

# B S R & Co. LLP

Chartered Accountants

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## Limited review report

### To the Board of Directors of Advanced Enzyme Technologies Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Advanced Enzyme Technologies Limited ('the Company') for the quarter ended 31 December 2019 and year to date results for the period from 01 April 2019 to 31 December 2019 ('the Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP  
Chartered Accountants

Firm's Registration No. 101248W/W-100022



Sadashiv Shetty  
Partner

Membership No: 048648

UDIN: 20048648AAAAAG5066

Mumbai  
6 February 2020

Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

Regd. Office and Corporate Office: Sun Magnetica, 5th Floor, Near LIC Service Road, Louiswadi, Thane-400604, Maharashtra, India.

Tel No:91-22-41703220 Fax No: +91-22-25835159

Website: www.advancedenzymes.com, Email Id :sanjay@advancedenzymes.com

Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2019

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		
	31-Dec-19 Unaudited	30-Sep-19 Unaudited	31-Dec-18 Unaudited	31-Dec-19 Unaudited	31-Dec-18 Unaudited	31-Mar-19 Audited
1 Revenue from operations	615.13	589.08	535.53	1,789.34	1,661.62	2,220.93
2 Other Income	49.69	11.03	0.92	77.12	38.24	56.10
3 <b>Income before tax</b>	<b>664.82</b>	<b>600.11</b>	<b>536.45</b>	<b>1,866.46</b>	<b>1,699.86</b>	<b>2,277.03</b>
4 <b>Expenses</b>						
(a) Cost of materials consumed	250.58	222.81	202.75	694.46	601.73	804.33
(b) Purchases of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(25.16)	(1.21)	5.06	(44.32)	37.03	54.02
(d) Employee benefits expense	73.78	86.35	106.22	245.65	278.18	350.71
(e) Finance costs (including exchange difference)	2.35	2.17	(8.52)	7.33	19.15	22.27
(f) Depreciation and amortisation expense	22.37	21.93	21.60	65.61	63.70	85.63
Other expenses (refer note v)	122.92	125.46	123.12	355.22	353.88	488.03
<b>Total expenses</b>	<b>446.84</b>	<b>457.51</b>	<b>450.23</b>	<b>1,323.95</b>	<b>1,353.67</b>	<b>1,804.99</b>
5 <b>Profit before tax</b>	<b>217.98</b>	<b>142.60</b>	<b>86.22</b>	<b>542.51</b>	<b>346.19</b>	<b>472.04</b>
6	-	-	-	-	-	-
7 <b>Profit after tax</b>	<b>217.98</b>	<b>142.60</b>	<b>86.22</b>	<b>542.51</b>	<b>346.19</b>	<b>472.04</b>
8 Tax expense (refer note vi)						
Current tax	46.38	37.12	21.55	131.28	86.52	119.64
Charge/(credit)	(3.67)	(6.01)	0.94	(8.27)	(1.14)	0.06
9 <b>Profit after tax and the period (7-8)</b>	<b>175.27</b>	<b>111.49</b>	<b>63.73</b>	<b>419.50</b>	<b>260.81</b>	<b>352.34</b>
10 <b>Other comprehensive income</b>						
A (i) Items that will not be reclassified to Profit or Loss	1.52	(0.32)	(1.92)	(2.23)	0.48	(0.69)
(ii) Income tax related to items that will not be reclassified to Profit or Loss	(0.44)	0.09	0.56	0.65	(0.14)	0.20
B (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
(ii) Income tax related to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
<b>Total Other comprehensive income</b>	<b>1.08</b>	<b>(0.23)</b>	<b>(1.36)</b>	<b>(1.58)</b>	<b>0.34</b>	<b>(0.49)</b>
11 <b>Total comprehensive income (9+10)</b>	<b>176.35</b>	<b>111.26</b>	<b>62.37</b>	<b>417.92</b>	<b>261.15</b>	<b>351.85</b>
12 Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.35	223.35	223.30	223.35	223.30	223.30
13 Other						2,971.42
14 <b>Earnings Per Share of ₹ 2 each (not annualized)</b>						
(a) ₹ (Basic)	1.57	1.00	0.57	3.76	2.34	3.16
₹	1.57	1.00	0.57	3.75	2.33	3.15



Ch. U. Kabra



**Advanced Enzyme Technologies Limited**

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**Notes:**

(i) The above unaudited standalone financial results of the Advanced Enzyme Technologies Limited ('the Company') were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 6 February 2020. The above results have been subjected to 'limited review' by the statutory auditors of the Company and they have expressed an unmodified opinion. The limited review report will be filed with stock exchanges and will be available on the Company's website. The above unaudited standalone financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

(ii) The Company operates only in one primary business segment viz. 'manufacturing and sales of enzymes'.

(iii) The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach. Accordingly, the Company is not required to restate the comparative information for the previous year/period. There is no impact of adoption of Ind AS 116 to the retained earnings as at 1 April 2019.

The Company has recognised, a lease liability of Rs. 8.03 million and corresponding Right-of-Use (ROU) asset on the date of transition i.e. 1 April, 2019.

The major impact of adopting Ind AS 116 on the Company's unaudited standalone financial results for the quarter and nine months ended 31 December 2019 is as follows:

- Depreciation and amortisation expenses has increased by Rs. 0.77 million and Rs. 2.32 million for the quarter and nine months ended 31 December 2019 respectively due to amortisation of ROU asset.
- Finance cost has increased by Rs 0.15 million and Rs. 0.50 million for the quarter and nine months ended 31 December 2019 respectively due to interest accrued on outstanding lease liability.
- Rent expense has decreased by Rs 0.87 million and Rs. 2.52 million for the quarter and nine months ended 31 December 2019 respectively due to recognition of operating lease as ROU asset and a corresponding lease liability.

(iv) During the nine months then ended, the Company has allotted 27,500 equity shares to employees under the 'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015").

(v) During the quarter ended 30 September 2019, the Company has provided for impairment in the value of investment made in Advanced Enzymes Malaysia Sdn. Bhd. ('AEM'), loan given to AEM and interest receivable from AEM aggregating to Rs. 10.5 million.

(vi) The Company has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019 from financial year 2021-22. Accordingly, there is no impact on the provision for income tax for the quarter and nine months ended 31 December 2019. The Company expects to reverse the deferred tax liabilities partly in the current financial year and partly in the subsequent periods. Accordingly, the deferred tax balances have been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse, and the resultant impact shall be recognised in statement of profit and loss over three quarters (including previous and current quarter) of financial year 2019-20.

(vii) The Company has decided to sell the lease rights for one of its leasehold land situated at Jalna, Maharashtra. Accordingly, the cost of land and building appurtenant thereto along with the development costs has been classified as non-current assets held for sale.

By Order of the Board of Directors  
For Advanced Enzyme Technologies Limited  
CIN: L24200MH1989PLC051018

*M. M. Kabra*

M. M. Kabra  
Wholtime Director  
DIN : 00148294

Place: Thane  
Dated: 6 February 2020

