

# 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 consolidated financial results of Advanced Enzyme Technologies Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 30 September 2020 and year to date results for the period from 01 April 2020 to 30 September 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s 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 express a conclusion 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of entity	Relationship
1	Advanced Bio-Agro Tech Limited	Subsidiary
2	Advanced Enzytech Solutions Limited	Wholly owned subsidiary
3	Advanced Enzymes USA, Inc. (“AEU”)	Wholly owned subsidiary
4	Cal India Foods International (“CAL”)	Wholly owned subsidiary of AEU
5	Advanced Supplementary Technologies Corporation	Wholly owned subsidiary of AEU
6	Enzyme Innovation, Inc.	Wholly owned subsidiary of CAL
7	Dynamic Enzymes, Inc.	Wholly owned subsidiary of AEU
8	JC Biotech Private Limited	Subsidiary
9	Advanced Enzymes (Malaysia) Sdn. Bhd	Wholly owned subsidiary
10	Advanced Enzymes Europe B.V. (“AEBV”)	Wholly owned subsidiary
11	Evovx Technologies GmbH	Wholly owned subsidiary of AEBV

## **Limited Review Report (*Continued*)**

### **Advanced Enzyme Technologies Limited**

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements / financial information / financial results of three subsidiaries included in the Statement, whose interim financial statements / financial information / financial results reflect total assets of Rs. 965 million as at 30 September 2020 and total revenues of Rs. 275 million and Rs. 485 million, total net profit after tax of Rs. 39 million and Rs. 47 million and total comprehensive income of Rs. 41 million and Rs. 48 million, for the quarter ended 30 September 2020 and for the period from 01 April 2020 to 30 September 2020, respectively, and cash flows (net) of Rs. 39 million for the period from 01 April 2020 to 30 September 2020, before giving effect of consolidation adjustments, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

7. The Statement includes the interim financial statements/ financial information/ financial results of three subsidiaries which have not been reviewed/audited, whose interim financial statements/ financial information/ financial results reflect total assets of Rs. 854 million as at 30 September 2020 and total revenue of Rs. 51 million and Rs. 73 million, total net profit/(loss) after tax of Rs. 21 million and Rs. 27 million and total comprehensive income of Rs. 21 million and Rs. 27 million for the quarter ended 30 September 2020 and for the period from 01 April 2020 to 30 September 2020, respectively, and cash flows (net) of Rs. 10 million for the period from 01 April 2020 to 30 September 2020, before giving effect of consolidation adjustments, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial statements / financial information / financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

**For B S R & Co. LLP**

*Chartered Accountants*

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

**SADASHIV  
SHANKAR  
SHETTY**

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**Sadashiv Shetty**

*Partner*

Mumbai  
12 November 2020

Membership No: 048648  
ICAI UDIN: 20048648AAAACS1292

**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 consolidated financial results for the quarter and six months ended 30 September 2020**

(₹ in million except per share data)

