

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Consolidated Limited Review Report

To the Board of Directors of Advanced Enzyme Technologies Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of Advanced Enzyme Technologies Limited ('the Company') and its subsidiaries, listed in Annexure I (the Company and its subsidiaries constitute 'the Group') 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.

The accompanying Statement includes the interim financial results of one subsidiary whose interim financial information reflect total revenues of Rs. 104.61 million and Rs. 305.96 million for the quarter and nine months ended 31 December 2017 respectively, which has been subjected to limited review by its auditors and whose report has been furnished to us. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

The accompanying statement includes the interim financial results of five subsidiaries whose interim financial information reflect total revenues of Rs. 192.38 million and Rs. 454.41 million for the quarter and nine months ended 31 December 2017 respectively, which have not been subjected to limited review by their auditors. These interim financial results have been certified by the Company's management and our report on the Statement, in so far as it relates to the amounts included in respect of these entities, is based solely on such interim financial results certified by the Company's management. In our opinion and according to the information and explanations given to us by the Company's management, these financial results are not material to the Group.

Our conclusion on the Statement, is not modified with respect to our reliance on the work done by and the reports of the other auditors and the interim financial results certified by the Company's management.



Consolidated Limited Review Report (*Continued*)
Advanced Enzyme Technologies Limited

Based on our review conducted as above and based on the consideration of the reports of other auditors and based on the consideration of interim financial information furnished to us by the management as referred to herein, 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

Annexure I to the Consolidated Limited Review Report

List of Subsidiaries

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.	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)	Subsidiary (80%)	Malaysia
11	Advanced Enzymes Europe B.V (Incorporated on 11 July 2017)	Wholly owned subsidiary	Netherlands
12	Evocx Technologies GmbH (Acquired on 15 August 2017)	Wholly owned subsidiary of Advanced Enzymes Europe B.V	Germany

Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

Regd. Office and Corporate Office: Sun Magnetica, 5th Floor, Near LIC Service Road, Louiswadi, Thane-400604, Maharashtra,
Tel No:91-22-41703220 Fax No: +91-22-25835159

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

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

(₹ in million except per share data)

Particulars	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 iv)	1,081.81	985.78	626.72	2,869.22	2,522.65
2 Other Income	2.55	4.91	6.70	9.79	16.94
3 Total Income (1+2)	1,084.36	990.69	633.42	2,879.01	2,539.59
4 Expenses					
(a) Cost of materials consumed	180.69	216.05	184.19	572.95	532.91
(b) Purchases of stock-in-trade	0.47	0.02	0.15	1.23	2.78
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	48.99	32.85	(31.98)	55.40	(26.17)
(d) Excise duty	-	-	34.97	46.84	89.98
(e) Employee benefits expense	184.36	161.42	121.40	495.72	370.91
(f) Finance costs	11.96	13.80	2.72	38.36	29.89
(g) Depreciation and amortisation expense	53.00	45.31	32.56	135.86	91.26
(h) Other expenses	215.76	165.94	132.47	540.47	379.55
Total Expenses	695.23	635.39	476.48	1,886.83	1,471.11
5 Profit before exceptional item and tax (3-4)	389.13	355.30	156.94	992.18	1,068.48
6 Exceptional item	-	-	-	-	-
7 Profit before tax (5-6)	389.13	355.30	156.94	992.18	1,068.48
8 Tax expenses					
Current tax	116.94	130.03	21.20	324.57	355.82
Deferred tax charge / (credit)	7.10	0.87	(7.03)	15.44	1.11
Total tax expense	124.04	130.90	14.17	340.01	356.93
9 Net profit for the period (7-8)	265.09	224.40	142.77	652.17	711.55
10 Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss	2.99	(0.60)	(1.90)	(2.65)	(5.71)
(ii) Income tax related to items that will not be reclassified to profit or loss	(1.02)	0.22	0.65	0.90	1.95
B (i) Items that will be reclassified to profit or loss	(59.38)	33.19	46.69	(24.82)	546.05
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
Total Other comprehensive income	(57.41)	32.81	45.44	(26.57)	542.29
11 Total comprehensive income (9+10)	207.68	257.21	188.21	625.60	1,253.84
12 Net profit attributable to:					
Shareholders of the Company	251.91	218.42	139.89	628.12	697.92
Non-controlling interest	13.18	5.98	2.88	24.05	13.63
13 Other comprehensive income attributable to:					
Shareholders of the Company	(57.44)	32.91	45.44	(26.46)	542.42
Non-controlling interest	0.03	(0.10)	-	(0.11)	(0.13)
14 Total comprehensive income attributable to:					
Shareholders of the Company	194.47	251.33	185.33	601.66	1,240.34
Non-controlling interest	13.21	5.88	2.88	23.94	13.50
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.26	223.26	223.26	223.26	223.26
16 Earnings Per Share of ₹ 2 each (not annualized)					
(a) ₹ (Basic)	2.26	1.96	1.24	5.63	6.32
(b) ₹ (Diluted)	2.25	1.96	1.24	5.62	6.32



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Notes:

(i) The above Statement of 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) (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 Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2017 of the Group were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 06 February 2018. The statutory auditors of the Company have carried out a limited review of the above Statement of unaudited consolidated 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.

(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 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 financial results for the comparative quarter and nine months ended 31 December 2016 have been restated in accordance with Ind AS.

(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 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	
Revenue from operations	1,081.81	595.9	82%	985.78	2,823.94	2,443.07	16%

(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	₹ in million		
	As per prospectus	Utilized upto 31 March 2017	Unutilized amount as at 31 March 2017
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	70.87	1.31
Share issue expenses	28.01	29.32	(1.31)
Total	499.99	499.99	0.00

(vii) The financial results and the reconciliation of net profit for the quarter and nine months ended 31 December 2016:

Particulars	₹ in Million	
	Quarter ended 31 Dec 2016 unaudited	Nine months ended 31 Dec 2016 unaudited
Net profit after tax for the period under previous GAAP	150.06	724.22
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	1.23	(0.45)
Net Actuarial loss on employees defined benefit plan reclassified to other comprehensive income	1.90	5.71
Provision for doubtful debts under Expected Credit Loss Model	2.04	(2.42)
Business Combination	(11.40)	(11.40)
Other Ind AS adjustments	0.28	0.27
Deferred tax on above adjustments	0.01	1.81
Deferred tax on unrealised inventory reserve	(1.33)	(5.95)
Net profit for the period as per Ind AS	142.77	711.55

(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. 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.

(xi) 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.

(xii) 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.

(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 (USA), being non-operative has been dissolved voluntarily w.e.f. 19 September 2017.

(xvi) The results include the financial results of wholly owned subsidiary, Advanced Enzymes Europe B.V. in Amsterdam, 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 nine months ended 31 December 2017 are not comparable with the previous corresponding period.

(xvii) As per Ind AS 103, purchase consideration for step-down wholly owned subsidiary Evovx Technologies GmbH (Evovx), Germany, acquired on 15 August 2017 has been allocated on a provisional basis, pending determination of the fair value of the acquired assets and liabilities.

(xviii) As per Ind AS 103, purchase consideration for acquisition of certain assets and liabilities of Biomedic Labs, LLC, USA, on 03 October 2017 has not been allocated, pending determination of the fair value of the acquired assets and liabilities.

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



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

C.L. Rathi
Managing Director
DIN : 00365691