

Advanced Enzyme Technologies Ltd.

CIN: L24200MH1989PLC051018

Sun Magnetica, 'A' wing, 5th Floor, LIC Service Road, Louiswadi, Thane (W)-400 604, India

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Email: info@advancedenzymes.com, www.advancedenzymes.com

Date : November 02, 2019

BSE Limited

P. J. Towers,
Dalai Street,
Mumbai- 400 001

Scrip Code-540025

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E) Mumbai- 400 051

Trading Symbol-ADVENZYMES

Subject: Outcome of Board Meeting held on November 02, 2019

Ref: ISIN: INE837H01020

With reference to the Board meeting notice dated October 22, 2019, we hereby inform that the Board of Directors in its meeting held on November 02, 2019 (commenced at 11:20 a.m. and concluded at 12:15 p.m.) has *inter-alia*, transacted the following business:

- Approval of the Unaudited Financial Results of the Company (Standalone & Consolidated) for the quarter and half year ended September 30, 2019.
- The Board has approved the appointment of Dr. Sunny Sharma (DIN: 02267273), as an Additional Director (Non-Executive) on the Board of the Company with immediate effect, to hold office upto the ensuing Annual General Meeting of the Company. Dr. Sunny Sharma is not a Relative of any Director of the Company.
- Approved the discontinuation of operations & closure of wholly owned subsidiary of the Company in Malaysia, Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM") and to initiate the process of closure thereto, since the company is not giving the desired results.

In view of the aforesaid, we are hereby enclosing the following:

- Unaudited Financial Results (Standalone & Consolidated) for the quarter ended September 30, 2019 along with the Limited Review report issued by B S R & Co. LLP, Statutory Auditors of the Company as **Annexure - I**.
- Earnings Presentation for the quarter and half year ended September 30, 2019.
- A brief profile of Dr. Sunny Sharma is enclosed herewith as **Annexure-II**.



The aforesaid financial results along with Limited review report are also being uploaded on the website of the Company, i.e. www.advancedenzymes.com

This is for your information and for public at large.

Thanking you,
Yours faithfully,
For Advanced Enzyme Technologies Limited



Sanjay Basantani
Company Secretary & Head
Encl: As above

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
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India

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Limited review report

To Board of Directors of Advanced Enzyme Technologies Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Advanced Enzyme Technologies Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended and year to date results for the period from 01 April 2019 to 30 September 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent'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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing 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 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. A review of interim financial information 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 Listing Regulations, to the extent applicable.

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

Sr. No.	Name of entity	Relationship	Country of incorporation
1	Advanced Bio-Agro Tech Limited	Subsidiary (60%)	India
2	Advanced Enzytech Solutions Limited	Wholly owned subsidiary	India
3	Advanced Enzymes USA, Inc. ("AEU")	Wholly owned subsidiary	U.S.A
4	Cal India Foods International ("CAL")	Wholly owned subsidiary of AEU	U.S.A
5	Advanced Supplementary Technologies Corporation	Wholly owned subsidiary of AEU	U.S.A
6	Enzyme Innovation, Inc.	Wholly owned subsidiary of CAL	U.S.A
7	Dynamic Enzymes, Inc.	Wholly owned subsidiary of AEU	U.S.A
8	JC Biotech Private Limited	Subsidiary (70%)	India
9	Advanced Enzymes (Malaysia) Sdn. Bhd	Wholly owned subsidiary	Malaysia
10	Advanced Enzymes Europe B.V. ("AEBV")	Wholly owned subsidiary	Netherlands
11	Evovx Technologies GmbH	Wholly owned subsidiary of AEBV	Germany

Limited review report (*Continued*)

Advanced Enzyme Technologies Limited

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 the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing 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 statements /financial information/ financial results of three subsidiaries included in the Statement, whose interim financial statements / financial information / financial results reflect total assets of Rs. 951 million as at 30 September 2019 and total revenues of Rs. 270 million and Rs. 496 million, total net profit after tax of Rs. 42 million and Rs. 55 million and total comprehensive income of Rs. 42 million and Rs. 55 million, for the quarter ended 30 September 2019 and for the period from 01 April 2019 to 30 September 2019, respectively, and cash flows (net) of Rs 2 million for the period from 01 April 2019 to 30 September 2019, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / 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 reports of the other auditors and the 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 Statement includes the interim financial statements/ financial information/ financial results of three subsidiaries which have not been reviewed, whose interim financial statements/ financial information/ financial results reflect total assets of Rs. 781 million as at 30 September 2019 and total revenue of Rs. 24 million and Rs. 58 million, total net (loss) after tax of Rs. (18) million and Rs. (18) million and total comprehensive (loss) of Rs. (16) million and Rs. (17) million for the quarter ended 30 September 2019 and for the period from 01 April 2019 to 30 September 2019, respectively, and cash flows (net) of Rs. 19 million for the period from 01 April 2019 to 30 September 2019, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial statements / financial information / financial results are not material to the Group.

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Sadashiv Shetty

Partner

Membership No. 048648

UDIN: 19048648AAAACL3816

Mumbai
2 November 2019

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.

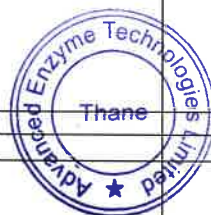
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Statement of unaudited consolidated financial results for the quarter and six months ended 30 September 2019

(₹ in million except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	30th Sept 2019 Unaudited	30th June 2019 Unaudited	30th Sept 2018 Unaudited	30th Sept 2019 Unaudited	30th Sept 2018 Unaudited	31st March 2019 Audited
1 Revenue from operations	1,114.42	1,103.36	1,031.51	2,217.78	2,074.34	4,195.91
2 Other Income	15.36	10.60	20.16	25.96	23.94	50.36
3 Total Income (1+2)	1,129.78	1,113.96	1,051.67	2,243.74	2,098.28	4,246.27
4 Expenses						
(a) Cost of materials consumed	249.83	224.22	109.87	474.05	340.29	657.11
(b) Purchases of stock-in-trade	0.49	0.79	0.73	1.28	0.97	2.38
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8.16)	(37.55)	95.38	(45.71)	35.78	112.88
(d) Employee benefits expense	204.83	204.42	195.89	409.25	397.34	802.29
(e) Finance costs (including exchange difference)	7.35	8.15	22.58	15.50	36.30	38.70
(f) Depreciation and amortisation expense	64.71	62.60	52.51	127.31	104.34	211.16
(g) Other expenses	194.75	176.61	208.41	371.36	395.12	802.11
Total Expenses	713.80	639.24	685.37	1,353.04	1,310.14	2,626.63
5 Profit before exceptional item and tax (3-4)	415.98	474.72	366.30	890.70	788.14	1,619.64
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5-6)	415.98	474.72	366.30	890.70	788.14	1,619.64
8 Tax expense						
Current tax	119.74	134.03	124.79	253.77	247.27	480.33
Deferred tax charge / (credit)	(22.19)	1.01	(17.14)	(21.18)	(30.10)	(19.72)
Total tax expense	97.55	135.04	107.65	232.59	217.17	460.61
9 Net profit for the period (7-8)	318.43	339.68	258.65	658.11	570.97	1,159.03
10 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	(0.01)	(4.03)	0.61	(4.04)	0.46	1.22
(ii) Income tax related to items that will not be reclassified to profit or loss	0.01	1.18	(0.41)	1.19	(0.15)	(0.35)
B (i) Items that will be reclassified to profit or loss	92.47	(9.99)	209.44	82.48	359.28	138.56
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other comprehensive income	92.47	(12.84)	209.64	79.63	359.59	139.43
11 Total comprehensive income (9+10)	410.90	326.84	468.29	737.74	930.56	1,298.46
12 Net profit attributable to:						
Shareholders of the Company	309.53	334.03	247.34	643.55	543.99	1,110.59
Non-controlling interest	8.90	5.65	11.31	14.56	26.98	48.44
13 Other comprehensive income attributable to:						
Shareholders of the Company	92.39	(12.72)	209.88	79.67	360.03	139.04
Non-controlling interest	0.08	(0.12)	(0.24)	(0.04)	(0.44)	0.39
14 Total comprehensive income attributable to:						
Shareholders of the Company	401.91	321.31	457.22	723.22	904.02	1,249.63
Non-controlling interest	8.99	5.53	11.07	14.52	26.54	48.83
15 Paid-up Equity Share Capital. (Face Value ₹ 2 each fully paid up)	223.35	223.34	223.30	223.35	223.30	223.30
16 Other equity						6,565.15
17 Earnings Per Share of ₹ 2 each (not annualized)						
(a) ₹ (Basic)	2.77	2.99	2.21	5.76	4.87	9.95
(b) ₹ (Diluted)	2.77	2.99	2.21	5.76	4.87	9.94