	Particulars	Quarter ended			Six months ended		Year ended
		30-Sep-20 Unaudited	30-Jun-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-Mar-20 Audited
1	Revenue from operations	1,203.86	1,105.01	1,114.42	2,308.87	2,217.78	4,439.86
2	Other Income (refer note iv)	5.82	52.34	15.36	58.16	25.96	56.43
3	<b>Total Income (1+2)</b>	<b>1,209.68</b>	<b>1,157.35</b>	<b>1,129.78</b>	<b>2,367.03</b>	<b>2,243.74</b>	<b>4,496.29</b>
4	<b>Expenses</b>						
(a)	Cost of materials consumed	177.51	240.98	249.83	418.49	474.05	906.00
(b)	Purchases of stock-in-trade	0.00	0.00	0.49	0.00	1.28	2.30
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	8.16	(29.97)	(8.16)	(21.81)	(45.71)	(99.21)
(d)	Employee benefits expense	214.16	210.97	204.83	425.13	409.25	801.92
(e)	Finance costs (including exchange difference)	3.85	4.57	7.35	8.42	15.50	30.36
(f)	Depreciation and amortisation expense	68.00	67.22	64.71	135.22	127.31	257.78
(g)	Other expenses	218.90	165.75	194.75	384.65	371.36	805.57
	<b>Total Expenses</b>	<b>690.58</b>	<b>659.52</b>	<b>713.80</b>	<b>1,350.10</b>	<b>1,353.04</b>	<b>2,704.72</b>
5	<b>Profit before exceptional item and tax (3-4)</b>	<b>519.10</b>	<b>497.83</b>	<b>415.98</b>	<b>1,016.93</b>	<b>890.70</b>	<b>1,791.57</b>
6	Exceptional item	-	-	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>519.10</b>	<b>497.83</b>	<b>415.98</b>	<b>1,016.93</b>	<b>890.70</b>	<b>1,791.57</b>
8	Tax expense						
	Current tax	159.31	142.00	119.74	301.31	253.77	502.77
	Deferred tax charge / (credit)	(25.80)	7.78	(22.19)	(18.02)	(21.18)	(41.69)
	<b>Total tax expense</b>	<b>133.51</b>	<b>149.78</b>	<b>97.55</b>	<b>283.29</b>	<b>232.59</b>	<b>461.08</b>
9	<b>Net profit for the period (7-8)</b>	<b>385.59</b>	<b>348.05</b>	<b>318.43</b>	<b>733.64</b>	<b>658.11</b>	<b>1,330.49</b>
10	<b>Other comprehensive income</b>						
A (i)	Items that will not be reclassified to profit or loss						
	Remeasurements of defined benefit liability/(asset)	0.28	(1.25)	(0.01)	(0.97)	(4.04)	(5.70)
(ii)	Income tax related to items that will not be reclassified to profit or loss	(0.06)	0.37	0.01	0.31	1.19	1.65
B (i)	Items that will be reclassified to profit or loss						
	Exchange differences in translating financial statements of foreign operations	(98.06)	18.54	92.47	(79.52)	82.48	398.87
(ii)	Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total Other comprehensive income</b>	<b>(97.84)</b>	<b>17.66</b>	<b>92.47</b>	<b>(80.18)</b>	<b>79.63</b>	<b>394.82</b>
11	<b>Total comprehensive income (9+10)</b>	<b>287.75</b>	<b>365.71</b>	<b>410.90</b>	<b>653.46</b>	<b>737.74</b>	<b>1,725.31</b>
12	<b>Net profit attributable to:</b>						
	Shareholders of the Company	371.86	342.49	309.53	714.35	643.55	1,292.94
	Non-controlling interest	13.73	5.56	8.90	19.29	14.56	37.55
13	<b>Other comprehensive income attributable to:</b>						
	Shareholders of the Company	(98.18)	17.74	92.39	(80.44)	79.67	395.09
	Non-controlling interest	0.34	(0.08)	0.08	0.26	(0.04)	(0.27)
14	<b>Total comprehensive income attributable to:</b>						
	Shareholders of the Company	273.68	360.23	401.91	633.91	723.22	1,688.03
	Non-controlling interest	14.07	5.48	8.99	19.55	14.52	37.28
15	<b>Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)</b>	<b>223.36</b>	<b>223.36</b>	<b>223.35</b>	<b>223.36</b>	<b>223.35</b>	<b>223.36</b>
16	<b>Other equity</b>						8,173.17
17	<b>Earnings Per Share of ₹ 2 each (not annualized)</b>						
(a)	₹ (Basic)	3.33	3.07	2.77	6.40	5.76	11.58
(b)	₹ (Diluted)	3.33	3.06	2.77	6.39	5.76	11.56

