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Independent Auditors' Report on Consolidated Annual 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 audited the consolidated annual financial results of Advanced Enzyme Technologies Limited ('the Company') and its subsidiaries for the year ended 31 March 2019, 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 last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated 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 consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated 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 consolidated annual financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated annual 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.

We did not audit the financial statements of eleven subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 5,930 million as at 31 March 2019 as well as the total revenue of Rs. 3,330 million for the year ended 31 March 2019. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



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

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of the entities listed in Annexure 1;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
24 May 2019

Advanced Enzyme Technologies Limited

Annexure 1

The audited consolidated annual financial results include the results of the following entities:

Sr. No.	Name of entity	Relationship as at 31 March 2019	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

Annual consolidated financial results for the quarter and year ended 31 March 2019

(₹ in million except per share data)

Particulars	Quarter ended			Year ended	
	31st March 2019 Audited	31st Dec 2018 Unaudited	31st March 2018 Audited	31st March 2019 Audited	31st March 2018 Audited
	(refer note ix)		(refer note ix)		
1 Revenue from operations (refer note iii)					
2 Other Income	1,104.16	1,017.41	1,086.28	4,195.91	3,956.99
3 Total Income (1+2)	26.38	0.04	5.64	50.36	13.94
4 Expenses	1,130.54	1,017.45	1,091.92	4,246.27	3,970.93
(a) Cost of materials consumed					
(b) Purchases of stock-in-trade	188.57	128.25	226.42	657.11	799.37
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.55	(0.14)	2.68	2.38	3.91
(d) Excise duty	28.63	48.47	(43.96)	112.88	11.44
(e) Employee benefits expense	-	-	-	-	46.84
(f) Finance costs (including exchange difference)	185.43	219.52	190.23	802.29	685.95
(g) Depreciation and amortisation expense	5.80	(3.40)	45.02	38.70	80.86
(h) Other expenses	52.76	54.06	47.12	211.16	182.98
Total Expenses	202.95	204.04	226.92	802.11	769.91
5 Profit before exceptional item and tax (3-4)	665.69	650.80	694.43	2,626.63	2,581.26
6 Exceptional item	464.85	366.65	397.49	1,619.64	1,389.67
7 Profit before tax (5-6)	-	-	-	-	-
8 Tax expense	464.85	366.65	397.49	1,619.64	1,389.67
Current tax					
Deferred tax charge / (credit)	121.85	111.21	137.25	480.33	461.82
Total tax expense	8.41	1.97	(23.15)	(19.72)	(7.71)
9 Net profit for the period (7-8)	130.26	113.18	114.10	460.61	454.11
10 Other comprehensive income	334.59	253.47	283.39	1,159.03	935.56
A (i) Items that will not be reclassified to profit or loss					
(ii) Income tax related to items that will not be reclassified to profit or loss	3.47	(2.71)	1.74	1.22	(0.91)
B (i) Items that will be reclassified to profit or loss	(0.98)	0.78	(0.81)	(0.35)	0.09
(ii) Income tax related to items that will be reclassified to profit or loss	(51.35)	(169.37)	104.50	138.56	79.68
Total Other comprehensive income	(48.86)	(171.30)	105.43	139.43	78.86
11 Total comprehensive income (9+10)	285.73	82.17	388.82	1,298.46	1,014.42
12 Net profit attributable to:					
Shareholders of the Company	322.14	244.46	272.43	1,110.59	900.55
Non-controlling interest	12.45	9.01	10.96	48.44	35.01
13 Other comprehensive income attributable to:					
Shareholders of the Company	(49.86)	(171.13)	106.33	139.04	79.87
Non-controlling interest	1.00	(0.17)	(0.90)	0.39	(1.01)
14 Total comprehensive income attributable to:					
Shareholders of the Company	272.28	73.33	378.76	1,249.63	980.42
Non-controlling interest	13.45	8.84	10.06	48.83	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
16 Other equity				6,565.15	5,367.58
17 Earnings Per Share of ₹ 2 each (not annualized)					
(a) ₹ (Basic)	2.89	2.19	2.44	9.95	
(b) ₹ (Diluted)	2.88	2.19	2.43	9.94	



