

Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Advanced Enzymes Technologies Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Advanced Enzyme Technologies Limited (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2022 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2022.

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 Results 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 together with the ethical requirements that are relevant to our audit of the 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.



Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 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 Statement 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 Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, 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.



MSKA & Associates

Chartered Accountants

- 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 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.

Other Matters

1. The standalone financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor whose report dated May 29, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of the above matter.



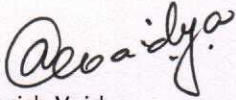
MSKA & Associates

Chartered Accountants

2. The Statement include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting."

Our Opinion is not modified in respect of the above matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 22101739AJHBPM8264



Place: Mumbai
Date: May 20, 2022

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 audited standalone financial results for the quarter and year ended 31 March 2022

	Particulars	Quarter ended			Year ended	
		31-Mar-22 Audited	31-Dec-21 Unaudited	31-Mar-21 Audited	31-Mar-22 Audited	31-Mar-21 Audited
1	Revenue from operations	707.48	643.87	706.08	2,727.98	2,834.73
2	Other Income	51.69	10.66	25.84	90.80	68.23
3	Total Income (1+2)	759.17	654.53	731.92	2,818.78	2,902.96
4	Expenses					
(a)	Cost of materials consumed	318.66	258.22	249.12	1,127.17	950.34
(b)	Purchases of stock-in-trade	-	-	-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(49.24)	10.24	3.64	(135.16)	12.74
(d)	Employee benefits expense	96.33	90.94	84.16	393.17	342.34
(e)	Finance costs (including exchange difference)	0.52	0.27	0.25	0.95	1.00
(f)	Depreciation and amortisation expense	25.34	24.68	25.09	95.61	90.06
(g)	Other expenses	187.90	152.43	148.98	616.32	522.20
	Total expenses	579.51	536.78	511.24	2,098.06	1,918.68
5	Profit before exceptional item and tax (3-4)	179.66	117.75	220.68	720.72	984.28
6	Exceptional item	-	-	-	-	-
7	Profit before tax (5-6)	179.66	117.75	220.68	720.72	984.28
8	Tax expense					
	Current tax	39.66	30.57	54.82	180.17	248.44
	Deferred tax charge/(credit)	(3.52)	(0.52)	13.46	(4.56)	25.72
	Total tax expense	36.14	30.05	68.28	175.61	274.16
9	Net profit for the period (7-8)	143.52	87.70	152.40	545.11	710.12
10	Other comprehensive income					
A (i)	Items that will not be reclassified to Profit or Loss					
	Remeasurements of defined benefit liability/(asset)	5.61	-	2.90	0.28	(0.39)
(ii)	Income tax related to items that will not be reclassified to Profit or Loss	(1.41)	-	(0.86)	(0.07)	0.10
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	4.20	-	2.04	0.21	(0.29)
11	Total comprehensive income (9+10)	147.72	87.70	154.44	545.32	709.83
12	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.60	223.58	223.46	223.60	223.46
13	Other equity				4,579.93	4,131.00
14	Earnings Per Share of ₹ 2 each (not annualized)					
(a)	₹ (Basic)	1.28	0.78	1.37	4.88	6.36
(b)	₹ (Diluted)	1.28	0.78	1.36	4.87	6.35



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Statement of standalone assets and liabilities

		(₹ in million)	
Particulars		As at 31 Mar 2022	As at 31 March 2021
		Audited	Audited
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment		1,315.37	1,310.22
(b) Capital work-in-progress		32.45	19.61
(c) Other Intangible assets		4.88	11.96
(d) Intangible assets under development		54.39	53.79
(e) Financial Assets			
(i) Investments			
- Investment in subsidiaries		1,726.22	1,514.97
- other investment		0.62	0.62
(ii) Loans		243.49	275.88
(iii) Other financial assets		14.06	12.67
(f) Income tax asset (net)		126.80	92.55
(g) Other non-current assets		11.08	1.45
Total non-current assets		3,529.36	3,293.72
(2) Current Assets			
(a) Inventories		800.77	634.23
(b) Financial Assets			
(i) Investments		166.84	329.25
(ii) Trade receivables		490.85	547.41
(iii) Cash and cash equivalents		134.98	15.05
(iv) Bank balances other than (iii) above		44.77	3.65
(v) Loans		57.99	0.27
(vi) Other financial assets		13.76	16.06
(c) Other current assets		56.90	56.36
Total current assets		1,766.86	1,602.28
Total assets		5,296.22	4,896.00
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital		223.60	223.46
(b) Other equity		4,579.93	4,131.00
Total equity		4,803.53	4,354.46
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	1.75
(ii) Lease liability		9.51	3.49
(b) Provisions		8.62	9.94
(c) Deferred tax liabilities (net)		111.48	115.96
Total non-current liabilities		129.61	131.14
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings		1.75	7.29
(ii) Lease liability		4.57	2.08
(iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		5.40	1.91
b) total outstanding dues of creditors other than micro enterprises and small enterprises		197.19	223.36
(iv) Other financial Liabilities		105.31	94.66
(b) Other current liabilities		27.46	59.79
(c) Provisions		20.58	20.49
(d) Current tax liabilities (net)		0.82	0.82
Total current liabilities		363.08	410.40
Total equity and liabilities		5,296.22	4,896.00