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Statement of consolidated assets and liabilities

Particulars	(₹ in million)	
	As at 30 Sept 2019	As at 31 March 2019
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	1,706.24	1,617.64
(b) Capital work-in-progress	103.03	47.54
(c) Goodwill	2,763.90	2,714.74
(d) Other Intangible assets	593.92	622.26
(e) Intangible assets under development	53.69	57.41
(f) Financial Assets		
(i) Investments	0.62	0.62
(ii) Loans	21.85	21.81
(iii) Other financial assets	0.04	0.04
(g) Deferred tax assets (net)	65.55	59.14
(h) Income tax assets (net)	79.20	77.56
(i) Other non-current assets	17.76	23.37
Total non-current assets	5,405.80	5,242.13
(2) Current Assets		
(a) Inventories	745.76	768.99
(b) Financial Assets		
(i) Investments	1,140.20	1,109.85
(ii) Trade receivables	665.11	587.27
(iii) Cash and cash equivalents	688.38	230.62
(iv) Bank balances other than (iii) above	3.35	3.50
(v) Loans	0.70	1.29
(vi) Other financial assets	31.28	22.42
(c) Income tax asset	28.35	-
(c) Other current assets	92.68	96.69
Total current assets	3,395.81	2,820.63
(3) Non-current assets held for sale (refer note viii)	48.17	48.17
Total assets	8,849.78	8,110.93
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.35	223.30
(b) Other equity	7,214.76	6,565.15
(c) Non-controlling interest	267.23	259.62
Total equity	7,705.34	7,048.07
Total equity	7,705.34	7,048.07
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	56.46	70.48
(ii) Lease liability	100.28	-
(b) Provisions	6.34	5.46
(c) Deferred tax liabilities (net)	296.32	281.98
Total non-current liabilities	459.40	357.92
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	134.53	213.45
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	8.01	5.95
b) total outstanding dues of creditors other than micro enterprises and small enterprises	72.67	90.90
(iii) Other financial Liabilities	231.33	233.06
(b) Other current liabilities	156.09	56.59
(c) Provisions	25.27	26.77
(d) Current tax liabilities (net)	2.38	24.46
(e) Net employee benefit liabilities	-	-
Total current liabilities	630.28	651.18
(4) Liabilities for non-current assets held for sale (refer note viii)	54.76	53.76
Total equity and liabilities	8,849.78	8,110.93



Statement of unaudited consolidated statement of cash flows for the six months ended 30 September 2019

(₹ in million)

	Period ended 30-Sep-19 Unaudited	Period ended 30 Sept 2018 Unaudited
A. Cash flows from operating activities		
Profit before tax	890.70	788.14
	890.70	788.14
Adjustments for non-cash transactions		
Depreciation and amortization expense	127.31	104.34
(Profit) / Loss on sale of Property, plant and equipments	-	(0.06)
Allowances for bad and doubtful trade receivables	-	(5.61)
Bad and doubtful trade receivables written off	0.26	9.38
Goodwill written off	0.93	-
Provision for doubtful trade receivables written back	0.24	0.04
Employee stock compensation expense	5.59	9.04
Excess provision written back	-	(5.68)
Sundry balances written off	0.26	0.01
Unrealized foreign exchange loss/(gain)	(0.18)	1.62
	1025.11	901.22
Items considered separately		
Interest income	(1.93)	(0.66)
Interest expenses	14.41	21.90
Operating profit before working capital changes	1037.59	922.46
Adjustments for:		
Decrease in Non-current loans	0.02	0.02
Decrease) / (Increase) in other non-current assets	4.54	(4.80)
Decrease in inventories	29.35	10.87
(Increase) / Decrease in trade receivables	(76.03)	14.54
Decrease in Current loans	0.31	20.35
(Increase) in financial current assets	(8.96)	(1.81)
Decrease) / (Increase) in Other current assets	2.49	(11.86)
Increase in provisions	117.08	68.82
(Decrease) in trade payables	(16.64)	(47.16)
(Decrease) / Increase in current financial liabilities - others	(38.86)	8.05
(Decrease) / Increase in other current liabilities	(27.64)	10.21
Cash generated from operating activities	1023.25	989.69
Income taxes paid (net of refund)	(274.89)	(232.04)
Net cash generated from operating activities	748.36	757.65
B. Cash flows from investing activities		
Purchase of Property, plant and equipments	(75.59)	(61.95)
Proceeds from sale of Property, plant and equipments	-	0.09
Purchase of intangible assets (net of refund)	3.52	(5.10)
Purchase of current investments	(5.98)	(687.61)
Interest received	1.97	0.53
(Increase) in bank deposits with maturity more than 3 months but less than 12 months	(0.07)	(0.06)
Net cash (used in) investing activities	(76.15)	(754.10)
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	1.65	2.85
(Repayment of) long-term borrowings (net)	(25.82)	(53.75)
(Repayment of) short-term borrowings (net)	(78.65)	(53.47)
Interest paid	(13.92)	(23.80)
Lease liability paid	(18.55)	-
Dividends paid (including dividend tax)	(80.78)	(70.73)
Net cash generated from financing activities	(216.07)	(198.90)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	456.14	(195.35)
Cash and cash equivalents as at the beginning of the period	230.62	611.31
Effect of exchange rate changes on cash and cash equivalents held	1.62	14.43
Cash and cash equivalents as at the end of the period*	688.38	430.39
* Composition of cash and cash equivalents		
Cash in hand	0.79	0.94
Balance with banks :		
Current account	322.30	392.80
Fixed deposit account (with maturity less than 3 months)	64.03	36.65
Liquid fund balance (with maturity less than 3 months)	301.26	-
	688.38	430.39



Advanced Enzyme Technologies Limited

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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), 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 2 November 2019. 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) The Group operates only in one primary business segment viz. 'manufacturing and sales of enzymes'.

(iv) During the quarter ended 30 September 2019, the Company has allotted 8,400 equity shares to employees under the 'AETL Employee Stock Option Scheme 2015' - ("AETL ESOS 2015") and during the six months then ended, the Company has allotted 27,500 equity shares to employees under AETL ESOS 2015.

(v) The Group has adopted Ind AS 116 'Leases', effective annual reporting period beginning 1 April, 2019 and applied the standard to its leases using modified retrospective approach. Accordingly the Group is not required to restate the comparative information for the previous year/period. There is no impact of adoption of Ind AS 116 to the retained earnings as at 1 April, 2019.

The Group has recognised, a lease liability of Rs. 150.69 million and corresponding Right-of-Use (ROU) asset on the date of transition i.e. 1 April, 2019.

The major impact of adopting Ind AS 116 on the Group's unaudited consolidated financial results for the quarter and six months ended 30 September, 2019 is as follows:

1. Depreciation and amortisation expenses has increased by Rs. 13.29 and Rs. 24.91 million for the quarter and six months ended 30 September 2019 respectively, due to amortisation of ROU asset.
2. Finance cost has increased by Rs. 2.50 and Rs. 4.60 million for the quarter and six months ended 30 September 2019 respectively, due to interest accrued on outstanding lease liability.
3. Rent expense has decreased by Rs. 11.23 and Rs. 23.15 million for the quarter and six months ended 30 September 2019 respectively, due to recognition of operating lease as ROU asset and a corresponding lease liability.

