-	0.96
Provisions of doubtful accounts receivable (net)	**4.40**	0.25
Donations	**0.80**	1.10
Loss on sale of property, plant and equipment (net)	**7.85**	-
Property, plant and equipment written off	**6.87**	-
Bank charges	**1.95**	1.77
Corporate Social Responsibility expenditure (refer note 46)	**15.37**	14.09
Miscellaneous expenses	**21.10**	14.37
	723.15	616.32

NOTE 35

INCOME TAXES

Tax expense

(a) Income tax recognised in Statement of profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax	**182.54**	180.17
Deferred income tax liability/(asset) net		
Origination and reversal of temporary differences	**4.97**	(4.56)
Tax expense for the year	**187.51**	175.61

(b) Income tax recognised in Other Comprehensive Income

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**6.59**	**(1.66)**	**4.93**	0.28	(0.07)	0.21
	6.59	**(1.66)**	**4.93**	0.28	(0.07)	0.21

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**742.78**	720.72
Tax using the Company's domestic tax rate (31 March 2023: 25.168% and 31 March 2022: ₹ 25.168%)	**186.94**	181.39
Tax effect of:		
Tax-exempt income	**(7.95)**	(9.61)
Non tax deductible items	**7.78**	3.68
Ind AS impacts	**0.29**	-
Investment allowance deduction	**2.79**	-
Others	**(2.34)**	0.15
Tax expense as per profit or loss	**187.51**	175.61

(₹ in million)

NOTE 36
EMPLOYEE BENEFITS

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

(A) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The Company recognised ₹ 14.56 million for the year ended 31 March 2023 (31 March 2022: ₹ 13.13 million) towards provident fund and employee deposit linked insurance contribution and ₹ 3.48 million for the year ended 31 March 2023 (31 March 2022: ₹ 3.52 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan:

The Company provides for gratuity benefit, which is defined benefit plans, covering all its eligible employees. The Company has taken a Group Gratuity for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Defined benefit obligation	71.29	72.82
Fair value of plan assets	63.07	60.52
Net defined benefit obligation/(assets)	8.22	12.30

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

	Defined benefit obligation	
	31 March 2023	31 March 2022
	Gratuity	Gratuity
Opening balance	72.82	69.18
Included in profit or loss		
Current service cost	6.55	5.73
Interest cost	4.72	4.29
	84.09	79.20
Included in OCI		
Remeasurement loss /(gain):		
Actuarial loss / (gain) arising from:		
Financial assumptions	(3.21)	(1.58)
Experience adjustment	(3.03)	1.71
	77.85	79.33
Benefits paid	(6.56)	(6.51)
Closing balance	71.29	72.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

ii) Change in fair value of plan assets

	Fair value of plan assets	
	31 March 2023	31 March 2022
	Gratuity	Gratuity
Opening balance	60.52	55.78
Included in profit or loss		
Expected return on plan assets	4.10	3.60
	64.62	59.38
Included in OCI		
Remeasurement loss /(gain):		
Actuarial loss / (gain) arising from:		
Experience adjustment	0.35	0.41
	64.97	59.79
Other		
Contributions paid by the employer	4.66	7.24
Benefits paid	(6.56)	(6.51)
Closing balance	63.07	60.52

Impact on Standalone Statement of Profit and Loss for the current year

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Service cost:		
Current service cost	6.55	5.73
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.62	0.68
Total included in Employee Benefit expenses	7.17	6.41
Expenses deducted from the fund	-	-
Total Charge to Statement of Profit and Loss	7.17	6.41

Impact on Other comprehensive income for the current year

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(3.21)	(1.58)
Due to experience adjustments	(3.03)	1.71
Return on plan assets excluding amounts included in interest income	(0.35)	(0.41)
Amounts recognized in Other Comprehensive Income	(6.59)	(0.28)

Plan assets

Plan assets comprise the following

Gratuity	31 March 2023	31 March 2022
Policy of insurance	100%	100%
	100%	100%

(₹ in million)

iii. Actuarial assumptions

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

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Policy of insurance	100.00%	100.00%
Discount rate	7.40%	6.85%
Rate of return on plan assets	7.40%	6.85%
Salary Escalation	8.50%	8.50%
Withdrawal rates	12% at younger ages reducing to 2% at older ages	12% at younger ages reducing to 2% at older ages
Retirement age	58 years	58 years
Mortality rates	As published under the Indian assured lives mortality (2012-14) table	As published under the Indian assured lives mortality (2012-14) table

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Increase in		
Discount rate (0.5% movement)	68.53	69.98
Future salary growth (0.5% movement)	73.96	75.00
Withdrawal rates (10% movement)	71.09	72.26

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Decrease in		
Discount rate (0.5% movement)	74.17	75.21
Future salary growth (0.5% movement)	68.71	70.15
Withdrawal rates (10% movement)	71.45	72.82

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

v. Expected future cash flows

Expected contribution

The expected contributions for the defined benefit plan for the next financial year is ₹ 5.78 million.

Expected future benefit payments	
31 March 2024	7.04
31 March 2025	3.07
31 March 2026	4.06
31 March 2027	4.03
31 March 2028	5.65
Thereafter	58.61

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

NOTE 37
LEASES

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

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Less than one year	**9.44**	5.47
One to five years	**14.31**	7.86
More than five years	**2.59**	3.36
Total undiscounted lease liabilities at 31 March	**26.34**	16.69
Discounted Lease liabilities included in the statement of financial position at 31 March		
Current lease liability	**7.96**	4.57
Non-Current lease liability	**14.45**	9.51

(b) The Weighted average incremental borrowing rate of 9.25% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.

(c) The Company incurred ₹ 10.65 million for the year ended 31 March 2023 (31 March 2022: ₹ 7.73 million) towards expenses relating to leases. Lease rent incurred not falling under the scope of Ind AS 116 amounted to ₹ 1.68 million for the year ended 31 March 2023 (31 March 2022: ₹ 1.63 million), (refer Note 34).

(d) Total cash outflow for leases for year ended 31 March 2023 is ₹ 7.81 million (31 March 22: ₹ 5.27 million).

(e) General Description of leasing agreements:

- Leased Assets: Office
- 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.

(f) Please refer note no. 5 for carrying value of Right of Use Assets for the year ended March 31, 2023

NOTE 38
SEGMENT REPORTING

Basis of segmentation

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

Gegraphic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue (based upon location of customers)		
India	**2,137.92**	1,941.27
Europe	**183.09**	136.59
USA	**420.57**	378.10
Asia	**324.47**	165.29
Others	**46.76**	102.43
	3,112.81	2,723.68

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Segment assets (based upon location of assets)		
India	**1,602.80**	1,488.71
Europe	**53.69**	53.69
USA	**2.19**	2.57
	1,658.68	1,544.97

Major customer

Revenue from a customer i.e. a subsidiary based in U.S.A. is ₹ 379.91 million is in excess of 10% of the Company's revenue for the year (31 March 2022: ₹ 348.11 million from a subsidiary based in U.S.A) (Refer note 41 for related party disclosures).

NOTE 39

EARNINGS PER SHARE (EPS)

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

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

i. Profit attributable to Equity holders

	31 March 2023	31 March 2022
Profit attributable to equity holders	**555.27**	545.11

ii. Weighted average number of equity shares

	31 March 2023	31 March 2022
Issued equity shares at 1 April	**11,18,00,675**	11,17,28,425
Effect of fresh issue of shares for cash under ESOP scheme	**15,324**	48,725
Weighted average number of shares at 31 March for basic EPS	**11,18,15,999**	11,17,77,150
Effect of exercise of share options	**-**	92,106
Weighted average number of shares at 31 March for diluted EPS	**11,18,15,999**	11,18,69,256

Basic and Diluted earnings per share

	31 March 2023	31 March 2022
Basic earnings per share	**4.97**	4.88
Diluted earnings per share	**4.97**	4.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

NOTE 40

FINANCIAL INSTRUMENTS

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

31 March 2023	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments - Non-current	7	0.62	-	-	0.62	-	0.62	-	0.62
Loans - Non-current	8	-	-	333.43	333.43	-	-	-	-
Others - Non-current	9	-	-	19.69	19.69	-	-	-	-
Investments	12	159.90	-	-	159.90	159.90	-	-	159.90
Trade receivables	13	-	-	666.68	666.68	-	-	-	-
Cash and cash equivalents	14	-	-	94.49	94.49	-	-	-	-
Bank balances	14A	-	-	152.74	152.74	-	-	-	-
Loans - Current	15	-	-	0.42	0.42	-	-	-	-
Others - Current	16	-	-	3.07	3.07	-	-	-	-
		160.52	-	1,270.52	1,431.04	159.90	0.62	-	160.52
Financial liabilities									
Borrowings - Non current	20	-	-	-	-	-	-	-	-
Borrowings - Current	23	-	-	0.07	0.07	-	-	-	-
Leases - Non current	20	-	-	14.45	14.45	-	-	-	-
Trade payables	24	-	-	181.30	181.30	-	-	-	-
Other financial Liabilities	25	-	-	120.58	120.58	-	-	-	-
		-	-	316.40	316.40	-	-	-	-

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

(₹ in million)

31 March 2022	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments - Non-current	7	0.62	-	-	0.62	-	0.62	-	0.62
Loans - Non-current	8	-	-	243.49	243.49	-	-	-	-
Others - Non-current	9	-	-	14.06	14.06	-	-	-	-
Investments	12	166.84	-	-	166.84	166.84	-	-	166.84
Trade receivables	13	-	-	490.85	490.85	-	-	-	-
Cash and cash equivalents	14	-	-	134.98	134.98	-	-	-	-
Bank balances	14A	-	-	44.77	44.77	-	-	-	-
Loans - Current	15	-	-	57.99	57.99	-	-	-	-
Others - Current	16	-	-	13.76	13.76	-	-	-	-
		167.46	**-**	**999.90**	**1,167.36**	**166.84**	**0.62**	**-**	**167.46**
Financial liabilities									
Borrowings - Non current	20	-	-	-	-	-	-	-	-
Borrowings - Current	23	-	-	1.75	1.75	-	-	-	-
Leases - Non current	20			9.51	9.51				
Trade payables	24	-	-	202.59	202.59	-	-	-	-
Other financial Liabilities	25	-	-	105.31	105.31	-	-	-	-
		-	**-**	**319.16**	**319.16**	**-**	**-**	**-**	**-**

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

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

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.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee..

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.

At 31 March 2023, the carrying amount of the Company's most significant customer accounted for ₹ 84.33 million (31 March 2022 - ₹ 64.27 million).

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

	31 March 2023		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	390.23	0.13%	0.52
0-90 days	256.00	0.21%	0.53
91-180 days	13.22	4.71%	0.62
181-270 days	6.06	0.00%	0.99
271-360 days	1.83	22.18%	0.40
More than 360 days	6.24	61.54%	3.84
	673.58		6.90

	31 March 2022		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	324.79	0.05%	0.16
0-90 days	151.13	0.10%	0.15
90-180 days	11.52	3.64%	0.42
180-270 days	0.74	0.00%	0.02
270-360 days	2.86	12.08%	0.35
More than 360 days	2.31	60.68%	1.40
	493.35		**2.50**

Expected credit loss assessment for customers as at 31 March 2023 and 31 March 2022

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.

(₹ in million)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Amount
Balance as at 1 April 2021	2.25
Impairment loss recognised	1.21
Amounts written back	0.96
Balance as at 31 March 2022	**2.50**
Impairment loss recognised	4.40
Amounts written off	-
Balance as at 31 March 2023	**6.90**

The impairment loss at 31 March 2023 and 31 March 2022 related to certain customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 94.49 million at 31 March 2023 (31 March 2022: ₹ 134.98 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Derivatives

There are no derivatives contracts outstanding as on 31 March 2023.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

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

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.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds which carry no/low mark-to-market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted except in case of lease liabilities where the amounts are mentioned on discounted basis and include estimated interest payments:

			Contractual cash flows			
31 March 2023	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Lease liabilities - Non-current	**14.45**	**14.45**	**-**	**8.42**	**3.98**	**2.04**
Lease liabilities - Current	**7.96**	**7.96**	**7.96**	**-**	**-**	**-**
Short-term borrowings	**0.07**	**0.07**	**0.07**	**-**	**-**	**-**
Trade payables	**181.30**	**181.30**	**181.30**	**-**	**-**	**-**
Other financial liabilities	**120.58**	**120.58**	**120.58**	**-**	**-**	**-**

			Contractual cash flows			
31 March 2022	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term borrowings	9.51	9.51	-	6.61	0.40	2.50
Lease liabilities - Current	4.57	4.57	4.57	-	-	-
Short-term borrowings	1.75	1.75	1.75	-	-	-
Trade payables	202.59	202.59	202.59	-	-	-
Other financial liabilities	105.31	105.31	105.31	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

* Guarantees issued by the Company on behalf of subsidiary are with respect to borrowings raised by the subsidiary. These amount will be payable on default by the subsidiary. As of the reporting date, the subsidiary has not defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantee (Refer note: 51).

iv. Market risk

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

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e. foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

	31 March 2023	31 March 2023	31 March 2023
	USD	**EURO**	**Others**
Financial assets			
Cash and cash equivalents	0.04	0.08	0.01
Trade and other receivables	66.10	32.46	-
	66.14	32.54	0.01
Financial liabilities			
Trade and other payables	34.76	7.47	-
	34.76	7.47	-
Net exposure	31.38	25.07	0.01

	31 March 2022	31 March 2022	31 March 2022
	USD	**EURO**	**Others**
Financial assets			
Cash and cash equivalents	0.05	0.01	0.04
Trade and other receivables	20.59	22.71	-
	20.64	**22.72**	**0.04**
Financial liabilities			
Trade payables	62.14	7.13	-
	62.14	**7.13**	**-**
Net exposure	**(41.50)**	**15.59**	**0.04**

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2023		
1% movement		
USD	(0.31)	0.31
EUR	(0.25)	0.25
Others #	(0.00)	0.00
	(0.56)	0.56

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2022		
1% movement		
USD	0.41	(0.41)
EUR	(0.16)	0.16
Others #	(0.00)	0.00
	0.26	(0.26)

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

v. Interest rate risk

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

(₹ in million)

Exposure to interest rate risk

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

	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial liabilities - measured at amortised cost		
Vehicle Loan	-	-
Floating-rate instruments		
Financial liabilities - measured at amortised cost		
From banks in rupees	0.07	0.00
Total	**0.07**	**0.00**

Note: Deferred Sales Tax scheme is not included in the above since it does not bear any interest rate.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31 March 2023		
Variable-rate loan instruments	-	-
Cash flow sensitivity (net)	-	-
31 March 2022		
Variable-rate loan instruments #	(0.00)	0.00
Cash flow sensitivity (net) #	(0.00)	0.00

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

NOTE 41
RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

The table provides the information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Names of related parties

I Subsidiaries including step-down subsidiaries

- Advanced Bio-Agro Tech Limited
- Advanced Enzytech Solutions Limited
- Advanced Enzymes Europe B.V.
- JC Biotech Private Limited
- Advanced Enzymes USA, Inc.
- Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.)
- Advanced Enzymes (Malaysia) Sdn. Bhd.
- Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
- Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
- Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)
- Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)
- Scitech Specialities Private Limited (Subsidiary w.e.f 11 January 2021)
- Saiganesh Enzytech Solutions Private Limited (Subsidiary w.e.f 3 January 2023)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

NOTE 41 (Contd.)
RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

II Key Management Personnel (KMP)

Mr. Vasant L Rathi	Chairman and Non-executive director
Mr. Mukund M. Kabra	Whole-time director
Mr. Beni P. Rauka	Chief Financial Officer
Mr. Sanjay Basantani	Company Secretary
Mr. Kedar Desai	Independent director
Mr. Pramod Kasat	Independent director
Mr. Rajesh Sharma	Independent director
Ms. Rasika Rathi	Non-executive director and daughter of Chairman
Late Mr. Vilas M. Aurangabadkar (up to 27 January 2022)	Independent director
Mr. Vinod Jajoo	Independent director
Mr. Sunny Sharma	Additional (Non-executive) director
Mrs. Rajshree Patel (w.e.f. 12 June 2020)	Independent Director
Mr. Nitin Jagannath Deshmukh (w.e.f. 1 July 2022)	Additional Independent Director

Relatives of KMP :

Mrs. Prabha V. Rathi	Wife of chairman
Mr. Kishore L. Rathi	Brother of Chairman
Late Mrs. Mangala M. Kabra	Mother of Whole-time director

III Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year

Advanced Vital Enzymes Private Limited

Om Manufacturing Jalna Private Limited

Silvertech Trading Company Private Limited

b) Transactions with related parties

	Transactions during the year	Subsidiaries		KMPs and relatives		Other related parties	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
1	**Purchase of materials**						
	JC Biotech Private Limited	498.41	503.30	-	-	-	-
	Cal India Foods International	0.87	3.87	-	-	-	-
	Scitech Specialities Private Limited	6.12	3.29	-	-	-	-
		505.40	510.46	-	-	-	-
2	**Sale of goods and materials**						
	Advanced EnzyTech Solutions Limited	98.15	82.83	-	-	-	-
	Advanced Bio-Agro Tech Limited	286.73	232.28	-	-	-	-
	Advanced Vital Enzymes Private Limited	-	-	-	-	1.75	2.98
	Cal India Foods International	379.91	348.11	-	-	-	-
	JC Biotech Private Limited	1.51	1.99	-	-	-	-
	Evoxx Technologies GmbH	15.58	42.24	-	-	-	-
	Scitech Specialities Private Limited	1.51	2.44	-	-	-	-
		783.39	709.89	-	-	1.75	2.98

(₹ in million)