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Statement of consolidated assets and liabilities

(₹ in million)

Particulars	As at	As at
	31 March 2019	31 March 2018
	Audited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	1,617.64	1,666.60
(b) Capital work-in-progress	47.54	26.55
(c) Goodwill	2,714.74	2,584.20
(d) Other Intangible assets	622.26	662.14
(e) Intangible assets under development	57.41	78.84
(f) Financial Assets		
(i) Investments	0.62	0.62
(ii) Loans	21.81	22.43
(iii) Other financial assets	0.04	0.04
(g) Deferred tax assets (net)	59.14	42.36
(h) Income tax assets (net)	77.56	57.72
(i) Other non-current assets	23.37	19.68
Total non-current assets	5,242.13	5,161.18
(2) Current Assets		
(a) Inventories	768.99	755.72
(b) Financial Assets		
(i) Investments	1,109.85	0.04
(ii) Trade receivables	587.27	585.94
(iii) Cash and cash equivalents	230.62	611.28
(iv) Bank balances other than (iii) above	3.50	2.91
(v) Loans	1.29	20.94
(vi) Other financial assets	22.42	42.88
(c) Income tax asset	-	-
(c) Other current assets	96.69	87.38
Total current assets	2,820.63	2,107.09
(3) Non-current assets held for sale	48.17	48.17
Total assets	8,110.93	7,316.44
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	223.30	223.26
(b) Other equity	6,565.15	5,367.55
(c) Non-controlling interest	259.62	225.98
Total equity	7,048.07	5,816.79
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	70.48	198.35
(b) Provisions	5.46	11.21
(c) Deferred tax liabilities (net)	281.98	261.19
Total non-current liabilities	357.92	470.75
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	213.45	378.06
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	5.95	5.91
b) total outstanding dues other than micro enterprises and small enterprises	90.90	168.82
(iii) Other financial Liabilities	233.06	227.53
(b) Other current liabilities	56.59	151.72
(c) Provisions	26.77	32.40
(d) Current tax liabilities (net)	24.46	23.88
Total current liabilities	651.18	988.30
(4) Liabilities for non-current assets held for sale	53.76	40.60
Total equity and liabilities	8,110.93	7,316.44

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Advanced Enzyme Technologies Limited

CIN No.: L24200MH1989PLC051018

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Notes:

(i) The above annual 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.), Cai 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 annual consolidated financial results of the Group were reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 24 May 2019. The statutory auditors have expressed an unmodified opinion. The audit 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 year ended 31 March 2018 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 2019, 31 December 2018 and 31 March 2018, year ended 31 March 2019 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	Year ended		Growth %
	31st March 2019	31st March 2018	
Revenue from operations	4,195.91	3,880.69	8%

(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 year ended 31 March 2019 are not comparable with the previous corresponding period.

(vi) During the quarter ended 31 December 2018, 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 the former Managing Director.

(vii) 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.

(viii) The Company has allotted 150 equity shares for the quarter ended 31 March 2019 and 18,950 equity shares during the year ended 31 March 2019 to employees under the 'AETL Employee Stock Option Scheme 2015' ("AETL ESOS 2015").

(ix) The figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between consolidated 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.

(x) The Board of directors in their meeting held on 24 May 2019 have proposed the final dividend for the financial year 2018-19 of Rs. 0.60 per equity share and same will be paid after approval of shareholders in the Annual General Meeting of the Company.

(xi) On 10 July 2018, the Company has purchased 100,000 ordinary shares of RM (Malaysian Ringitt) 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 ₹ 1.78 million.

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

Place: Thane
Dated: 24 May 2019

