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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 31 December 2018 and the year-to-date results for the period from 01 April 2018 to 31 December 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 three subsidiaries included in the statement of unaudited consolidated quarterly financial results and consolidated year-to-date financial results, whose unaudited financial information reflect total revenue of Rs 259 million and Rs 791 million for the quarter ended 31 December 2018 and period from 01 April 2018 to 31 December 2018 respectively and total assets of Rs 929 million as at 31 December 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

Of the subsidiaries listed above, the interim financial results and financial information of one subsidiary which is located outside India has been prepared under the generally accepted accounting principles ('GAAPs') applicable in its respective country and which has been reviewed by the respective auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted these interim financial results from accounting principles generally accepted in its respective country to Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to such subsidiary located outside India is based on the report of other auditor under the aforementioned GAAPs in their respective country and the aforesaid conversion adjustments prepared by the Company's management and reviewed by us.

The accompanying statement includes the financial information of three subsidiaries whose unaudited financial information reflect total revenues of Rs. 8 million and Rs. 84 million for the quarter ended 31 December 2018 and period from 01 April 2018 to 31 December 2018 respectively and total assets of Rs. 779 million as at 31 December 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
9 February 2019

Advanced Enzyme Technologies Limited

Annexure 1

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

Sr. No.	Name of entity	Relationship as at 31 December 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	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	Evoxx 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 nine months ended 31 December 2018

Particulars	(₹ in million except per share data)					
	Quarter ended		Nine months ended		Year ended	
	31st Dec 2018 Unaudited	30th Sept 2018 Unaudited	31st Dec 2017 Unaudited	31st Dec 2018 Unaudited	31st Dec 2017 Unaudited	31st March 2018 Audited
1 Revenue from operations (refer note iii)	1,017.41	1,031.51	1,081.81	3,091.75	2,869.22	3,956.99
2 Other Income	0.04	20.16	2.55	23.98	9.79	13.94
3 Total Income (1+2)	1,017.45	1,051.67	1,084.36	3,115.73	2,879.01	3,970.93
4 Expenses						
(a) Cost of materials consumed	128.25	109.87	180.69	468.54	572.95	799.37
(b) Purchases of stock-in-trade	(0.14)	0.73	0.47	0.83	1.23	3.91
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	48.47	95.38	48.99	84.25	55.40	11.44
(d) Excise duty	-	-	-	-	46.84	46.84
(e) Employee benefits expense	219.52	195.89	184.36	616.86	495.72	685.95
(f) Finance costs (including exchange difference)	(3.40)	22.58	11.41	32.90	35.84	80.86
(g) Depreciation and amortisation expense	54.06	52.51	53.00	158.40	135.86	182.98
(h) Other expenses	204.04	208.41	216.31	599.16	542.99	769.91
5 Total Expenses	650.80	685.37	695.23	1,960.94	1,886.83	2,581.26
6 Profit before exceptional item and tax (3-4)	366.65	366.30	389.13	1,154.79	992.18	1,389.67
7 Exceptional item	-	-	-	-	-	-
8 Profit before tax (5-6)	366.65	366.30	389.13	1,154.79	992.18	1,389.67
9 Tax expense						
Current tax	111.21	124.79	116.94	358.48	324.57	461.82
Deferred tax charge / (credit)	1.97	(17.14)	7.10	(28.13)	15.44	(7.71)
Total tax expense	113.18	107.65	124.04	330.35	340.01	454.11
10 Net profit for the period (7-8)	253.47	258.65	265.09	824.44	652.17	935.56
11 Other comprehensive income						
A (i) Items that will not be reclassified to Statement of profit and loss	(2.71)	0.61	2.99	(2.25)	(2.65)	(0.91)
(ii) Income tax related to items that will not be reclassified to Statement of profit and loss	0.78	(0.41)	(1.02)	0.63	0.90	0.09
B (i) Items that will be reclassified to Statement of profit and loss	(169.37)	209.44	(59.36)	189.91	(24.82)	79.68
(ii) Income tax related to items that will be reclassified to Statement of profit and loss	(171.30)	209.64	(57.41)	188.29	(26.57)	78.86
Total Other comprehensive income (9+10)	82.17	466.29	207.68	1,012.73	625.60	1,014.42
12 Net profit attributable to:						
Shareholders of the Company	244.46	247.34	251.91	788.45	628.12	900.55
Non-controlling interest	9.01	11.31	13.18	35.99	24.05	35.01
13 Other comprehensive income attributable to:						
Shareholders of the Company	(171.13)	209.88	(57.44)	188.90	(26.46)	79.87
Non-controlling interest	(0.17)	(0.24)	0.03	(0.61)	(0.11)	(1.01)
14 Total comprehensive income attributable to:						
Shareholders of the Company	73.33	457.22	194.47	977.35	601.66	980.42
Non-controlling interest	8.84	11.07	13.21	35.38	23.94	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)	2.19	2.21	2.26	7.06	5.63	8.07
(b) ₹ (Diluted)	2.19	2.21	2.25	7.06	5.62	8.06



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), 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 nine months ended 31 December 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 9 February 2019. 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 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) According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, revenue for the corresponding previous nine months ended 31 December 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 31 December 2018, 30 September 2018 and 31 December 2017, nine months ended 31 December 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	Nine months ended		Growth %
	31st Dec 2018	31st Dec 2017	
Revenue from operations	3,091.75	2,823.94	9.48%

(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, Germany, acquired on 15 August 2017 and hence the figures for the nine months ended 31 December 2018 are not comparable with the previous corresponding period.

(vi) Effective 1 April 2018, the Group has 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.

(vii) During nine months ended 31 December 2018, the Company has allotted 18,800 equity shares to employees under the 'AETL Employee Stock Option Scheme 2015'. ('AETL ESOS 2015').

(viii) 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.

(ix) During the current quarter, pursuant to Section 202 of the Companies Act, 2013 and other applicable provisions, the Board of Directors on recommendation of Nomination and Remuneration Committee approved compensation of ₹ 21.8 million for loss of office to Mr. C. L. Rathi, former Managing Director.

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

Place: Thane
Dated: 09 February 2019



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

M.M. Kabra

M.M. Kabra
Wholetime Director
DIN : 00148294

