

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

To 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 1, 2022 to September 30, 2022 ('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').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company'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 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the 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 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 Statement is 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.



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4. This Statement includes the results of the Holding Company and the following entities:

Sr. No	Name of the Entity	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
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 other auditor(s) 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 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 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 results of four subsidiaries included in the Statement, whose financial results reflects total assets of Rs. 1,762.16 millions as at September 30, 2022 and total revenues of Rs. 389.62 millions and Rs. 770.45 millions, total net profit after tax of Rs. 9.62 millions and Rs. 26.26 millions and total comprehensive income of Rs. 8.16 millions and Rs. 27.62 millions, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022,



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respectively, and cash outflows (net) of Rs. 16.60 for the period from April 1, 2022 to September 30, 2022, as considered in the Statement. These interim financial results have been reviewed by other auditor(s) 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 report of the other auditor(s) and the procedures performed by us as stated in paragraph 3 above.

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

7. One subsidiary is located outside India whose interim financial results have been prepared in accordance with the accounting principles generally accepted in that country and has been reviewed by other auditor under generally accepted auditing standards applicable in such country. The Holding Company's Management has converted the interim financial results of the subsidiary located outside India from accounting principles generally accepted in such country to accounting principles generally accepted in India.

We have reviewed these conversion adjustments made by the Holding Company's Management. Our conclusion on the Statement, in so far as it relates to the interim financial results of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and reviewed by us.

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

8. The Statement includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose financial results reflect total assets of Rs. 831.81 millions as at September 30, 2022 and total revenue of Rs. 33.13 millions and Rs. 67.20 millions, total net (loss) after tax of Rs. (47.78) millions and Rs. (92.46) millions and total comprehensive (loss) of Rs. (56.57) millions and Rs. (77.96) millions for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash inflows (net) of Rs. 8.36 millions for the period from April 1, 2022 to September 30, 2022, as considered in the Statement. These interim financial results 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 such management prepared unaudited interim financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Amrisha Vaidya

Partner

Membership No.: 101739

UDIN: 22101739BCUHCE2091

Place: Mumbai

Date: November 11, 2022



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Statement of unaudited consolidated financial results for the quarter and six months ended 30 September 2022

(₹ in million except per share data)

Particulars	Quarter ended			Six months ended		Year ended 31-Mar-22 Audited
	30-Sep-22 Unaudited	30-Jun-22 Unaudited	30-Sep-21 Unaudited	30-Sep-22 Unaudited	30-Sep-21 Unaudited	
1 Revenue from operations	1,386.83	1,211.22	1,270.77	2,598.15	2,840.91	5,202.83
2 Other Income	38.70	19.94	8.99	58.64	18.32	54.20
3 Total Income (1+2)	1,425.53	1,231.16	1,279.76	2,656.79	2,859.23	5,259.03
4 Expenses						
(a) Cost of materials consumed	354.40	241.20	291.79	595.90	594.16	1302.58
(b) Purchases of stock-in-trade #	0.00	-	0.51	0.00	0.51	0.66
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.59)	30.54	(46.01)	11.85	(124.04)	(206.05)
(d) Employee benefits expense	276.99	281.11	296.86	558.10	508.27	1039.59
(e) Finance costs (including exchange difference)	6.02	5.64	3.40	11.86	7.96	17.96
(f) Depreciation and amortisation expense	89.08	86.42	86.01	174.51	170.86	349.83
(g) Other expenses	377.35	349.38	274.77	736.42	523.64	1142.88
Total Expenses	1,084.16	994.19	887.32	2,078.45	1,939.36	3,947.45
5 Profit before exceptional item and tax (3-4)	341.37	236.97	412.44	678.34	919.87	1,710.69
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5-6)	341.37	236.97	412.44	678.34	919.87	1,710.68
8 Tax expense						
Current tax	63.45	68.84	119.33	162.29	279.82	503.56
Deferred tax charge / (credit)	(14.69)	(7.88)	9.59	(22.37)	19.84	(31.00)
Total tax expense	78.76	61.16	109.74	139.92	299.66	472.56
9 Net profit for the period (7-8)	262.61	175.81	302.70	538.42	699.89	1,237.99
10 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability/(asset)	2.02	(0.14)	(0.62)	1.88	(5.71)	1.39
(ii) Income tax related to items that will not be reclassified to profit or loss	(0.57)	0.05	0.19	(0.52)	1.47	(0.32)
B (i) Items that will be reclassified to profit or loss						
Exchange differences in translating financial statements of foreign operations	193.24	231.30	(20.85)	424.54	55.54	164.13
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other comprehensive Income	194.69	231.21	(11.28)	426.90	61.30	166.20
11 Total comprehensive Income (9+10)	457.30	407.02	291.42	965.32	761.19	1,403.19
12 Net profit attributable to:						
Shareholders of the Company	262.08	178.73	296.98	440.81	676.66	1,165.82
Non-controlling interest	0.53	(2.92)	5.72	(2.39)	23.23	42.17
13 Other comprehensive Income attributable to:						
Shareholders of the Company	194.50	231.17	(21.28)	426.87	51.20	164.57
Non-controlling interest#	0.19	0.04	0.00	0.23	0.10	0.63
14 Total comprehensive income attributable to:						
Shareholders of the Company	456.58	408.90	275.70	868.48	727.86	1,360.38
Non-controlling interest	0.72	(2.88)	5.72	(2.16)	23.33	42.80
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.64	223.61	223.56	223.64	223.68	223.60
16 Other equity	-	-	-	-	-	10,662.33
17 Earnings Per Share of ₹ 2 each (not annualized)						
(a) ₹ (Basic)	2.34	1.60	2.66	3.94	8.05	10.70
(b) ₹ (Diluted)	2.34	1.60	2.65	3.94	8.04	10.58

