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Limited review report on unaudited quarterly and year-to-date consolidated financial results of Advanced Enzyme Technologies Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 1 (collectively referred to as 'the Group') for the quarter ended 30 September 2018 and the year-to-date results for the period from 01 April 2018 to 30 September 2018 ('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 ('Listing Regulations').

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are 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.

We did not review the financial information of two subsidiaries included in the Statement, whose unaudited financial information reflect total revenue of Rs. 221 million and Rs. 455 million for the quarter ended 30 September 2018 and period from 01 April 2018 to 30 September 2018 respectively and total assets of Rs. 761 million as at 30 September 2018. This unaudited financial information has been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the unaudited consolidated financial results and the year-to-date results, to the extent they have been derived from such unaudited financial information is based solely on the report of such other auditors. Our conclusion is not modified in respect of such matter.



Limited review report on unaudited quarterly and year-to-date consolidated financial results of Advanced Enzyme Technologies Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Advanced Enzyme Technologies Limited

The accompanying Statement includes the financial information of four subsidiaries whose unaudited financial information reflect total revenues of Rs. 86 million and Rs. 153 million for the quarter ended 30 September 2018 and period from 01 April 2018 to 30 September 2018 respectively and total assets of Rs. 1,009 million as at 30 September 2018, which have not been subjected to limited review by their auditors. This unaudited financial information has 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 unaudited financial information 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 is not modified in respect of such matter.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies 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.

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

Chartered Accountants

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



Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

1 November 2018

Advanced Enzyme Technologies Limited

Annexure I

The unaudited consolidated financial results include the results of the following entities:

Sr. No.	Name of entity	Relationship as at 30 September 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

Statement of unaudited consolidated financial results for the quarter and six months ended 30 September 2018

Particulars	(₹ in million except per share data)					
	Quarter ended			Six months ended		Year ended
	30th Sept 2018 Unaudited	30th June 2018 Unaudited	30th Sept 2017 Unaudited	30th Sept 2018 Unaudited	30th Sept 2017 Unaudited	31st March 2018 Audited
1 Revenue from operations (refer note iii)	1,031.51	1,042.83	985.78	2,074.34	1,787.40	3,956.99
2 Other Income	20.16	3.78	4.91	23.94	7.24	13.94
3 Total Income (1+2)	1,051.67	1,046.61	990.69	2,098.28	1,794.64	3,970.93
4 Expenses						
(a) Cost of materials consumed	109.87	230.42	216.05	340.29	392.26	799.37
(b) Purchases of stock-in-trade	0.73	0.24	0.02	0.97	0.76	3.91
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	95.38	(59.60)	32.85	35.78	6.41	11.44
(d) Excise duty					46.84	46.84
(e) Employee benefits expense	195.89	201.45	161.42	397.34	311.36	685.95
(f) Finance costs	22.58	13.72	13.80	36.30	26.40	80.86
(g) Depreciation and amortisation expense	52.51	51.83	45.31	104.34	82.86	182.98
(h) Other expenses	208.41	186.71	165.94	395.12	324.71	769.91
Total Expenses	685.37	624.77	635.38	1,310.14	1,191.60	2,501.26
5 Profit before exceptional item and tax (3-4)	366.30	421.84	355.30	788.14	603.04	1,389.67
6 Exceptional item	-	-	-	-	-	-
7 Profit before tax (5-6)	366.30	421.84	355.30	788.14	603.04	1,389.67
8 Tax expense						
Current tax	124.79	122.48	130.03	247.27	207.63	461.82
Deferred tax charge / (credit)	(17.14)	(12.96)	0.87	(30.10)	8.34	(7.71)
Total tax expense	107.65	109.52	130.90	217.17	216.97	454.11
9 Net profit for the period (7-8)	258.65	312.32	224.40	570.97	387.07	935.56
10 Other comprehensive income						
A (i) Items that will not be reclassified to Statement of profit and loss	0.61	(0.15)	(0.60)	0.46	(5.64)	(0.91)
(ii) Income tax related to items that will not be reclassified to Statement of profit and loss	(0.41)	0.26	0.22	(0.15)	1.92	0.09
B (i) Items that will be reclassified to Statement of profit and loss	209.44	149.84	-	359.28	-	79.68
(ii) Income tax related to items that will be reclassified to Statement of profit and loss	-	-	-	-	-	-
Total Other comprehensive income	209.64	149.95	(0.38)	359.59	(3.72)	78.86
11 Total comprehensive income (9+10)	468.29	462.27	224.02	930.56	383.35	1,014.40
12 Net profit attributable to:						
Shareholders of the Company	247.34	296.65	218.42	543.99	376.20	900.55
Non-controlling interest	11.31	15.67	5.98	26.98	10.87	35.01
13 Other comprehensive income attributable to:						
Shareholders of the Company	209.88	150.15	(0.28)	360.03	(3.58)	79.87
Non-controlling interest	(0.24)	(0.20)	(0.10)	(0.44)	(0.14)	(1.01)
14 Total comprehensive income attributable to:						
Shareholders of the Company	457.22	446.80	218.14	904.02	372.62	980.41
Non-controlling interest	11.07	15.47	5.88	26.54	10.73	34.00
15 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	223.30	223.30	223.26	223.30	223.26	223.26
16 Other equity						5,367.55
17 Earnings Per Share of ₹ 2 each (not annualized)						
(a) ₹ (Basic)	2.21	2.66	1.96	4.87	3.37	8.07
(b) ₹ (Diluted)	2.21	2.66	1.96	4.87	3.37	8.06



