

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report on the Consolidated Financial Results of Advanced Enzyme Technologies Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Advanced Enzyme Technologies Limited

We have audited the consolidated annual financial results of Advanced Enzyme Technologies Limited ('the Company') and its subsidiaries (collectively 'the Group') for the year ended 31 March 2018 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated 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.

These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per 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.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of twelve subsidiaries, included in the consolidated financial results, whose annual financial statements reflect total assets of Rs. 5,002 million as at 31 March 2018 as well as the total revenues of Rs. 2,852 million for the year ended 31 March 2018. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.



**Independent Auditor's Report on Consolidated Financial Results of
Advanced Enzyme Technologies Limited Pursuant to the Regulation 33
of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015
Advanced Enzyme Technologies Limited**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on other information of the subsidiaries, these consolidated annual financial results:

- (i) include the annual financial results of the entities as listed in Annexure I;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other comprehensive income and other financial information for the year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
19 May 2018

Advanced Enzyme Technologies Limited

Annexure I

The Consolidated financial results include the results of the following entities:

Sr. No.	Name of entity	Relationship as at 31 March 2018	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.	Wholly owned subsidiary	U.S.A
4	Cal India Foods International	Wholly owned subsidiary of Advanced Enzymes USA, Inc.	U.S.A
5	Advanced Supplementary Technologies Corporation	Wholly owned subsidiary of Advanced Enzymes USA, Inc.	U.S.A
6	Enzyme Innovation, Inc.	Wholly owned subsidiary of Cal India Foods International	U.S.A
7	Dynamic Enzymes, Inc.	Wholly owned subsidiary of Advanced Enzymes USA, Inc.	U.S.A
8	Enzyfuel Innovation, Inc. (Upto 18 September 2017)	Wholly owned subsidiary of Advanced Enzymes USA, Inc.	U.S.A
9	JC Biotech Private Limited (Acquired on 1 December 2016)	Subsidiary (70%)	India
10	Advanced Enzymes (Malaysia) Sdn. Bhd (Acquired on 3 July 2017)	Wholly owned subsidiary	Malaysia
11	Advanced Enzymes Europe B.V. (Incorporated on 11 July 2017)	Wholly owned subsidiary	Netherlands
12	Evovx Technologies GmbH (Acquired on 15 August 2017)	Wholly owned subsidiary of Advanced Enzymes Europe B.V.	Germany

Annual consolidated financial results for the quarter and year ended 31 March 2018

(₹ in million except per share data)

Particulars	Quarter ended			Year ended	
	31st March 2018	31st Dec 2017	31st March 2017	31st March 2018	31st March 2017
	Audited	Unaudited	Audited	Audited	Audited
	(Refer note xvi)		(Refer note xvi)		
1 Revenue from operations (refer note iv)	1,086.28	1,082.37	905.31	3,956.99	3,430.91
2 Other Income	5.64	1.99	11.82	13.94	25.81
3 Total Income (1+2)	1,091.92	1,084.36	917.13	3,970.93	3,456.72
4 Expenses					
(a) Cost of materials consumed	226.42	180.69	165.62	799.37	698.53
(b) Purchases of stock-in-trade	2.68	0.47	0.06	3.91	2.84
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(43.96)	48.99	35.09	11.44	8.92
(d) Excise duty	-	-	51.05	46.84	141.03
(e) Employee benefits expense	190.23	184.36	136.06	685.95	506.97
(f) Finance costs	45.02	11.42	10.92	80.86	35.77
(g) Depreciation and amortisation expense	47.12	53.00	36.35	182.98	127.61
(h) Other expenses	226.92	216.30	179.95	769.91	564.54
Total Expenses	694.43	695.23	615.10	2,581.26	2,086.21
5 Profit before exceptional item and tax (3-4)	397.49	389.13	302.03	1,389.67	1,370.51
6 Exceptional item	-	-	-	-	-
7 Profit before tax (5-6)	397.49	389.13	302.03	1,389.67	1,370.51
8 Tax expenses					
Current tax	137.25	116.94	91.14	461.82	446.96
Deferred tax charge / (credit)	(23.15)	7.10	(7.00)	(7.71)	(5.89)
Total tax expense	114.10	124.04	84.14	454.11	441.07
9 Net profit for the period (7-8)	283.39	265.09	217.89	935.56	929.44
10 Other comprehensive income					
A (i) Items that will not be reclassified to Statement of profit and loss	1.74	2.99	13.32	(0.91)	7.61
(ii) Income tax related to Items that will not be reclassified to Statement of profit and loss	(0.81)	(1.02)	(4.55)	0.09	(2.60)
B (i) Items that will be reclassified to Statement of profit and loss	104.50	(59.38)	(107.55)	79.68	(62.48)
(ii) Income tax related to items that will be reclassified to Statement of profit and loss	-	-	-	-	-
Total Other comprehensive income	105.43	(57.41)	(98.78)	78.86	(57.47)
11 Total comprehensive income (9+10)	388.82	207.68	119.11	1,014.40	871.97
12 Net profit attributable to:					
Shareholders of the Company	272.43	251.91	217.57	900.55	915.49
Non-controlling interest	10.96	13.18	0.32	35.01	13.95
13 Other comprehensive income attributable to:					
Shareholders of the Company	106.33	(57.44)	(98.78)	79.87	(57.70)
Non-controlling interest	(0.90)	0.03	-	(1.01)	0.23
14 Total comprehensive income attributable to:					
Shareholders of the Company	378.76	194.47	118.79	980.41	857.79
Non-controlling interest	10.06	13.21	0.32	34.00	14.18
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.26	223.26	223.26	223.26	223.26
16 Other equity				5,367.55	4,417.21
17 Earnings Per Share of ₹ 2 each (not annualized)					
(a) ₹ (Basic)	2.44	2.26	1.95	8.07	8.27
(b) ₹ (Diluted)	2.43	2.26	1.95	8.06	8.27