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



Statement of consolidated assets and liabilities

(₹ in million)

Particulars	As at	As at
	30 Sept 2022	31 March 2022
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	2,622.97	2,621.80
(b) Capital work-in-progress	158.37	96.28
(c) Goodwill	3,140.80	2,960.63
(d) Other Intangible assets	559.43	608.67
(e) Intangible assets under development	54.15	54.39
(f) Financial Assets		
(i) Investments	1.65	0.65
(ii) Other financial assets	78.30	27.32
(g) Deferred tax assets (net)	84.28	74.20
(h) Income tax assets (net)	112.89	132.92
(i) Other non-current assets	47.58	54.85
Total non-current assets	6,860.42	6,631.71
(2) Current Assets		
(a) Inventories	1,234.69	1,209.20
(b) Financial Assets		
(i) Investments	2,343.15	1,019.47
(ii) Trade receivables	1,004.55	882.06
(iii) Cash and cash equivalents	1,748.80	2,673.55
(iv) Bank balances other than (iii) above	72.59	62.77
(v) Loans	1.20	0.86
(vi) Other financial assets	39.39	49.08
(c) Income tax asset	91.96	40.84
(c) Other current assets	135.24	106.55
Total current assets	6,671.57	6,044.38
Total assets	13,531.99	12,676.09
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.64	223.60
(b) Other equity	11,418.25	10,662.33
Equity attributable to the owners of the Company	11,641.89	10,885.93
Non-controlling interest	515.82	517.93
Total equity	12,157.71	11,403.86
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	79.21	81.30
(ii) Lease liability	182.95	183.53
(b) Provisions	11.50	10.68
(c) Deferred tax liabilities (net)	374.91	392.50
Total non-current liabilities	648.57	668.01
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	65.23	28.10
(ii) Lease liability	46.17	54.37
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	24.13	21.19
b) total outstanding dues of creditors other than micro enterprises and small enterprises	201.02	157.78
(iv) Other financial Liabilities	185.54	204.82
(b) Other current liabilities	171.29	97.75
(c) Provisions	28.57	38.22
(d) Current tax liabilities (net)	3.76	1.99
Total current liabilities	725.71	604.22
Total equity and liabilities	13,531.99	12,676.09



Advanced Enzyme Technologies Limited
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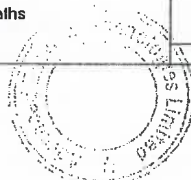
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Statement of unaudited consolidated statement of cash flows for six months ended 30 September 2022

(₹ in million)