(vi) The Company and one of its subsidiary viz. JC Biotech Private Limited has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019 from subsequent financial year. Accordingly, there is no impact on the provision for income tax for the quarter and six months ended 30 September 2019. These two companies expect to reverse the deferred tax liabilities partly in the current financial year and partly in the subsequent years. Accordingly, the deferred tax balances have been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse, and the resultant impact shall be recognised in the statement of profit and loss over three quarters (including current quarter) of financial year 2019-20. Advanced Bio-Agro Tech Limited and Advanced Enzytech Solutions Limited, subsidiaries of the Company has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019 from current financial year. Accordingly the provision for income tax and deferred tax balances have been recorded/re-measured using the new tax rate and the resultant impact has been recognised in the current period Statement of Profit and Loss.

(vii) The Group has discontinued the operations of one of its subsidiary Advanced Enzymes Malaysia Sdn. Bhd. ('AEM') and the goodwill on acquisition of AEM amounting to Rs. 0.93 million has been written off. Also the Company will initiate the procedure for winding up of AEM.

(viii) The Company has decided to sell the lease rights for one of its leasehold land situated at Jalna, Maharashtra. Accordingly, the cost of land and building appurtenant thereto along with the development costs has been classified as non-current assets held for sale.

(ix) The Shareholders in its meeting held on 8 August 2019 have approved the final dividend for the financial year 2018-19 of Rs 0.60 per equity share and the same was paid on 13 August 2019.

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

M.M. Kabra

M.M. Kabra
Wholetime Director
DIN : 00148294



Place: Thane
Dated: 02 November 2019



B S R & Co. LLP

Chartered Accountants

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India

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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 2019 and year to date results for the period from 01 April 2019 to 30 September 2019 ("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



Sadashiv Shetty
Partner

Membership No: 048648

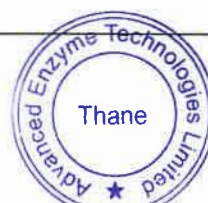
UDIN: 19048648AAAACM9370

Mumbai
2 November 2019

Statement of standalone assets and liabilities

(₹ in million)

Particulars	As at	As at
	30 Sep 2019	31 March 2019
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	935.33	950.20
(b) Capital work-in-progress	20.61	12.61
(c) Other Intangible assets	20.03	23.31
(d) Intangible assets under development	53.69	57.40
(e) Financial Assets		
(i) Investments		
- Investment in subsidiaries	1,196.75	1,204.02
- other investment	0.62	0.62
(ii) Loans	369.14	355.36
(iii) Other financial assets	0.04	0.04
(f) Income tax asset (net)	76.03	71.16
(g) Other non-current assets	14.30	14.22
Total non-current assets	2,686.54	2,688.94
(2) Current Assets		
(a) Inventories	553.65	586.16
(b) Financial Assets		
(i) Trade receivables	432.36	381.46
(ii) Cash and cash equivalents	1.63	1.86
(iii) Bank balances other than (ii) above	3.35	3.50
(iv) Loans	0.17	0.24
(v) Other financial assets	18.77	10.35
(c) Other current assets	67.81	38.22
Total current assets	1,077.74	1,021.79
(3) Non-current assets held for sale (refer note viii)	48.17	48.17
Total assets	3,812.45	3,758.90
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.35	223.30
(b) Other equity	3,143.27	2,971.42
Total equity	3,366.62	3,194.72
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	8.36	16.96
(ii) Lease liability	3.74	-
(b) Provisions	5.59	5.14
(c) Deferred tax liabilities (net)	62.89	38.53
Total non-current liabilities	80.58	60.63
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	99.21	165.11
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	1.25	0.69
b) total outstanding dues of creditors other than micro enterprises and small enterprises	79.78	155.15
(iii) Other financial Liabilities	102.84	86.96
(b) Other current liabilities	10.08	24.92
(c) Provisions	17.14	16.60
(d) Current tax liabilities (net)	0.19	0.36
Total current liabilities	310.49	449.79
(4) Liabilities for non-current assets held for sale (refer note viii)	54.76	53.76
Total equity and liabilities	3,812.45	3,758.90



U. U. K.

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

	30 Sep 2019 Rs. in million Unaudited	30 Sep 2018 Rs. in million Unaudited
A. Cash flows from operating activities		
Profit before tax	<u>324.53</u>	<u>259.97</u>
	<u>324.53</u>	<u>259.97</u>
Adjustments for non-cash transactions		
Depreciation and amortization expense	43.24	42.10
(Profit) / Loss on sale of property, plant and equipment	-	(0.06)
Bad debts written off	0.26	-
Provision for doubtful trade receivables provided / (written back)	-	0.04
Employee stock compensation expense	5.27	8.57
Guarantee commission	(0.80)	(0.80)
Excess provision written back	0.00	(5.68)
Sundry balances written off/ (back) (net)	0.26	0.01
Unrealized foreign exchange loss/(gain)	(0.23)	1.70
Provision for investments and loans given to subsidiary	10.52	-
	<u>383.05</u>	<u>305.85</u>
Items considered separately		
Interest income	(15.95)	(13.48)
Interest expenses	3.92	13.27
Dividend income	(8.10)	(9.30)
Operating profit before working capital changes	<u>362.92</u>	<u>296.34</u>
Adjustments for working capital changes		
(Increase) in Non-current loans	(0.13)	(32.41)
(Increase) / Decrease in other non-current assets	(1.16)	0.50
Decrease / (Increase) in inventories	32.50	(26.78)
(Increase) in trade receivables	(51.12)	(37.75)
Decrease in Current loans	0.08	20.35
(Increase) in financial current assets - Others	(8.80)	(2.25)
(Increase) in Other current assets	(29.59)	(5.79)
(Decrease) in provisions	(2.75)	(7.11)
(Decrease) in trade payables	(75.15)	(27.10)
Increase in current financial liabilities - others	15.89	6.63
(Decrease) / Increase in other current liabilities	(14.84)	17.80
Cash generated from operating activities	<u>227.85</u>	<u>202.43</u>
Income taxes paid (net)	(59.89)	(36.01)
Net cash generated from operating activities	<u>167.96</u>	<u>166.42</u>
B. Cash flows from investing activities		
Purchase of property, plant and equipment (tangible and intangible both)	(23.81)	(24.24)
Proceeds from sale of property, plant and equipment	-	0.09
Capital expenditure on intangible assets under development	-	-
Purchase of intangible assets (net of refunds)	3.52	(4.82)
Purchase of non-current investments	-	(1.78)
Interest received	0.53	0.51
Dividend received	8.10	9.30
(Increase) / Decrease in bank deposits with maturity more than 3 months but less than 12 months	(0.07)	(0.06)
(Increase) / Decrease in bank deposits with maturity of more than 12 months #	(0.00)	(0.00)
Net cash (used in) investing activities	<u>(11.73)</u>	<u>(21.00)</u>
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	1.65	1.13
Repayment of long-term borrowings (net)	(10.37)	(27.01)
Repayment of short-term borrowings (net)	(65.63)	(41.22)
Interest paid	(3.92)	(14.54)
Payment of Lease liabilities	(1.30)	-
Dividends paid (including dividend distribution tax)	(76.89)	(61.38)
Net cash generated from financing activities	<u>(156.46)</u>	<u>(143.02)</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(0.23)</u>	<u>2.40</u>
Cash and cash equivalents as at the beginning of the period	<u>1.86</u>	<u>1.90</u>
Cash and cash equivalents as at the end of the period*	<u>1.63</u>	<u>4.30</u>
* Composition of cash and cash equivalents		
Cash in hand	0.34	0.63
Balance with banks :		
Current account	1.16	3.52
Fixed deposit account (with maturity less than 3 months)	0.13	0.15
	<u>1.63</u>	<u>4.30</u>



Advanced Enzyme Technologies Limited

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

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 2 November 2019. 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 unaudited standalone financial results have 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.

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

(iii) The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach. Accordingly, the Company is not required to restate the comparative information for the previous year/period. There is no impact of adoption of Ind AS 116 to the retained earnings as at 1 April 2019.

The Company has recognised, a lease liability of Rs. 8.03 million and corresponding Right-of-Use (ROU) asset on the date of transition i.e. 1 April, 2019.

