

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of the Group, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Advanced Enzyme Technologies Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Advanced Enzyme Technologies Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended September 30, 2021 and the year to-date results for the period from April 01, 2021 to September 30, 2021 (the 'Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations'). This statement is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the statement based on our review.
2. This Statement has been prepared by the Holding Company's Management 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 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 financial results are free of material misstatement. A review 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

Sr. No	Name of the Company	Relationship with the Holding Company
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	Advanced Supplementary Technologies Corporation	Wholly owned subsidiary of AEU
5	Dynamic Enzymes, Inc	Wholly owned subsidiary of AEU
6	Cal India Foods International ('CAL')	Wholly owned subsidiary of AEU
7	Enzyme Innovation, Inc	Wholly owned subsidiary of CAL
8	JC Biotech Private Limited	Subsidiary
9	Scitech Specialities Private Limited	Subsidiary (w.e.f. 11 January 2021)
10	Advanced Enzymes (Malaysia) Sdn. Bhd	Wholly owned subsidiary
11	Advanced Enzymes Europe B.V. ('AEEBV')	Wholly owned subsidiary
12	Evoxx Technologies GmbH	Wholly owned subsidiary of AEEBV

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 & 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement is prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 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 results of four subsidiaries included in the statement, whose interim financial results reflect total assets of Rs. 1,654.85 Mn as at September 30, 2021 and total revenues of Rs. 410.45 Mn and Rs. 834.52 Mn, total net profit after tax of Rs. 41.04 Mn and Rs. 72.58 Mn and total comprehensive income of Rs. 40.60 Mn and Rs. 72.34 Mn, for the quarter ended September 30, 2021, and for the period from April 01, 2021 to September 30, 2021, respectively, and

cash flows (net) of Rs. (36.72) Mn for the period from April 01, 2021 to September 30, 2021, as considered in the statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us and our conclusion on the Statement in so far relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on the report of such other auditors and 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 consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 875.54 Mn as at September 30, 2021 and total revenue of Rs. 28.94 Mn and Rs. 45.24 Mn, total net (loss) after tax of Rs. (23.36) Mn and Rs. (15.90) Mn and total comprehensive loss of Rs. (23.36) Mn and Rs. (15.93) Mn for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021, respectively, and cash flows (net) of Rs. (3.31) Mn for the period from April 01, 2021 to September 30, 2021 before giving effect to consolidation adjustments, as considered in the statement. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

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

8. The unaudited financial results of the Group for the quarter and six month ended September 30, 2020, included in the Statement, were reviewed by predecessor auditor whose report dated November 12, 2020 expressed an unmodified conclusion on those unaudited financial results.

The unaudited financial results of the Group for the quarter ended June 30, 2021 included in the Statement, were reviewed by predecessor auditor whose report dated August 7, 2021 expressed an unmodified conclusion on those unaudited financial results.

The financial information of the Group for the year ended March 31, 2021 included in the Statement, were audited by predecessor auditor whose report dated May 29, 2021 expressed an unmodified opinion on those audited financial information.

Our conclusion is not modified in respect of these matters.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

AMRISH ANUP
VAIDYA

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Date: 2021.11.02 11:38:32
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Amrish Vaidya

Partner

Membership No.: 101739

UDIN: 21101739AAAAIM1394

Place: Mumbai

Date: November 02, 2021

Statement of unaudited consolidated financial results for the quarter and six months ended 30 September 2021