NOTE 41 (Contd.)
RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

	Transactions during the year	Subsidiaries		KMPs and relatives		Other related parties	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
3	**Remuneration *^**						
	Mr. Mukund Kabra	-	-	21.67	20.70	-	-
	Mr. Kishore.L. Rathi	-	-	3.37	3.26	-	-
	Late Mrs. Mangala M. Kabra	-	-	-	1.66	-	-
	Mr. Beni P. Rauka	-	-	12.81	12.06	-	-
	Mr. Sanjay Basantani	-	-	4.12	3.67	-	-
		-	-	41.97	41.35	-	-
4	**Commission to directors ***						
	Mr. Vasant L. Rathi	-	-	1.00	0.94	-	-
	Mr. Mukund Kabra	-	-	2.77	2.72	-	-
	Ms. Rasika Rathi	-	-	0.58	0.36	-	-
	Mr. Kedar Desai	-	-	1.08	1.09	-	-
	Mr. Pramod Kasat	-	-	0.91	0.94	-	-
	Late Mr. Vilas M. Aurangabadkar	-	-	-	0.22	-	-
	Mr. Vinod Jajoo	-	-	0.66	0.65	-	-
	Mr. Rajesh Sharma	-	-	0.25	0.43	-	-
	Mr. Sunny Sharma	-	-	0.33	0.36	-	-
	Mrs. Rajshree Patel	-	-	0.50	0.43	-	-
	Mr. Nitin Jagannath Deshmukh	-	-	0.25	-	-	-
		-	-	8.33	8.15	-	-
5	**Sitting fees to Independent directors**						
	Mr. Kedar Desai	-	-	0.40	0.41	-	-
	Mr. Pramod Kasat	-	-	0.35	0.36	-	-
	Late Mr. Vilas M. Aurangabadkar	-	-	-	0.09	-	-
	Mr. Vinod Jajoo	-	-	0.27	0.27	-	-
	Mr. Rajesh Sharma	-	-	0.09	0.16	-	-
	Mrs. Rajshree Patel	-	-	0.23	0.18	-	-
	Mr. Nitin Jagannath Deshmukh	-	-	0.13	-	-	-
		-	-	1.47	1.46	-	-
6	**Interest income**						
	Advanced Enzymes Europe B.V.	28.00	25.57	-	-	-	-
		28.00	25.57	-	-	-	-
7	**Investment in subsidiaries**						
	JC Biotech Private Limited	68.00	211.25	-	-	-	-
	Saiganesh Enzytech Solutions Private Limited	59.98	-	-	-	-	-
		127.98	211.25	-	-	-	-
8	**Dividend income**						
	Advanced Enzytech Solutions Limited	11.20	11.20	-	-	-	-
	Advanced Bio-Agro Tech Limited	20.40	27.00	-	-	-	-
		31.60	38.20	-	-	-	-
9	**Reimbursement of expenses**						
	Advanced Enzymes USA, Inc.	-	-	-	-	-	-
	JC Biotech Private Limited	-	-				
	Advanced EnzyTech Solutions Limited	-	-				
	Advanced Bio-Agro Tech Limited	-	-				
	Advanced Enzymes (Malaysia) Sdn. Bhd.	-	-				
		-	-	-	-	-	-
10	**Commission income**						
	JC Biotech Private Limited	-	-	-	-	-	-
		-	-	-	-	-	-
11	**Technical services procured**						
	Evoxx Technologies GmbH	79.26	72.47	-	-	-	-
		79.26	72.47	-	-	-	-

* included in Employee benefit expense

^ The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

NOTE 41 (Contd.)
RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

c) Balances at the year end

		Subsidiaries		KMPs and relatives		Other related parties	
		As on 31 March 2023	As on 31 March 2022	As on 31 March 2023	As on 31 March 2022	As on 31 March 2023	As on 31 March 2022
1	**Investment**						
	Advanced Bio-Agro Tech Limited	**0.60**	0.60	-	-	-	-
	Advanced EnzyTech Solutions Limited	**1.57**	1.57	-	-	-	-
	Advanced Enzymes USA, Inc.	**531.19**	531.19	-	-	-	-
	JC Biotech Private Limited	**794.75**	726.75	-	-	-	-
	Advanced Enzymes Europe B.V.	**149.85**	149.85	-	-	-	-
	Advanced Vital Enzymes Private Limited	-	-	-	-	**0.57**	0.57
	Scitech Specialities Private Limited	**316.26**	316.26	-	-	-	-
	Saiganesh Enzytech Solutions Private Limited	**59.98**	-				
		1,854.20	**1,726.22**	-	-	**0.57**	**0.57**
2	**Trade receivables**						
	Advanced EnzyTech Solutions Limited	**0.95**	-	-	-	-	-
	Advanced Bio-Agro Tech Limited	**12.54**	13.89	-	-	-	-
	Advanced Vital Enzymes Private Limited		-	-	-	-	0.81
	Cal India Foods International	**57.58**	-	-	-	-	-
	Evoxx Technologies GmbH	**4.30**	6.71	-	-	-	-
	Scitech Specialities Private Limited	**0.44**	0.19	-	-	-	-
		75.81	**20.79**	-	-	-	**0.81**
3	**Trade payables**						
	Cal India Foods International	-	1.82	-	-	-	-
	Advanced EnzyTech Solutions Limited	-	0.06	-	-	-	-
	Evoxx Technologies GmbH	**7.47**	6.51	-	-	-	-
	JC Biotech Private Limited	**44.70**	68.70	-	-	-	-
	Scitech Specialities Private Limited	**3.39**	-	-	-	-	-
		55.56	**77.09**	-	-	-	-
4	**Loans and advances (including current maturities and interest receivable)**						
	Advanced Enzymes Europe B.V.	**329.00**	301.00	-	-	-	-
		329.00	**301.00**	-	-	-	-
5	**Remuneration payable**						
	Mr. Mukund M. Kabra	-	-	**0.92**	0.58	-	-
	Mr. Kishore L. Rathi	-	-	**0.19**	0.19	-	-
	Mr. Beni P. Rauka	-	-	**0.35**	0.20	-	-
	Mr. Sanjay Basantani	-	-	**0.22**	0.16	-	-
		-	-	**1.68**	**1.13**	-	-
6	**Commission payable**						
	Mr. Vasant L. Rathi	-	-	**1.00**	0.94	-	-
	Mr. Mukund Kabra	-	-	**2.77**	2.72	-	-
	Ms. Rasika Rathi			**0.58**	0.36		
	Mr. Kedar Desai	-	-	**1.08**	1.09	-	-
	Mr. Pramod Kasat	-	-	**0.91**	0.94	-	-
	Late Mr. Vilas M. Aurangabadkar	-	-	-	0.22	-	-
	Mr. Vinod Jajoo	-	-	**0.66**	0.65	-	-
	Mr. Rajesh Sharma	-	-	**0.25**	0.43	-	-
	Mr. Sunny Sharma	-	-	**0.33**	0.36	-	-
	Mrs. Rajshree Patel	-	-	**0.50**	0.43		
	Mr. Nitin Jagannath Deshmukh	-	-	**0.25**	-		
		-	-	**8.33**	**8.15**	-	-

Notes:

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2022. Management believes that the Company's international transactions and domestic transactions with related parties post 31 March 2022 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

(₹ in million)

NOTE 41 (Contd.)
RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

Subsidiaries	Ownership interest		
	Country of incorporation	31 March 2023	31 March 2022
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. JC Biotech Private Limited (up to 2 January 2023 - 85%)	India	89.93%	85.00%
iii. Advanced Enzytech Solutions Limited	India	100.00%	100.00%
iv. Advanced Enzymes USA, Inc.	USA	100.00%	100.00%
v. Advanced Enzymes Europe B.V.	Netherlands	100.00%	100.00%
vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.)	Germany	100.00%	100.00%
vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
viii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100.00%	100.00%
x. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
xi. Advanced Enzymes (Malaysia) Sdn. Bhd.	Malaysia	100.00%	100.00%
xii. Scitech Specialities Private Limited	India	51.00%	51.00%
xiii. Saiganesh Enzytech Solutions Private Limited (Subsidiary w.e.f 3 January 2023)	India	50.00%	NA

NOTE 42

EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2022, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015")

AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of Rs 10 each for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2021: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
Specified employees	2,20,000	- Continued employment with the Group:	Graded vesting over 4 years
		After 1 year of the date of grant 10% vesting	
		After 2 year of the date of grant 20% vesting	
		After 3 year of the date of grant 30% vesting	
		After 4 year of the date of grant 40% vesting	

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

Particulars	1 Year	2 Years	3 Years	4 Years
Vesting				
Share price at grant date (Face value - ₹ 10 per share)	₹ 1,598	₹ 1,598	₹ 1,598	₹ 1,598
Exercise price (Face value - ₹ 2 per share)	60	₹ 60	₹ 60	₹ 60
Expected volatility (weighted average)	0.49	0.49	0.49	0.49
Expected life (weighted average)	3 years	3.5 years	4 years	4.5 years
Expected dividend	0.06%	0.06%	0.06%	0.06%
Risk-free interest rate (based on government bond)	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.

Weighted-average exercise prices and weighted-average fair values of options

Date of Vesting	1 Year	2 Years	3 Years	4 Years
Weighted-average exercise prices	₹ 60	₹ 60	₹ 60	₹ 60
Weighted-average fair value of options	270	272	274	276

c) **Reconciliation of outstanding stock options :**

The number and weighted-average exercise prices of share options under the stock option were as follows.

Particulars	31 March 2023		31 March 2022	
	No. of options	Weighted average exercise price (in rupees)	No. of options	Weighted average exercise price (in rupees)
Outstanding at 1 April	**23,700**	**60**	95,950	60
Adjustment for sub-division of Equity shares				
Vested	**-**	**60**	-	60
Forfeited	**-**	**60**	-	60
Expired	**300**	**-**	-	-
Exercised	**23,400**	**60**	72,250	60
Outstanding at 31 March	**-**	**60**	**23,700**	**60**
Exercisable at 31 March	**-**	**60**	**23,700**	**60**

The options outstanding at 31 March have an exercise price as given below:

	31 March 2023		31 March 2022	
	No. of options	Exercise price	No. of options	Exercise price
AETL ESOS 2015	**0**	**60**	23,700	60

d) **Expense recognized in the Standalone Statement of Profit or Loss :**

	31 March 2023	31 March 2022
AETL ESOS 2015	**-**	3.54
Total expense recognized in 'employee benefits'	**-**	3.54

NOTE 43

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.

(₹ in million)

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

	31 March 2023	31 March 2022
Non-current borrowings	-	-
Current borrowings	0.07	1.75
Gross debt	0.07	**1.75**
Less - Cash and cash equivalents	94.49	134.98
Less - Other bank deposits	152.74	44.77
Adjusted net debt	(247.16)	**(178.00)**
Total equity	5,253.32	**4,803.54**
Adjusted net debt to equity ratio	-4.70%	**-3.71%**

NOTE 44
PAYMENTS TO AUDITORS (EXCLUDING GST)

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
Statutory audit	2.15	2.05
Limited review	1.24	1.75
Certification work	0.07	0.13
Reimbursement of expenses	0.26	0.12
	3.72	**4.05**

NOTE 45
RESEARCH AND DEVELOPMENT

The Company has incurred the following expenditure on research and development activities:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue expenditure		
Laboratory expenses and consumables	25.03	14.55
Employee benefit expenses	75.66	70.30
Legal and professional charges	5.51	5.20
Technical services	102.00	95.57
Electricity	12.84	10.85
Rent, rates and taxes	3.63	4.57
Repairs and maintenance	14.94	11.18
Travelling and conveyance expenses	2.04	1.01
Other expenses	3.33	3.09
	244.98	**216.32**
Capital expenditure		
Plant and equipment	29.36	13.49
Furniture and fixtures	2.94	0.62
Office equipment	4.08	0.54
Computer and data processing equipment	2.73	0.96
Electrical Fittings	1.48	-
Leasehold Improvements	0.61	-
Building	3.56	-
	44.76	**15.61**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

NOTE 46

CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1) amount required to be spent by the company during the year	**15.52**	14.09
2) amount of expenditure incurred *	**15.52**	14.09
3) shortfall at the end of the year	**-**	-
4) total of previous years shortfall	**-**	-
5) reason for shortfall	**Not applicable**	Not applicable
6) nature of CSR activities	**Promotion of education, Environment sustainability and skill development**	
7) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard		
8) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	**12.32**	11.02

*The Committee of Corporate Social Responsibility had approved the budget of ₹ 15.52 million (31 March 2022: 14.09 million), the Company contributes to the various projects undertaken by various organisations. During the year the amount spent is ₹ 3.20 million (31 March 2022: ₹ 3.07 million) on the ongoing projects. The Company has deposited the balance unspent amount of ₹ 12.32 million (31 March 2022: ₹ 11.02 million) in a separate bank account.

NOTE 47

ACQUISITION OF ADDITIONAL STAKE IN JC BIOTECH PRIVATE LIMITED

On 18 August 2021, the Company had acquired additional stake of 15% in its subsidiary JC Biotech Private Limited for a consideration of ₹ 211.25 million. Post this additional acquisition the Company holds 85% stake in the subsidiary. Further on 3 January 2023, the Company has acquired additional stake of 4.83% in its subsidiary JC Biotech Private Limited for a consideration of ₹ 68.00 million. Post this additional acquisition the Company holds 89.83% stake in the subsidiary.

NOTE 48

PROPOSED DIVIDEND

The Board of Directors recommended a final dividend for the financial year 2022-23 of ₹ 1.00 (31 March 2022: ₹ 1.00) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

NOTE 49

ACQUISITION OF 51% STAKE IN SCITECH SPECIALITIES PRIVATE LIMITED ("SSPL")

On 11 January 2021, the Company completed the acquisition of 51% of the paid up equity share capital in SciTech Specialties Private Limited ('SSPL') for a total consideration of ₹ 316.26 million. SSPL is a technology based contract manufacturing company specialising in effervescent granules and tablets.

NOTE 50

ACQUISITION OF 50% STAKE IN SAIGANESH ENZYTECH SOLUTIONS PRIVATE LIMITED ("SESPL")

On 3 January 2023, the Company completed the acquisition of 50% of the paid up equity share capital in Saiganesh Enzytech Solutions Private Limited ('SESPL') for a total consideration of ₹ 59.97 million. SESPL is primarily engaged into extracting Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme).

(₹ in million)

NOTE 51

Sr. No.	Ratio	Particulars		Ratio as on		Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	31-Mar-23	31-Mar-22		
1	Current Ratio	Total current assets	Total current liabilities	**5.13**	4.87	5.34%	NA
2	Debt-Equity Ratio #	Long term and short term borrowings	Total equity	**0.00**	0.00	(96.44)%	Improvement due to repayment of earlier borrowings and no further borrowings.
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	**70.68**	50.22	40.76%	Improvement due to repayment of earlier borrowings and no further borrowings.
4	Return on Equity Ratio	Profit after tax	Shareholder's Equity	**10.57%**	11.35%	(6.86)%	NA
5	Inventory Turnover Ratio	Cost of Goods Sold ('COGS')	Average Inventory	**1.71**	1.52	12.12%	NA
6	Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	**5.38**	5.25	2.43%	NA
7	Trade Payables Turnover Ratio	COGS + Other expenses	Average Trade Payables	**10.17**	7.52	35.28%	NA
8	Net Capital Turnover Ratio	Revenue from operations	Average Working Capital	**2.05**	1.94	5.30%	NA
9	Net Profit Ratio	Net Profit	Net Sales	**18%**	20%	(10.80)%	NA
10	Return on Capital Employed	EBIT	Capital Employed	**14%**	15%	(5.74)%	NA
11	Return on Investment	Net Profit	Net Investment	**11%**	12%	(7.24)%	NA

Figures are below 0.01, hence disclosed as ₹ 0.00

NOTE 52

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Contingent liabilities		
Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset ₹ 98.31 million (31 March 2021: ₹ 98.31 million).	**25.24**	25.24
Pertains to Excise Duty and Service Tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 17 'Other current assets'.	**27.58**	27.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.	-	-
	52.82	52.82

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its standalone financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

Particulars	As at 31 March 2023	As at 31 March 2022
b) Commitments		
Estimated amount of commitments remaining to be executed		
-Capital (net of advances)	84.07	33.57
	84.07	33.57

NOTE 53

THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

NOTE 54

DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

a) The details of loan under Section 186 of the Act read with the Companies (Meetings of the board and its Powers) Rules, 2014 are as follows:

Name of entity	As at 31 March 2021	Loan given during the year	Repaid/ written off during the year	As at 31 March 2022
Advanced Enzymes Europe B.V.	245.95	-	-	245.95

	As at 31 March 2021	Investment during the year	Investment reversed during the year	As at 31 March 2022
Advanced Enzymes USA, Inc.	530.19	-	-	530.19
JC Biotech Private Limited	515.50	211.25	-	726.75
Advanced Enzymes Europe B.V.	149.85	-	-	149.85
Scitech Specialities Private Limited	316.26		-	316.26

(₹ in million)

Name of entity	As at 31 March 2022	Loan given during the year	Repaid / written off during the year	As at 31 March 2023
Advanced Enzymes Europe B.V.	245.95	-	-	**245.95**

	As at 31 March 2022	Investment during the year	Investment reversed during the year	As at 31 March 2023
Advanced Enzymes USA, Inc.	530.19	-	-	**530.19**
JC Biotech Private Limited	726.75	68.00	-	**794.75**
Advanced Enzymes Europe B.V.	149.85	-	-	**149.85**
Saiganesh Enzytech Solutions Private Limited	-	59.98	-	**59.98**
Scitech Specialities Private Limited	316.26	-	-	**316.26**

Note 1:

Purpose of utilisation of above loans	1) **Advanced Enzymes Europe B.V.**: For acquisition of Evoxx Technologies GmbH and working capital requirements.
Loan repayment terms	1) **Advanced Enzymes Europe B.V.**: 14 quarterly instalments including interest starting from September 2023.
Rate of Interest	1) **Advanced Enzymes Europe B.V.:** 9.00%

Maximum amount outstanding during the year is ₹ 245.95 million (31 March 2022: ₹ 245.95 million) as per additional disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

NOTE 55

CONVERSION OF LOAN TO ADVANCED ENZYMES EUROPE B.V. ('AEEBV') INTO EQUIT

Effective date 7 April 2023, loan given by the Company to Advanced Enzymes Europe B.V. (AEEBV) including the outstanding interest aggregating to ₹ 329 million got converted into 2,276,837 fully paid up equity shares. The value per equity share is EUR 1.63 and the face value of EUR 1 per share. Pursuant to this conversion, the Company now holds 4,276,837 equity share of AEEBV and the Company continues to be 100% shareholder of AEEBV.

NOTE 56

OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in million)

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTE 57

Previous year amounts have been regrouped / reclassified wherever necessary.

As per our report of even date attached.
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni P. Rauka
Chief Financial Officer
Membership No: 039980

Place: Thane
Date: 13 May 2023

Place: Mumbai

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Advanced Enzyme Technologies Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31 March 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Advanced Enzyme Technologies Limited's (AETL) subsidiary Advanced Enzymes Europe B.V. (AEEBV) had acquired in earlier years the shares of the Evoxx Technologies GmbH (Evoxx). The Group in the consolidated financial statements has recognised goodwill in relation to such acquisition. On 31 March 2023, the carrying amount of Goodwill reflecting in AETL Consolidated Financials Statement is ₹ 284.07 millions. Further, AEEBV Group has been making losses in the past three years and has eroded its net worth. Management has tested this goodwill for impairment as per the requirements of Ind AS 36 "Impairment of Assets" and has determined that no impairment is required to be done. As per Ind AS 36, impairment testing requires management to make significant assumptions including future revenue and terminal growth rates, margin assumptions and discount rates to estimate future cash flows. Auditing management's significant assumptions used in the assessment of the recoverability of goodwill requires significant judgment and due to materiality of the amount, we have considered this matter as Key Audit Matter (KAM).	Our audit procedures to address the impairment of goodwill included and were not limited to the following: 1. Review valuation reports of specialist provided by the management. 2. Obtain the cash flow projections from the management and assess the assumptions around the cash flow forecasts including discounting rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts. 3. Involved auditor's internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value wherever necessary. 4. Assess the objectivity and competence of our internal expert and Company's internal / external specialists involved in the process. 5. Review the adequacy of disclosure by the Company in the financial statement.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take necessary action under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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 a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

a. We did not audit the financial statements of 13 subsidiaries, whose financial statements reflect total assets of ₹ 11,026.59 millions as at 31 March 2023, total revenues of ₹ 3,660.60 millions and net cash outflows amounting to ₹ (1,699.69) millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

These conversion adjustments have been audited by another auditor. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by another auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 54 to the consolidated financial statements.

        ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

        iv. (1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. (1) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

(2) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 58 to the consolidated financial statements)

(3) On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, interim dividend declared and paid by such subsidiaries during the year and until the date of this audit report, is in accordance with section 123 of the Companies Act 2013.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information and explanations given to us, the remuneration paid by the Group, to its directors of the Holding Company and its subsidiaries incorporated in India, is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUQ2037

Place: Mumbai
Date: 13 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUQ2037

Place: Mumbai
Date: 13 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADVANCED ENZYME TECHNOLOGIES LIMITED

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Advanced Enzyme Technologies Limited on the consolidated Financial Statements for the year ended 31 March 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls reference to consolidated financial statements of Advanced Enzyme Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 23101739BGXTUQ2037

Place: Mumbai
Date: 13 May 2023

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

(₹ in millions)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	6A	**2,732.13**	2,621.80
(b) Capital work-in-progress	6B	**156.09**	96.28
(c) Goodwill	6C	**3,208.53**	2,960.63
(d) Other intangible assets	6D	**549.92**	608.67
(e) Intangible assets under development	6E	**58.86**	54.39
(f) Financial assets			
(i) Investments	7	**1.65**	0.65
(iii) Other financial assets	8	**41.70**	27.32
(g) Deferred tax assets (net)	39	**113.42**	74.20
(h) Income tax asset (net)		**113.47**	132.92
(i) Other non-current assets	9	**21.61**	54.85
Total non-current assets		**6,997.38**	6,631.71
(2) Current assets			
(a) Inventories	10	**1,239.90**	1,209.20
(b) Financial assets			
(i) Investment	11	**3,595.50**	1,019.47
(ii) Trade receivables	12	**1,003.41**	882.06
(iii) Cash and cash equivalents	13	**964.20**	2,673.55
(iv) Bank balances other than (iii) above	14	**269.29**	62.77
(v) Loans	15	**1.15**	0.86
(vi) Other financial assets	16	**29.27**	49.08
(c) Income tax asset (net)		**10.53**	40.84
(d) Other current assets	17	**107.84**	106.55
Total current assets		**7,221.09**	6,044.38
Total assets		**14,218.47**	12,676.09
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	**223.65**	223.60
(b) Other equity	19	**12,127.04**	10,662.33
Equity attributable to the owners of the Company		**12,350.69**	10,885.93
Non-controlling interest	50	**491.02**	517.93
Total equity		**12,841.71**	11,403.86
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	**77.99**	81.30
(ii) Lease liability	21	**145.78**	183.53
(b) Provisions	22	**5.06**	10.68
(c) Deferred tax liabilities (net)	39	**372.27**	392.50
Total non-current liabilities		**601.10**	668.01
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**54.40**	28.10
(ii) Lease liabilities	24	**56.82**	54.37
(iii) Trade payables	25		
a) total outstanding dues of micro enterprises and small enterprises		**32.68**	21.19
b) total outstanding dues other than micro enterprises and small enterprises		**209.53**	157.78
(iv) Other financial liabilities	26	**264.98**	204.82
(b) Other current liabilities	27	**105.22**	97.75
(c) Provisions	28	**37.19**	38.22
(d) Current tax liabilities (net)		**14.84**	1.99
Total current liabilities		**775.66**	604.22
Total equity and liabilities		**14,218.47**	12,676.09
Significant accounting policies	5		
Notes form an integral part of these consolidated financial statements	6-59		

As per our report of even date attached.
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 13 May 2023

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in millions)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	29	**5,406.37**	5,293.83
Other income	30	**254.57**	64.20
Total income		**5,660.94**	5,358.03
Expenses			
Cost of materials consumed	31	**1,275.12**	1,302.58
Purchases of stock-in-trade	32	**0.17**	0.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	**42.75**	(206.05)
Employee benefits expense	34	**1,148.04**	1,039.59
Finance costs (including exchange difference)	35	**24.21**	17.96
Depreciation and amortisation expense	36	**350.29**	349.83
Other expenses	37	**1,375.86**	1,142.88
Total expenses		**4,216.44**	3,647.45
Profit before exceptional items and tax		**1,444.50**	1,710.58
Exceptional items	38	**40.62**	-
Profit before tax		**1,403.88**	1,710.58
Tax expense	39		
Current tax		**428.61**	500.89
Deferred tax (credit)/ charge		**(63.39)**	(31.00)
Tax adjustment for earlier years #		**(0.00)**	2.70
Total tax expense		**365.22**	472.59
Profit for the year		**1,038.66**	1,237.99
Less: Share of profit attributable to Non-controlling interest		**(17.73)**	42.17
Profit for the year attributable to the owners of the Company		**1,056.39**	1,195.82
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit charge/(credit)		**7.85**	1.39
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.94)**	(0.32)
B (i) Items that will be reclassified to profit or loss			
Exchange diffeerences in translating financial statements of foreign operations		**540.38**	164.13
(ii) Income tax related to items that will be reclassified to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**546.29**	165.20
Share of Other Comprehensive Income / (Loss) attributable to Non-Controlling Interest		**0.69**	0.63
Other Comprehensive Income for the year attributable to Owners of the Company		**545.60**	164.57
Total Comprehensive Income attributable to:			
Owners of the Company		**1,601.98**	1,360.39
Non-Controlling Interest		**(17.03)**	42.80
Total Comprehensive Income for the year		**1,584.95**	1,403.19
Earnings per equity share (face value ₹ 2 each fully paid up)	46		
Including extra-ordinary items			
Basic		**9.45**	10.70
Diluted		**9.45**	10.68

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Significant accounting policies	5
Notes form an integral part of these consolidated financial statements	6-59

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

As per our report of even date attached.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 13 May 2023

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

(₹ in millions)

(a) Equity share capital

	31 March 2023		31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year (refer note 18)	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Changes in equity share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting year	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Changes in equity share capital during the year	**23,400**	**0.05**	72,250	0.14
Balance at the end of the year	**11,18,24,075**	**223.65**	11,18,00,675	223.60

(b) Other equity

Particulars	Attributable to owners of the Company							Total attributable to owners of the Company	Attributable to NCI	Total Equity
	Reserves and Surplus									
	Securities Premium account	Capital Reserve	General reserve	Retained earnings	Non controlling interest reserve	Employee stock option account	Foreign currency translation reserve			
Balance at 1 April 2021	**789.56**	**6.74**	**38.77**	**7,977.31**	**(1.81)**	**26.19**	**649.17**	**9,485.94**	**616.82**	**10,102.76**
Profit for the year	-	-	-	1,195.82	-	-	-	1,195.82	42.17	1,237.99
Other comprehensive income for the year	-	-	-	0.44	-	-	164.12	164.56	0.63	165.19
Total comprehensive income for the year	**-**	**-**	**-**	**1,196.26**		**-**	**164.12**	**1,360.38**	**42.80**	**1,403.18**
Add / (Less): Exercise of Share options	23.99	-	-	-	-	(19.80)	-	4.19	-	4.19
Less: Dividends paid	-	-	-	(100.60)	-	-	-	(100.60)	(18.00)	(118.60)
Less: Acquisition of non-controlling interests (refer note 48)	-	-	-	-	(87.58)	-	-	(87.58)	-	(87.58)
Less: Movement in non-controlling interest (refer note 48)	-	-	-	-	-	-	-	-	(123.68)	(123.68)
Balance at 31 March 2022	**813.55**	**6.74**	**38.77**	**9,072.97**	**(89.39)**	**6.40**	**813.29**	**10,662.33**	**517.93**	**11,180.25**
Profit for the year	-	-	-	1,056.39	-	-	-	1,056.39	(17.73)	1,038.66
Other comprehensive income for the year	-	-	-	5.22	-	-	540.38	545.60	0.69	546.29
Total comprehensive income for the year	**-**	**-**	**-**	**1,061.62**	**-**	**-**	**540.38**	**1,601.98**	**(17.04)**	**1,584.95**
Add / (Less): Exercise of Share options	7.76	-	-	-	-	(6.96)	-	0.81	-	0.81
Less: Dividends paid	-	-	-	(111.82)	-	-	-	(111.82)	(13.57)	(125.39)
Less: Acquisition of non-controlling interests (refer note 48)	-	-	-	-	(26.83)	-	-	(26.83)	-	(26.83)
Add : Options granted during the year (refer note 45)	-	-	-	-	-	0.56	-	0.56	-	0.56
Less: Movement in non-controlling interest (refer note 48)	-	-	-	-	-	-	-	-	(41.17)	(41.17)
Add: Acquisition of subsidiary (refer note 49)	-	-	-	-	-	-	-	-	44.87	44.87
Balance at 31 March 2023	**821.31**	**6.74**	**38.77**	**10,022.77**	**(116.22)**	**-**	**1,353.67**	**12,127.04**	**491.02**	**12,618.06**

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Amrish Vaidya
Partner
Membership No: 101739

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni P. Rauka
Chief Financial Officer
Membership No: 039980

Place: Mumbai
Date: 13 May 2023

Place: Thane
Date: 13 May 2023

Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in millions)

		Year ended 31 March 2023	Year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit before tax	**1,403.88**	1,710.58
	Adjustments for non-cash transactions		
	Depreciation and amortization expense	**350.29**	349.83
	Prepaid lease amortisation	**0.18**	0.61
	Property, plant and equipments written off	**6.87**	-
	Loss/ (Profit) on sale of Property, plant and equipments	**7.99**	(11.50)
	Allowances for bad and doubtful trade receivables	**6.79**	0.28
	Bad and doubtful trade receivables written off	**-**	0.99
	Provision for doubtful trade receivables written back	**-**	0.05
	Sundry balances written off/ (back) (net)	**0.42**	(1.63)
	Excess provision written back	**(2.59)**	(10.26)
	Fair valuation of investments in marketable securities	**21.98**	(3.25)
	Remeasurement of right to use asset	**3.77**	-
	Loss by Fire	**34.94**	-
	Unrealized foreign exchange loss/(gain)	**(1.07)**	(0.08)
		1,833.45	2,035.62
	Items considered separately		
	Interest income	**(84.24)**	(11.35)
	Interest expenses	**24.21**	17.94
		1,773.42	2,042.21
	Operating profit before working capital changes		
	(Increase) / Decrease in Non-current loans	**(1.51)**	37.85
	(Increase) / Decrease in Other non-current financial assets	**(5.62)**	(2.45)
	(Increase) / Decrease in Other non-current assets	**0.38**	(1.16)
	(Increase) / Decrease in Inventories	**7.55**	(260.95)
	(Increase) / Decrease in Trade receivables	**(99.54)**	(14.04)
	(Increase) / Decrease in Current loans	**(0.29)**	(37.84)
	(Increase) / Decrease in Other current financial assets	**18.09**	8.26
	(Increase) / Decrease in Other current assets	**2.61**	2.03
	(Decrease) / Increase in Provisions	**(8.22)**	(5.37)
	(Decrease) / Increase in Trade payables	**60.28**	27.98
	(Decrease) / Increase in Current financial liabilities- others	**10.40**	8.39
	(Decrease) / Increase in Other current liabilities	**12.46**	(36.69)
	Cash generated from operating activities	**1,770.01**	1,768.22
	Income taxes paid (net of refund)	**(366.39)**	(545.31)
	Net cash generated from operating activities	**1,403.62**	1,222.91
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	**(381.05)**	(281.16)
	Proceeds from sale of property, plant and equipments	**2.54**	13.01
	Purchase of intangible assets (net of refund)	**(0.76)**	(0.60)
	Purchase of non-current investments	**(1.01)**	-
	(Purchase) / Proceeds from sale of current investments (net)	**(2474.29)**	220.99
	Interest received	**78.70**	12.28
	Insurance claim received	**0.50**	-
	(Increase) in bank deposits with maturity more than 3 months but less than 12 months	**(206.44)**	(2.39)
	(Increase) / Decrease in bank deposits with maturity of more than 12 months #	**(0.00)**	(0.00)
	Net cash (used in) investing activities	**(2981.81)**	(37.87)
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital including securities premium	**1.42**	4.34
	Proceeds from long term borrowings	**-**	6.74
	Repayment of long-term borrowings (net)	**(3.22)**	(23.20)

CONSOLIDATED IN CASH FLOW STATEMENT (CONTD.)
FOR THE YEAR ENDED 31 MARCH 2023

(₹ in millions)

	Year ended 31 March 2023	Year ended 31 March 2022
Proceeds from / (Repayment) of short-term borrowings (net)	**26.22**	(64.92)
Transactions with non-controlling interests	**(68.00)**	(211.25)
Interest paid	**(24.21)**	(17.76)
Lease liability paid	**(64.77)**	(60.35)
Dividends paid (including dividend tax)	**(125.42)**	(118.60)
Net cash (used in) financing activities	**(257.98)**	(485.00)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(1836.17)**	700.04
Cash and cash equivalents as at the beginning of the year	**2673.55**	1919.19
Cash acquired on acquisition (refer note 49)	**0.20**	-
Effect of exchange rate changes on cash and cash equivalents held	**126.62**	54.32
Cash and cash equivalents as at the end of the period*	**964.20**	2673.55
*** Composition of cash and cash equivalents (refer note 13)**		
Cash in hand	**0.89**	0.97
Balance with banks :		
Current account	**599.63**	1852.64
Fixed deposit account (with maturity less than 3 months)	**52.12**	51.12
Money market desposits	**311.56**	768.82
Deposits with maturity more than 3 months but less than 12 months	**263.37**	60.02
	1227.57	2733.57
Less: Deposits with maturity more than 3 months but less than 12 months	**263.37**	60.02
	964.20	2673.55

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities

Particulars	Notes	31 March 2022	Cashflows	Non cash changes				31 March 2023
				Acquisitions	Foreign exchange movement	Fair value change	Other adjustments	
Non-current borrowings	20	81.30	(3.22)	-	(0.09)	-	-	**77.99**
Cash credit, packing credit, working capital demand loans and deferred sales tax liabilities	23	28.10	26.22	-	0.08	-	-	**54.40**
Total liabilities from financing		**109.40**	**23.00**	**-**	**(0.01)**	**-**	**-**	**132.39**

Notes to the consolidated cash flow statement

1) The cash flow statement has been prepared under indirect method as set out in Ind AS 7, 'Statement of cashflows'.

As per our report of even date attached.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Amrish Vaidya
Partner
Membership No: 101739

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637

Beni P. Rauka
Chief Financial Officer
Membership No: 039980

Place: Mumbai
Date: 13 May 2023

Place: Thane
Date: 13 May 2023

Place: Mumbai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in millions)

1 OVERVIEW OF THE COMPANY

Advanced Enzyme Technologies Limited (herein referred to as 'the Parent Company' or the 'the Company') together with its subsidiaries (together referred to as 'the Group') carries on the business of manufacturing and sales of enzymes. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016. The registered office of the Company is Sun Magnetica, A wing, 5th Floor, Near LIC Service Road, Louiswadi, Thane (W), Maharashtra - 400604

2 BASIS OF PREPARATION

a Statement of compliance

These consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions and amendments as applicable.

These consolidated Ind AS financial statements were authorised for issue by the Group's Board of Directors on 13 May 2023.

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained the operating cycle to be 12 months.

b Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c Historical cost convention:

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

- certain financial assets and liabilities (including derivative instrument) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value

3 USE OF ESTIMATES

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and 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 financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 are as follows:

a. Property, plant and equipment

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

b. Recognition and measurement of defined benefit obligations

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

c. Recognition of deferred tax assets

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

d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

e. Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

f. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Group.

g. Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers.

h. Measurement of fair values

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

The Group 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 Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3A STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 31, 2023, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 1, 2023. Key Amendments relating to the same where financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

4 PRINCIPLES OF CONSOLIDATION

a Business combinations

As part of its transition to Ind AS, the group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after the transition date i.e 1 April 2016. In accordance with Ind AS 103, the group accounts for these business combinations using the acquisition method when control is transferred to the group. 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. Any gain on a bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

(₹ in millions)

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

b Subsidiaries

Subsidiaries are entities controlled by the Parent Company, directly or indirectly. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Subsidiary companies considered in the Consolidated Financial Statements are as follows:

Name of the Company	Country of incorporation	% age voting interest held as at 31 March 2023	% age voting interest held as at 31 March 2022
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. JC Biotech Private Limited	India	89.83%	85.00%
iii. Advanced Enzytech Solutions Limited	India	100.00%	100.00%
iv. Advanced Enzymes USA, Inc.	USA	100.00%	100.00%
v. Advanced Enzymes Europe B.V. (Wholly owned subsidiary)	Netherlands	100.00%	100.00%
vi. Evoxx Technologies GmbH (Wholly owned subsidiary of Advanced Enzymes Europe B. V.)	Germany	100.00%	100.00%
vii. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
vii. Advanced Supplementary Technologies Corporation (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
ix. Enzyme Innovation, Inc. (Wholly owned subsidiary of Cal India Foods International)	USA	100.00%	100.00%
x. Dynamic Enzymes, Inc. (Wholly owned subsidiary of Advanced Enzymes USA, Inc.)	USA	100.00%	100.00%
xi. Advanced Enzymes (Malaysia) Sdn. Bhd. (Wholly owned subsidiary)	Malaysia	100.00%	100.00%
xii. Sci-Tech Specialties Private Limited	India	51.00%	51.00%
xiii. Saiganesh Enzytech Solutions Private Limited (Acquired on 03 January 2023)	India	50.00%	-

c Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement profit or loss.

e Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

5 SIGNIFICANT ACCOUNTING POLICIES:

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

a. Revenue recognition

i. Revenue from sale of products:

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point of time when the control of goods is transferred to the customer.

Revenue is measured based on transaction price, which is the consideration, adjusted for estimated returns and allowances, discounts and volume rebates, if any, as specified in the contracts with the customers. Sales are exclusive of Goods and Service Tax (GST).

ii. Revenue from sale of services:

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

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

iii. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.

a.1 Other income

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

b. Property, plant and equipment and depreciation

Recognition and measurement

i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.

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

iii. Asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Consolidated Statement of Profit and Loss.