The major impact of adopting Ind AS 116 on the Company's unaudited standalone financial results for the quarter and six months ended 30 September 2019 is as follows:

- Depreciation and amortisation expenses has increased by Rs. 0.77 million and Rs. 1.54 million for the quarter and six months ended 30 September 2019 respectively due to amortisation of ROU asset.
- Finance cost has increased by Rs 0.17 million and Rs. 0.35 million for the quarter and six months ended 30 September 2019 respectively due to interest accrued on outstanding lease liability.
- Rent expense has decreased by Rs 0.83 million and Rs. 1.66 million for the quarter and six months ended 30 September 2019 respectively due to recognition of operating lease as ROU asset and a corresponding lease liability.

(iv) During the quarter ended 30 September 2019, the Company has allotted 8,400 equity shares to employees under the 'AETL Employee Stock Option Scheme 2015' ('AETL ESOS 2015') and during the six months then ended, the Company has allotted 27,500 equity shares to employees under AETL ESOS 2015.

(v) The shareholders in its meeting held on 8 August 2019 have approved the final dividend for the financial year 2018-19 of Rs 0.60 per equity share and the same was paid on 13 August 2019.

(vi) During the quarter ended 30 September 2019, the Company has provided for impairment in the value of investment made in Advanced Enzymes Malaysia Sdn. Bhd. ('AEM'), loan given to AEM and interest receivable from AEM aggregating to Rs. 10.5 million.

(vii) The Company has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019 from financial year 2021-22. Accordingly, there is no impact on the provision for income tax for the quarter and six months ended 30 September 2019. The Company expects to reverse the deferred tax liabilities partly in the current financial year and partly in the subsequent periods. Accordingly, the deferred tax balances have been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse, and the resultant impact shall be recognised in statement of profit and loss over three quarters (including current quarter) of financial year 2019-20.

(viii) The Company has decided to sell the lease rights for one of its leasehold land situated at Jaina, Maharashtra. Accordingly, the cost of land and building appurtenant thereto along with the development costs has been classified as non-current assets held for sale.

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

M. M. Kabra

M. M. Kabra
Wholtime Director
DIN : 00148294



Place: Thane
Dated: 2 November 2019

Annexure – II

Dr. Sunny Sharma is a Senior Managing Director of OrbiMed Asia. Prior to joining OrbiMed, Dr. Sharma was with Investor Growth Capital (IGC), the investment arm of Investor AB in North America, and before that with Easton Capital in New York. Earlier in his career, Dr. Sharma worked in the healthcare investment banking group of Lehman Brothers in London, and before that he practiced medicine in northern India. Dr. Sharma holds an M.B.A. from the Indian Institute of Management, Bangalore and a medical degree (M.B.B.S.) from Christian Medical College, Ludhiana where he was awarded the Vipin Khanna Memorial Gold Medal for graduating as the best intern.

hsh



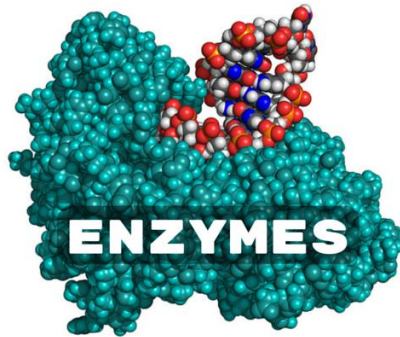
Advanced Enzyme Technologies Limited



Where ENZYME is Life

Earning Presentation | Q2FY20

This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.



What are enzymes?

Enzymes are natural protein molecules that act as catalysts within living cells, produced by all living organisms. Function as specialized catalysts and accelerate the pace of biochemical reactions.

Advanced uses enzymes to replace chemicals in, and improve efficiency of, a wide variety of industrial processes for its customers.

Company Overview



Advanced Enzymes is a research driven company with global leadership in the manufacturing of enzymes. We are committed to providing eco-safe solutions to a wide variety of industries like human health care and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, speciality applications, textile processing and others. Our aim is to replace traditionally used chemicals with eco-friendly enzymatic solutions.

Mission

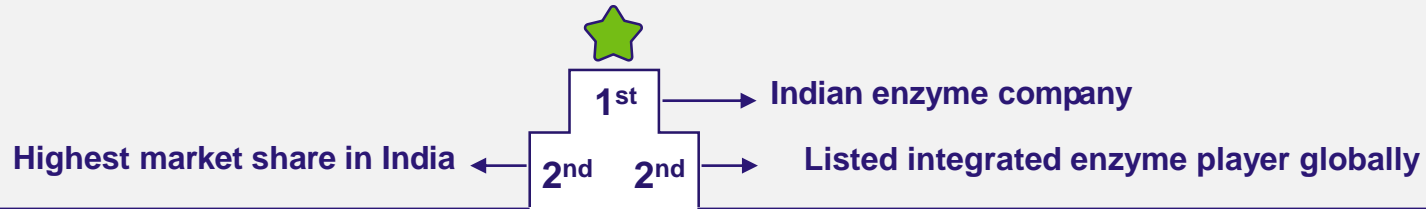


It is our mission to see that every human being is able to take advantage of the power of enzymes for well-being and leading a healthy life!

Vision



Our vision at Advanced Enzymes is to become the largest, enzyme-based, value provider to consumers and processors globally!



Amongst Top 15 Global Enzyme Companies



Manufacturing Units – 7

India - 5 USA - 2



R&D Units – 7

India – 4 | USA – 1 | Germany – 2



68+

Enzymes & Probiotics



400+

Proprietary Products



700+

Customers Worldwide



45+

Countries Worldwide Presence



25+

Years of Fermentation Experience



7

Registered Patents



11

Food Enzyme Dossiers filed with EFSA



2*

GRAS Dossier evaluated by US FDA



420

m³ Fermentation Capacity



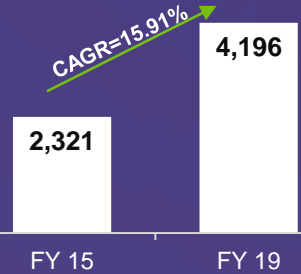
550+

Employees

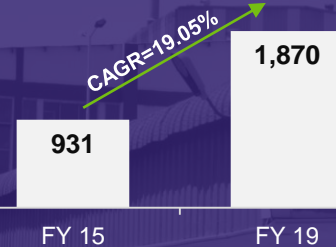
Note: Facts & Figures as on 31st March 2019

*1 GRAS Dossier under evaluation with US FDA

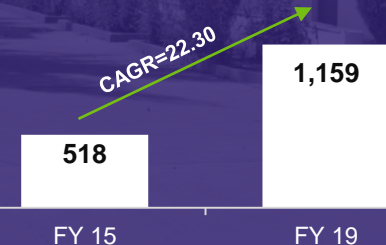
Revenue (₹ mn)



EBIDTA (₹ mn)

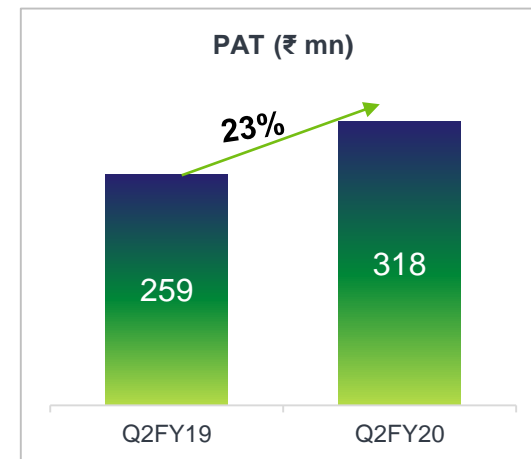
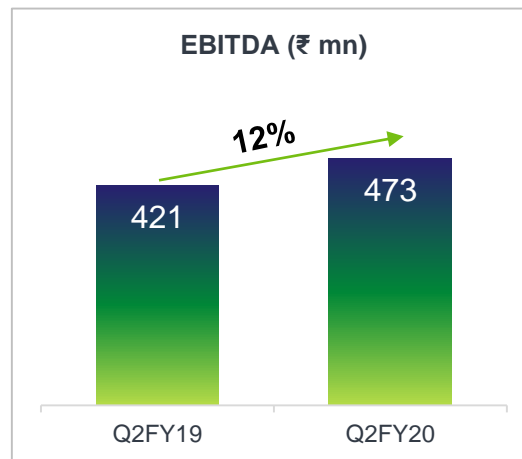
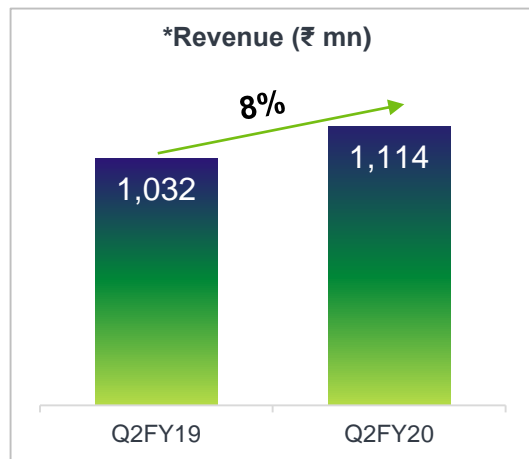