	Period ended 30 September 2022 Unaudited	Period ended 30 September 2021 Unaudited
A. Cash flows from operating activities		
Profit before tax	578.34	959.87
	578.34	959.87
Adjustments for non-cash transactions		
Depreciation and amortization expense	174.51	170.86
Prepaid lease amortisation	0.31	0.31
Property, plant and equipments written off	-	0.16
(Profit) / Loss on sale of Property, plant and equipments	7.90	0.05
Allowances for bad and doubtful trade receivables	0.70	-
Bad and doubtful trade receivables written off	-	0.03
Provision for doubtful trade receivables written back	-	2.15
Sundry balances written off/ (back) (net)	0.03	(0.10)
Excess provision written back	(0.06)	0.06
Fair valuation of investments in marketable securities	(6.73)	(1.40)
Unrealized foreign exchange loss/(gain)	(0.84)	0.78
	754.16	1,132.77
Items considered separately		
Interest income	(31.41)	(2.06)
Interest expenses	11.84	3.55
Operating profit before working capital changes	734.59	1,134.26
Adjustments for:		
(Increase) / Decrease in non-current loans	(1.64)	-
(Increase) / Decrease in other non-current financial assets	(4.45)	-
(Increase) / Decrease in other non-current assets	0.21	1.21
(Increase) / Decrease in inventories	0.20	(210.42)
(Increase) / Decrease in trade receivables	(107.69)	(11.08)
(Increase) / Decrease in Current loans	(0.34)	(0.05)
(Increase) / Decrease in financial current assets	6.70	9.80
(Increase) / Decrease in Other current assets	(29.20)	(21.27)
(Decrease) / Increase in provisions	(11.72)	(21.27)
(Decrease) / Increase in trade payables	39.77	19.22
(Decrease) / Increase in current financial liabilities - others	2.65	(13.99)
(Decrease) / Increase in other current liabilities	54.99	(35.09)
Cash generated from operating activities	684.07	851.32
Income taxes paid (net of refund)	(186.51)	(295.19)
Net cash generated from operating activities	497.56	556.13
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(187.64)	(111.86)
Proceeds from sale of Property, plant and equipments	0.88	0.23
Purchase of intangible assets (net of refund)	(0.55)	(0.24)
Purchase of non-current investments	-	(211.25)
(Purchase) / Proceeds from sale of current investments (net)	(1212.85)	274.94
Interest received	30.66	6.59
(Increase) in bank deposits with maturity more than 3 months but less than 12 months	(9.82)	29.85
(Increase) / Decrease in bank deposits with maturity of more than 12 months#	(40.60)	(0.00)
Net cash (used in) investing activities	(1419.82)	(11.74)
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	1.28	3.03
Repayment of long-term borrowings	(1.37)	(20.72)
Repayment of short-term borrowings (net)	36.47	(58.70)
Interest paid	(11.84)	(7.71)
Lease liability paid	(28.58)	(28.46)
Dividends paid (including dividend tax)	(111.82)	(106.60)
Net cash generated from financing activities	(115.86)	(219.16)
Net (decrease) / Increase in cash and cash equivalents (A+B+C)	(1038.12)	325.23
Cash and cash equivalents as at the beginning of the period	2673.55	1919.22
Effect of exchange rate changes on cash and cash equivalents held	113.37	15.73
Cash and cash equivalents as at the end of the period	1,748.80	2,260.18
Composition of cash and cash equivalents		
Cash in hand	0.85	0.89
Balance with banks :		
Current account	919.14	1459.65
Fixed deposit account (with maturity less than 3 months)	51.07	50.95
Liquid fund balance (with maturity less than 3 months)	777.74	748.69
Deposits with maturity more than 3 months but less than 12 months	62.57	27.78
	1811.37	2287.96
Less: Deposits with maturity more than 3 months but less than 12 months	62.57	27.78
	1,748.80	2,260.18

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), 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 Evovx 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 11 November 2022. 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) The Group operates only in one business segment viz. 'manufacturing and sales of enzymes'.

(v) The Company has allotted 15,500 equity shares during the quarter and 21,400 equity shares during the six months ended 30 September 2022 to employees under the 'AETL Employee Stock Option Scheme 2015' ('AETL ESOS 2015').

(vi) The Shareholders at its Annual General meeting held on August 19, 2022 approved the Employee Stock Option Scheme 2022 ("ESOP Scheme 2022") of the Company and its extension to the subsidiaries of the Company. National Stock Exchange of India Limited and BSE Limited (Stock Exchanges) vide their letter/e-letter dated October 06, 2022 and October 18, 2022 respectively granted its 'In-Principle' approval for listing of 25,00,000 Equity Shares of Rs. 2 each which may arise out of exercise of Options as and when exercised from time to time subject to the prescribed conditions. The Company has not yet granted any Options under the ESOP Scheme 2022.

(vii) 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.

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



Place: Thane
 Dated: 11 November 2022



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

M.M. Kabra

M.M. Kabra
 Wholtime Director
 DIN : 00148294