(₹ in million except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-21 Unaudited	30-Jun-21 Unaudited (Revised) (Refer note iv)	30-Sep-20 Unaudited	30-Sep-21 Unaudited	30-Sep-20 Unaudited	31-Mar-21 Audited (Revised) (Refer note iv)
1 Revenue from operations	1,270.77	1,370.14	1,203.86	2,640.91	2,308.87	5,018.41
2 Other Income (refer note vi)	8.99	9.33	5.82	18.32	58.16	88.47
3 Total Income (1+2)	1,279.76	1,379.47	1,209.68	2,659.23	2,367.03	5,106.88
4 Expenses						
(a) Cost of materials consumed	291.78	302.39	177.51	594.16	418.49	1001.78
(b) Purchases of stock-in-trade	0.51	-	-	0.51	-	0.28
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(46.01)	(78.03)	8.16	(124.04)	(21.81)	(11.64)
(d) Employee benefits expense	256.86	269.41	214.16	526.27	425.13	871.07
(e) Finance costs (including exchange difference)	3.40	4.56	3.85	7.96	8.42	15.94
(f) Depreciation and amortisation expense	86.01	84.84	68.00	170.86	135.22	286.48
(g) Other expenses	274.77	248.87	218.90	523.64	384.65	841.66
Total Expenses	867.32	832.04	690.58	1,699.36	1,350.10	3,005.57
5 Profit before exceptional item and tax (3-4)	412.44	547.43	519.10	959.87	1,016.93	2,101.31
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5-6)	412.44	547.43	519.10	959.87	1,016.93	2,101.31
8 Tax expense						
Current tax	119.33	160.29	159.31	279.62	301.31	579.56
Deferred tax charge / (credit)	(9.59)	(10.06)	(25.80)	(19.64)	(18.02)	8.89
Total tax expense	109.74	150.23	133.51	259.98	283.29	588.45
9 Net profit for the period (7-8)	302.70	397.20	385.59	699.89	733.64	1,512.86
10 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability/(asset)	(0.62)	(5.09)	0.28	(5.71)	(0.97)	1.55
(ii) Income tax related to items that will not be reclassified to profit or loss	0.19	1.28	(0.06)	1.47	0.31	(0.41)
B (i) Items that will be reclassified to profit or loss						
Exchange differences in translating financial statements of foreign operations	(20.85)	76.39	(98.06)	55.54	(79.52)	(100.44)
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other comprehensive income	(21.28)	72.58	(97.84)	51.30	(80.18)	(99.30)
11 Total comprehensive income (9+10)	281.42	469.78	287.75	751.19	653.46	1,413.56
12 Net profit attributable to:						
Shareholders of the Company	296.98	379.69	371.86	676.66	714.35	1,459.32
Non-controlling interest	5.72	17.51	13.73	23.23	19.29	53.54
13 Other comprehensive income attributable to:						
Shareholders of the Company	(21.28)	72.48	(98.18)	51.20	(80.44)	(99.77)
Non-controlling interest#	0.00	0.10	0.34	0.10	0.26	0.47
14 Total comprehensive income attributable to:						
Shareholders of the Company	275.70	452.17	273.68	727.86	633.91	1,359.55
Non-controlling interest	5.72	17.61	14.07	23.33	19.55	54.01
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.56	223.56	223.36	223.56	223.36	223.46
16 Other equity						9,485.92
17 Earnings Per Share of ₹ 2 each (not annualized)						
(a) ₹ (Basic)	2.66	3.40	3.33	6.05	6.40	13.07
(b) ₹ (Diluted)	2.65	3.39	3.33	6.04	6.39	13.04

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

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.

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

Statement of consolidated assets and liabilities

(₹ in million)