PAT (₹ mn)



Note: 2015: as per IGAAP | 2019: as per IndAs

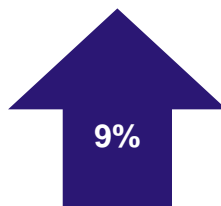
Results Summary – Q1FY20 (Consolidated)



Revenue Breakup ₹ in Million

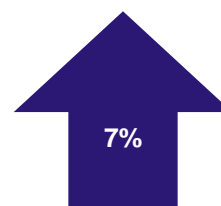
*YoY Growth

Animal HC



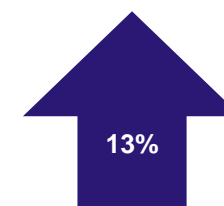
Q2FY20	129
Q2FY19	118

Human HC



Q2FY20	824
Q2FY19	770

Industrial Bio-Processing



Q2FY20	161
Q2FY19	142

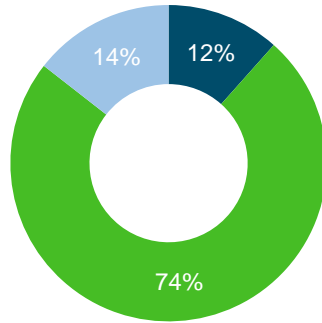
Note: 1. On Consolidated Basis
2. PAT is before minority

3. Segment-wise revenue does not include other operating income and Ind AS adjustments

4. Ind AS adjustments are carried out on account of commission and discount.

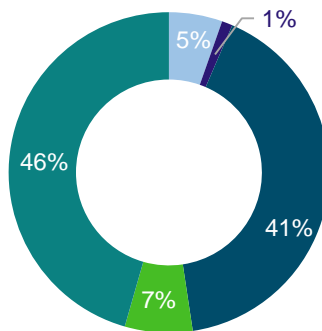
Q2FY20

Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Bio-Processing

Geographical Revenue Split (%)



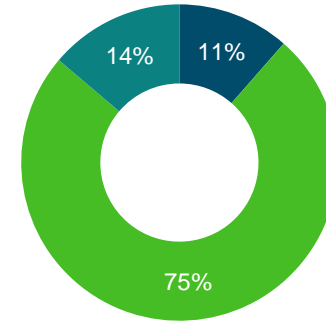
■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

Note: 1. On Consolidated Basis
2. PAT is before minority

3. Segment-wise revenue does not include other operating income and Ind AS adjustments

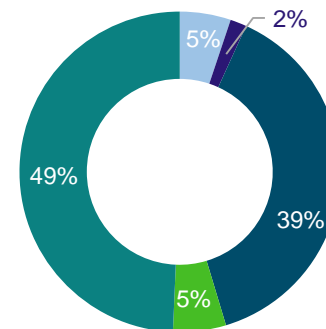
Q2FY19

Segmental Revenue Split (%)



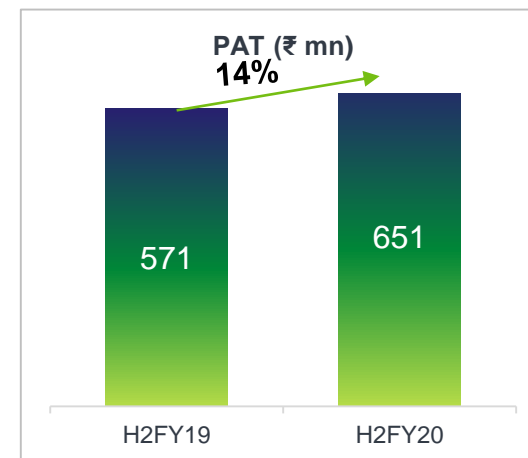
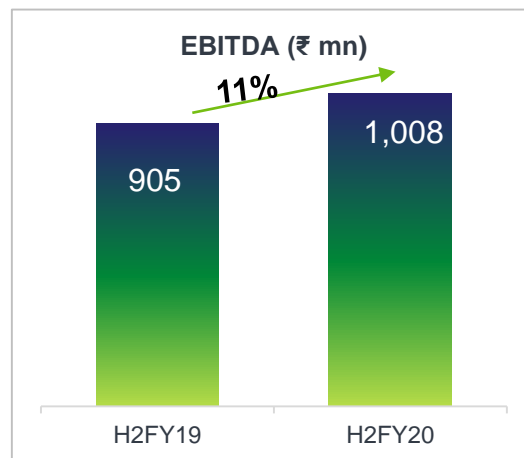
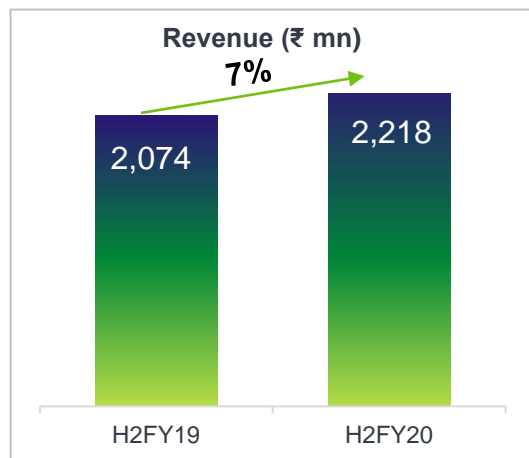
■ Animal HC ■ Human HC ■ Bio-Processing

Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

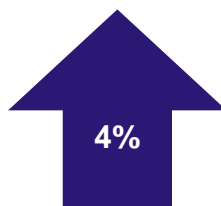
4. Ind AS adjustments are carried out on account of commission and discount.



Revenue Breakup ₹ in Million

*YoY Growth

Animal HC



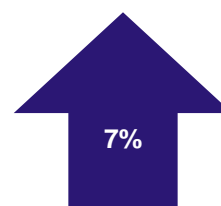
H1FY20

261

H1FY19

250

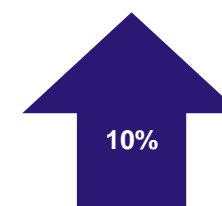
Human HC



1,630

1,527

Industrial Bio-Processing



324

294

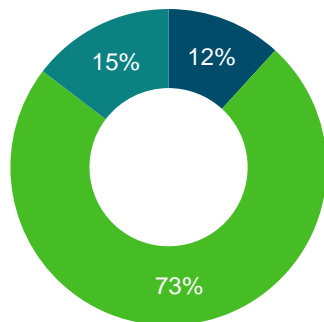
Note: 1. On Consolidated Basis
2. PAT is before minority

3. Segment-wise revenue does not include other operating income and Ind AS adjustments

4. Ind AS adjustments are carried out on account of commission and discount.

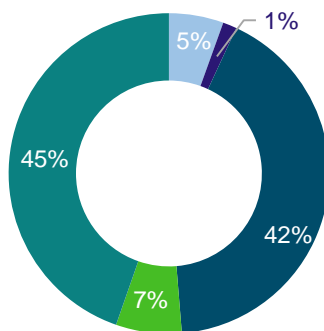
H1FY20

Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Bio-Processing

Geographical Revenue Split (%)



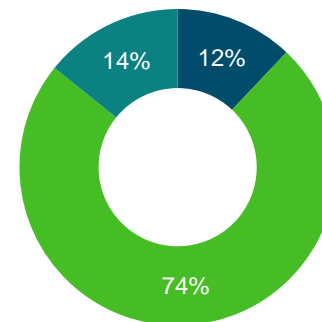
■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

