

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 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 ("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

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SHANKAR
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Sadashiv Shetty
Partner

Mumbai
12 November 2020

Membership No: 048648
ICAI UDIN: 20048648AAAACR7007

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 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	723.15	614.05	589.08	1,337.20	1,174.21	2,473.54
2	Other Income	17.36	7.29	11.03	24.65	27.43	90.01
3	Total Income (1+2)	740.51	621.34	600.11	1,361.85	1,201.64	2,563.55
4	Expenses						
(a)	Cost of materials consumed	233.87	187.15	222.81	421.02	443.88	944.36
(b)	Purchases of stock-in-trade	-	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24.07)	7.67	(1.21)	(16.40)	(19.16)	(56.78)
(d)	Employee benefits expense	89.51	83.15	86.35	172.66	171.87	326.07
(e)	Finance costs (including exchange difference)	0.17	0.43	2.17	0.60	4.98	11.00
(f)	Depreciation and amortisation expense	21.55	21.18	21.93	42.73	43.24	88.14
(g)	Other expenses	137.42	104.42	125.46	241.84	232.30	492.23
	Total expenses	458.45	404.00	457.51	862.45	877.11	1,805.02
5	Profit before exceptional item and tax (3-4)	282.06	217.34	142.60	499.40	324.53	758.53
6	Exceptional item	-	-	-	-	-	-
7	Profit before tax (5-6)	282.06	217.34	142.60	499.40	324.53	758.53
8	Tax expense						
	Current tax	81.08	61.09	37.12	142.17	84.90	193.89
	Deferred tax charge/(credit)	(0.36)	3.04	(6.01)	2.68	(4.60)	(14.91)
	Total tax expense	80.72	64.13	31.11	144.85	80.30	178.98
9	Net profit for the period (7-8)	201.34	153.21	111.49	354.55	244.23	579.55
10	Other comprehensive income						
A (i)	Items that will not be reclassified to Profit or Loss						
	Remeasurements of defined benefit liability/(asset)	(1.29)	(0.90)	(0.32)	(2.19)	(3.75)	(4.49)
(ii)	Income tax related to items that will not be reclassified to Profit or Loss	0.38	0.26	0.09	0.64	1.09	1.31
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	-	-	-	-	-	-
	Total Other comprehensive income	(0.91)	(0.64)	(0.23)	(1.55)	(2.66)	(3.18)
11	Total comprehensive income (9+10)	200.43	152.57	111.26	353.00	241.57	576.37
12	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.36	223.36	223.35	223.36	223.35	223.36
13	Other equity						3,481.47
14	Earnings Per Share of ₹ 2 each (not annualized)						
(a)	₹ (Basic)	1.80	1.37	1.00	3.17	2.19	5.19
(b)	₹ (Diluted)	1.80	1.37	1.00	3.17	2.18	5.18

Statement of standalone assets and liabilities

		(₹ in million)	
Particulars	As at 30 Sep 2020 Unaudited	As at 31 March 2020 Audited	
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1,228.54	1,251.63	
(b) Capital work-in-progress	82.56	45.80	
(c) Other Intangible assets	14.75	17.89	
(d) Intangible assets under development	53.69	53.75	
(e) Financial Assets			
(i) Investments			
- Investment in subsidiaries	1,198.29	1,197.83	
- other investment	0.62	0.62	
(ii) Loans	276.26	265.21	
(iii) Other financial assets	0.05	0.05	
(f) Income tax asset (net)	50.96	76.03	
(g) Other non-current assets	12.00	16.15	
Total non-current assets	2,917.72	2,924.96	
(2) Current Assets			
(a) Inventories	669.83	596.54	
(b) Financial Assets			
(i) Investments	127.08	10.00	
(ii) Trade receivables	475.29	518.87	
(iii) Cash and cash equivalents	52.74	26.69	
(iv) Bank balances other than (iii) above	91.05	3.56	
(v) Loans	0.31	0.19	
(vi) Other financial assets	30.30	23.62	
(c) Other current assets	68.61	74.15	
Total current assets	1,515.21	1,253.62	
(3) Non-current assets held for sale	48.17	48.17	
Total assets	4,481.10	4,226.75	
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	223.36	223.36	
(b) Other equity	3,770.15	3,481.47	
Total equity	3,993.51	3,704.83	
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.04	7.61	
(ii) Lease liability	0.81	2.08	
(b) Provisions	6.76	10.84	
(c) Deferred tax liabilities (net)	118.69	90.34	
Total non-current liabilities	128.30	110.87	
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	0.00	78.63	
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	1.91	2.73	
b) total outstanding dues of creditors other than micro enterprises and small enterprises	159.53	134.39	
(iii) Other financial Liabilities	93.47	93.40	
(b) Other current liabilities	28.85	25.97	
(c) Provisions	16.65	17.05	
(d) Current tax liabilities (net)	4.12	4.12	
Total current liabilities	304.53	356.29	
(4) Liabilities for non-current assets held for sale	54.76	54.76	
Total equity and liabilities	4,481.10	4,226.75	