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	31 Mar 2022 Rs. in million Audited	31 Mar 2021 Rs. in million Audited
A. Cash flows from operating activities		
Profit before tax	720.72	984.28
	<u>720.72</u>	<u>984.28</u>
Adjustments for non-cash transactions		
Depreciation and amortization expense	95.61	90.06
(Profit) / Loss on sale of property, plant and equipment	(11.81)	(7.06)
Bad debts written off	0.96	0.43
Provision for doubtful trade receivables provided / (written back)	0.25	1.55
Employee stock compensation expense	-	3.54
Guarantee commission	-	(0.60)
Excess provision written back #	(2.99)	0.00
Sundry balances written off/ (back) (net)	0.11	0.39
Unrealized foreign exchange loss/(gain)	0.05	0.91
Fair value adjustment on investments	(2.24)	(1.58)
	<u>800.66</u>	<u>1,071.92</u>
Items considered separately		
Interest income	(25.92)	(26.36)
Interest expenses	0.95	1.00
Dividend income	(38.20)	(26.69)
Operating profit before working capital changes	<u>737.49</u>	<u>1,019.87</u>
Adjustments for working capital changes.		
(Increase) / Decrease in Non-current loans	37.96	-
(Increase) / Decrease in Other non-current financial assets	(1.39)	-
(Increase) / Decrease in other non-current assets	(1.16)	0.29
(Increase) / Decrease in inventories	(166.54)	(37.69)
(Increase) / Decrease in trade receivables	55.57	(31.40)
(Increase) / Decrease in Current loans	(37.78)	(0.08)
(Increase) / Decrease in other current financial assets	2.24	7.56
(Increase) / Decrease in Other current assets	(0.50)	17.76
(Decrease) / Increase in provisions	(0.92)	2.17
(Decrease) / Increase in trade payables	(20.07)	87.64
(Decrease) / Increase in other current financial liabilities	12.89	10.62
(Decrease) / Increase in other current liabilities	(32.34)	33.82
Cash generated from operating activities	<u>585.44</u>	<u>1,110.56</u>
Income taxes paid (net)	(214.42)	(268.26)
Net cash generated from operating activities	<u>371.02</u>	<u>842.30</u>
B. Cash flows from investing activities		
Purchase of property, plant and equipment (tangible and intangible both)	(105.37)	(94.70)
Proceeds from sale of property, plant and equipment	12.44	1.23
Purchase of intangible assets (net of refunds)	(0.60)	(1.33)
Purchase of non-current investments	(211.25)	(316.26)
(Purchase) / Proceeds from sale of current investments (net)	163.08	(317.67)
Interest received	0.42	3.07
Dividend received	38.20	26.69
(Increase) / Decrease in bank deposits with maturity more than 3 months but less than 12 months	(39.29)	(0.11)
(Increase) / Decrease in bank deposits with maturity of more than 12 months #	(0.00)	(0.00)
Net cash (used in) investing activities	<u>(142.37)</u>	<u>(699.08)</u>
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	4.34	3.00
Repayment of long-term borrowings (net)	(1.75)	(15.21)
Repayment of short-term borrowings (net)	(5.44)	(71.23)
Interest paid	(0.95)	(1.00)
Payment of Lease liabilities	(4.32)	(3.41)
Dividends paid (including dividend distribution tax)	(100.60)	(67.01)
Net cash (used in) financing activities	<u>(108.72)</u>	<u>(154.86)</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	119.93	(11.64)
Cash and cash equivalents as at the beginning of the period	15.05	26.69
Cash and cash equivalents as at the end of the period	<u>134.98</u>	<u>15.05</u>
Composition of cash and cash equivalents		
Cash in hand	0.42	0.14
Balance with banks :		
Current account	134.56	14.44
Fixed deposit account (with maturity less than 3 months)	-	0.47
	<u>134.98</u>	<u>15.05</u>

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



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Notes:

(i) The above 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 20 May 2022. The above results have been audited by the statutory auditors of the Company and they have expressed an unmodified opinion. The audit 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 in India.

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

(iii) The Company has allotted 9,200 equity shares during the quarter ended 31 March 2022 and 72,250 equity shares during the year then ended to employees under the 'AETL Employee Stock Option Scheme 2015'- ("AETL ESOS 2015").

(iv) Effective 18 August 2021, the Company has acquired additional stake of 15% in its subsidiary JC Biotech Private Limited for a consideration of Rs 211.25 million. Post this additional acquisition the Company holds 85% stake in the subsidiary.

(v) 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.

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

(vii) The figures for the quarter ended 31 March 2022 are the balancing figures between standalone audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

(viii) The Board of Directors in its meeting held on 20 May 2022 have proposed the final dividend for the financial year 2021-22 of Rs 1.00 per equity share and the same will be paid after approval of the shareholders in Annual General Meeting of the Company.



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

M. M. Kabra

M. M. Kabra
Wholetime Director
DIN : 00148294

Place: Thane
Dated: 20 May 2022