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

v. The Group has elected to continue with the carrying value of all its property, plant and equipment as recognized in the 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

Subsequent expenditure

vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

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

The estimated useful life of assets are as follows:

Particulars	Estimated useful life
Building	30 - 60 years
Plant and equipment	10 - 25 years
Furniture and fixture	3 - 10 years
Vehicles	8 years
Office equipments	5 years
Computer and data processing equipment	3 - 6 years

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

viii Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease.

c. Intangible assets

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

ii. Costs relating to acquisition of technical know-how and software are capitalized as intangible assets. Further, the expenditure incurred towards product studies during the development of product dossiers are grouped under "Intangible assets under development" to the extent such expenditure meet the criteria of intangible asset. Intangible assets under development are tested for impairment annually to determine if recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

iii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iv. An intangible asset is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

v. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated useful life
Computer software	1-5 years
Customer relationship	10 years
Developed technologies	15-25 years
Rights and licences	10-15 years
Product dossiers	10 years
Trade name	7 years

d. Non-current assets held for sale

Non-current assets are classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets,are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss. Once classified as held-for-sale they are no longer depreciated.

e. Impairment of non-financial assets

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

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

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

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

f. Foreign currency

Foreign currency transactions

i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in consolidated statement of Profit and Loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the consolidated statement of Profit and Loss in the period in which they arise.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupee at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian rupee at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

g. Stock based Compensation:

Employees Stock Option Plans ("ESOPs"):

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option account". On exercise of the option, the proceeds are recorded as share capital.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

h. Inventories

i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.

ii. Cost of raw materials, consumables and packing materials is determined on weighted average basis. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

i. Employee benefits

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

i. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

For the entities incorporated in U.S.A., the companies contributed towards the persion cum retirement benefit plan in accordance with 401(k) of the Internal Revenue Code and the contribution paid or payable is recognised as an expense in the period in which the employee renders services.

ii. **Defined benefit plans**

The Group provides for Gratuity benefit and Compensated Absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Group's policy.

j. Income taxes

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

Current tax

Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the the consolidated statement of Profit and Loss. The Group recognizes MAT credit available as an asset only when it is probable that the future economic benefit associated with it will flow to the Group i.e. the Group will pay normal income tax during the period for which MAT Credit is allowed to be carried forward. In the year in which the Group recognizes MAT Credit recognized as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid evidence no longer exists.

k. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

l. Research and development costs

Research and development costs incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes, which are recognized as an intangible asset to the extent that it is technically feasible to complete the development of such asset and future economic benefits are expected to be generated from such assets. Capital expenditure on research and development is included as part of assets and depreciated on the same basis as other assets.

m. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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

A contingent asset is not recognised but disclosed in the Consolidated financial statements where an inflow of economic benefit is probable.

n. Leases

The Group has adopted Ind AS 116 effective from 1 April 2019 using modified retrospective approach.

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

(i) the contact involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

As a lessee, the Group 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 rightof-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

The Group's leases mainly comprise Office premises, land and buildings for warehouse facilities. The Group also has leases for equipment.

o. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p. Operating cycle

Operating cycle is the time between the acquisition of assets for processing an their realization in cash or cash equivalents. Based on the nature of products/ activities of the Group, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

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

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

ii. Classification

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

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

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

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

iii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of Profit and Loss.

Financial assets at amortised cost

(₹ in millions)

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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in consolidated statement of Profit and Loss.

Debt investments at FVOCI

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

Equity investments at FVOCI

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

iv. Derecognition

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

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group 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 Group becomes a party to the contractual provisions of the instrument.

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

ii. Classification, subsequent measurement and gains and losses

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

iii. Derecognition

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

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

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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.

v. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the consolidated statement of profit and loss.

s. Government grants

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions.

Government grants related to income are deferred and recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and netted off with the expense in the consolidated statement of profit and loss.

Government grants related to purchase of property plant and equipment are recognised as deferred income and are credited to consolidated statement of profit and loss on a straight line basis over expected life of the related asset and presented within other income.

t. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

6A PROPERTY, PLANT AND EQUIPMENT

Gross block	Land freehold	Land leasehold	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Computer and data processing equipments	Right to use asset (Refer note b)	Total
Balance as at 1 April 2021	512.17	5.22	587.94	1,943.20	41.89	37.76	93.76	97.21	39.37	187.98	3,546.50
Additions	-	-	40.71	135.47	6.11	26.21	5.52	0.62	7.18	206.10	427.92
Disposals	-	-	0.73	1.70	-	1.82	0.06	-	0.01	-	4.32
Balance as at 31 March 2022	**512.17**	**5.22**	**627.92**	**2,076.97**	**48.00**	**62.15**	**99.22**	**97.83**	**46.54**	**394.08**	**3,970.10**
Additions	40.83	-	102.22	177.41	9.35	15.05	6.95	11.80	5.45	40.79	409.85
Addition on acquisition of subsidiary company	0.90	-	8.06	8.33	-	0.79	0.09	-	0.01	-	18.18
Disposals	-	-	-	2.19	0.10	13.96	0.91	-	0.01	-	17.17
Other adjustments	-	-	-	-	-	-	-	-	-	6.84	6.84
Reversal on account of assets written off	-	-	14.73	45.91	1.29	0.89	0.59	-	1.03	-	64.44
Balance as at 31 March 2023	**553.90**	**5.22**	**723.47**	**2,214.61**	**55.96**	**63.14**	**104.76**	**109.63**	**50.96**	**428.03**	**4,309.68**
Accumulated depreciation and amortization											
Balance as at 1 April 2021	-	0.35	153.51	603.60	23.69	25.16	83.31	81.80	27.37	108.28	1,107.07
Depreciation and amortization	-	0.07	38.03	132.89	4.74	4.58	4.95	17.76	7.75	59.08	269.85
Reversal on disposal of assets #	-	-	0.11	0.91	-	1.73	0.06	-	0.00	-	2.81
Balance as at 31 March 2022	**-**	**0.42**	**191.43**	**735.58**	**28.43**	**28.01**	**88.20**	**99.56**	**35.12**	**167.36**	**1,374.11**
Depreciation and amortisation	-	0.07	39.59	135.72	5.80	11.35	6.21	1.78	7.84	68.89	277.25
On acquisition of subsidiary company #	-	-	0.01	0.07	-	0.03	0.01	-	0.00	-	0.12
Reversal on disposal of assets	-	-	-	0.76	0.09	5.17	0.79	-	0.01	-	6.82
Other adjustments	-	-	-	-	-	-	-	-	-	2.31	2.31
Reversal on account of assets written off	-	-	1.23	17.99	0.65	0.85	0.38	-	0.77	-	21.87
Balance as at 31 March 2023	**-**	**0.49**	**229.80**	**852.62**	**33.49**	**33.37**	**93.25**	**101.34**	**42.18**	**233.94**	**1,620.48**
Other Adjustment											
Foreign currency translation adjustments as at 31 March 2022	-	-	-	7.17	0.05	-	1.52	5.49	0.34	11.24	25.81
Foreign currency translation adjustments during the year #	-	-	-	1.60	0.00	-	0.07	0.22	0.19	15.04	17.12
Balance as at 31 March 2023	**-**	**-**	**-**	**8.77**	**0.05**	**-**	**1.59**	**5.71**	**0.53**	**26.28**	**42.93**
Net block											
Balance as at 31 March 2022	512.17	4.80	436.49	1,348.56	19.63	34.15	12.53	3.76	11.78	237.96	2,621.80
Balance as at 31 March 2023	**553.90**	**4.73**	**493.67**	**1,370.76**	**22.52**	**29.77**	**13.10**	**14.00**	**9.31**	**220.37**	**2,732.13**

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

6B CAPITAL WORK-IN-PROGRESS (CWIP)

PARTICULARS	Amount
CWIP as at 1 April 2021	48.61
Additions during the year	248.17
Capitalised during the year	200.50
CWIP as at 31 March 2022	**96.28**
Additions during the year	323.90
Capitalised during the year	264.09
CWIP as at 31 March 2023	**156.09**

(₹ in millions)

(a) For Capital-work-in progress ageing schedule

CWIP as at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	150.00	3.23	2.86	-	**156.09**
Projects temporarily suspended	-	-	-	-	-

CWIP as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	88.25	5.72	1.78	0.53	**96.28**
Projects temporarily suspended	-	-	-	-	-

(b) For Right to use asset

	Buildings	Land Leasehold	Total
Gross block			
Balance as at 1 April 2021	181.96	12.62	194.58
Additions	206.10	-	206.10
Balance as at 31 March 2022	**388.06**	**12.62**	**400.68**
Additions	40.79	-	40.79
Other adjustment			
- Remeasurement impact of right to use asset	6.84	-	6.84
Balance as at 31 Mar 2023	**422.01**	**12.62**	**434.63**
Accumulated depreciation and amortization			
Balance as at 1 April 2021	107.53	0.74	108.28
Depreciation and amortization	58.34	0.74	59.08
Balance as at 31 March 2022	**165.87**	**1.49**	**167.36**
Depreciation and amortization	68.15	0.74	68.89
Other adjustment			
- Remeasurement impact of right to use asset	2.31	-	2.31
Balance as at 31 Mar 2023	**231.71**	**2.23**	**233.94**
Other Adjustment			
Foreign currency translation adjustments as at 31 March 2022	4.64	-	4.64
Foreign currency translation adjustments during the year	15.04	-	15.04
	19.68	**-**	**19.68**
Net block			
Balance as at 31 March 2022	226.83	11.13	237.96
Balance as at 31 Mar 2023	**209.98**	**10.39**	**220.37**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

6C GOODWILL ON CONSOLIDATION (refer note 51)

	As at 31 March 2023	As at 31 March 2022
Advanced Enzymes USA, Inc.	**2,784.84**	2,567.73
JC Biotech Private Limited	**123.65**	123.65
Advanced Enzytech Solutions Limited	**0.87**	0.87
Advanced Enzymes Europe B.V.	**284.07**	268.38
Saiganesh Enzytech Solutions Private Limited	**15.10**	-
	3,208.53	2,960.63

6D INTANGIBLE ASSETS

Gross block	Computer software	Customer relationship	Developed technologies	Rights and licences	Tradename	Website domain	Product dossiers	Technical knowhow	Non-compete fee	Total
Balance as at 1 April 2021	36.51	109.02	527.93	229.66	25.63	6.32	3.83	90.70	28.20	1,057.80
Additions	0.05	-	-	-	-	-	-	-	-	0.05
Balance as at 31 March 2022	**36.56**	**109.02**	**527.93**	**229.66**	**25.63**	**6.32**	**3.83**	**90.70**	**28.20**	**1,057.85**
Additions	0.95	-	-	-	-	-	-	-	-	0.95
Balance as at 31 March 2023	**37.51**	**109.02**	**527.93**	**229.66**	**25.63**	**6.32**	**3.83**	**90.70**	**28.20**	**1,058.80**
Accumulated amortisation										
Balance as at 1 April 2021	25.78	32.05	113.71	215.98	14.32	7.02	0.87	2.80	1.07	413.60
Amortisation	7.34	15.11	30.46	4.83	4.20	-	0.38	12.96	4.70	79.98
Balance as at 31 March 2022	**33.12**	**47.16**	**144.17**	**220.81**	**18.52**	**7.02**	**1.25**	**15.76**	**5.77**	**493.58**
Amortisation	1.66	14.81	29.82	4.64	4.07	-	0.38	12.96	4.70	73.04
Balance as at 31 March 2023	**34.78**	**61.97**	**173.99**	**225.45**	**22.59**	**7.02**	**1.63**	**28.72**	**10.47**	**566.62**
Other Adjustment										
Foreign currency translation adjustments as at 31 March 2022	0.01	8.62	29.29	3.11	2.66	0.71	-	-	-	44.40
Foreign currency translation adjustments during the year #	0.00	2.16	10.28	0.62	0.28	-	-	-	-	13.34
Balance as at 31 March 2023	**0.01**	**10.78**	**39.57**	**3.73**	**2.94**	**0.71**	**-**	**-**	**-**	**57.74**
Net block										
Balance as at 31 March 2022	3.45	70.48	413.05	11.96	9.77	-	2.58	74.94	22.43	608.67
Balance as at 31 March 2023	**2.74**	**57.83**	**393.51**	**7.94**	**5.98**	**-**	**2.20**	**61.98**	**17.73**	**549.92**

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

6E INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	AMOUNT
Balance as on 1 April 2021	53.79
Addition during the year	0.60
Capitalised during the year	-
Balance as on 31 March 2022	**54.39**
Addition during the year	5.78
Capitalised during the year	1.31
Balance as at 31 March 2023	**58.86**

6F INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

CWIP as at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.92	3.25	-	53.69	**58.86**
Projects temporarily suspended	-	-	-	-	**-**

CWIP as at 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	0.30	0.40	-	53.69	**54.39**
Projects temporarily suspended	-	-	-	-	-

(₹ in millions)

7 NON-CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Other investments (unquoted)		
Equity shares at fair value through profit and loss		
19,100 Equity shares (31 March 2022 - 19,100) of ₹ 10 each fully paid up of Advanced Vital Enzymes Private Limited *	**0.57**	0.57
1,666 Equity shares (31 March 2022 - 1,666) of ₹ 30 each fully paid up of Bombay Mercantile Co-op. Bank Limited	**0.05**	0.05
2,520 Equity shares (31 March 2022 - 2,520) of ₹ 10 each fully paid up of Saraswat Coop Bank Ltd.	**0.03**	0.03
140 Equity shares (31 March 2022 - Nil) of RAND 15,000 each fully paid up of Vecteng Scitech Property Limited	**1.00**	-
	1.65	0.65
Aggregate value of unquoted investments	**1.65**	0.65

* refer note 43

8 OTHER NON-CURRENT FINANCIAL ASSETS
(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Non-current bank deposits	**0.05**	0.05
Security deposits	**41.65**	27.27
	41.70	27.32

9 OTHER NON-CURRENT ASSETS
(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	**12.44**	39.15
Capital advances	**8.32**	14.86
Others	**0.85**	0.84
	21.61	54.85

10 INVENTORIES
(valued at lower of cost and net realizable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials [including goods-in-transit of ₹ 25.53 million (31 March 2022 ₹ 42.69 million)]	**528.89**	472.29
Work-in-progress	**325.84**	303.54
Finished goods [including goods-in-transit of ₹ 35.36 million (31 March 2022 ₹ 36.11 million)]	**286.53**	347.25
Stores, consumables and fuel	**98.64**	86.12
	1,239.90	1,209.20

As at 31 March 2023, the Company has written down the value for slow moving inventory aggregating ₹ 59.60 million (31 March 2022: ₹ 91.72 million). Reversal during the year ended 31 March 2023 is ₹ 26.96 million (31 March 2022: charge of ₹ 5.19 million) is included in cost of materials consumed and changes in inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

11 CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Mutual funds (Quoted)		
Measured at fair value through profit and loss		
Fixed income securities	3,413.84	792.72
DSP overnight fund - Direct - Growth	-	10.00
(No. of units 31 March 2023: Nil, 31 March 2022: 8,786.469)		
(Market value 31 March 2022: 1,138.379/unit)		
DSP Savings fund - Direct - Growth	-	15.49
(No. of units 31 March 2023: Nil, 31 Matrch 2022: 354,042.284)		
(Market value 31 March 2022: ₹ 43.763/unit)		
Aditya Birla Sunlife Limited floating rate fund - Direct - Growth	-	17.12
(No. of units 31 March 2023: Nil, 31 March 2022: 60,372.067)		
(Market value 31 March 2022: 283.549/unit)		
Aditya Birla Sun Life- Low Duration Fund Growth- Direct	6.67	36.29
(No. of units 31 March 2023: 22,120.967, 31 March 2022: 62,749.694)		
(Market value 31 March 2023: 301.697/unit, 31 March 2022: 578.360/unit)		
Aditya Birla Sun Life- Overnight Growth- Direct	23.04	82.76
(No. of units 31 March 2023: 19,007.104, 31 March 2022: 71,982.416)		
(Market value 31 March 2023: 1212.446/unit, 31 March 2022: 1,149.685/unit)		
ICICI Ultra short term fund	20.00	26.02
(No. of units 31 March 2023: 790,248.040, 31 March 2022: 1,087,986.419)		
(Market value 31 March 2023: 25.301/unit, 31 March 2022: 23.911/unit)		
UTI Liquid Cash Plan Direct Growth	44.30	-
(No. of units 31 March 2023: 12,006.607; 31 March 2022: Nil)		
(Market value 31 March 2023: 3,689.047/unit)		
UTI Money Market Fund -Direct- Growth	75.57	-
(No. of units 31 March 2023: 28,680.837, 31 March 2022: Nil)		
(Market value 31 March 2023: 2,634.864/unit)		
Aditya Birla Sun Life- Money Manager Fund Growth- Direct	-	4.61
(No. of units 31 March 2023: Nil, 31 March 2022: 15,424.900)		
(Market value 31 March 2022: 298.911/unit)		
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	12.03	21.91
(No. of units 31 March 2023: 35072.202, 31 March 2022: 60,742.005)		
(Market value 31 March 2023: 342.921/unit, 31 March 2022: 360.661/unit)		
ICICI Prudential Mutual Fund- "ICICI Prudential Liquid - Growth"	0.05	0.05
(No. of units 31 March 2023: 145.780, 31 March 2022: 145.780)		
(Market value 31 March 2023: 330.659/unit, 31 March 2022: 313.148/unit)		
ICICI Prudential Overnight Fund	-	12.50
(No. of units 31 March 2023: Nil, 31 March 2022: 109,073.397)		
(Market value 31 March 2022: 114.608/unit)		
	3,595.50	**1,019.47**

(₹ in millions)

12 TRADE RECEIVABLES

	As at 31 March 2023	As at 31 March 2022
Secured, considered good	**0.13**	0.13
Unsecured, considered good	**1,003.28**	881.93
Unsecured, credit impaired	**15.47**	8.48
Less: Impairment loss allowance	**(15.47)**	(8.48)
	1,003.41	882.06
(refer note 52 for information about credit risk and market risk of trade receivables)		
The above balance includes amounts due by private companies in which directors are interested (Refer note 43)	**-**	0.81

Outstanding as on 31 March 2023

Particulars		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade Receivables – considered good	980.77	14.25	6.16	1.48	0.75	1,003.41
ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)	Undisputed Trade Receivables – credit impaired	1.67	1.41	2.25	2.83	6.20	14.36
iv)	Disputed Trade Receivables – considered good	-	-	0.02	1.09	-	1.11
v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total trade receivables	**982.44**	**15.66**	**8.43**	**5.40**	**6.95**	**1,018.88**
	Provision for doubtful trade receivables	**2.04**	**1.50**	**2.68**	**3.05**	**6.20**	**15.47**
	Net receivable	**980.40**	**14.16**	**5.75**	**2.35**	**0.75**	**1,003.41**

Outstanding as on 31 March 2022

Particulars		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	Undisputed Trade Receivables – considered good	867.96	7.55	5.20	0.77	0.58	882.06
ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)	Undisputed Trade Receivables – credit impaired	0.73	0.37	0.14	1.50	4.83	7.57
iv)	Disputed Trade Receivables – considered good	-	-	0.91	-	-	0.91
v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total trade receivables	**868.69**	**7.92**	**6.25**	**2.27**	**5.41**	**890.54**
	Provision for doubtful trade receivables	**0.76**	**0.40**	**1.05**	**1.45**	**4.82**	**8.48**
	Net receivable	**867.93**	**7.52**	**5.20**	**0.82**	**0.59**	**882.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

