

Advanced Enzyme Technologies Ltd

Issue highlights

- Advanced Enzyme Technologies ("AETL") is the Largest Indian Enzyme Company engaged in the Research & Development, Manufacturing and Marketing of more than 400+ proprietary Enzyme products developed from 60 indigenous enzymes operating in two primary business verticals namely Healthcare & Nutrition and Bio-Processing.
- AETL is integrated company with presence across the Enzyme value chain having specialised business with high entry barriers. It has strong R&D, Enzyme Development and Manufacturing capabilities with diversified product portfolio and wide customer base. Having financial stability and stable cash flow, AETL has broaden and deepen the geographical presence.
- AETL Ranks among the top 15 global companies in terms of enzyme sales, and have the 2nd highest market share domestically, next only to the world's largest enzyme company Novozymes. It has 6 manufacturing units and 4 R&D facilities in India and abroad.
- AETL offer these products to more than 700 customers spanning across 50 countries worldwide. It supply these value-added and eco-safe enzyme products to diverse end-user industries like Human Healthcare and Nutrition, Animal Nutrition, Food Processing, Baking, Dairy and Cheese Processing, Fruit and Vegetable Processing, Cereal Extraction, Brewing, Grain Processing, Protein Processing, Oil and Fat Processing, Biomass Processing, Textile and Leather Processing, Paper and Pulp Processing, Bio-fuels, Bio-Catalysis etc.
- AETL manufacture enzymes by using all the four existing natural origins namely Plant, Animal, Bacterial and Fungal, the major focus is on developing enzymes through Microbial Fermentation.
- The shares will be listed on BSE and NSE

Brief Financial Details*

(Rs. In Cr.)

Particulars	Mar'16	Mar'15	Mar'14	Mar'13
Share Capital	21.77	21.77	21.77	21.77
Reserves	256.96	188.27	144.60	140.20
Net Worth	278.73	210.03	166.37	161.96
Revenue from Operations	293.76	223.11	239.45	220.42
Revenue Growth (%)	31.67%	(6.82)%	8.63%	-
EBITDA [^]	138.23	90.86	103.78	89.56
EBITDA Margin (%) [^]	47.06%	40.72%	43.34%	40.63%
Profit Before Tax	122.53	73.75	27.75	76.16
Profit after Tax	78.44	50.10	20.09	49.22
PAT as % to revenue	26.70%	22.46%	8.39%	22.33%
EPS (Rs.)	36.03	23.01	9.23	23.10
RoNW (%)	28.14%	23.85%	12.07%	30.39%
NAV (Rs. per share)	128.03	96.48	76.42	74.40

Source: RHP *Restated Consolidated Statement [^] As stated.

Object of the Issue	Amount (Rs in Crs)
Investment in Advanced Enzymes USA, the wholly owned subsidiary for repayment / pre-payment of certain loans availed by Advanced Enzymes USA.	40.00
General Corporate Purposes	[•]
Total	[•]

Issue Details

Fresh Issue of shares aggregating upto Rs.50 Crores and Offer for sale of 4,034,470 Equity Shares.

Issue summary

Issue size: Rs. 405.03 - 411.49 Crores

No. of shares: 45,92,505 – 46,02,651

Face value: Rs.10

Employee Reservation : Shares aggregating up to Rs. 2 Cr.

Price band: Rs.880 - 896

Bid Lot:16 Shares and in multiple thereof

Employee Discount: Rs.86/- per share

Post Issue Implied Market Cap = Rs.1,965.37 – 2,000.20 Cr.

BRLM: Axis Capital Ltd, ICICI Securities Registrar: Link Intime India Pvt. Ltd.