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Statement of consolidated assets and liabilities

Particulars	[₹ in million]	
	As at	As at
	30 Sept 2018	31 March 2018
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	1,647.17	1,666.60
(b) Capital work-in-progress	41.70	26.55
(c) Goodwill	2,850.46	2,584.20
(d) Other Intangible assets	677.09	662.14
(e) Intangible assets under development	61.23	78.84
(f) Financial Assets		
(i) Investments	0.62	0.62
(ii) Loans	22.42	22.43
(iii) Other financial assets	0.04	0.04
(g) Deferred tax assets (net)	63.77	42.36
(h) Income tax assets (net)	62.44	57.72
(i) Other non-current assets	23.11	19.68
Total non-current assets	5,450.05	5,191.18
(2) Current Assets		
(a) Inventories	775.82	755.72
(b) Financial Assets		
(i) Investments	726.25	0.04
(ii) Trade receivables	584.81	585.94
(iii) Cash and cash equivalents	430.39	611.28
(iv) Bank balances other than (iii) above	20.11	2.91
(v) Loans	0.62	20.94
(vi) Other financial assets	44.44	42.88
(c) Other current assets	142.05	87.38
Total current assets	2,724.49	2,107.09
(3) Non-current assets held for sale	48.17	48.17
Total assets	8,222.71	7,316.44
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.30	223.28
(b) Other equity	6,214.02	5,387.55
(c) Non-controlling interest	245.48	225.98
Total equity	6,682.80	5,816.79
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	148.94	198.35
(b) Provisions	9.13	11.21
(c) Deferred tax liabilities (net)	269.64	281.19
Total non-current liabilities	427.71	470.75
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	329.89	378.06
(ii) Trade payables	134.70	174.73
(iii) Other financial Liabilities	245.41	227.53
(b) Other current liabilities	253.65	151.72
(c) Provisions	24.36	32.40
(d) Current tax liabilities (net)	78.99	23.86
Total current liabilities	1,066.60	988.30
(4) Liabilities for non-current assets held for sale	45.60	40.60
Total equity and liabilities	8,222.71	7,316.44



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Advanced Enzyme Technologies Limited
CIN No.: L24200MH1989PLC051018

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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) (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 Evoxx Technologies GmbH (Germany) (w.e.f. 15 August 2017), The Holding Company and its subsidiary companies constitute the "Group".

(ii) The above unaudited consolidated financial results for the quarter and six months ended 30 September 2018 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 1 November 2018. The statutory auditors of the Company have carried out limited review of the above unaudited consolidated financial results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation 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) According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, revenue for the corresponding previous six months ended 30 September 2017 and the year ended 31 March 2018 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 2018, 30 June 2018 and 30 September 2017, six months ended 30 September 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	Six months ended		Growth %
	30 Sept 2018	30 Sept 2017	
Revenue from operations	2,074.34	1,742.12	19%

(₹ in Million)

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

(v) 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 Evoxx Technologies GmbH (Evoxx), Germany, acquired on 15 August 2017 and hence the figures for the quarter and half year ended 30 September 2018 are not comparable with the previous corresponding period.

(vi) The Shareholders in its meeting held on 14 September 2018 have approved the final dividend for the financial year 2017-18 of Rs 0.50 per equity share and the same was paid on 18 September 2018.

(vii) Effective 1 April 2018, the Company and its subsidiaries have adopted Ind AS 115 'Revenue from Contracts with Customers'. Based on the assessment done by management, there is no material impact on the revenue recognised.

(viii) During six months ended, the Company has allotted 18,800 equity shares to employees under the 'AETL Employee Stock Option Scheme 2015' ("AETL ESOS 2015").

(ix) On 10 July 2018, the Company has purchased 100,000 ordinary shares of RM (Malaysian Ringgit) 1.00 each of Advanced Enzyme (Malaysia) Sdn. Bhd. Formerly known as Palm Techno Ventures Enzyme Sdn Bhd ("PTVE") by way of subscription to the rights issue, equivalent to ₹ 1.77 million.

Place: Thane
Dated: 01 November 2018



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

M.M. Kabra

M.M. Kabra
Wholtime Director
DIN : 00148294