13 CASH AND CASH EQUIVALENTS

	As at 31 March 2023	As at 31 March 2022
Cash on hand	**0.89**	0.97
Balances with banks		
- in current accounts	**599.63**	1,852.64
- in deposit account with original maturity upto three months	**52.12**	51.12
Money market desposits	**311.56**	768.82
	964.20	2,673.55

14 OTHER BANK BALANCES

	As at 31 March 2023	As at 31 March 2022
Unclaimed dividend account	**1.17**	1.08
Bank deposits with original maturity of more than three months but less than twelve months*	**263.37**	60.02
Earmarked bank balances	**4.75**	1.67
	269.29	62.77
* includes earmarked balances for performance guarantees	**146.82**	42.02

15 SHORT-TERM LOANS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Loan to employees	**1.15**	0.86
	1.15	0.86

16 OTHER CURRENT FINANCIAL ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Interest receivable	**2.16**	0.52
Export incentives receivable	**7.37**	22.18
Others	**19.74**	26.38
	29.27	49.08

17 OTHER CURRENT ASSETS

(unsecured considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	**23.23**	20.97
Advance to suppliers	**41.36**	30.07
Excess of Planned Assets over Obligation - Gratuity	**1.28**	0.52
Balance with Government authorities	**33.57**	47.93
Asset recoverable from customers	**3.96**	2.85
Others	**4.44**	4.21
	107.84	106.55

(₹ in millions)

18 EQUITY SHARE CAPITAL

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Face Value ₹ 2 each	**17,50,00,000**	**350.00**	17,50,00,000	350.00
	17,50,00,000	**350.00**	17,50,00,000	350.00
Issued, subscribed and fully paid up				
Equity shares of Face Value ₹ 2 each	**11,18,24,075**	**223.65**	11,17,28,425	223.46
Total	**11,18,24,075**	**223.65**	11,17,28,425	223.46

a) **Reconciliation of equity share capital**	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**11,18,00,675**	**223.60**	11,17,28,425	223.46
Add : Issued during the year (Refer note 18 d)	**23,400**	**0.05**	72,250	0.14
Balance at the end of the year	**11,18,24,075**	**223.65**	11,18,00,675	223.60

b) **Shareholders holding more than 5% of the equity shares**	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Face Value ₹ 2 each				
Mr. Vasant L. Rathi *	**3,65,03,702**	**32.64%**	3,65,03,702	32.65%
Advanced Vital Enzymes Private Limited (Chandrakant Rathi Innovations and Projects Private limited merged with Advanced Vital Enzymes Private Limited)	**72,32,844**	**6.47%**	99,56,344	8.91%
Nalanda India Equity Fund Limited	**99,63,685**	**8.91%**	68,28,047	6.11%
Orbimed Asia III Mauritius Limited	**1,10,53,245**	**9.88%**	1,10,53,245	9.89%
	6,47,53,476	**57.90%**	6,43,41,338	57.56%

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2023: 7,500,000 shares (6.71%) [31 March 2022: 7,500,000 shares (6.71%)]

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

The Company has only one class of equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The final dividend, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation. Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

d) **Shares reserved for issue under options**

The Company had reserved issuance of 220,000 Equity shares of ₹ 2 each (31 March 2022: 220,000) for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option would vest on graded basis over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria (refer note 45).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

Details of Shares held by Promoters at the end of the year

Sr. No.	Promoter name	As at 31 March 2023		As at 31 March 2022		% change between 31 Mar 23 vs 31 Mar 22	As at 31 March 2021		% change between 31 Mar 22 vs 31 Mar 21
		No. of shares	% of total shares	No. of shares	% of total shares		No. of shares	% of total shares	
1	Vasant Rathi *	3,65,03,702	32.64%	3,65,03,702	32.65%	-0.01%	3,65,78,702	32.74%	-0.09%
2	Chandrakumar Laxminarayan Rathi	46,500	0.04%	46,500	0.04%	0.00%	46,500	0.04%	0.00%
3	Reshma Namita Rathi	26,46,858	2.37%	26,46,858	2.37%	0.00%	26,46,858	2.37%	0.00%
4	Rachana Vasant Rathi	26,41,500	2.36%	26,41,500	2.36%	0.00%	26,41,500	2.36%	0.00%
5	Rasika Vasant Rathi	26,36,700	2.36%	26,36,700	2.36%	0.00%	26,36,700	2.36%	0.00%
6	Prabhavati Vasant Rathi	9,13,000	0.82%	9,13,000	0.82%	0.00%	9,63,000	0.86%	-0.04%
7	Kishor Laxminarayan Rathi	14,66,000	1.31%	14,66,000	1.31%	0.00%	14,66,000	1.31%	0.00%
8	Madhusudan Kabra	7,15,600	0.64%	7,15,600	0.64%	0.00%	-	0.00%	0.64%
9	Savita Chandrakumar Rathi	-	0.00%	3,71,500	0.33%	-0.33%	3,71,500	0.33%	0.00%
10	Radhika Ashish Pujara	-	0.00%	31,500	0.03%	-0.03%	31,500	0.03%	0.00%
11	Piyush Chandrakumar Rathi	-	0.00%	23,500	0.02%	-0.02%	23,500	0.02%	0.00%
12	Jayesh Madhusudan Soni	10,000	0.01%	10,000	0.01%	0.00%	10,000	0.01%	0.00%
13	Sanju Madhusudan Soni	10,000	0.01%	10,000	0.01%	0.00%	10,000	0.01%	0.00%
14	Tejasvi Madhusudan Soni	10,000	0.01%	10,000	0.01%	0.00%	10,000	0.01%	0.00%
15	Abhijit Kishor Rathi	82,835	0.07%	82,835	0.07%	0.00%	-	0.00%	0.07%
16	Ankit Kishor Rathi	1,00,000	0.09%	1,00,000	0.09%	0.00%	-	0.00%	0.09%
17	Amit Kishor Rathi	75,001	0.07%	75,000	0.07%	0.00%	-	0.00%	0.07%
18	Sunita Sunil Attal	11,760	0.01%	11,860	0.01%	0.00%	-	0.00%	0.01%
19	Anisha Sunil Attal	9,421	0.01%	10,333	0.01%	0.00%	-	0.00%	0.01%
20	Megha Jhawar	10,000	0.01%	10,000	0.01%	0.00%	-	0.00%	0.01%
21	Nikita Madhusudan Soni	10,000	0.01%	10,000	0.01%	0.00%	-	0.00%	0.01%
22	Payal Shamsunder Soni	5,000	0.00%	5,000	0.01%	-0.01%	-	0.00%	0.01%
23	Snehal Shamsunder Soni	4,400	0.00%	5,000	0.01%	-0.01%	-	0.00%	0.01%
24	Advanced Vital Enzymes Pvt Ltd (Chandrakant Rathi Innovations And Projects Private Limited merged with Advanced Vital Enzymes Pvt. Ltd.)	72,32,844	6.47%	99,56,344	8.91%	-2.44%	1,33,71,876	11.97%	-3.06%
25	Atharva Green Ecotech LLP	6,29,000	0.56%	6,29,000	0.56%	0.00%	6,29,000	0.56%	0.00%
26	Mangala Madhusudan Kabra	-	-	-	-	0.00%	4,35,600	0.39%	-0.39%
	Total	**5,57,70,121**	**49.87%**	**5,89,21,732**	**52.72%**	**-2.85%**	**6,18,72,236**	**55.37%**	**-2.65%**

*includes shares held by Vasant and Prabha Rathi Generation Trust – 31 March 2023: 7,500,000 shares (6.71%) [31 March 2022: 7,500,000 shares (6.71%)]

19 OTHER EQUITY

	As at 31 March 2023	As at 31 March 2022
Capital reserves		
Balance at the beginning of the year	6.74	6.74
Add : Additions made during the year	-	-
Less : Deletions made during the year	-	-
Balance at the end of the year	6.74	6.74
Securities premium account		
Balance at the beginning of the year	813.55	789.56
Add: Premium on issue of equity shares under ESOP scheme	7.76	23.99
Balance at the end of the year	821.31	813.55
Employee stock option account		
Balance at the beginning of the year	6.40	26.20
Add: Options granted during the year (refer note 44)	0.56	-
Less: Exercised during the year	(6.96)	(19.80)
Balance at the end of the year	-	6.40

(₹ in millions)

19 OTHER EQUITY

	As at 31 March 2023	As at 31 March 2022
General reserve		
Balance at the beginning of the year	38.77	38.77
Add: Additions made during the year	-	-
Less: Deletions made during the year	-	-
Balance at the end of the year	38.77	38.77
Non controlling interest reserve		
Balance at the beginning of the year	(89.39)	(1.81)
Acquisition of non-controlling interests (refer note 48)	(26.83)	(87.58)
Balance at the end of the year	(116.22)	(89.39)
Retained earnings		
Balance at the beginning of the year	9,072.97	7,977.31
Add: Profit for the year	1,056.39	1,195.82
Add: Transferred from Other comprehensive income	5.23	0.44
Less: Dividend paid	(111.82)	(100.60)
Balance at the end of the year	10,022.77	9,072.97
Other Comprehensive Income		
Foreign currency translation reserve		
Balance at the beginning of the year	813.29	649.17
Add: Exchange rate difference in translation (net)	540.38	164.12
Balance at the end of the year	1,353.67	813.29
	12,127.04	10,662.33

Nature and purpose of reserves

Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid up and not paid up bonus shares.

Non controlling interest reserve

Non controlling interest reserve represent the difference between the consideration paid and the carrying value of non controlling interest acquired in subsidiaries.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations, if any, are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

Dividends

The following dividends were declared and paid by the Company during the year

Particulars	Paid during 01-Apr-22 to 31-Mar-23	Paid during 01-Apr-21 to 31-Mar-22
₹ 1.00 per equity share (31 March 2022: ₹ 0.90 share)	111.82	100.60
	111.82	100.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

20 NON-CURRENT BORROWINGS

	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans:		
From banks	**70.95**	71.31
Vehicle loans	**5.22**	7.77
Loans repayable on demand:		
From other parties	**1.82**	2.22
	77.99	81.30

a) Details of security for each type of borrowings as at 31 March 2023

Scitech Specialities Private Limited:

a) The term loan is secured by way of equitable mortgage of Building located at 501, DLH Park, S. V. Road, Goregaon (West), Mumbai, Maharashtra and personal guarantee by the directors (refer note 22(b) below ##). b) Vehicle loans availed from five banks and are secured by way of hypothecation of respective vehicle.

Advanced Bio Agro Tech Limited:

a) Vehicle loans availed from one bank and are secured by way of hypothecation of respective vehicle.

Evoxx technologies GmbH:

(a) Term loans availed are secured by charge on equipments as specified in their respective loan agreements.

b) Terms of repayment of term loans and other loans (including current borrowings)

Term loans	Interest rates	Repayment terms	Outstanding as at 31 March 2023	Outstanding as at 31 March 2022
From Banks				
Deutsche Bank AG ##	11.65%	178 equal monthly instalments of ₹ 0.41 million each along with interest up to 31 December 2037	**72.88**	75.55
From others				
Deutsche Leasing für Sparkassen und Mittelstand GmbH	4.32%	72 equal monthly instalments of ₹ 0.34 million each along with interest up to 1 April 2022	-	0.36

Vehicle Loans (including current borrowings)

Interest rate	No. of installments	Date of last installment	Amount of installment	Outstanding as at 31 March 2023	Outstanding as at 31 March 2022
8.55%	2	07-May-22	0.13	-	0.25
8.55%	18	07-Sep-23	0.02	**0.10**	0.30
10.20%	18	05-Sep-23	0.03	**0.16**	0.51
8.50%	40	05-Jul-25	0.02	**0.69**	0.95
9.10%	32	05-Nov-24	0.05	**1.01**	1.54
10.00%	29	15-Aug-24	0.01	**0.24**	0.39
6.80%	60	05-Mar-27	0.11	**5.57**	6.74
Total				**7.77**	**10.68**

21 NON CURRENT LEASE LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Lease liability (refer note 42)	**145.78**	183.53
	145.78	183.53

(₹ in millions)

22 NON-CURRENT PROVISIONS

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	**0.93**	3.10
Gratuity (Refer note 40)	**4.13**	7.58
	5.06	10.68

23 CURRENT BORROWINGS

	As at 31 March 2023	As at 31 March 2022
Secured		
Loans repayable on demand:		
From banks in rupees	**49.89**	19.20
	49.89	19.20
Current maturities of long-term term loans (refer note no. 20)		
- From banks	**1.96**	4.24
- Vehicle loans	**2.55**	2.91
- Deferred sales tax payment liabilities	**-**	1.75
	4.51	8.90
	54.40	20.10

a) Details of security for each type of borrowings as at 31 March 2023

The Company:

Loans repayable on demand from Banks (Working Capital loans) are secured by first pari passu charge on all existing and future current assets of the Company.

Advanced Bio Agro Tech Limited:

Loans repayable on demand from banks (Working Capital loans) are secured as under:

1. Negative lien on Land & Building situated at Gat No 551 , Off Nashik-Pune Road, Dapurwad Road, Mauje, Musalgaon, Taluka- Sinnar , Dist- Nashik, Sole Charge on Plant & Machinery located at the above address as and when procured.
2. First Exclusive charge on Stocks and Book Debts of the Advanced Bio Agro Tech Limited.
3. Personal guarantee given by the Managing Director Mr. OP Singh.

JC Biotech Private Limited:

(i) The cash credit from bank is secured by way of hypothecation of first charge on entire current assets of the company both current and future. The loan is also supported by first charge by way of an equitable mortgage of industrial land (by deposit of title deeds) and subservient charge on entire unencumbered movable fixed assets of the company both present and future(excluding vehicles/assets under HP/lease) of the JC Biotech Private Limited.

Scitech Specialities Private Limited:

(i) The working capital facility from bank are secured against the inventories and Trade receivables of of the Scitech Specialities Private Limited.

b) Terms of repayment of loans

Loan repayable on demand - from banks

Cash Credit from bank for ₹ 49.89 million (31 March 2022: ₹ 19.20 million) carries an interest rate of 6.75% to 12%.

Deferred sales tax payment liabilities

Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years moratorium year from each such year of deferral period from 1996-97 to 2006-07.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

24 CURRENT LEASE LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Lease liability (refer note 42)	56.82	54.37
	56.82	54.37

25 TRADE PAYABLES

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues to micro and small enterprises (refer note below)	32.68	21.19
Total outstanding dues to others (refer note 43 for payable to related parties)	209.53	157.78
	242.21	178.97

Note:

Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid	32.68	21.19
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at balance sheet date	0.07	0.07
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.07	0.07

The management has identified enterprises which have provided goods and services to the Companies within the Group which are incorporated in India and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the Consolidated financials statements based on information received and available with the Group.

Outstanding as at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	32.68	-	-	-	32.68
Others	175.62	25.48	8.17	0.26	209.53
Disputed dues (MSMEs) and	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	208.30	25.48	8.17	0.26	242.21

Outstanding as at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	21.19	-	-	-	21.19
Others	149.32	8.20	0.04	0.22	157.78
Disputed dues (MSMEs) and	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	**170.51**	**8.20**	**0.04**	**0.22**	**178.97**

(₹ in millions)

26 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Unpaid dividends (refer note below)	**1.17**	1.08
Security deposits from customers	**7.80**	7.25
Payable for purchase of property, plant and equipment	**54.70**	12.10
Employee benefits payable	**73.57**	69.45
Other payables	**127.74**	114.94
	264.98	204.82

Note :

The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.07 million (31 March 2022: 0.04 million).

27 OTHER CURRENT LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Statutory dues:		
Provident fund payable	**3.51**	3.04
Employees' State Insurance Scheme contribution payable	**0.07**	0.07
Other dues payable	**16.10**	20.35
Advance from customers	**68.60**	62.08
Other Payables	**16.94**	12.21
	105.22	97.75

28 CURRENT PROVISIONS

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	**11.51**	10.98
Gratuity (refer note 40)	**6.14**	8.16
Provision for 401(k) (refer note a below)	**12.22**	12.57
Provision for CSR activity expenses	**1.43**	-
Provision for sales return (refer note b below)	**5.89**	6.51
	37.19	38.22

Note:

a) Advanced Enzymes USA, Inc.

The Company has maintained a 401(k) Safe Harbor Profit Sharing Plan ("Plan") to provide retirement and incidental benefits for its eligible employees. Employees may contribute from 1% to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company contributes 100% of each dollar of mandatory contributions each eligible participant makes each plan year. All safe harbor contributions vest immediately.