	Particulars	As at 30 Sept 2021	As at 31 March 2021
		Unaudited	Audited (Revised)
I. ASSETS			
	(1) Non-current assets		
	(a) Property, Plant and Equipment	2,407.29	2,447.98
	(b) Capital work-in-progress	46.93	50.44
	(c) Goodwill	2,912.75	2,887.21
	(d) Other Intangible assets	653.20	692.95
	(e) Intangible assets under development	54.03	53.79
	(f) Financial Assets		
	(i) Investments	0.64	0.65
	(ii) Other financial assets	25.70	25.23
	(g) Deferred tax assets (net)	76.62	68.68
	(h) Income tax assets (net)	145.92	119.78
	(i) Other non-current assets	50.75	50.88
	Total non-current assets	6,373.83	6,397.59
	(2) Current Assets		
	(a) Inventories	1,152.72	938.81
	(b) Financial Assets		
	(i) Investments	946.49	1,213.10
	(ii) Trade receivables	873.35	862.74
	(iii) Cash and cash equivalents	2,260.18	1,919.19
	(iv) Bank balances other than (iii) above	31.07	58.55
	(v) Loans	0.44	0.73
	(vi) Other financial assets	48.65	58.23
	(c) Other current assets	130.98	109.30
	Total current assets	5,443.88	5,160.65
	Total assets	11,817.71	11,558.24
II. EQUITY AND LIABILITIES			
	(1) Equity		
	(a) Equity share capital	223.56	223.46
	(b) Other equity	10,028.50	9,485.92
	Equity attributable to the owners of the Company	10,252.06	9,709.38
	Non-controlling interest	510.50	616.82
	Total equity	10,762.56	10,326.20
	(2) Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	78.23	98.71
	(ii) Lease liability	24.77	35.70
	(b) Provisions	14.60	13.56
	(c) Deferred tax liabilities (net)	402.04	408.50
	Total non-current liabilities	519.64	556.47
	(3) Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	33.15	91.93
	(ii) Lease liability	32.72	49.80
	(iii) Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	23.46	10.78
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	148.83	141.39
	(iv) Other financial Liabilities	173.59	209.26
	(b) Other current liabilities	87.17	130.07
	(c) Provisions	31.18	40.43
	(d) Current tax liabilities (net)	5.41	1.91
	Total current liabilities	535.51	675.57
	Total equity and liabilities	11,817.71	11,558.24

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Statement of unaudited consolidated statement of cash flows for the six months ended 30 September 2021

(**₹ in million**)

	Period ended 30 September 2021 Unaudited	Period ended 30 September 2020 Unaudited
A. Cash flows from operating activities		
Profit before tax	959.87	1016.93
	959.87	1016.93
Adjustments for non-cash transactions		
Depreciation and amortization expense	170.86	135.22
Prepaid lease amortisation	0.31	0.12
Property, plant and equipments written off	0.16	-
(Profit) / Loss on sale of Property, plant and equipments	0.05	-
Bad and doubtful trade receivables written off	0.03	-
Provision for doubtful trade receivables written back	2.15	(1.84)
Employee stock compensation expense	-	2.68
Excess provision written back#	-	(0.00)
Sundry balances written off/ (back) (net)	(0.10)	0.08
Excess provision written back	0.06	-
Fair valuation of investments in marketable securities	(1.40)	(1.88)
Unrealized foreign exchange loss/(gain)	0.78	(0.37)
	1,132.77	1,150.94
Items considered separately		
Interest income	(2.06)	(1.91)
Interest expenses	3.55	8.40
Operating profit before working capital changes	1,134.26	1,157.43
Adjustments for:		
(Increase) / Decrease in other non-current assets	1.21	1.13
(Increase) / Decrease in inventories	(210.42)	(96.56)
(Increase) / Decrease in trade receivables	(11.08)	(28.47)
(Increase) / Decrease in Current loans	(0.05)	(0.12)
(Increase) / Decrease in financial current assets	9.80	(14.77)
(Increase) / Decrease in Other current assets	(21.27)	(26.81)
(Decrease) / Increase in provisions	(21.27)	(10.42)
(Decrease) / Increase in trade payables	19.22	1.44
(Decrease) / Increase in current financial liabilities - others	(13.99)	(14.64)
(Decrease) / Increase in other current liabilities	(35.09)	(5.38)
Cash generated from operating activities	851.32	962.83
Income taxes paid (net of refund)	(295.19)	(151.38)
Net cash generated from operating activities	556.13	811.45
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(111.86)	(60.63)
Proceeds from sale of Property, plant and equipments	0.23	0.06
Purchase of intangible assets (net of refund)	(0.24)	(0.41)
Purchase of non-current investments	(211.25)	-
(Purchase) / Proceeds from sale of current investments (net)	274.94	182.23
Interest received	6.59	2.04
(Increase) in bank deposits with maturity more than 3 months but less than 12 months	29.85	(87.56)
(Increase) / Decrease in bank deposits with maturity of more than 12 months#	(0.00)	(0.00)
Net cash (used in) investing activities	(11.74)	35.73
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	3.03	-
Proceeds from long term borrowings	-	(14.71)
Repayment of long term borrowings	(20.72)	-
Repayment of short-term borrowings (net)	(58.70)	(58.57)
Interest paid	(7.71)	(8.10)
Lease liability paid	(28.46)	(24.89)
Dividends paid (including dividend tax)	(106.60)	(73.41)
Net cash generated from financing activities	(219.16)	(179.68)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	325.23	667.50
Cash and cash equivalents as at the beginning of the period	1919.22	826.64
Effect of exchange rate changes on cash and cash equivalents held	15.73	(19.13)
Cash and cash equivalents as at the end of the period	2,260.18	1,475.01
Composition of cash and cash equivalents		
Cash in hand	0.89	0.62
Balance with banks :		
Current account	1459.65	816.77
Fixed deposit account (with maturity less than 3 months)	50.95	44.19
Liquid fund balance (with maturity less than 3 months)	748.69	613.43
Deposits with maturity more than 3 months but less than 12 months	27.78	90.18
	2287.96	1565.19
Less: Deposits with maturity more than 3 months but less than 12 months	27.78	90.18
	2,260.18	1,475.01

