

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report on the Standalone 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 standalone annual financial results of Advanced Enzyme Technologies Limited ('the Company') 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 standalone financial results are the balancing figures between standalone 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.

These standalone financial results have been prepared on the basis of the standalone annual financial statements and reviewed quarterly standalone 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 standalone financial results based on our audit of such standalone 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 misstatements. 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.



**Independent Auditors' Report on Standalone Financial Results of
Advanced Enzyme Technologies Limited pursuant to the Regulation 33 of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015 (Continued)**

Advanced Enzyme Technologies Limited

In our opinion and to the best of our information and according to the explanations given to us these standalone annual financial results:

- (i) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the standalone 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

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

(₹ in Million except per share data)

| Particulars | Quarter ended | | | Year ended | |
|--|---|----------------------------|---|--------------------------|--------------------------|
| | 31st Mar 2018 Audited (Refer note xv) | 31st Dec 2017 Unaudited | 31st Mar 2017 Audited (Refer note xv) | 31st Mar 2018 Audited | 31st Mar 2017 Audited |
| 1 Revenue from operations (refer note iii) | 596.36 | 581.06 | 569.72 | 2,153.05 | 1,837.77 |
| 2 Other Income | 10.09 | 15.98 | 29.96 | 50.52 | 64.16 |
| 3 Total Income (1+2) | 606.45 | 597.04 | 599.68 | 2,203.57 | 1,901.93 |
| 4 Expenses | | | | | |
| (a) Cost of materials consumed | 226.68 | 190.05 | 210.89 | 847.01 | 651.90 |
| (b) Purchases of stock-in-trade | - | - | - | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (43.85) | 47.47 | 2.54 | 8.12 | (30.94) |
| (d) Excise duty | - | - | 35.90 | 32.45 | 111.37 |
| (e) Employee benefits expense | 80.54 | 80.89 | 66.94 | 324.81 | 273.39 |
| (f) Finance costs | 9.28 | 6.45 | 6.60 | 30.60 | 27.20 |
| (g) Depreciation and amortisation expense | 19.79 | 20.20 | 17.59 | 78.14 | 83.29 |
| (h) Other expenses | 139.80 | 127.95 | 99.12 | 444.03 | 349.20 |
| Total Expenses | 432.24 | 473.01 | 439.58 | 1,765.16 | 1,465.41 |
| 5 Profit before Exceptional item and tax (3-4) | 174.21 | 124.03 | 160.10 | 438.41 | 436.52 |
| 6 Exceptional item | - | - | - | - | - |
| 7 Profit before tax (5-6) | 174.21 | 124.03 | 160.10 | 438.41 | 436.52 |
| 8 Tax expense | | | | | |
| Current tax | 36.62 | 23.73 | 32.34 | 93.78 | 90.26 |
| Deferred tax charge/(credit) | (16.36) | 0.29 | (7.37) | (14.27) | 0.56 |
| Total tax expense | 20.26 | 24.02 | 24.97 | 79.51 | 90.82 |
| 9 Net profit for the period (7-8) | 153.95 | 100.01 | 135.13 | 358.90 | 345.70 |
| 10 Other comprehensive income | | | | | |
| A (i) Items that will not be reclassified to Statement of profit and loss | 4.54 | 2.83 | (1.75) | 2.37 | (6.97) |
| (ii) Income tax related to items that will not be reclassified to Statement of profit and loss | (1.57) | (0.98) | 0.60 | (0.82) | 2.41 |
| B (i) Items that will be reclassified to Statement of profit and loss | - | - | - | - | - |
| (ii) Income tax related to items that will be reclassified to Statement of profit and loss | - | - | - | - | - |
| Total Other comprehensive Income | 2.97 | 1.85 | (1.15) | 1.55 | (4.56) |
| 11 Total comprehensive income (9+10) | 156.92 | 101.86 | 133.98 | 360.45 | 341.14 |
| 12 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up) | 223.26 | 223.26 | 223.26 | 223.26 | 223.26 |
| 13 Other equity | - | - | - | 2,665.72 | 2,329.01 |
| 14 Earnings Per Share of ₹ 2 each (not annualized) | | | | | |
| (a) ₹ (Basic) | 1.38 | 0.90 | 1.21 | 3.22 | 3.12 |
| (b) ₹ (Diluted) | 1.37 | 0.89 | 1.21 | 3.21 | 3.12 |