	As at 31 March 2023	As at 31 March 2022
Movement in provision 401(k) during the year:		
Provision at the beginning of the year	**12.57**	13.32
Contribution during the year	**(13.24)**	(13.08)
Provision created during the year	**11.86**	11.93
Foreign exchange currency translation	**1.03**	0.40
Provision at the end of the year	**12.22**	12.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

b) Provision for sales return

As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37

	As at 31 March 2023	As at 31 March 2022
Movement in provision for sales return		
Provision at the beginning of the year	**6.51**	7.01
Provision created during the year	**5.89**	6.51
Provision reversed during the year	**(6.51)**	(7.01)
Provision at the end of the year	**5.89**	6.51

29 REVENUE FROM CONTRACTS WITH CUSTOMERS

29.1 DISAGGREGATED REVENUE INFORMATION

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of goods		
Export	**2,782.70**	2,925.09
Domestic	**2,554.31**	2,337.55
	5,337.01	5,262.64
Sale of services		
Export	**66.81**	26.40
	66.81	26.40
	5,403.82	5,289.04
Other operating revenues		
Export incentives	**2.55**	4.79
	5,406.37	5,293.83

29.2 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS AND RECONCILIATION:

'Following table provides disaggregation of revenue and a reconciliation of product categorywise revenue and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Human nutrition	**3,559.34**	3,568.93
Animal nutrition	**709.98**	561.87
Bio-process	**1,075.25**	1,142.25
	5,344.57	5,273.05
Adjustments		
Reversal/(Provision) for sales return	**0.62**	0.49
Discount	**(8.18)**	(10.90)
	(7.56)	(10.41)
Total revenue from contract with customers	**5,337.01**	5,262.64

(₹ in millions)

30 OTHER INCOME

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on bank deposits carried at amortised cost	**4.58**	3.25
- on other assets carried at amortised cost	**6.62**	0.79
Provision for doubtful debts written back	**-**	0.20
Profit on sale of property, plant and equipment (net)	**1.05**	11.81
Liabilities no longer required written back	**2.62**	10.26
Net gain on foreign currency transactions and translations	**13.02**	2.46
Government Grant- Employee Retention Credit	**106.27**	-
Miscellaneous income	**120.42**	35.43
	254.57	64.20

31 COST OF MATERIALS CONSUMED

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Raw materials and packing materials (including goods-in-transit)	**472.29**	407.99
Add : Purchases during the year		
Raw materials and packing materials	**1,330.34**	1,366.88
Stock acquired on acquisition of subsidiary	**1.38**	-
Less : Closing stock		
Raw materials and packing materials (including goods-in-transit)	**528.89**	472.29
	1,275.12	1,302.58

32 PURCHASE OF TRADED GOODS

	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of traded goods	**0.17**	0.66
	0.17	0.66

33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN- TRADE

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
- Finished goods	**347.25**	232.50
- Work-in-progress	**303.54**	212.24
Stock acquired on acquisition of subsidiary		
- Finished goods	**4.33**	-
	655.12	444.74
Closing stock		
- Finished goods	**286.53**	347.25
- Work-in-progress	**325.84**	303.54
	612.37	650.79
	42.75	(206.05)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

34 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	**1,022.09**	923.89
Contribution to gratuity, provident fund, payroll taxes and other funds	**54.00**	51.38
Retirement benefits expense	**39.93**	37.46
Staff welfare expenses	**32.02**	26.86
	1,148.04	1,039.59

35 FINANCE COSTS

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses on financial liabilities - borrowings carried at amortised cost	**6.03**	4.24
Interest on term loan - carried at amortised cost	**7.88**	7.13
Interest expenses on lease liabilities	**10.30**	6.59
	24.21	17.96

36 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	**208.36**	210.77
Amortisation of intangible assets	**73.04**	79.98
Amortisation of Right to use of lease assets (refer note 42)	**68.89**	59.08
	350.29	349.83

37 OTHER EXPENSES

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	**109.64**	97.11
Power and fuel	**376.67**	294.60
Water charges	**4.35**	4.90
Laboratory expenses	**52.32**	43.74
Analysis & Testing charges	**6.25**	7.46
Repairs and maintenance		
- Buildings	**15.88**	17.79
- Plant and equipment	**49.57**	37.26
- Others	**36.04**	28.84
Travel, conveyance and car hire	**57.52**	39.04
Commission	**14.53**	19.74
Sales promotion and advertisement	**63.96**	55.92
Freight outward and forwarding	**77.13**	84.94
Selling and distribution expenses	**19.73**	6.80
Rent (refer note 42 and 43)	**4.84**	3.34
Rates and taxes	**61.29**	55.14
Insurance	**30.78**	30.34
Printing and stationery	**4.57**	3.93
Communication expenses	**12.74**	10.99
Directors' sitting fees (refer note 43)	**1.70**	1.78
Legal and professional charges	**165.26**	156.69
Technical services	**23.20**	25.33
Payments to Auditors (refer note 41)	**9.48**	9.17

(₹ in millions)

	Year ended 31 March 2023	Year ended 31 March 2022
Bad debts	-	1.01
Provisions of doubtful accounts receivable (net)	6.79	1.40
Advances/assets written off	9.31	8.20
Research and development expenses	8.09	6.47
Donation	0.83	1.22
Bank Charges	10.57	11.59
Fair valuation loss on investments	27.24	-
Property, plant and equipment written off	6.87	-
Loss on sale of property, plant and equipment (net)	8.56	0.31
Corporate Social Responsibility expenditure (refer note 55)	19.27	18.73
Commuting expenses	1.12	0.96
Miscellaneous expenses	79.76	58.14
	1,375.86	1,142.88

38 EXCEPTIONAL ITEMS

On 24th January, 2023, a fire occurred in one of the facilities of Scitech Specialities Private Limited ("SSPL"), subsidiary of the Company, situated at Plot No A-43, STICE, Musalgaon, Sinnar, Nashik. There has been loss to assets comprising of Inventories, Plant Buildings, Plant & Machinery and other Fixed Assets etc. As per the the best estimate of the Management of SSPL, the book value of the loss due to fire is ₹ 40.62 million, which has been debited to the statement of profit and loss which is included in exceptional items. SSPL is adequately insured and in process of filling the required documents with the Insurance Company. The Insurance claim would be recognised as per the requirements of the accounting standards in the subsequent years on the admission/approval of the claim by the Insurance Company.

	Year ended 31 March 2023	Year ended 31 March 2022
Loss of fire	40.62	-
	40.62	-

NOTE 39
INCOME TAXES

Tax expense

(a) Income tax recognised in Statement of profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax	428.61	500.89
Changes in estimates related to prior period #	(0.00)	2.70
Total current tax	428.61	503.59
Deferred income tax liability/(asset) net		
Origination and reversal of temporary differences	(63.39)	(31.00)
Tax expense for the year	365.22	472.59

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

(b) Income tax recognised in Other Comprehensive Income

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(7.85)	1.94	(5.91)	(1.39)	0.32	(1.07)
	(7.85)	1.94	(5.91)	**(1.39)**	**0.32**	**(1.07)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**1,403.88**	**1,710.58**
Tax using the Company's domestic tax rate (31 March 2023: 25.17%, 31 March 2022: 25.17%)	353.36	430.55
Tax effect of:		
Tax on losses on which no deferred tax is created	12.11	28.19
Non tax deductable items	8.82	4.72
Investment allowance deduction	2.79	-
Prior period tax	(0.01)	2.69
Tax rate differential	22.66	30.80
Deferred tax impact on Ind AS adjustments	(21.61)	(22.09)
Others	(12.90)	(2.27)
Tax expense as per profit or loss	**365.22**	472.59

Deferred tax assets (net) and liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred tax assets (net)	113.42	74.20
(b) Deferred tax liabilities (net)	(372.27)	(392.50)
Net deferred tax assets/(liabilities)	**(258.85)**	(318.30)

Particulars	Balance 31 March 2022	Recognised in profit or loss	Recognised in OCI	Acquired on business combination	Others	Balance 31 March 2023
Deferred tax assets (net) in relation to:						
Property, plant and equipment and other intangible assets	1.95	7.17	-	-	(0.85)	8.27
Other items	1.63	10.75	-	-	(1.73)	10.65
Provision for employee benefits	1.17	0.77	0.68	-	(1.00)	1.62
Unrealised profits on unsold inventory	68.17	(1.81)	-	-	2.07	68.43
Carry forward business loss	-	22.29	-	-	-	22.29
Provision for doubtful trade receivable	1.28	0.66	-	-	0.22	2.16
	74.20	**39.83**	**0.68**	**-**	**(1.29)**	**113.42**
Deferred tax liabilities (net) in relation to:						
Property, plant and equipment and other intangible assets	(405.79)	11.16	-	(2.75)	(2.84)	(400.22)
Other items	0.19	12.17	-	-	2.07	14.43
Provision for employee benefits	9.63	0.23	1.26	-	(2.88)	8.24
MAT Credit	3.25	-	-	-	2.03	5.28
Provision for doubtful trade receivable	0.22	-	-	-	(0.22)	-
	(392.50)	**23.56**	**1.26**	**(2.75)**	**(1.84)**	**(372.27)**
	(318.30)	**63.39**	**1.94**	**(2.75)**	**(3.13)**	**(258.85)**

(₹ in millions)

Particulars	Balance 31 March 2021	Recognised in profit or loss	Recognised in OCI	Acquired on business combination	Others	Balance 31 March 2022
Deferred tax assets (net) in relation to:						
Property, plant and equipment and other intangible assets	(1.07)	2.98	-	-	0.04	1.95
Other items	1.68	(0.09)	-	-	0.04	1.63
Provision for employee benefits	0.99	0.25	0.07	-	(0.14)	1.17
Unrealised profits on unsold inventory	65.81	1.62	-	-	0.74	68.17
Provision for doubtful trade receivable	1.27	0.01	-	-	-	1.28
	68.68	**4.77**	**0.07**	**-**	**0.68**	**74.20**
Deferred tax liabilities (net) in relation to:						
Property, plant and equipment and other intangible assets	(432.27)	25.22	-	-	1.26	(405.79)
Other items	(0.50)	0.69	-	-	-	0.19
Provision for employee benefits	9.79	0.10	0.25	-	(0.51)	9.63
MAT Credit	14.48	-	-	-	(11.23)	3.25
Provision for doubtful trade receivable	-	0.22	-	-	-	0.22
	(408.50)	**26.23**	**0.25**	**-**	**(10.48)**	**(392.50)**
	(339.82)	**31.00**	**0.32**	**-**	**(9.80)**	**(318.30)**

As at year end, the Group has tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 3.25 million (March 31, 2022 : ₹ 3.25 million). The Group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Given that the Group does not have any intention to dispose investments in subsidiaries in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Unrecognised deferred tax assets/ liabilities

As at 31 March 2023 undistributed earning of subsidiaries amounted to ₹ 6,785.34 millions (March 31, 2022: ₹ 6,245.62 millions). The corresponding deferred tax liability of ₹ 1,103.09 millions (March 31, 2022 ₹ 1,027.07 millions), was not recognised because the Company controls the dividend policy of its subsidiaries i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTE 40

EMPLOYEE BENEFITS

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

(A) Defined Contribution Plans:

The Group makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Group is required to contribute a specified percentage of payroll cost to fund the benefits.

The Group recognised ₹ 52.84 million for the year ended 31 March 2023 (31 March 2022 ₹ 50.21 million) towards provident fund and other retirement benefits funds contribution and ₹ 3.48 million for the year ended 31 March 2023 (31 March 2022 ₹ 3.52 million) towards super-annuation fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan:

The Group provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. The Group has taken a Group Gratuity and Compensated Absences policy for its employees with the Life Insurance Corporation of India (LIC). Under gratuity policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death (subject to completion of 4.5 years of employment) in lumpsum after deduction of necessary taxes.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

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FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

	31 March 2023	31 March 2022
Defined benefit obligation	**91.63**	93.71
Fair value of plan assets	**82.64**	78.49
Net defined benefit obligation/(assets)	**(8.99)**	(15.22)

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

	Defined benefit obligation	
	31 March 2023	31 March 2022
Opening balance	**93.71**	90.73
Included in profit or loss		
Current service cost	**8.38**	8.09
Interest cost	**5.87**	5.46
	107.96	104.28
Included in OCI		
Remeasurement loss /(gain):		
Actuarial loss / (gain) arising from:		
Demographic assumptions	**-**	(0.11)
Financial assumptions	**(4.28)**	(1.72)
Experience adjustment	**(3.20)**	0.23
	100.48	102.67
Benefits paid	**(8.85)**	(8.96)
Closing balance	**91.63**	93.71

ii) **Change in fair value of plan assets**

	Fair value of plan assets	
	31 March 2023	31 March 2022
Opening balance	**78.49**	72.47
Included in profit or loss		
Expected return on plan assets	**5.17**	4.56
	83.65	77.04
Included in OCI		
Remeasurement loss /(gain):		
Actuarial loss / (gain) arising from:		
Experience adjustment	**0.37**	0.42
	84.02	77.46
Other		
Contributions paid by the employer	**7.11**	9.71
Benefits paid	**(8.49)**	(8.68)
Closing balance	**82.64**	78.49

(₹ in millions)

Impact on consolidated Statement of Profit and Loss for the current year

	31 March 2023	31 March 2022
Service cost:		
Current service cost	8.38	8.09
Net interest cost	0.70	0.89
Total included in Employee Benefit expenses	9.08	8.98
Expenses deducted from the fund	-	-
Total Charge to Statement of Profit and Loss	9.08	8.98

Impact on Other comprehensive income for the current year

	31 March 2023	31 March 2022
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	4.28	1.72
Due to change in demographic assumption	-	0.11
Due to experience adjustments	3.20	(0.23)
Return on plan assets excluding amounts included in interest income	0.37	0.42
Amounts recognized in Other Comprehensive Income	7.85	2.01

Plan assets

Plan assets comprise the following

Gratuity	31 March 2023	31 March 2022
Policy of insurance	100%	100%
	100%	100%

iii. **Actuarial assumptions**

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

	31 March 2023	31 March 2022
Discount rate	7.37% - 7.51%	6.85% - 7.36%
Rate of return on plan assets	7.40% - 7.51%	6.50% - 6.85%
Salary Escalation	6.00% - 8.50%	6.00% - 8.50%
Withdrawal rates	12%-4% at younger ages reducing to 2%-1% at older ages	12%-4% at younger ages reducing to 2%-1% at older ages
Retirement age	58-65 years	58-65 years
Mortality rates	As published under the Indian assured lives mortality (2012-14) table	As published under the Indian assured lives mortality (2012-14) table

Assumptions regarding future mortality have been based on published statistics and mortality tables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

	31 March 2023	31 March 2022
	Increase	Increase
Increase in		
Discount rate (0.5% movement)	**85.21**	87.04
Future salary growth (0.5% movement)	**93.59**	94.86
Withdrawal rates (10% movement)	**89.59**	90.95

	31 March 2023	31 March 2022
	Decrease	Decrease
Decrease in		
Discount rate (0.5% movement)	**93.82**	95.05
Future salary growth (0.5% movement)	**85.34**	87.17
Withdrawal rates (10% movement)	**89.02**	90.79

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

v. Expected future cash flows

Expected contribution

The expected contributions for defined benefit plan for the next financial years will be as follows:

Expected future benefit payments	
March 31, 2024	**7.76**
March 31, 2025	**3.85**
March 31, 2026	**5.86**
March 31, 2027	**5.89**
March 31, 2028	**6.61**
Therafter	**63.28**

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

41 PAYMENTS TO AUDITORS (EXCLUDING TAXES)

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
Statutory audit	**6.76**	5.99
Limited review	**2.13**	2.66
Certification work	**0.29**	0.35
Tax audit fee	**0.05**	0.05
Reimbursement of expenses	**0.25**	0.12
	9.48	9.17

NOTE 42
LEASES

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

Please refer note no. 6A for detailed presentation of fair value of Right of Use of Assets.

(₹ in millions)

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

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Less than one year	**66.07**	55.27
One to five years	**153.83**	181.88
More than five years	**2.59**	3.36
Total undiscounted lease liabilities at 31 March	**222.49**	240.51
Discounted Lease liabilities included in the statement of financial position at 31 March		
Current lease liability	**56.82**	54.37
Non-Current lease liability	**145.78**	183.53

(c) The Weighted average incremental borrowing rate of ranges from 4% p.a. to 9.25% p.a. for local currency borrowings has been applied for measuring the lease liability at the date of initial application.

(d) The Group incurred ₹ 84.03 million for the year ended 31 March 2023 (31 March 2022: ₹ 69.01 million) towards expenses relating to leases. Lease rent incurred not falling under the scope of Ind AS 116 amounted to ₹ 4.84 million for the year ended 31 March 2023 (31 March 2022: ₹ 3.34 million), (refer Note 37).

(e) The total cash outflow for leases for year ended 31 March 2023 is ₹ 64.77 million (31 March 2022: ₹ 60.35 million)

(f) General Description of leasing agreements:

- Leased Assets: Office, Leasehold Land, Warehouse, Factory premises & vehicle
- 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.

NOTE 43

RELATED PARTY DISCLOSURES

a) Names of related parties

I Key Management Personnel (KMP)

Mr. Vasant L. Rathi	Chairman and Non-executive director
Mr. Mukund M. Kabra	Whole time director
Mr. Beni P. Rauka	Chief Financial Officer
Mr. Sanjay Basantani	Company Secretary
Mr. Kedar Desai	Independent Director
Mr. Pramod Kasat	Independent Director
Mr. Rajesh Sharma	Independent Director
Ms. Rasika Rathi	Non-executive Director and daughter of Chairman
Late Mr. Vilas M. Aurangabadkar (up to 27 January 2022)	Independent Director
Mr. Vinodkumar Jajoo	Independent Director
Dr. Sunny Sharma	Non-executive Director
Mrs. Rajshree Patel	Independent Director
Mr. Nitin Jagannath Deshmukh (w.e.f. 1 July 2022)	Additional Independent Director

II Relatives of KMP :

Mrs. Prabha V. Rathi	Wife of Chairman
Ms. Rachana Rathi	Daughter of Chairman
Ms. Reshma Rathi	Daughter of Chairman
Ms. Rasika Rathi	Daughter of Chairman
Mr. Kishore L. Rathi	Brother of Chairman
Late Mrs. Mangala M. Kabra	Mother of Whole-time director

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(₹ in millions)

III Other related parties (entities in which either of the KMP's have significant influence) with whom transactions have taken place during the year

Advanced Vital Enzymes Private Limited

Rathi Properties LLC

Om Manufacturing Jalna Private Limited

Silvertech Trading Company Private Limited

b) Transactions with related parties

	Transactions during the year	KMPs and relatives		Other related parties	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
1	**Sale of goods**				
	Advanced Vital Enzymes Private Limited	-	-	1.75	2.98
		-	-	1.75	2.98
2	**Sale of goods**				
	Rathi Properties LLC	-	-	27.19	23.16
	Mr. Vasant L Rathi	12.02	10.53	-	-
		12.02	10.53	27.19	23.16
3	**Remuneration *^**				
	Mr. Vasant L. Rathi	39.79	34.27	-	-
	Mr. Mukund M. Kabra	21.67	20.70	-	-
	Mr. Kishore L. Rathi	3.37	3.26	-	-
	Late Mrs. Mangala M. Kabra	-	1.66	-	-
	Mrs. Prabha V. Rathi	21.30	18.25	-	-
	Ms. Reshama Rathi	14.15	12.00	-	-
	Ms. Rachana Rathi	12.14	10.51	-	-
	Ms. Rasika Rathi	16.56	14.23	-	-
	Mr. Beni P. Rauka	12.81	12.06	-	-
	Mr. Sanjay Basantani	4.12	3.67	-	-
		145.91	130.61	-	-
4	**Commission ***				
	Mr. Vasant L. Rathi	6.53	7.32	-	-
	Mr. Mukund Kabra	2.77	2.72	-	-
	Ms. Rasika Rathi	0.58	0.36	-	-
	Mr. Kedar Desai	1.07	1.09	-	-
	Mr. Pramod Kasat	0.91	0.94	-	-
	Late Mr. Vilas M. Aurangabadkar	-	0.22	-	-
	Mr. Vinodkumar Jajoo	0.66	0.65	-	-
	Mr. Rajesh Sharma	0.25	0.43	-	-
	Dr. Sunny Sharma	0.33	0.36	-	-
	Mrs. Rajshree Patel	0.50	0.43	-	-
	Mr. Nitin Jagannath Deshmukh	0.25	-		
		13.85	14.52	-	-
5	**Sitting fees to Independent directors**				
	Mr. Kedar Desai	0.52	0.58	-	-
	Mr. Pramod Kasat	0.46	0.51	-	-
	Late Mr. Vilas M. Aurangabadkar	-	0.09	-	-
	Mr. Vinodkumar Jajoo	0.27	0.27	-	-
	Mr. Rajesh Sharma	0.09	0.16	-	-
	Mrs. Rajshree Patel	0.23	0.18	-	-
	Mr. Nitin Jagannath Deshmukh	0.13	-	-	-
		1.70	1.79	-	-

* included in Employee benefit expense

^ The amount does not include gratuity and compensated absences which are actuarially determined on an overall basis for the Company and individual information in respect of the Key Management Personnel is not available.