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

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

**Statement of consolidated assets and liabilities**

*(₹ in million)*

	Particulars	As at 30 Sept 2020	As at 31 March 2020
		Unaudited	Audited
<b>I. ASSETS</b>			
	<b>(1) Non-current assets</b>		
	(a) Property, Plant and Equipment	2,016.86	2,095.75
	(b) Capital work-in-progress	84.41	47.57
	(c) Goodwill	2,898.63	2,941.26
	(d) Other Intangible assets	577.33	591.69
	(e) Intangible assets under development	53.69	53.75
	(f) Financial Assets		
	(i) Investments	0.62	0.62
	(ii) Loans	22.26	22.77
	(iii) Other financial assets	0.05	0.05
	(g) Deferred tax assets (net)	75.98	74.24
	(h) Income tax assets (net)	57.89	136.40
	(i) Other non-current assets	13.20	18.05
	<b>Total non-current assets</b>	<b>5,800.92</b>	<b>5,982.15</b>
	<b>(2) Current Assets</b>		
	(a) Inventories	891.82	800.30
	(b) Financial Assets		
	(i) Investments	1,034.14	1,235.27
	(ii) Trade receivables	774.97	746.91
	(iii) Cash and cash equivalents	1,475.01	826.64
	(iv) Bank balances other than (iii) above	91.55	3.56
	(v) Loans	0.86	0.73
	(vi) Other financial assets	50.94	35.68
	(c) Other current assets	132.44	106.65
	<b>Total current assets</b>	<b>4,451.73</b>	<b>3,755.74</b>
	<b>(3) Non-current assets held for sale</b>	<b>48.17</b>	<b>48.17</b>
	<b>Total assets</b>	<b>10,300.82</b>	<b>9,786.06</b>
<b>II. EQUITY AND LIABILITIES</b>			
	<b>(1) Equity</b>		
	(a) Equity share capital	223.36	223.36
	(b) Other equity	8,742.73	8,173.17
	<b>Equity attributable to the owners of the Company</b>	<b>8,966.09</b>	<b>8,396.53</b>
	<b>Non-controlling interest</b>	<b>291.10</b>	<b>277.95</b>
	<b>Total equity</b>	<b>9,257.19</b>	<b>8,674.48</b>
	<b>(2) Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	21.72	41.54
	(ii) Lease liability	56.43	78.29
	(b) Provisions	8.82	12.97
	(c) Deferred tax liabilities (net)	344.65	328.55
	<b>Total non-current liabilities</b>	<b>431.62</b>	<b>461.35</b>
	<b>(3) Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	77.11	127.40
	(ii) Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	5.62	5.66
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	92.47	90.76
	(iii) Other financial Liabilities	216.02	237.94
	(b) Other current liabilities	91.50	97.29
	(c) Provisions	26.85	32.29
	(d) Current tax liabilities (net)	47.68	4.13
	<b>Total current liabilities</b>	<b>557.25</b>	<b>595.47</b>
	<b>(4) Liabilities for non-current assets held for sale</b>	<b>54.76</b>	<b>54.76</b>
	<b>Total equity and liabilities</b>	<b>10,300.82</b>	<b>9,786.06</b>

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**Statement of unaudited consolidated statement of cash flows for the six months ended 30 September 2020**