Statement of consolidated assets and liabilities

Particulars	(₹ in million)	
	As at	As at
	31 March 2018	31 March 2017
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	1,666.60	1,663.63
(b) Capital work-in-progress	26.55	14.98
(c) Goodwill	2,584.20	2,279.88
(d) Other Intangible assets	662.14	270.08
(e) Intangible assets under development	78.84	65.49
(f) Financial Assets		
(i) Investments	0.62	0.62
(ii) Loans	22.43	22.88
(iii) Other financial assets	0.04	1.39
(g) Deferred tax assets (net)	42.36	63.38
(h) Income tax assets (net)	57.72	62.04
(i) Other non-current assets	19.68	15.82
Total non-current assets	5,161.18	4,460.19
(2) Current Assets		
(a) Inventories	755.72	684.80
(b) Financial Assets		
(i) Investments	0.04	0.04
(ii) Trade receivables	565.94	498.18
(iii) Cash and cash equivalents	611.28	75.38
(iv) Bank balances other than (iii) above	2.91	3.31
(v) Loans	20.94	32.71
(vi) Other financial assets	42.88	2.33
(c) Other current assets	87.36	84.90
Total current assets	2,107.09	1,381.65
(3) Non-current assets held for sale	48.17	48.17
Total assets	7,316.44	5,890.01
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.26	223.26
(b) Other equity	5,367.55	4,417.21
(c) Non-controlling interest	225.98	211.42
Total equity	5,816.79	4,851.89
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	198.35	194.92
(b) Provisions	11.21	7.92
(c) Deferred tax liabilities (net)	261.19	182.69
Total non-current liabilities	470.75	385.53
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	378.06	265.44
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	5.91	6.39
b) total outstanding dues other than micro enterprises and small enterprises	168.82	103.71
(iii) Other financial Liabilities	227.53	194.27
(b) Other current liabilities	151.72	19.17
(c) Provisions	32.40	27.59
(d) Current tax liabilities (net)	23.66	0.42
Total current liabilities	888.30	616.99
(4) Liabilities for non-current assets held for sale	40.60	35.60
Total equity and liabilities	7,316.44	5,890.01



Advanced Enzyme Technologies Limited
CIN No.: L24200MH1989PLC051018

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

Notes:

(i) The above annual 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) (w.e.f. 1 December 2016), 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.), Enzyfuel Innovation, Inc. (U.S.A) (up to 18 September 2017), Advanced Enzymes (Malaysia) Sdn. Bhd. (Malaysia) (w.e.f. 3 July 2017), Advanced Enzymes Europe B.V. (Netherlands) (w.e.f. 11 July 2017) and Evovx Technologies GmbH (Germany) (w.e.f. 15 August 2017). The Holding Company and its subsidiary companies constitute the "Group".

