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Standalone Limited Review Report

To the Board of Directors of Advanced Enzyme Technologies Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Advanced Enzyme Technologies Limited ('the Company') for the quarter and nine months ended 31 December 2017 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 6 February 2018. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review 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.

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 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

Mumbai
6 February 2018

Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

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

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

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

Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2017

(₹ in Million except per share data)

Rarticulars	Quarter ended			Nine months ended	
	31st Dec 2017 Unaudited	30th Sep 2017 Unaudited	31st Dec 2016 Unaudited	31st Dec 2017 Unaudited	31st Dec 2016 Unaudited
1 Revenue from operations (refer note iii)	580.50	491.67	438.64	1,555.20	1,265.10
2 Other Income	16.54	23.58	11.18	41.92	37.15
3 Total Income (1+2)	597.04	515.25	449.82	1,597.12	1,302.25
4 Expenses					
(a) Cost of materials consumed	190.05	225.25	192.91	620.33	441.01
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	47.47	32.39	(49.12)	51.97	(33.48)
(d) Excise duty	-	-	27.56	32.45	75.47
(e) Employee benefits expense	80.89	76.27	63.42	244.27	206.45
(f) Finance costs	6.98	9.35	5.85	23.74	22.02
(g) Depreciation and amortisation expense	20.20	19.23	21.31	58.35	65.70
(h) Other expenses	127.42	83.81	90.09	301.81	248.66
Total Expenses	473.01	446.30	352.02	1,332.92	1,025.83
5 Profit before Exceptional item and tax (3-4)	124.03	68.95	97.80	264.20	276.42
6 Exceptional item	-	-	-	-	-
7 Profit before tax (5-6)	124.03	68.95	97.80	264.20	276.42
8 Tax expense					
Current tax	23.73	13.74	20.38	57.16	57.92
Deferred tax charge/(credit)	0.29	1.07	(1.67)	2.09	7.93
Total tax expense	24.02	14.81	18.71	59.25	65.85
9 Net profit for the period (7-8)	100.01	54.14	79.09	204.95	210.57
10 Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	2.83	(0.14)	(1.74)	(2.17)	(5.22)
(ii) Income tax related to items that will not be reclassified to profit or loss	(0.98)	0.05	0.60	0.75	1.81
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
Total Other comprehensive income	1.85	(0.09)	(1.14)	(1.42)	(3.41)
11 Total comprehensive income (9+10)	101.86	54.05	77.95	203.53	207.16
12 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.26	223.26	223.26	223.26	223.26
13 Earnings Per Share of ₹ 2 each (not annualized)					
(a) ₹ (Basic)	0.90	0.48	0.71	1.84	1.91
(b) ₹ (Diluted)	0.89	0.48	0.71	1.83	1.91



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Notes:

(i) The above Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2017 of 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 6 February 2018. The statutory auditors of the Company have carried out a limited review of the above Statement of unaudited standalone financial results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Limited Review report does not have any qualifications. The Limited Review report will be filed with stock exchanges and will be available on the Company's website.

(ii) 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 financial results for the quarter and nine months ended 31 December 2017 have been prepared in accordance with Ind AS and other accounting principles generally accepted in India and the unaudited standalone results for the comparative quarter and nine months ended 31 December 2016 have been restated in accordance with Ind AS.

(iii) According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, revenue for the corresponding previous quarter ended 31 December 2016 and for the nine months ended 31 December 2016 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 30 September 2017 and 31 December 2017 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 30 Sep 2017	Nine months ended		Growth %
	31 Dec 2017	31 Dec 2016			31 Dec 2017	31 Dec 2016	
	₹ in Million						
Revenue from operations	580.50	415.19	40%	491.67	1,524.31	1,200.04	27%

(iv) 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.

(v) 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	₹ in million	
		Utilized upto 31 March 2017	Unutilized amount as at 31 March 2017
Investment in Advanced Enzymes USA, Inc., the wholly owned subsidiary	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	0.00

(vi) Reconciliation of net profit as reported under Indian Generally Accepted Accounting Principles (previous GAAP) and as per Ind AS for the quarter and nine months ended 31 December 2016 is given as follows:

Particulars	₹ in Million	
	Quarter ended	Nine months ended
	31 Dec 2016 unaudited	31 Dec 2016 unaudited
Net profit after tax for the period under previous GAAP	79.63	210.24
Add/ (less): adjustments for GAAP differences		
Security deposits recognised at amortised cost	-	0.01
Amortisation of leasehold land	(0.02)	(0.05)
Provision for sales return	(0.80)	(0.45)
Net Actuarial loss on employees defined benefit plan reclassified to other comprehensive income	1.74	5.22
Provision for doubtful debts under Expected Credit Loss Model	(0.89)	(4.45)
Other Ind AS adjustments	0.03	0.03
Deferred tax on indexation benefit of land	0.05	0.14
Deferred tax on above adjustments	(0.65)	(0.12)
Net profit for the period as per Ind AS	79.08	210.57

(vii) 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".

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

(ix) On 3 July 2017, the Company completed its acquisition of Advanced Enzymes (Malaysia) Sdn. Bhd. formerly known as Palm Techno Ventures Enzyme Sdn Bhd ("PTVE"), Malaysia by way of an investment of 200,000 Malaysian Ringitt (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.

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

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

(xii) 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.

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

(xiv) 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.

(xv) Previous period's figures have been regrouped / reclassified where necessary, to conform to the current period's classification.

Place: Thane
Dated: 6 February 2018



By Order of the Board of Directors
For Advanced Enzyme Technologies Limited

C.L. Rathi
Managing Director
DIN : 00365691