Note: 1. On Consolidated Basis
2. PAT is before minority

3. Segment-wise revenue does not include other operating income and Ind AS adjustments

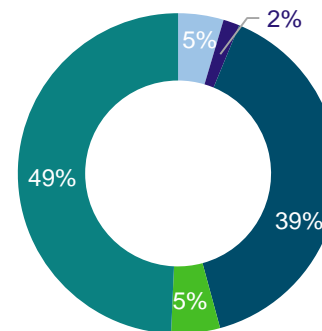
H1FY19

Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Bio-Processing

Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

4. Ind AS adjustments are carried out on account of commission and discount.

Profit & Loss (Consolidated) – Q2FY20 & H1FY20

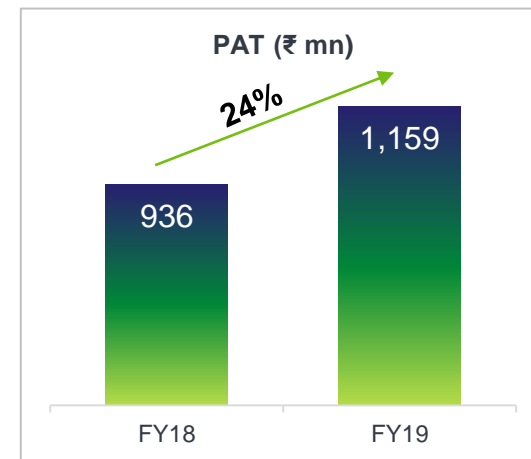
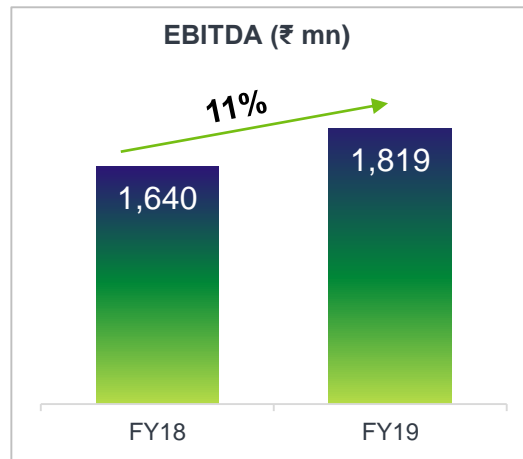
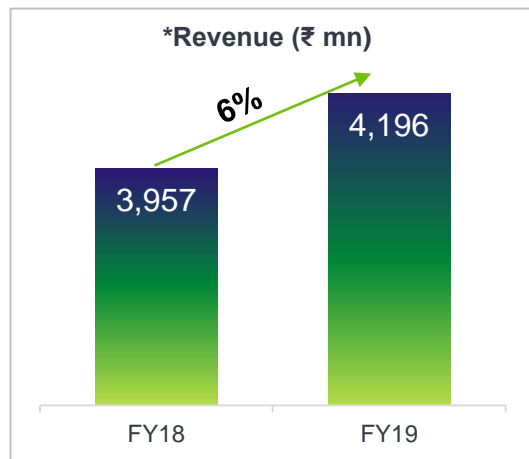
₹ in Million except per share data

Particulars	Q2FY20 Unaudited	Q1FY20 Unaudited	Q2FY19 Unaudited	Y-o-Y (%)	H1FY20 Unaudited	H1FY19 Unaudited	Y-o-Y (%)
Income from Operations	1,114	1,103	1,032	8%	2,218	2,075	7%
Expenses	706	631	663	6%	1,338	1,274	5%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	408	472	369	11%	860	801	7%
Other Income	15	11	20	(25%)	26	24	8%
Profit from ordinary activities before Finance Costs and Exceptional Item	423	483	389	9%	906	825	10%
Finance costs	7	8	23	(70%)	15	37	(59%)
Profit from ordinary activities before exceptional item and tax	416	475	366	14%	891	788	13%
Profit from ordinary activities before tax	416	475	366	14%	891	788	13%
Tax	98	135	107	(8%)	233	217	7%
Net Profit for the period	318	340	259	23%	658	571	15%
Earnings Per Share	2.77	2.99	2.22		5.76	4.87	

Balance Sheet (Consolidated) – H1FY20

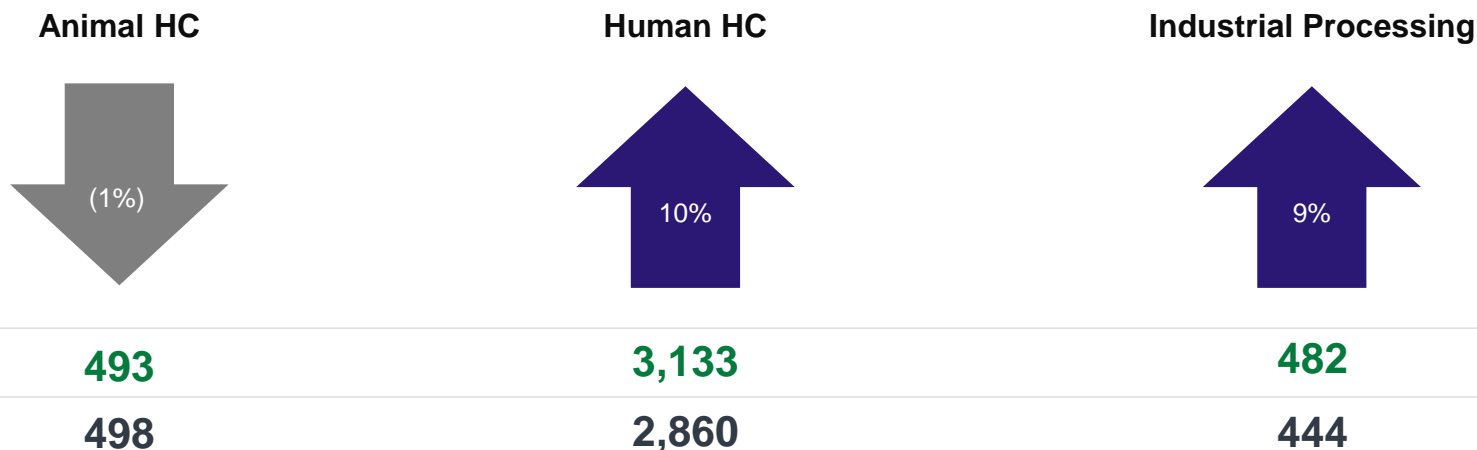
₹ in Million

Particulars	H1FY20 Unaudited	H1FY19 Unaudited
Assets		
Property, plant and equipment	1,706	1,647
Capital work-in-progress	157	103
Intangible assets	594	677
Goodwill	2,764	2,850
Other non-current assets	185	173
Current assets	3,396	2,725
Assets held for sale	48	48
Total Assets	8,850	8,223
Equity And Liabilities		
Equity share capital	223	223
Other equity	7,215	6,214
Non-controlling interest	267	245
Non-current liabilities	460	428
Current liabilities	630	1,067
Liabilities classified as held for sale	55	46
Total – Equity and Liabilities	8,850	8,223



Revenue Breakup ₹ in Million

*YoY Growth



Note: 1.. On Consolidated Basis

2. Segmental Revenue excluding excise duty

3. EBITDA is excluding other income

4. Does not include sales made by Evoxx

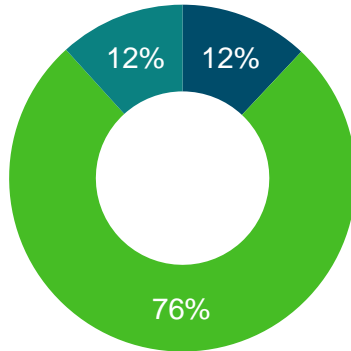
5. PAT is before minority

6. Segment-wise revenue does not include other operating income

7. Ind AS adjustments are carried out on account of commission and discount.

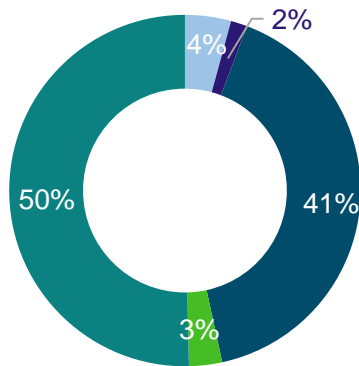
FY19

Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Bio-Processing

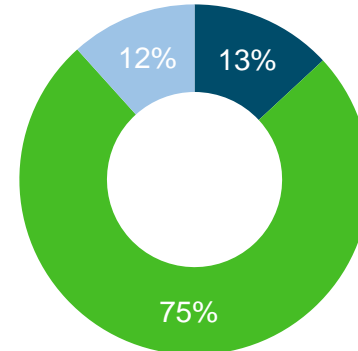
Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