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	30 Sep 2020 Rs. in million Unaudited	30 Sep 2019 Rs. in million Unaudited
A. Cash flows from operating activities		
Profit before tax	499.40	324.53
	499.40	324.53
Adjustments for non-cash transactions		
Depreciation and amortization expense	42.73	43.24
(Profit) / Loss on sale of property, plant and equipment	0.12	-
Bad debts written off	-	0.26
Provision for doubtful trade receivables provided / (written back)	0.65	-
Employee stock compensation expense	2.52	5.27
Guarantee commission	(0.30)	(0.80)
Excess provision written back	0.00	0.00
Sundry balances written off/ (back) (net)	0.08	0.26
Unrealized foreign exchange loss/(gain)	(0.37)	(0.23)
MTM valuation of investments	(0.53)	-
Provision for investments and loans given to subsidiary	-	10.52
	544.30	383.05
Items considered separately		
Interest income	(12.44)	(15.95)
Interest expenses	0.60	3.92
Dividend income	(9.60)	(8.10)
Operating profit before working capital changes	522.86	362.92
Adjustments for working capital changes.		
(Increase) / Decrease in Non-current loans	-	(0.13)
(Increase) / Decrease in other non-current assets	0.44	(1.16)
(Increase) / Decrease in inventories	(73.29)	32.50
(Increase) / Decrease in trade receivables	43.32	(51.12)
(Increase) / Decrease in Current loans	(0.12)	0.08
(Increase) / Decrease in financial current assets - Others	(6.68)	(8.80)
(Increase) / Decrease in Other current assets	5.54	(29.59)
(Decrease) / Increase in provisions	(6.65)	(2.75)
(Decrease) / Increase in trade payables	24.12	(75.15)
(Decrease) / Increase in current financial liabilities - others	6.08	15.89
(Decrease) / Increase in other current liabilities	2.88	(14.84)
Cash generated from operating activities	518.50	227.85
Income taxes paid (net)	(90.78)	(59.89)
Net cash generated from operating activities	427.72	167.96
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(51.22)	(23.81)
Proceeds from sale of property, plant and equipment	0.07	-
Purchase of intangible assets (net of refunds)	(0.41)	3.52
(Purchase) / Proceeds from sale of current investments (net)	(116.55)	-
Interest received	1.38	0.53
Dividend received	8.88	8.10
(Increase) / Decrease 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)	(0.00)
Net cash (used in) investing activities	(245.41)	(11.73)
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	-	1.65
Repayment of long-term borrowings (net)	(8.58)	(10.37)
Repayment of short-term borrowings (net)	(78.53)	(65.63)
Interest paid	(0.60)	(3.92)
Payment of Lease liabilities	(1.54)	(1.30)
Dividends paid (including dividend distribution tax)	(67.01)	(76.89)
Net cash (used in) financing activities	(156.26)	(156.46)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	26.05	(0.23)
Cash and cash equivalents as at the beginning of the period	26.69	1.86
Cash and cash equivalents as at the end of the period	52.74	1.63
Composition of cash and cash equivalents		
Cash in hand	0.33	0.34
Balance with banks :		
Current account	51.97	1.16
Fixed deposit account (with maturity less than 3 months)	0.44	0.13
	52.74	1.63

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

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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 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 unaudited standalone 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 in India.

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

(iii) The Company 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 Company expects to recover the carrying amount of these assets. The Company has also considered the impact of COVID-19 on the business for the foreseeable future and has concluded that the Company 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 Company will continue to closely monitor any material changes to future economic conditions.

**SADASHIV
SHANKAR
SHETTY**

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Place: Thane
Dated: 12 November 2020

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

**MUKUND
MADHUSUDAN
KABRA**
M. M. Kabra
Wholetime Director
DIN : 00148294