(ii) The above annual 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 19 May 2018. The statutory auditors have expressed an unmodified opinion, The audit report has been filed with stock exchanges and is available on the Company's website.

(iii) On April 1 2017, the Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with effect from 1 April 2016. Accordingly, the annual consolidated financial results for the Group have been prepared in accordance with Ind AS and other accounting principles generally accepted in India and the financial results for the corresponding quarter and year ended 31 March 2017 have been restated in accordance with Ind AS. The impact of transition has been accounted for in opening reserves.

(iv) According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, revenue for the corresponding previous quarter ended 31 March 2017 and the year ended 31 March 2017 were and are reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ("GST") from 1 July 2017, replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18, the revenue for the quarters ended 31 March 2018 and 31 December 2017 and year ended 31 March 2018 are reported net of GST. Had the previously reported revenues were shown net of Excise Duty, comparative revenue of the Company would have been as follows:

Particulars	Quarter ended		Growth %	Quarter ended 31 Dec 2017	Year ended		Growth %
	31 March 2018	31 March 2017			31 March 2018	31 March 2017	
	Revenue from operations	1,086.28			856.1	27%	

(v) During the quarter ended 30 September 2016, the Company completed the Initial Public Offer (IPO) of 4,594,875 Equity shares of Rs. 10 each at an issue price of Rs. 896 per Equity share (Rs. 810 per Equity share for eligible employees), consisting of fresh issue of 560,405 Equity shares and an Offer for Sale of 4,034,470 Equity shares by Selling Shareholders. The Equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via id ADVENZYMES and on BSE Limited (BSE) via Id 540025 on 1 August 2016.

(vi) The proceeds from the IPO of Rs. 499.99 million (including issue related expenses, inclusive of service tax amounting to Rs. 29.32 million).

Details of utilization of IPO proceeds are as follows:

Particulars	As per prospectus	Utilized upto 31 March 2017	Unutilized amount as at 31 March 2017	(₹ in million)
Investment in Advanced Enzymes USA, Inc., the wholly owned subsidiary for repayment/pre-payment of certain loans availed by Advanced Enzymes USA, Inc.	400.00	400.00	-	
General corporate purposes	71.98	70.67	1.31	
Share issue expenses	28.01	29.32	(1.31)	
Total	499.99	499.99	-	

(vii) Reconciliation of net profit and equity as reported under Indian Generally Accepted Accounting Principles (previous GAAP) and as per Ind AS for the quarter and year ended 31 March 2017 is given as follows:

Particulars	Net profit reconciliation		Equity reconciliation
	Quarter ended	Year ended	As on
	31 March 2017	31 March 2017	31 March 2017
Net profit/equity for the period under previous GAAP	199.40	923.62	4,725.16
Add/ (less): adjustments for GAAP differences			
Security deposits recognised at amortised cost	0.01	0.02	(0.02)
Amortisation of leasehold land	(0.02)	(0.07)	(1.04)
Provision for sales return	3.06	2.61	-
Net Actuarial loss on employees defined benefit plan reclassified to other comprehensive income	1.90	7.61	-
Provision for doubtful debts under Expected Credit Loss Model	13.15	10.73	(11.63)
Business Combination	(5.02)	(16.42)	75.50
Other Ind AS adjustments	(0.11)	0.16	(0.03)
Deferred tax on above adjustments	(4.73)	(3.12)	13.10
Dividend distribution tax on dividend	(4.28)	(4.28)	-
Deferred tax on unrealised inventory reserve	14.53	8.58	50.87
Net profit/equity for the period as per Ind AS	217.89	929.44	4,851.89
Other comprehensive income	(98.78)	(57.47)	-
Total comprehensive income / equity as per Ind AS	119.11	871.97	4,851.89

(viii) The Shareholders vide a special resolution approved sub division of shares of the Company in the ratio of 5 shares of face value of ₹ 2 each for every existing 1 share of the face value of ₹ 10 each through postal ballot. The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on 4 May 2017. Accordingly, the earnings per share for the previous period has been restated in accordance with Ind AS 33 "Earnings Per Share".