(₹ in millions)

c) Outstanding balances

		KMPs and relatives		Other related parties	
		Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
a.	**Investment**				
	Advanced Vital Enzymes Private Limited	-	-	0.57	0.57
		-	-	0.57	0.57
b.	**Trade receivables**				
	Advanced Vital Enzymes Private Limited	-	-	-	0.81
		-	-	-	0.81
c	**Remuneration payable**				
	Mr. Vasant L. Rathi	0.52	1.34		
	Mr. Mukund M. Kabra	0.92	0.58	-	-
	Mr. Kishore L. Rathi	0.19	0.19	-	-
	Mrs. Prabha V. Rathi	0.28	0.71		
	Ms. Reshama Rathi	1.98	0.44		
	Ms. Rachana Rathi	1.14	0.39		
	Ms. Rasika Rathi	1.20	0.54	-	-
	Mr. Beni P. Rauka	0.35	0.20	-	-
	Mr. Sanjay Basantani	0.22	0.16	-	-
		6.80	4.55	-	-
d	**Commission payable**				
	Mr. Vasant L. Rathi	6.65	7.32	-	-
	Mr. Mukund Kabra	2.77	2.72	-	-
	Ms. Rasika Rathi	0.58	0.36	-	-
	Mr. Kedar Desai	1.07	1.09	-	-
	Mr. Pramod Kasat	0.91	0.94	-	-
	Late Mr. Vilas M. Aurangabadkar	-	0.22	-	-
	Mr. Vinodkumar Jajoo	0.66	0.65	-	-
	Mr. Rajesh Sharma	0.25	0.43	-	-
	Dr. Sunny Sharma	0.33	0.36	-	-
	Mrs. Rajshree Patel	0.50	0.43	-	-
	Mr. Nitin Jagannath Deshmukh	0.25	-	-	-
		13.97	14.52	-	-

NOTE 44

SEGMENT REPORTING

A Basis of segmentation

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

B Gegraphic information

The geographic information analyses the Company's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue (based upon location of customers)		
India	2,554.76	2,337.56
Europe	353.34	377.39
USA	1,915.26	2,091.43
Asia	473.38	331.79
Others	107.08	150.87
	5,403.82	5,289.04

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(₹ in millions)

	As at 31 March 2023	As at 31 March 2022
Segment assets (based upon location of assets)		
India	**3,177.03**	3,114.02
Europe	**613.23**	638.65
USA	**3,050.35**	2,776.88
	6,840.61	6,529.55

Major customer

There are no customers from whom revenue is in excess of 10% of the Group's revenue out of total revenue of the Group for financial year 2022-23 and financial year 2021-22 (Refer note 29).

NOTE 45

EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Description of share-based payment arrangements:

As at 31 March 2023, the Company has the following share-based payment arrangements for employees.

'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015")

AETL ESOS 2015 (amended) provides for the grant of 44,000 stock options to specified employees on 15 February 2017. The AETL ESOS 2015 had been formulated by Board of Directors which was further adopted by Nomination and Remuneration committee and recommended further changes to AETL ESOS 2015. The Shareholders approved the amended scheme on 15 September 2016. The plan entitles specified employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the plan, holders of vested options are entitled to purchase one equity share of face value of ₹ 10 each for every option at an exercise price of ₹ 300.

220,000 Equity Shares of Face Value of ₹ 2 each (31 March 2022: 220,000) are reserved for issue under AETL Employee Stock Option Scheme 2015 (AETL ESOS-2015)

The terms and conditions related to the grant of the share options are as follows:

Employees entitled	Number of options	Vesting conditions	Contractual life of options
Specified employees	2,20,000	- Continued employment with the Group:	Graded vesting over 4 years
		After 1 year of the date of grant 10% vesting	
		After 2 year of the date of grant 20% vesting	
		After 3 year of the date of grant 30% vesting	
		After 4 year of the date of grant 40% vesting	

b) Measurement of fair value :

The fair values are measured based on the Black-Scholes-option valuation model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date and measurement date of the stock options were as follows.

Particulars	1 Year	2 Years	3 Years	4 Years
Vesting				
Share price at grant date (Face value - ₹ 10 per share)	₹ 1,598	₹ 1,598	₹ 1,598	₹ 1,598
Exercise price (Face value - ₹ 2 per share)	₹ 60	₹ 60	₹ 60	₹ 60
Expected volatility (weighted average)	0.49	0.49	0.49	0.49
Expected life (weighted average)	3 years	3.5 years	4 years	4.5 years
Expected dividend	0.06%	0.06%	0.06%	0.06%
Risk-free interest rate (based on government bond)	6.60% p.a.	6.66% p.a.	6.72% p.a.	6.84% p.a.

(₹ in millions)

Weighted-average exercise prices and weighted-average fair values of options

Date of Vesting	1 Year	2 Years	3 Years	4 Years
Weighted-average exercise prices	₹ 60	₹ 60	₹ 60	₹ 60
Weighted-average fair value of options	270	272	274	276

c) **Reconciliation of outstanding stock options :**

The number and weighted-average exercise prices of share options under the stock option were as follows.

Particulars	31 March 2023		31 March 2022	
	No. of options	Weighted average exercise price (in rupees)	No. of options	Weighted average exercise price (in rupees)
Outstanding at 1 April	23,700	60	95,950	60
Adjustment for sub-division of Equity shares		-		-
Vested	-	60	0	60
Forfeited	-	-	-	-
Expired	300	-	-	-
Exercised	23,400	60	72,250	60
Outstanding at 31 March	-	60	23,700	60
Exercisable at 31 March	-	60	23,700	60

The options outstanding at 31 March have an exercise price as given below:

	31 March 2023		31 March 2022	
	No. of options	Exercise price	No. of options	Exercise price
AETL ESOS 2015	-	60	23,700	60

d) **Expense recognized in the Standalone Statement of Profit or Loss :**

	31 March 2023	31 March 2022
AETL ESOS 2015	-	-
Total expense recognized in 'employee benefits'	-	-

NOTE 46

EARNINGS PER SHARE (EPS)

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

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

i. **Profit attributable to Equity holders**

	31 March 2023	31 March 2022
Profit attributable to equity holders	1,056.39	1,195.82

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(₹ in millions)

ii. Weighted average number of equity shares

	31 March 2023	31 March 2022
Issued equity shares at 1 April	**11,18,00,675**	11,17,28,425
Effect of fresh issue of shares for cash under ESOP scheme	**15,324**	48,725
Weighted average number of shares at 31 March for basic EPS	**11,18,15,999**	11,17,77,150
Effect of exercise of share options	**-**	92,106
Weighted average number of shares at 31 March for diluted EPS	**11,18,15,999**	11,18,69,256

Basic and Diluted earnings per share

	31 March 2023	31 March 2022
Basic earnings per share	**9.45**	10.70
Diluted earnings per share	**9.45**	10.68

NOTE 47

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

Particulars	As at 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As a % of consolidated net assets	₹ in million	As a % of consolidated profit and loss	₹ in million	As a % of OCI	₹ in million	As a % of Total Comprehensive income	₹ in million
Parent								
Advanced Enzyme Technologies Limited	42.53	5,253.34	52.56	555.26	0.90	4.93	34.97	560.19
Subsidiaries								
Indian								
Advanced Bio-Agro Tech Limited	1.74	215.16	5.70	60.17	0.35	1.92	3.88	62.09
Advanced EnzyTech Solutions Limited#	0.39	48.35	1.71	18.03	0.01	0.03	1.13	18.06
JC Biotech Private Limited	4.87	601.02	(1.74)	(18.42)	(0.19)	(1.04)	(1.21)	(19.46)
Scitech Specialities Private Limited	3.41	420.75	(5.89)	(62.19)	0.01	0.06	(3.88)	(62.13)
Saiganesh Enzytech Solutions Private Limited	0.67	83.09	0.15	1.64	-	-	0.10	1.64
Foreign								
Advanced Enzymes USA, Inc. (including its subsidiaries)	64.11	7,917.45	55.21	583.21	101.93	556.14	71.12	1,139.35
Advanced Enzymes (Malaysia) Sdn. Bhd. #	0.00	0.00	-	-	0.00	0.00	0.00	0.00
Advanced Enzymes Europe B.V. (including its subsidiaries)	(2.12)	(262.22)	(3.66)	(38.69)	(2.68)	(14.60)	(3.33)	(53.29)
Total eliminations/adjustments	(11.62)	(1,435.23)	(5.72)	(60.35)	(0.20)	(1.15)	(3.84)	(61.50)
Share of Non- controlling interest	(3.98)	(491.02)	1.68	17.73	(0.13)	(0.70)	1.06	17.03
Total	100.00	12,350.69	100.00	1,056.39	100.00	545.59	100.00	1,601.98

(₹ in millions)

Particulars	As at 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As a % of consolidated net assets	₹ in million	As a % of consolidated profit and loss	₹ in million	As a % of OCI	₹ in million	As a % of Total Comprehensive income	₹ in million
Parent								
Advanced Enzyme Technologies Limited	44.13	4,803.53	45.58	545.11	0.13	0.21	40.09	545.32
Subsidiaries								
Indian								
Advanced Bio-Agro Tech Limited	1.72	187.06	5.49	65.64	0.12	0.20	4.84	65.84
Advanced EnzyTech Solutions Limited #	0.38	41.49	1.52	18.20	0.00	0.00	1.34	18.20
JC Biotech Private Limited	5.70	620.47	6.06	72.45	(0.41)	(0.67)	5.28	71.78
Scitech Specialties Private Limited	4.44	482.88	3.12	37.35	0.80	1.32	2.84	38.67
Foreign								
Advanced Enzymes USA, Inc. (including its subsidiaries)	62.26	6,778.10	54.08	646.72	113.79	187.26	61.30	833.98
Advanced Enzymes (Malaysia) Sdn. Bhd. #	0.00	0.00	0.05	0.60	(0.00)	(0.01)	0.04	0.59
Advanced Enzymes Europe B.V. (including its subsidiaries)	(1.92)	(208.94)	(8.60)	(102.84)	2.86	4.70	(7.21)	(98.14)
Total eliminations/adjustments	(11.96)	(1,300.73)	(3.77)	(45.24)	(16.91)	(27.81)	(5.37)	(73.05)
Share of Non- controlling interest	(4.76)	(517.93)	(3.53)	(42.17)	(0.38)	(0.63)	(3.15)	(42.80)
Total	**100.00**	**10,885.93**	**100.00**	**1,195.82**	**100.00**	**164.57**	**100.00**	**1,360.39**

The above amounts/percentage of net assets and net profit or loss in respect of Advanced Enzyme Technologies Limited and its subsidiaries are determined based on the amount of the respective entities included in Consolidated Financial Statements before elimination of inter company transactions.

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

NOTE 48

Acquisition of additional 4.83% stake in JC Biotech Private Limited on 03 January 2023

On 03 January 2023, the Company had acquired additional stake of 4.83% in its subsidiary JC Biotech Private Limited for consideration of ₹ 68.00 million. Post this additional acquisition the Company holds 89.83% stake in the subsidiary. On account of acquisition of additional stake of 4.83% by the Copmany in JC Biotech Private Limited Non-controlling interest was reduced by ₹ 41.17 million and ₹ 26.83 million was adjusted in other equity. Impact of additional stake of 4.83% acquired in subsidiary JC Biotech Private Limited as on the date of acquisition of the additional stake is summarised as below-

Particulars	Amount
(A) Consideration paid to acquire additional 4.83% stake	68.00
(B) Value of 15% non-controlling interest acquired	41.17
(C) Adjusted in other equity (A-B)	26.83

Acquisition of additional 15% stake in JC Biotech Private Limited on 18 August 2021

On 18 August 2021, the Company had acquired additional stake of 15% in its subsidiary JC Biotech Private Limited for consideration of ₹ 211.25 million. Post this additional acquisition the Company holds 85% stake in the subsidiary. On account of acquisition of additional stake of 15% by the Copmany in JC Biotech Private Limited Non-controlling interest has been reduced by ₹ 123.67 million and adjusted ₹ 87.58 million in other equity. Impact of additional stake of 15% acquired in subsidiary JC Biotech Private Limited is summarised as below-

Particulars	Amount
(A) Consideration paid to acquire additional 15% stake	211.25
(B) Value of 15% non-controlling interest acquired	123.67
(C) Adjusted in other equity (A-B)	87.58

NOTE 49

A. Acquisiton of Saiganesh Enzytech Solutions Private Limited

On 03 January 2023, the Company completed the acquisition of 50% of the paid up equity share capital by subscription of 19,991,663 equity shares in Saiganesh Enzytech Solutions Private Limited ('SESPL') having face value of ₹ 1 per share for a total consideration of ₹ 59.97 million. Pursuant to this acquisition, the Company's shareholding in SESPL is 50.00 % and it became a subsidiary of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

For the period from 03 January 2023 to 31 March 2023, the Group's result include a revenue of INR 25.53 million and a profit of INR 1.64 million basis accounting for the acquisition using purchase price allocation by the Company. If the acquisition had occurred on 1 April, 2022, management estimates that consolidated revenue would have been INR 105 million and consolidated profit would have been INR 7 million.

SESPL is primarily into extracting latex from papaya, purifying and providing finish papain enzyme in liquid form. The Company will have an uninterrupted supply of one of the important digestive enzyme with consistent quality, which will help the Company to provide better and regular offerings in relation to the formulated solutions for human health/ nutrition and food industry.

B. Details of purchase consideration, net assets acquired and goodwill-

Particulars	Amount
Cash paid (For 19,991,663 equity shares fully paid-up)	59.97
Total consideration transferred	**59.97**

C. Acquisition related cost

The Group incurred acquisition related costs of INR 0.20 million related to the acquisition of SESPL. These costs have been included under "Other expenses" for the year ended 31 March 2023.

D. Identifiable assets acquired and liabilities assumed and impact on account of finalisation of PPA

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition-

Particulars	Amount
Property, plant and equipment	18.08
Inventory	5.69
Trade receivables	8.93
Cash and cash equivalents	0.20
Other current assets	2.05
Total fair value of assets acquired	**34.95**
Fair value of liabilities acquired	
Borrowings	0.04
Deferred Tax Liabilities (net)	2.79
Other payables	1.80
Current tax liabilities (net)	0.55
Total fair value of liabilities acquired	**5.18**
Cash paid by the Company	**59.97**
Total identifiable net assets/ (liabilities) acquired	**89.74**

The gross contractual amounts and the fair value of trade and other receivables acquired is INR 8.93 million. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The Group has finalised purchase price accounting ("PPA") for the acquisition basis fair valuation of assets and liabilities acquired. The Group on finalising of purchase price allocation has recognised fair value of Net Assets acquired of ₹ 44.87 million resulting in Goodwill of ₹ 15.10 million.

E. Goodwill

Particulars	Amount
Consideration transferred	59.97
Non-controlled interest in the acquired entity	44.87
Net identifiable assets acquired	(89.74)
Goodwill/(Capital Reserve)	**15.10**

The fair value of non-controlling interest has been estimated as proportion of net assets acquired.

F. Purchase consideration - Cash outflow/ (inflow)

Particulars	Amount
Outflow/ (inflow) of cash to acquire subsidiary, net of cash acquired-	
Cash consideration	59.97
Less: Cash paid on acquisition to SESPL	(59.97)
Less: Opening cash balance of SESPL as of 03 January 2023	(0.20)
Net outflow/ (inflow) of cash - investing activities	**(0.20)**

(₹ in millions)

NOTE 50
NON CONTROLLING INTEREST

Financial information of subsidiaries that have material non-controlling interests is provided below :

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Advanced Bio-Agro Tech Limited	India	**60.00%**	60.00%	**40.00%**	40.00%
JC Biotech Private Limited	India	**89.83%**	85.00%	**10.17%**	15.00%
Scitech Specialities Private Limited	India	**51.00%**	51.00%	**49.00%**	49.00%
Saiganesh Enzytech Solutions Private Limited	India	**50.00%**	-	**50.00%**	-

The following table summarises information relating to each of the Group's subsidiary, before any inter-company eliminations

I. Summarised statement of profit or loss

(a) Advanced Bio-Agro Tech Limited

	31 March 2023	31 March 2022
Total Revenue	**472.47**	404.10
Profit for the year	**60.17**	65.64
Other Comprehensive Income	**(1.92)**	(0.20)
Profit allocated to non-controlling interests	**24.07**	26.25
Total comprehensive income allocated to non controlling interests	**23.30**	26.17
OCI allocated to non-controlling interests	**(0.77)**	(0.08)
Dividends paid to non-controlling interests	**13.60**	18.00

(b) JC Biotech Private Limited

	31 March 2023	31 March 2022
Total Revenue	**501.60**	503.47
Profit for the year	**(18.42)**	72.45
Other Comprehensive Income	**1.04**	0.67
Ind AS adjustments	**(9.08)**	(9.46)
Profit allocated to non-controlling interests	**(2.80)**	9.45
Total comprehensive income allocated to non-controlling interests	**(2.69)**	9.55
OCI allocated to non-controlling interests	**0.11**	0.10
Dividends paid to non-controlling interests	**-**	-

(c) Scitech Specialities Private Limited

	31 March 2023	31 March 2022
Total Revenue	**353.23**	473.33
Profit for the year	**(62.19)**	37.35
Other Comprehensive Income	**(0.06)**	(1.32)
Ind AS adjustments	**(25.66)**	(24.16)
Profit allocated to non-controlling interests	**(43.05)**	6.46
Total comprehensive income allocated to non-controlling interests	**(43.08)**	5.82
OCI allocated to non-controlling interests	**(0.03)**	(0.65)
Dividends paid to non-controlling interests	**-**	-

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(₹ in millions)

(d) Saiganesh Enzytech Solutions Private Limited

	31 March 2023	31 March 2022
Total Revenue	25.53	-
Profit for the year	1.64	-
Other Comprehensive Income	-	-
Ind AS adjustments	(0.13)	-
Profit allocated to non-controlling interests	0.75	-
Total comprehensive income allocated to non-controlling interests	0.75	-
OCI allocated to non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-

II. Summarised balance sheet

(a) Advanced Bio-Agro Tech Limited

	31 March 2023	31 March 2022
Non-current liabilities	4.31	5.57
Current liabilities	35.82	35.86
	40.13	41.43
Non-current assets	27.35	33.82
Current assets	227.94	194.67
	255.29	228.49
Net assets	215.16	187.06
Net assets attributable to non-controlling interest	86.06	74.82

(b) JC Biotech Private Limited

	31 March 2023	31 March 2022
Non-current liabilities	39.26	49.16
Current liabilities	99.94	41.78
	139.20	90.94
Non-current assets	542.18	499.48
Current assets	198.04	211.93
	740.22	711.41
Net assets	601.02	620.47
Ind AS adjustments	242.78	223.48
Net assets attributable to non-controlling interest	85.81	126.59

(c) Scitech Specialities Private Limited

	31 March 2023	31 March 2022
Non-current liabilities	73.53	78.11
Current liabilities	74.77	66.13
	148.30	144.24
Non-current assets	374.32	411.58
Current assets	194.73	215.54
	569.05	627.12
Net assets	420.75	482.88
Ind AS adjustments	137.42	163.08
Net assets attributable to non-controlling interest	273.50	316.52

(₹ in millions)

(d) Saiganesh Enzytech Solutions Private Limited

	31 March 2023	31 March 2022
Non-current liabilities	0.11	-
Current liabilities	2.49	-
	2.60	-
Non-current assets	7.12	-
Current assets	78.56	-
	85.68	-
Net assets	83.08	-
Ind AS adjustments	8.17	-
Net assets attributable to non-controlling interest	45.63	-

III. Summarised cash flow information

(a) Advanced Bio-Agro Tech Limited

	31 March 2023	31 March 2022
Cash flows from(used in) in operating activities	13.29	14.45
Cash flows from(used in) in investing activities	1.38	(4.89)
Cash flows from(used in) in financing activities	(14.24)	(15.31)
Net increase /(decrease) in cash and cash equivalents	0.43	(5.75)

(b) JC Biotech Private Limited

	31 March 2023	31 March 2022
Cash flows from(used in) in operating activities	14.78	34.05
Cash flows from(used in) in investing activities	(23.31)	(22.34)
Cash flows from(used in) in financing activities	8.47	(11.64)
Net increase /(decrease) in cash and cash equivalents	(0.06)	0.07

(c) Scitech Specialities Private Limited

	31 March 2023	31 March 2022
Cash flows from(used in) in operating activities	14.38	33.83
Cash flows from(used in) in investing activities	(5.71)	(40.24)
Cash flows from(used in) in financing activities	(7.75)	(23.24)
Net increase /(decrease) in cash and cash equivalents	0.92	(29.65)

(d) Saiganesh Enzytech Solutions Private Limited

	31 March 2023	31 March 2022
Cash flows from(used in) in operating activities	1.97	-
Cash flows from(used in) in investing activities	(27.78)	-
Cash flows from(used in) in financing activities	29.39	-
Net increase /(decrease) in cash and cash equivalents	3.58	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

NOTE 51

GOODWILL AND OTHER INTANGIBLES

Impairment testing of Goodwill

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

Particulars	31 March 2023	31 March 2022
Advanced Enzymes USA, Inc.	2,784.84	2,567.73
JC Biotech Private Limited	123.65	123.65
Advanced Enzymes Europe B.V.	284.07	268.38
Advanced EnzyTech Solutions Limited	0.87	0.87
Saiganesh Enzytech Solutions Private Limited	15.10	-
	3,208.53	2,960.63

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

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

Particulars	31 March 2023	31 March 2022
Discount rate	9% - 16%	8% - 15%
Terminal value growth rate	3%-5%	2%-5%
Sales growth rate	10% - 30%	6% - 23%

The discount rate 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 Group 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.

