

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 December 31, 2022 and the year to-date results for the period from April 01, 2022 to December 31, 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.



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	Evovx 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 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 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 interim financial results reflects total revenues from operations of Rs. 380.41 Mn and Rs. 1,150.86 Mn, total net (loss) after tax of Rs. (31.72) Mn and Rs. (5.46) Mn and total comprehensive (loss) of Rs. (34.14) Mn and Rs. (6.52) Mn, for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively before giving effect to the consolidation adjustments, as considered in the Statement. These interim 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 report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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



MSKA & Associates

Chartered Accountants

7. One subsidiary is located outside India whose interim financial results have been prepared in accordance with the accounting principles generally accepted in that respective country and which have been reviewed by other auditor under generally accepted auditing standards applicable in their respective country. The Holding Company's Management has converted the interim financial results of such subsidiary located outside India from accounting principles generally accepted in their respective 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 interim financial results reflects total revenue from operations of Rs. 28.57 Mn and Rs. 95.77 Mn, total net profit/(loss) after tax of Rs. 64.23 Mn and Rs. (28.23) Mn and total comprehensive income/(loss) of Rs. 35.63 Mn and Rs. (42.33) Mn for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, before giving effect to the consolidated 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 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: 23101739BGXTSM4522



Place: Mumbai
Date: February 11, 2023

Statement of Unaudited consolidated financial results for the quarter and nine months ended 31 December 2022

(₹ in million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-22 Unaudited	30-Sep-22 Unaudited	31-Dec-21 Unaudited	31-Dec-22 Unaudited	31-Dec-21 Unaudited	31-Mar-22 Audited
1 Revenue from operations	1,421.12	1,386.83	1,335.58	4,018.27	3,976.49	5,283.83
2 Other Income	85.15	38.70	12.06	143.79	30.38	64.20
3 Total Income (1+2)	1,506.27	1,425.53	1,347.64	4,162.06	4,006.87	5,348.03
4 Expenses						
(a) Cost of materials consumed	324.39	354.40	366.18	919.99	960.34	1302.58
(b) Purchases of stock-in-trade #	0.02	0.00	0.15	0.02	0.66	0.66
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	50.39	(18.59)	(56.21)	62.34	(180.25)	(206.05)
(d) Employee benefits expense	290.32	276.89	254.02	848.42	780.29	1039.59
(e) Finance costs (including exchange difference)	6.23	3.16	3.16	18.09	11.12	17.96
(f) Depreciation and amortisation expense	91.28	88.09	88.21	265.80	259.07	349.83
(g) Other expenses	339.10	377.35	280.90	1055.54	804.54	1142.88
Total Expenses	1,101.74	1,084.26	936.41	3,180.20	2,635.77	3,647.45
5 Profit before exceptional item and tax (3-4)	404.53	341.27	411.23	981.86	1,371.10	1,710.58
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5-6)	404.53	341.27	411.23	981.86	1,371.10	1,710.58
8 Tax expense						
Current tax	145.80	93.45	119.06	308.09	398.88	503.59
Deferred tax charge / (credit)	(20.37)	(14.69)	6.62	(42.74)	(13.02)	(31.00)
Total tax expense	125.43	78.76	125.68	265.35	385.86	472.59
9 Net profit for the period (7-8)	279.10	262.51	285.55	717.51	985.44	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)	(3.35)	2.02	(0.86)	(1.47)	(6.57)	1.39
(ii) Income tax related to items that will not be reclassified to profit or loss	0.94	(0.57)	0.23	0.41	1.70	(0.32)
B (i) Items that will be reclassified to profit or loss						
Exchange differences in translating financial statements of foreign operations	153.67	193.24	(4.22)	578.22	51.32	164.13
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other comprehensive Income	151.26	194.69	(4.85)	577.16	46.45	165.20
11 Total comprehensive income (9+10)	430.36	457.20	280.70	1,294.67	1,031.89	1,403.19
12 Net profit attributable to:						
Shareholders of the Company	284.36	262.08	274.84	735.15	951.50	1,195.82
Non-controlling interest	(15.26)	0.53	10.71	(17.64)	33.01	12.17
13 Other comprehensive income attributable to:						
Shareholders of the Company	151.60	194.50	(4.68)	577.27	46.52	164.57
Non-controlling interest	(0.34)	0.19	(0.17)	(0.11)	(0.07)	0.63
14 Total comprehensive income attributable to:						
Shareholders of the Company	445.85	456.58	270.17	1,312.42	998.03	1,360.39
Non-controlling interest	(15.59)	0.72	10.53	(17.75)	33.86	42.80
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.64	223.64	223.58	223.64	223.58	223.60
16 Other equity	-	-	-	-	-	10,662.33
17 Earnings Per Share of ₹ 2 each (not annualized)						
(a) ₹ (Basic)	2.63	2.34	2.46	6.57	8.51	10.70
(b) ₹ (Diluted)	2.63	2.34	2.45	6.57	8.50	10.68

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



U. U. K. Sharma

Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

Regd. Office and Corporate Office: Sun Magnetica, 5th Floor, Near LIC Service Road, Loulswadi, Thane-400604, Maharashtra, India.

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

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

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 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 11 February 2023. 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) On 18 August 2021, the Company had 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 was reduced by Rs. 123.67 million and Rs. 87.58 million was adjusted in other equity. Impact of additional stake of 15% acquired in subsidiary JC Biotech Private Limited as on the date of acquisition of the additional stake 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 21,400 equity shares during the nine months ended 31 December 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) On 3 January 2023, the Company has acquired additional stake of 4.83% in its subsidiary JC Biotech Private Limited for a consideration of Rs 68.00 million. Post this additional acquisition the Company holds 89.83% stake in JC Biotech Private Limited.

(viii) On 3 January 2023, the Company completed the acquisition of 50% of the paid up equity share capital in Saiganesh Enzytech Solutions Private Limited ('SESPL') for a total consideration of Rs 59.97 million. SESPL is primarily engaged into extracting Latex from papaya, purifying and providing finish papain enzyme in liquid form (agriculture extraction of Papain enzyme)

(ix) 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.

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



Place: Nashik

Dated: 11 February 2023

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

M.M. Kabra
Wholtime Director
DIN : 00148294