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

(x) On 3 July 2017, the Company completed its acquisition of Advanced Enzymes (Malaysia) Sdn. Bhd. ("AEM") formerly known as Palm Techno Ventures Enzyme Sdn Bhd ("PTVE"), Malaysia by way of an investment of 200,000 Malaysian Ringgit (RM), equivalent to ₹ 3.14 Million, in 200,000 ordinary shares of RM 1.00 each of PTVE i.e. 80% of the paid-up share capital of PTVE. On 13 March 2018, the Company purchased 150,000 ordinary shares of RM 1.00 each of AEM by way of rights issue, equivalent to ₹ 2.60 Million, i.e. 87.50% of the paid-up share capital of AEM. On 30 March 2018, the Company acquired balance 12.50% of the share capital of AEM by way of an investment of 50,000 Malaysian Ringgit (RM), equivalent to ₹ 0.87 Million, in 50,000 ordinary shares of RM 1.00 each, thereby making it a wholly owned subsidiary.

(xi) On 11 July 2017, the Company has incorporated a wholly owned subsidiary, Advanced Enzymes Europe B.V., Netherlands registered with Chamber of Commerce having a paid up share capital of Euro 2 million, equivalent to ₹ 149.85 Million.

(xii) On 15 August 2017, Advanced Enzymes Europe B.V., Netherlands has completed the 100% acquisition of Evovx Technologies GmbH (Evovx), Germany, for a consideration of Euro 6.96 million, equivalent to ₹ 524.62 Million.

(xiii) On 3 October 2017, the Company's step-down wholly owned subsidiary, Advanced Supplementary Technologies Corporation (U.S.A.), acquired certain assets and liabilities of Biomedic Labs, LLC, USA for a purchase consideration of USD 750,000 equivalent to ₹ 49.16 Million.

(xiv) The Shareholders in its meeting held on 11 September 2017 have approved the final dividend for the financial year 2016-17 of Rs 0.40 per equity share and the same was paid on 15 September 2017.

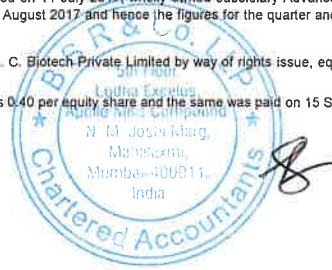
(xv) The Company's step-down wholly owned subsidiary, Enzyfuel Innovation, Inc., based in California (U.S.A.), being non-operative has been dissolved voluntarily w.e.f. 19 September 2017.

(xvi) The figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between consolidated 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.

(xvii) The results include the financial results of wholly owned subsidiary, Advanced Enzymes Europe B.V., Netherlands, incorporated on 11 July 2017, wholly owned subsidiary Advanced Enzymes (Malaysia) Sdn. Bhd. acquired on 3 July 2017 and step-down wholly owned subsidiary Evovx Technologies GmbH (Evovx), Germany, acquired on 15 August 2017 and hence the figures for the quarter and year ended 31 March 2018 are not comparable with the previous corresponding period.

(xviii) On 31 January 2018, the Company further subscribed to 189,000 equity shares of ₹ 37.00 each (face value of ₹ 10 each) of J. C. Biotech Private Limited by way of rights issue, equivalent to ₹ 6.99 Million i.e. maintaining the existing shareholding of 70%.

(xix) The Shareholders in its meeting held on 11 September 2017 have approved the final dividend for the financial year 2016-17 of Rs 0.40 per equity share and the same was paid on 15 September 2017.



Advanced Enzyme Technologies Ltd.

CIN: L24200MH1989PLC051018

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Annexure I

May 19, 2018

The Listing Department,
BSE Limited
Department of Corporate Affaris
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400 001

The Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai- 400 051

Scrip Code-540025

Trading Symbol-ADVENZYMES

Dear Sir,

Subject: Declaration with respect to Audit Report with unmodified opinion

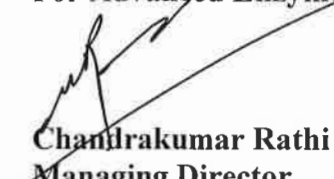
We hereby declare that the Audited Financial Results for the financial year ended March 31, 2018, which have been approved by the Board of Directors at the meeting held today i.e. May 19, 2018, BSR & Co. LLP, the Statutory Auditors of the Company have issued auditors' report with an unmodified opinion on the financial statements.

This declaration is made pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Thanking you,

Yours Faithfully,

For Advanced Enzyme Technologies Limited



Chandrakumar Rathi
Managing Director