Statement of standalone assets and liabilities

| Particulars | (₹ in million) | |
|--|---------------------------------|---------------------------------|
| | As at 31 Mar 2018 Audited | As at 31 Mar 2017 Audited |
| I. ASSETS | | |
| (1) Non-current assets | | |
| (a) Property, Plant and Equipment | 976.05 | 982.35 |
| (b) Capital work-in-progress | 24.26 | 14.98 |
| (c) Other Intangible assets | 2.66 | 1.41 |
| (d) Intangible assets under development | 78.83 | 65.49 |
| (e) Financial Assets | | |
| (i) Investments | 1,200.35 | 1,034.09 |
| (ii) Loans | 293.46 | 13.69 |
| (iii) Other financial assets | 0.04 | 1.39 |
| (f) Income tax asset (net) | 51.21 | 44.92 |
| (g) Other non-current assets | 13.16 | 14.37 |
| Total non-current assets | 2,640.03 | 2,172.69 |
| (2) Current Assets | | |
| (a) Inventories | 548.63 | 510.59 |
| (b) Financial Assets | | |
| (i) Trade receivables | 385.78 | 309.69 |
| (ii) Cash and cash equivalents | 1.90 | 2.73 |
| (iii) Bank balances other than (ii) above | 2.91 | 3.31 |
| (iv) Loans | 20.58 | 20.65 |
| (v) Other financial assets | 30.92 | 2.33 |
| (c) Other current assets | 51.06 | 105.15 |
| Total current assets | 1,041.78 | 954.45 |
| (3) Non-current assets held for sale | 48.17 | 48.17 |
| Total assets | 3,729.98 | 3,175.31 |
| II. EQUITY AND LIABILITIES | | |
| (1) Equity | | |
| (a) Equity share capital | 223.26 | 223.26 |
| (b) Other equity | 2,665.72 | 2,329.01 |
| Total equity | 2,888.98 | 2,552.27 |
| (2) Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 79.45 | 121.34 |
| (b) Provisions | 5.55 | 6.99 |
| (c) Deferred tax liabilities (net) | 15.25 | 22.48 |
| Total non-current liabilities | 100.25 | 150.81 |
| (3) Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 323.27 | 211.33 |
| (ii) Trade payables | | |
| a) total outstanding dues of micro enterprises and small enterprises | 1.47 | 1.86 |
| b) total outstanding dues other than micro enterprises and small enterprises | 210.55 | 82.95 |
| (iii) Other financial Liabilities | 123.79 | 114.94 |
| (b) Other current liabilities | 15.19 | 8.99 |
| (c) Provisions | 17.99 | 16.14 |
| (d) Current tax liabilities (net) | 7.89 | 0.42 |
| Total current liabilities | 700.15 | 436.63 |
| (4) Liabilities for non-current assets held for sale | 40.60 | 35.60 |
| Total equity and liabilities | 3,729.98 | 3,175.31 |



Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

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

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

Notes:

(i) The above annual standalone financial results 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.

(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 annual standalone financial results have been prepared in accordance with Ind AS and other accounting principles generally accepted in India and the 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.

(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 March 2017 and for 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 Mar 2018 | 31 Mar 2017 | | | 31 Mar 2018 | 31 Mar 2017 | |
| | (₹ in Million) | | | | | | |
| Revenue from operations | 596.36 | 535.92 | 11% | 581.06 | 2,122.16 | 1,738.91 | 22% |

(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 | Utilized upto 31 March 2017 | Unutilized amount as at 31 March 2017 | (₹ in million) | |
|---|-------------------|-----------------------------|---------------------------------------|----------------|--|
| | | | | | |
| 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 | - | | |

(vi) 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 Mar 2017 | 31 Mar 2017 | 31 Mar 2017 | |
| | (₹ in Million) | | | |
| Net profit/equity for the period under previous GAAP | 125.08 | 335.32 | 2,551.06 | |
| Add/ (less): adjustments for GAAP differences | | | | |
| Security deposits recognised at amortised cost | 0.01 | 0.02 | (0.02) | |
| Amortisation of leasehold land | 0.05 | - | - | |
| Provision for sales return | 3.06 | 2.61 | - | |
| Net Actuarial loss on employees defined benefit plan reclassified to other comprehensive income | 1.75 | 6.97 | - | |
| Provision for doubtful debts under Expected Credit Loss Model | 10.19 | 5.74 | (4.48) | |
| Other Ind AS adjustments | 0.15 | 0.18 | (0.85) | |
| Deferred tax on indexation benefit of land | 0.04 | 0.18 | 4.99 | |
| Deferred tax on above adjustments | (5.20) | (5.32) | 1.57 | |
| Net profit/equity for the period as per Ind AS | 135.13 | 345.70 | 2,552.27 | |
| Other comprehensive income | (1.15) | (4.56) | - | |
| Total comprehensive income / equity as per Ind AS | 133.98 | 341.14 | 2,552.27 | |

(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. ("AEM") 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. 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 Ringitt (RM), equivalent to ₹ 0.87 Million, in 50,000 ordinary shares of RM 1.00 each, thereby making it a wholly owned subsidiary.

(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. has completed the 100% acquisition of Evoxx Technologies GmbH (Evoxx), Germany, for a consideration of Euro 6.96 million, equivalent to ₹ 524.62 Million.

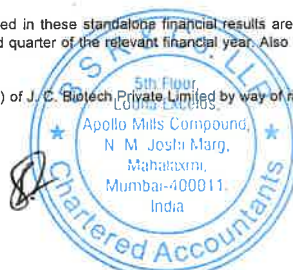
(xii) The Shareholders in its meeting held on 11 September 2017 have approved the final dividend for the financial year 2016-17 of Rs 0.40 per equity share and the same was paid on 15 September 2017.

(xiii) The Company's step-down wholly owned subsidiary, Enzyfuel Innovation, Inc., based in California (U.S.A), 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 Biomed Labs, LLC, U.S.A for a purchase consideration of USD 750,000 equivalent to ₹ 49.16 Million.

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

(xvi) 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 ₹ 6.96 Million i.e. maintaining the existing shareholding of 70%.



(xvii) The Board of Directors in their meeting held on 19 May 2018 have proposed the final dividend for the financial year 2017-18 of Rs 0.50 per equity share and the same will be paid after approval of shareholders in the Annual General Meeting of the Company.

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

Place: Thane
Dated: 19 May 2018

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



E.L. Rathi
Managing Director
DIN : 00365691



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

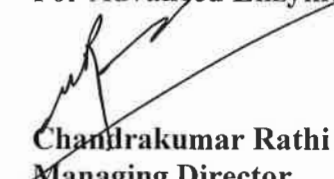
We hereby declare that the Audited Financial Results for the financial year ended March 31, 2018, which have been approved by the Board of Directors at the meeting held today i.e. May 19, 2018, BSR & Co. LLP, the Statutory Auditors of the Company have issued auditors' report with an unmodified opinion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