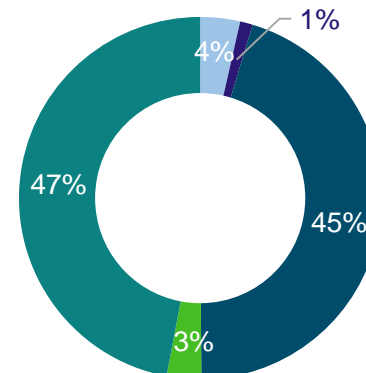
FY18

Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Bio-Processing

Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

Note: 1.. On Consolidated Basis

2. Segmental Revenue excluding excise duty

3. Does not include sales made by Evoxx

4. Segment-wise revenue does not include other operating income

5. Ind AS adjustments are carried out on account of commission and discount.

Profit & Loss (Consolidated) – FY19

₹ in Million except per share data

Particulars	FY19 Audited	FY18 Audited	Y-o-Y (%)
Income from Operations	4,196	3,957	6%
Expenses	2,588	2,500	4%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	1,608	1,457	10%
Other Income	50	14	261%
Profit from ordinary activities before Finance Costs and Exceptional Item	1,658	1,471	13%
Finance costs	39	81	(52%)
Profit from ordinary activities before exceptional item and tax	1,620	1,390	17%
Profit from ordinary activities before tax	1,620	1,390	17%
Tax	461	454	1%
Net Profit for the period	1,159	936	24%
Earnings Per Share	9.95	8.07	

Balance Sheet (Consolidated) – FY19

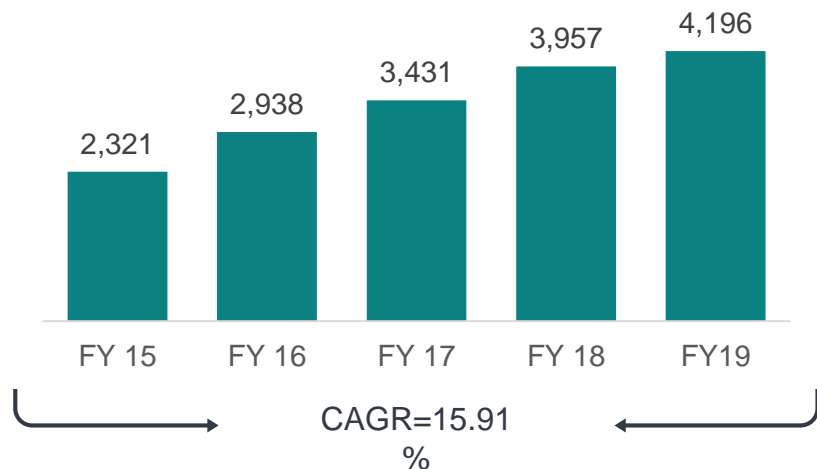
₹ in Million

Particulars	FY19 Audited	FY18 Audited
Assets		
Property, plant and equipment	1,618	1,667
Capital work-in-progress	105	105
Intangible assets	622	662
Goodwill	2,715	2,584
Other non-current assets	183	143
Current assets	2,821	2,107
Assets held for sale	48	48
Total Assets	8,111	7,316
Equity And Liabilities		
Equity share capital	223	223
Other equity	6,565	5,368
Non-controlling interest	260	226
Non-current liabilities	358	471
Current liabilities	651	987
Liabilities classified as held for sale	54	41
Total – Equity and Liabilities	8,111	7,316

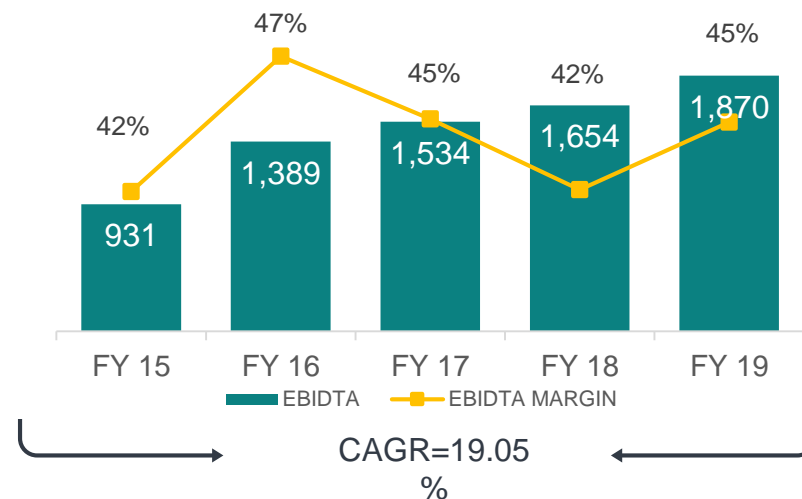
Strong Financial Performance – FY19

₹ in Million

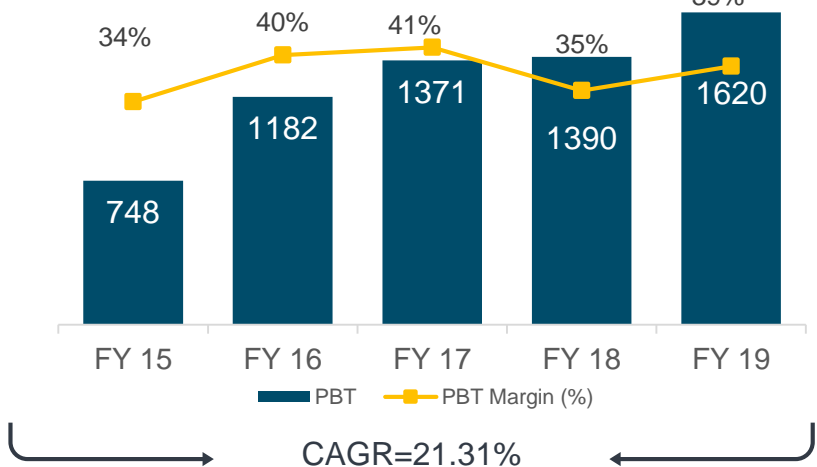
Revenue from Operations



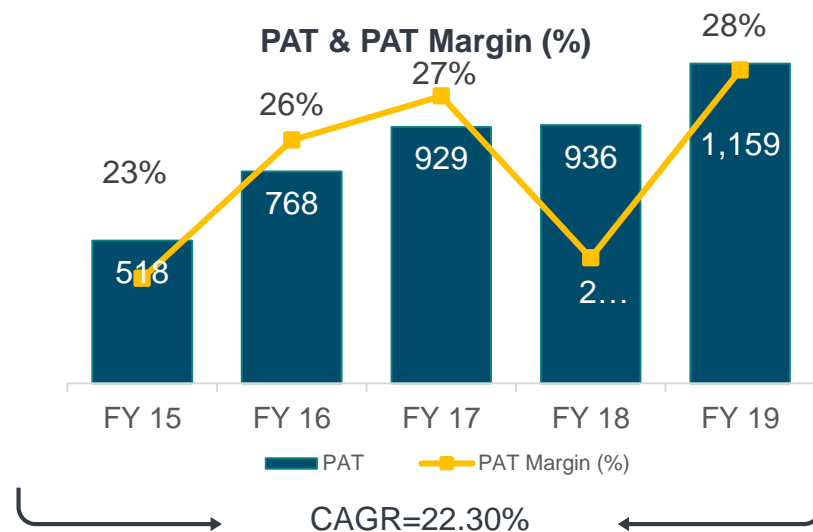
EBIDTA & EBIDTA Margin (%)



PBT & PBT Margin (%)



PAT & PAT Margin (%)