(₹ in millions)

NOTE 52

FINANCIAL INSTRUMENTS

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

31 March 2023	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	7	1.65	-	-	1.65	-	1.65	-	1.65
Other non-current financial assets	8	-	-	41.70	41.70	-	-	-	-
Current investments	11	3,595.50	-	-	3,595.50	3,595.50	-	-	3,595.50
Trade receivables	12	-	-	1,003.41	1,003.41	-	-	-	-
Cash and cash equivalents	13	-	-	964.20	964.20	-	-	-	-
Other bank balances	14	-	-	269.29	269.29	-	-	-	-
Short-term loans	15	-	-	1.15	1.15	-	-	-	-
Other current financial assets	16	-	-	29.27	29.27	-	-	-	-
		3,597.15	-	2,309.02	5,906.17	3,595.50	1.65	-	3,597.15
Financial liabilities									
Long-term borrowings	20	-	-	77.99	77.99	-	-	-	-
Non-current lease liability	21	-	-	145.78	145.78	-	-	-	-
Short-term borrowings	23	-	-	54.40	54.40	-	-	-	-
Current lease liability	24	-	-	56.82	56.82	-	-	-	-
Trade payables	25	-	-	242.21	242.21	-	-	-	-
Other Current financial liabilities	26	-	-	264.98	264.98	-	-	-	-
		-	-	842.18	842.18	-	-	-	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

31 March 2022	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	7	0.65	-	-	0.65	-	0.65	-	0.65
Other non-current financial assets	8	-	-	27.32	27.32	-	-	-	-
Current investments	11	1,019.47	-	-	1,019.47	1,019.47	-	-	1,019.47
Trade receivables	12	-	-	882.06	882.06	-	-	-	-
Cash and cash equivalents	13	-	-	2,673.55	2,673.55	-	-	-	-
Other bank balances	14	-	-	62.77	62.77	-	-	-	-
Short-term loans	15	-	-	0.86	0.86	-	-	-	-
Other current financial assets	16	-	-	49.08	49.08	-	-	-	-
		1,020.12	**-**	**3,695.64**	**4,715.76**	**1,019.47**	**0.65**	**-**	**1,020.12**
Financial liabilities									
Long-term borrowings	20	-	-	81.30	81.30	-	-	-	-
Lease liability	21	-	-	183.53	183.53	-	-	-	-
Short-term borrowings	23	-	-	28.10	28.10	-	-	-	-
Current lease liability	24	-	-	54.37	54.37	-	-	-	-
Trade payables	25	-	-	178.96	178.96	-	-	-	-
Other Current financial liabilities	26	-	-	204.82	204.82	-	-	-	-
		-	**-**	**731.08**	**731.08**	**-**	**-**	**-**	**-**

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

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
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.

(₹ in millions)

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group grants credit terms in the normal course of business. The Group 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 Group'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.

There is no concentration of risk for trade receivables.

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

	31 March 2023		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	627.69	0.11%	0.67
0-90 days	337.30	0.19%	0.66
90-180 days	17.47	4.12%	0.72
180-270 days	12.60	8.03%	1.01
270-360 days	3.05	15.87%	0.48
More than 360 days	20.77	57.44%	11.93
	1,018.88		15.47

	31 March 2022		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	622.88	0.03%	0.18
0-90 days	233.05	0.07%	0.16
90-180 days	12.82	3.29%	0.42
180-270 days	1.28	2.03%	0.03
270-360 days	6.58	5.68%	0.37
More than 360 days	13.93	52.57%	7.32
	890.54		**8.48**

Expected credit loss assessment for customers as at 31 March 2022 and 31 March 2023

The Group 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 Group 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 Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2021	7.28
Impairment loss recognised	2.18
Less: Amounts written back	0.98
Balance as at 31 March 2022	**8.48**
Impairment loss recognised	6.99
Less: Amounts written off	-
Balance as at 31 March 2023	**15.47**

The impairment loss is related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 964.20 million at 31 March 2023 (31 March 2022: ₹ 2,673.55 million). The cash and cash equivalents are held with bank and as money market deposits.

Derivatives

There are no derivatives contracts outstanding as on 31 March 2023.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

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

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit which carry no/low mark-to-market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted except in case of lease liabilities where the amounts are mentioned on discounted basis, and include estimated interest payments:

		Contractual cash flows				
31 March 2023	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term borrowings	**77.99**	**77.99**	**-**	**11.78**	**5.91**	**60.30**
Interest payable on borrowings	**-**	**13.86**	**5.22**	**0.93**	**0.69**	**7.02**
Non-current lease liability	**145.78**	**145.78**	**-**	**102.28**	**41.46**	**2.04**
Short-term borrowings	**54.40**	**54.40**	**54.40**	**-**	**-**	**-**
Current lease liability	**56.82**	**56.82**	**56.82**	**-**	**-**	**-**
Trade payables	**242.21**	**242.21**	**242.21**	**-**	**-**	**-**
Other financial liabilities	**264.98**	**264.98**	**264.98**	**-**	**-**	**-**

		Contractual cash flows				
31 March 2022	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term borrowings	81.30	81.30	-	16.51	14.41	50.38
Interest payable on borrowings	-	8.47	2.26	1.12	1.11	3.98
Non-current lease liability	183.53	183.53	-	81.61	99.42	2.50
Short-term borrowings	28.10	28.10	28.10	-	-	-
Current lease liability	54.37	54.37	54.37	-	-	-
Trade payables	178.96	178.96	178.96	-	-	-
Other financial liabilities	204.82	204.82	204.82	-	-	-

(₹ in millions)

iv. Market risk

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

Currency risk

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

	31 March 2023	31 March 2023	31 March 2023
	USD	EURO	Others
Financial assets			
Cash and cash equivalents	0.04	0.08	0.01
Trade and other receivables	8.51	28.16	-
	8.55	28.24	0.01
Financial liabilities			
Trade and other payables	34.76	-	-
	34.76	-	-
Net exposure	(26.21)	28.24	0.01

	31 March 2022	31 March 2022	31 March 2022
	USD	EURO	Others
Financial assets			
Cash and cash equivalents	0.31	0.01	0.04
Trade and other receivables	20.59	16.00	-
	20.90	**16.01**	**0.04**
Financial liabilities			
Trade payables	60.32	0.63	-
	60.32	**0.63**	**-**
Net exposure	**(39.42)**	**15.38**	**0.04**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euros and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2023		
1% movement		
USD	0.26	(0.26)
EUR	(0.28)	0.28
Others #	(0.00)	0.00
	(0.02)	0.02

Effect in ₹	Profit or loss	
	Strengthening	Weakening
31 March 2022		
1% movement		
USD	0.39	(0.39)
EUR	(0.15)	0.15
Others #	(0.00)	0.00
	0.24	**(0.24)**

Figures are below ₹ 0.01 Million, hence disclosed as ₹ 0.00

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

	31 March 2023	31 March 2022
Forward contracts used for hedging Receivables	-	-

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

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

	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial liabilities - measured at amortised cost		
Vehicle Loan	**7.77**	10.68
Loan from others	**1.85**	2.22
Floating-rate instruments		
Financial liabilities - measured at amortised cost		
Term loan from banks	**72.88**	75.55
From banks in foreign currency	**-**	-
From banks in rupees	**49.89**	19.20
Total	**132.39**	**107.65**

* Deferred Sales Tax scheme is not included above since it does not bear any interest.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31 March 2023		
Variable-rate loan instruments	**(0.31)**	**0.31**
Cash flow sensitivity (net)	**(0.31)**	**0.31**
31 March 2022		
Variable-rate loan instruments	(0.24)	0.24
Cash flow sensitivity (net)	(0.24)	0.24

NOTE 53

CAPITAL MANAGEMENT

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

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

	31 March 2023	31 March 2022
Non-current borrowings	**77.99**	81.30
Current borrowings	**54.40**	28.10
Gross debt	**132.39**	109.40
Less - Cash and cash equivalents	**964.20**	2,673.55
Less - Other bank deposits	**269.29**	62.77
Adjusted net debt	**(1,101.10)**	(2,626.92)
Total equity	**12,350.69**	10,885.93
Adjusted net debt to equity ratio	**-***	-*

*At the end of current financial year the Group has excess cash and cash equivalent over gross debt.

(₹ in millions)

NOTE 54

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Contingent liabilities		
Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending for appeals consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961. Amount paid and adjusted there against and included under Income tax asset ₹ 98.31 million (31 March 2022: ₹ 98.31 million).	26.75	26.47
Pertains to Excise Duty and Service Tax demand raised by Commissioner of Central Excise, Customs and Service tax on account of inadmissible CENVAT credit, incorrect product classification and service tax levy on directors' remuneration for various periods. Amount paid there against and included under note 17 'Other current assets'.	27.58	27.58
Letter of comfort issued by the Company towards the credit facilities sanctioned by bankers of subsidiary company aggregating to ₹ Nil million (31 March 2022: ₹ 76.80 million)	-	-
"The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."	-	-
	54.34	54.05

In respect of above contingent liabilities, it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the same.

Particulars	As at 31 March 2023	As at 31 March 2022
b) Commitments		
Estimated amount of commitments remaining to be executed		
-Capital (net of advances)	86.89	40.87
	86.89	40.87
	141.23	94.92

NOTE 55

RESEARCH AND DEVELOPMENT

The Group has incurred the following expenditure on research and development activities:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue expenditure		
Laboratory expenses and consumables	28.55	16.28
Employee benefit expenses	80.11	74.85
Legal and professional charges	5.51	5.20
Technical services	22.74	23.09
Electricity	12.84	10.85
Rent, rates and taxes	3.63	4.57
Repairs and maintenance	15.06	11.37
Travelling and conveyance expenses	2.04	1.01
Other expenses	3.33	3.09
	173.81	150.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in millions)

	Year ended 31 March 2023	Year ended 31 March 2022
Capital expenditure		
Plant and equipment	**34.14**	13.49
Furniture and fixtures	**2.94**	0.62
Office equipment	**4.08**	0.54
Computer and data processing equipment	**2.73**	0.96
Electrical Fittings	**1.48**	-
Leasehold Improvements	**0.61**	-
Building	**3.56**	-
	49.54	15.61

NOTE 56

CORPORATE SOCIAL RESPONSIBILITY

As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed for the Parent Company and its subsidiary (Advanced Bio Agro Tech Limited and JC Biotech Private Limited). All the companies had spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
1) amount required to be spent by the group during the year	**19.42**	18.33
2) amount of expenditure incurred *	**19.42**	18.73
3) shortfall at the end of the year	**-**	-
4) total of previous years shortfall	**-**	-
5) reason for shortfall	**Not applicable**	Not applicable
6) nature of CSR activities	**Promotion of education, Environment sustainability and skill development**	
7) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard		
8) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	**12.32**	11.02

*In Parent Company the Committee of Corporate Social Responsibility had approved the budget of ₹ 15.52 million (31 March 2022: 14.09 million), the Company contributes to the various projects undertaken by various organisations. During the year the amount spent is ₹ 3.20 million (31 March 2022: ₹ 3.07 million) on the ongoing projects. The Company has deposited the balance unspent amount of ₹ 12.32 million (31 March 2022: ₹ 11.02 million) in a separate bank account. JC Biotech Private Limited does not have unspent amount as at 31 March 2023 (31 March 2022: ₹ Nil the unspent amount). Scitech Specialties Private Limited has not transferred ₹ 0.20 million the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of signing of financial statements. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of signing of financial statements (31 March 2022: ₹ 0.06 million).

NOTE 57

OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) TThe Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTE 58

PROPOSED DIVIDEND

The Board of Directors recommended a final dividend for the financial year 2022-23 of ₹ 1.00 (31 March 2022: ₹ 1.00) per equity share of the face value of ₹ 2/- each, and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

NOTE 59

Previous year amounts have been regrouped/ reclassified wherever necessary.

As per our report of even date attached.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

Amrish Vaidya
Partner
Membership No: 101739

Place: Mumbai
Date: 13 May 2023

For and on behalf of Board of Directors of
Advanced Enzyme Technologies Limited
CIN: L24200MH1989PLC051018

Mukund Kabra
Wholetime Director
DIN : 00148294
Place: Nashik

Kedar Desai
Director
DIN : 00322581
Place: Mumbai

Sanjay Basantani
Company Secretary
Membership No: A19637
Place: Thane
Date: 13 May 2023

Beni P. Rauka
Chief Financial Officer
Membership No: 039980
Place: Mumbai

FORM NO. AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

FINANCIAL YEAR 2022-23
Part "A" : Subsidiaries

(₹ in million except % shareholding & exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9
Name of the subsidiary	Advanced Bio-Agro Tech Limited	Advanced Enzytech Solutions Limited	JC Biotech Private Limited	Scitech Specialities Private Limited	Advanced Enzymes USA	Advanced Enzymes (Malaysia) Sdn Bhd	Advanced Enzymes Europe B.V.	evoxx technologies GmbH	Saiganesh Enzytech Solutions Private Limited*
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	USD [1 USD = INR 82.22]	MYR [1 MYR= INR 18.63]	EUR [1 EUR= INR 89.61]	EUR [1 EUR= INR 89.61]	INR
Date of Incorporation / Acquisition	09.11.2004	01.09.2008	01.12.2016	11.01.2021	01.11.2010	03.07.2017	11.07.2017	15.08.2017	03.01.2023
Share capital	1.00	0.70	207.11	10.20	285.83	8.38	149.85	12.36	39.98
Reserves & surplus	214.16	47.65	393.91	410.35	7,631.62	(8.38)	(412.08)	(118.46)	43.11
Total assets	255.29	61.51	738.89	569.06	8,292.92	-	721.72	166.67	85.69
Total liabilities	40.13	13.16	137.87	148.51	375.47	-	983.95	272.77	2.60
Investments	18.75	3.01	-	1.03	3,413.84	-	-	-	-
Turnover	472.47	134.38	501.78	353.23	1,932.94	-	240.27	240.27	25.53
Profit/ (Loss) before exceptional items and taxation	81.73	24.32	(27.38)	(29.21)	793.98	-	(48.13)	20.73	2.12
Exceptional items :									
Arrears of Electricity Charges	-	-	-	(24.48)	-	-	-	-	-
Loss by Fire	-	-	-	(40.52)	-	-	-	-	-
Profit/ (Loss) after exceptional items and taxation	81.73	24.32	(27.38)	(94.31)	793.98	-	(48.13)	20.73	2.12
Less: Provision for taxation	21.56	6.29	(8.97)	(31.92)	210.77	-	(9.44)	-	0.49
Profit/ (Loss) after taxation	60.17	18.03	(18.41)	(62.39)	583.21	-	(38.69)	20.73	1.63
Proposed Dividend	-	-	-	-	-	-	-	-	-
Extent (%) of shareholding	60%	100%	89.83%	51%	100%	100%	100%	100%	50%

*The Company has acquired Saiganesh Enzytech Solutions Private Limited on 03 January 2023. Figures in above table to Statement of Profit and Loss pertains to period from acquisition date to year end date, i.e. 03 January 2023 to 31 March 2023.

1. The financials of Advanced Enzymes, USA are consolidated financials and includes financials of four step down subsidiaries of the Company viz; Cal-India Foods International Inc., USA, Advanced Supplementary Technologies Corporation, USA, Enzyme Innovation Inc., USA and Dynamic Enzymes Inc., USA.
2. The financials of Advanced Enzymes Europe B.V. ("AEE") are consolidated financials and includes financials of evoxx technologies GmbH, step down subsidiary of the Company.
3. Names of the Subsidiaries which are yet to commence the operations: NIL during financial year 2022-23
4. Names of the Subsidiaries which have been sold or liquidated during the year: NIL during financial year 2022-23
5. The figures for foreign subsidiaries are arrived on the basis of exchange rate as on March 31, 2023:

Exchange Rate on 31/03/2023:	Average Exchange Rate for financial year 2022-23:
1USD = INR 82.22	1USD = INR 80.39
1MYR = INR 18.63	1MYR = INR 18.34
1EUR = INR 89.61	1EUR = INR 83.72

Part "B" : Associates & Joint Ventures - NIL

For and on behalf of the Board of Directors of Advanced Enzyme Technologies Limited

Mukund Kabra	Kedar Desai	Beni P Rauka	Sanjay Basantani
Whole-time Director	Director	Chief Financial Officer	Company Secretary
DIN: 00148294	DIN: 00322581	Membership No.: 039980	Membership No.: A19637
Place : Nashik	Place : Mumbai	Place : Mumbai	Place : Thane
Date: May 13, 2023			

Notes

Advanced Enzyme Technologies Limited

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