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), Scitech Specialities Private Limited (India) (w.e.f. 11 January 2021), 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 2 November 2021. 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 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) Effective 18 August 2021, the Company has acquired additional stake of 15% in its subsidiary JC Biotech Private Limited for consideration of Rs 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 Company in JC Biotech Private Limited Non-controlling interest has been reduced by Rs. 123.67 million and adjusted Rs. 87.58 million in other equity. Impact of additional stake of 15% acquired in subsidiary JC Biotech Private Limited is summarised as below-

Particulars	₹ in million
(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

(iv) On 11 January 2021, the Group completed the acquisition of 51% of the paid up equity share capital in SciTech Specialities Private Limited ('SSPL') for a total consideration of Rs 316.26 million. As of 31 March 2021, the Group has accounted for the acquisition on provisional basis and finalised the purchase price allocation for the acquisition during the quarter and accordingly, revised the provisional amounts of goodwill of Rs. 13.54 million. The Group on finalising of purchase price allocation has recognised fair value of Net Assets acquired of Rs. 320.00 million resulting in Capital reserve of Rs. 3.74 million. Also, the figures for the year ended 31 March 2021, quarter ended 30 June 2021 and quarter ended 30 September 2021, which includes figures for SSPL from the period 11 Jan 2021 to 31 March 2021, 1 April 2021 to 30 June 2021 and 1 July 2021 to 30 September 2021 respectively, are not comparable with the previous corresponding periods. As required by Ind AS 103, Business Combination, the Group has revised relevant periods presented in these financial results to give impact of PPA adjustments after the date of acquisition and same is summarised as below:

Impact on Consolidated Statement of Profit and Loss due to finalisation of purchase price allocation-

(₹ in million)

Particulars	Quarter ended 30.06.2021	Year ended 31.03.2021
Total expenses*	1.90	2.40
Profit before tax	(1.90)	(2.41)
Profit after tax	(1.42)	(1.78)
Net profit for the period attributable to:		
- Equity shareholders of the Company	(0.72)	(2.66)
- Non-controlling interest	(0.70)	0.88
Basic earning per share	(0.01)	(0.02)
Diluted earning per share	(0.01)	(0.02)

*includes depreciation and amortisation and other expenses

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

(vi) Other income for the six months ended 30 September 2020 and year ended 31 March 2021 includes Rs. 39.83 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.

(vii) The Company has allotted 49,875 equity shares during the quarter ended 30 June 2021 to employees under the 'AETL Employee Stock Option Scheme 2015- ("AETL ESOS 2015")'.

(viii) 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.

(ix) Previous period/ year amounts have been regrouped/ reclassified wherever necessary.

By Order of the Board of Directors

For Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

**MUKUND
MADHUSUDAN
KABRA**

M.M. Kabra

Wholetime Director

DIN : 00148294

Place: Thane

Dated: 2 November 2021

Digitally signed by MUKUND MADHUSUDAN KABRA
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