**(₹ in million)**

	<b>Period ended 30 September 2020 Unaudited</b>	<b>Period ended 30 September 2019 Unaudited</b>
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	1016.93	890.70
	<b>1016.93</b>	<b>890.70</b>
<b>Adjustments for non-cash transactions</b>		
Depreciation and amortization expense	135.22	127.31
Property, plant and equipments written off	0.12	-
Bad and doubtful trade receivables written off	-	0.26
Goodwill written off	-	0.93
Provision for doubtful trade receivables written back	(1.84)	0.24
Employee stock compensation expense	2.68	5.59
Excess provision written back	(0.00)	-
Sundry balances written off	0.08	0.26
Fair valuation of investments in marketable securities	(1.88)	-
Unrealized foreign exchange loss/(gain)	(0.37)	(0.18)
	<b>1,150.94</b>	<b>1,025.11</b>
<b>Items considered separately</b>		
Interest income	(1.91)	(1.93)
Interest expenses	8.40	14.41
<b>Operating profit before working capital changes</b>	<b>1157.43</b>	<b>1,037.59</b>
<b>Adjustments for:</b>		
(Increase) / Decrease in Non-current loans	-	0.02
(Increase) / Decrease in other non-current assets	1.13	4.54
(Increase) / Decrease in inventories	(96.56)	29.35
(Increase) / Decrease in trade receivables	(28.47)	(76.03)
(Increase) / Decrease in Current loans	(0.12)	0.31
(Increase) / Decrease in financial current assets	(14.77)	(8.96)
(Increase) / Decrease in Other current assets	(26.81)	2.49
(Decrease) / Increase in provisions	(10.42)	117.08
(Decrease) / Increase in trade payables	1.44	(16.64)
(Decrease) / Increase in current financial liabilities - others	(14.64)	(38.86)
(Decrease) / Increase in other current liabilities	(5.38)	(27.64)
<b>Cash generated from operating activities</b>	<b>962.83</b>	<b>1023.25</b>
Income taxes paid (net of refund)	(151.38)	(274.89)
<b>Net cash generated from operating activities</b>	<b>811.45</b>	<b>748.36</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(60.63)	(75.59)
Proceeds from sale of Property, plant and equipments	0.06	-
Purchase of intangible assets (net of refund)	(0.41)	3.52
(Purchase) / Proceeds from sale of current investments (net)	182.23	(5.98)
Interest received	2.04	1.97
(Increase) in bank deposits with maturity more than 3 months but less than 12 months	(87.56)	(0.07)
(Increase) / Decrease in bank deposits with maturity of more than 12 months	(0.00)	-
<b>Net cash (used in) investing activities</b>	<b>35.73</b>	<b>(76.15)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital including securities premium	-	1.65
Proceed/ (Repayment) from long-term borrowings (net)	(14.71)	(25.82)
Repayment of short-term borrowings (net)	(58.57)	(78.65)
Interest paid	(8.10)	(13.92)
Lease liability paid	(24.89)	(18.55)
Dividends paid (including dividend tax)	(73.41)	(80.78)
<b>Net cash generated from financing activities</b>	<b>(179.68)</b>	<b>(216.07)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>667.50</b>	<b>456.14</b>
Cash and cash equivalents as at the beginning of the period	826.64	230.62
Effect of exchange rate changes on cash and cash equivalents held	(19.13)	1.62
<b>Cash and cash equivalents as at the end of the period</b>	<b>1,475.01</b>	<b>688.38</b>
<b>Composition of cash and cash equivalents</b>		
Cash in hand	0.62	0.79
Balance with banks :		
Current account	816.77	322.30
Fixed deposit account (with maturity less than 3 months)	44.19	64.03
Liquid fund balance (with maturity less than 3 months)	613.43	301.26
Deposits with maturity more than 3 months but less than 12 months	90.18	0.00
	1565.19	688.38
Less: Deposits with maturity more than 3 months but less than 12 months	90.18	0.00
	<b>1,475.01</b>	<b>688.38</b>

# Figures are below Rs 0.01 Million, hence disclosed as Rs 0.00

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**Notes:**

(i) The above unaudited consolidated financial results include the financial results of Advanced Enzyme Technologies Limited (the "Company" or the "Holding Company") and the financial results of the subsidiary companies, Advanced Bio-Agro Tech Limited (India), Advanced Enzytech Solutions Limited (India), JC Biotech Private Limited (India), Advanced Enzymes USA, Inc. (U.S.A.), Cal India Foods International (U.S.A.), Advanced Supplementary Technologies Corporation (U.S.A.), Enzyme Innovation, Inc. (U.S.A.), Dynamic Enzymes, Inc. (U.S.A.), Advanced Enzymes (Malaysia) Sdn. Bhd. (Malaysia), Advanced Enzymes Europe B.V. (Netherlands) and Evoxx Technologies GmbH (Germany). The Holding Company and its subsidiary companies constitute the "Group".

(ii) The above unaudited consolidated financial results of the Group were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 12 November 2020. The above results have been subjected to 'limited review' by the statutory auditors of the Company and they have issued an unmodified report. The limited review report will be filed with stock exchanges and will be available on the Company's website. The above results has 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.

(iii) The Group operates only in one business segment viz. 'manufacturing and sales of enzymes'.

(iv) Other income for quarter ended 30 June 2020 includes Rs. 40.7 million of grant received from the Government of United States of America ("USA") by subsidiaries Cal India Foods International (U.S.A.), Advanced Supplementary Technologies Corporation (U.S.A.) and Enzyme Innovation, Inc. (U.S.A.) under CARES Act ("Act") as Paycheck Protection Program.

(v) The Group has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. The Group has also considered the impact of COVID-19 on the business for the foreseeable future and has concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

**SADASHIV  
SHANKAR  
SHETTY**

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By Order of the Board of Directors  
**For Advanced Enzyme Technologies Limited**  
CIN No.: L24200MH1989PLC051018

**MUKUND  
MADHUSUDAN  
KABRA**

**M.M. Kabra**  
Wholtime Director  
DIN : 00148294



Place: Thane  
Dated: 12 November 2020