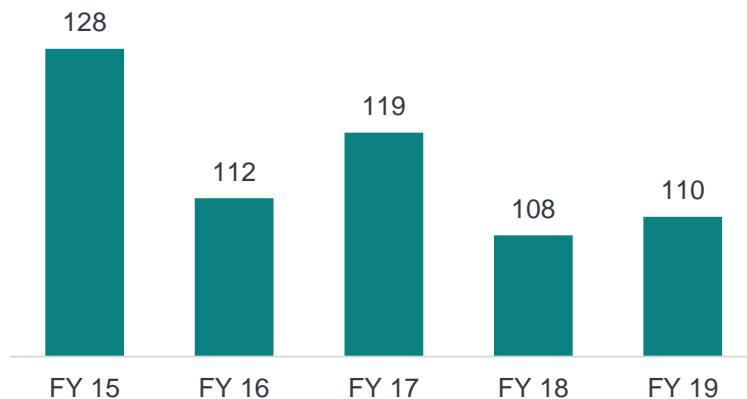


Note: As per IGAAP | FY17, FY18, FY19 – as per IndAs

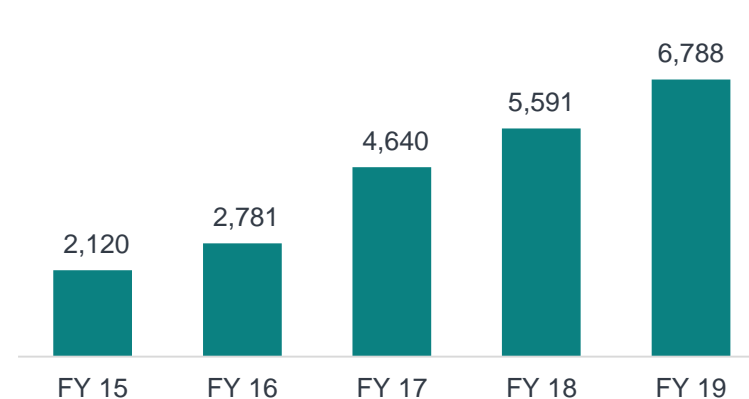
All numbers are on Consolidated basis

ROE = Profit after tax / Average shareholder equity; RoCE = (Net Profit before Tax, Exceptional and extraordinary items + Finance cost) / Average (Net debt + Network)

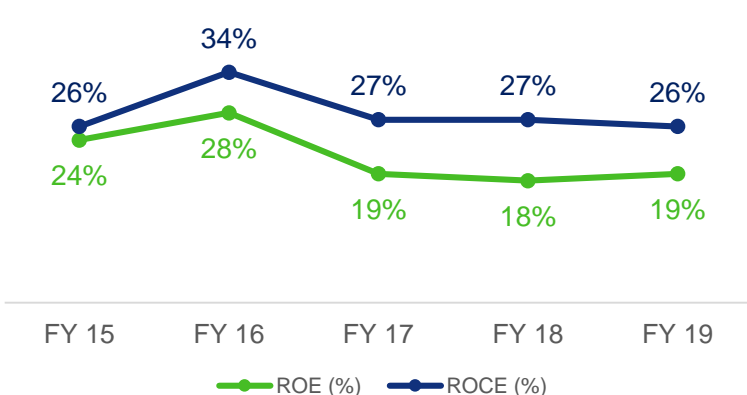
Net Working Capital (Days)



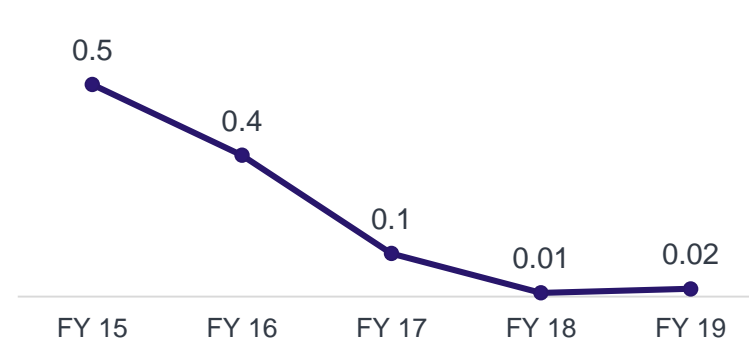
Net Worth (₹ mn)



ROE (%) & ROCE (%)



Net Debt to Equity (x)







Note: As per IGAAP | FY17, FY18 & FY19 – as per IndAs

All numbers are on Consolidated basis

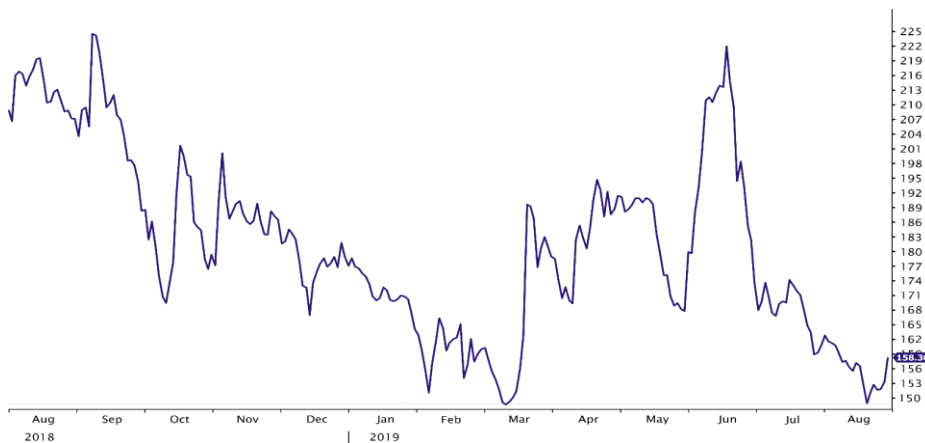
Net working capital days = $\frac{\text{Trade receivables} + \text{inventories} - \text{Trade payables}}{\text{Revenue from operations}} \times 365$

Net Debt = Long term debt + short term debt + current maturities of long term debt – Cash & Cash Equivalent

Stock Data (As on 08th August 2019)

 Market Capitalization (₹)	17,666 mn
 Shares Outstanding	111.6 mn
 Free Float	5,123 mn
 Symbol (NSE/ BSE)	ADVENZYMES / 540025

Stock Chart (As on 08th August 2019)

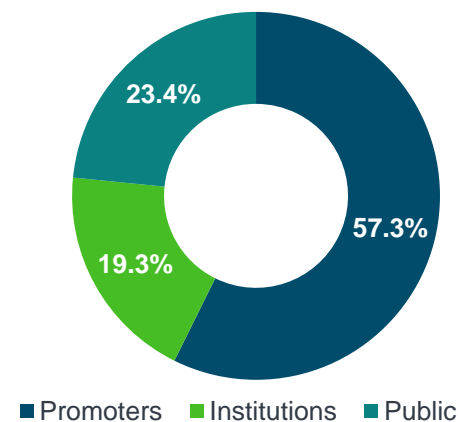


Source: BSE, NSE, Thomson Reuters

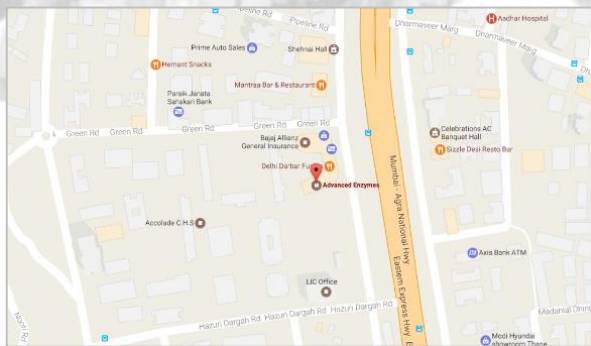
Top 5 Institutional Holders (As on 02nd August 2019)

Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
HDFC SMALL CAP FUND	3.89
HDFC TRUSTEE COMPANY LTD. A/C HDFC CAPITAL BUILDER VALUE FUND	2.32
RELIANCE CAPITAL TRUSTEE CO.	1.56
LACUNA - ADAMANT ASIA PACIFIC HEALTH	0.18

Shareholding Pattern (%)



Note: Data mentioned in above chart is as on 30th June 2019



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Thank You