Issue opens*: Wednesday, 20th July 2016
Issue closes:** Friday, 22nd July 2016

* The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	27-07-2016
Refunds/Unblocking ASBA Fund	28-07-2016
Credit of equity shares to Depository account	29-07-2016
Trading commences	01-08-2016

Issue break-up

Reservation for	Shares @ upper Band	Shares @ Lower Band	% of Issue
QIB*	22,85,091	22,89,961	50%
NIB	6,85,528	6,86,989	15%
Retail	15,99,565	16,02,974	35%
Employee	22,321	22,727	-
Total	45,92,505	46,02,651	

Shareholding (No of Shares)

	Pre issue	Post issue [^]	Post issue*
No of shares	217,65,600	223,23,635	223,33,781

[^]@ Upper price Band *@ Lowr Price Band

BACKGROUND

Company and promoters

Advanced Enzyme Technologies Limited (“AETL”) was incorporated on 15th March, 1989. Company started primarily as a pharmaceutical company and over the years diversified into different human nutrition, animal nutrition segment, etc. Company commenced the first fermentation facility in the year 1991 with production of around 7 enzymes and the first application research facility in the year 1996. The company presently operates in two key verticals namely Healthcare & Nutrition and Bio Processing.

The Company was promoted by Mr.Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi having a cumulative experience of over seven decades in the global enzyme industry. Under their leadership and guidance, AETL is successful in creating a strong footing in the existing markets as well as expanding their presence in new and unexplored markets. The superior knowledge and understanding of the industry by the promoters has led the company to win several awards and recognitions.

The company has been awarded as –

- ‘Bio-Excellence’ award instituted by the Department of Information Technology, Biotechnology and Science and Technology, Government of Karnataka in the Industrial Biotech Sector in the year 2014 & 2010.
- The ‘Fastest Growing mid-sized companies’ award organized by Inc. India in the year 2013.
- The ‘Most Innovative Exporter’ award organized by Dun and Bradstreet in the year 2012.
- The ‘Emerging India Awards 2010’ for Life science-Pharmaceuticals and Chemicals segment organized by ICICI Bank – Business Banking and CNBC TV18.

Further, AETL is recognized as a Star Export House by Director General of Foreign Trade.

OFFER DETAILS

The Offer	
Fresh Issue	Upto 5,58,036[^] - 5,68,182[~] Equity Shares
	([^] at upper price band and [~] lower price band)
Offer for Sale*	Upto 40,34,470 Equity Shares
<i>* Offer for sale by :</i>	<i>Shares upto:</i>
Promoter Group Selling Shareholders	26,80,000 Equity Shares
Investor Selling Shareholders	5,17,200 Equity Shares
Other Selling Shareholders-I	4,47,270 Equity Shares
Other Selling Shareholders-II	3,90,000 Equity Shares

OBJECT OF THE ISSUE AND MEANS OF FINANCE

Investment in Advanced Enzymes USA, the wholly owned subsidiary for repayment / pre-payment of certain loans availed by Advanced Enzymes USA from one of the Promoters and Group Companies (Rs.40 Cr)

The company proposes to utilize Rs.40 Crores out of the Net Proceeds for investment in Advanced Enzymes USA, the wholly owned subsidiary for repayment / pre-payment of certain loans availed by Advanced Enzymes USA. This investment in Advanced Enzymes USA is proposed to be in the form of debt / instrument to be issued by Advanced Enzymes USA to AETL.

BUSINESS OVERVIEW

Advanced Enzyme Technologies Ltd (“AETL”) is the Largest Indian Enzyme Company engaged in the Research & Development, Manufacturing and Marketing of more than 400+ proprietary products developed from 60 indigenous enzymes.

Having more than two decades of fermentation experience in the production of enzymes, **AETL rank among the top 15 global companies in terms of enzyme sales, and have the 2nd highest market share domestically**, next only to the world’s largest enzyme company Novozymes.

AETL operate in two primary business verticals namely Healthcare & Nutrition (human and animal) and Bio-Processing (food and non-food). They are a fully integrated enzyme manufacturing company driven by extensive focus on research and development (“R&D”) of various enzymes, enzyme blends, enzyme products and customized enzyme solutions. The experienced and qualified R&D team strives to develop creative, cost-effective unique and innovative solutions, thereby enabling their customers to develop superior products and processes.

AETL offer their products to the global clientele of more than 700 customers spanning presence across 50 countries worldwide. They supply these value-added and eco-safe enzyme products to diverse end-user industries like Human Healthcare and Nutrition, Animal Nutrition, Food Processing, Baking, Dairy and Cheese Processing, Fruit and Vegetable Processing, Cereal Extraction, Brewing, Grain Processing, Protein Processing, Oil and Fat Processing, Biomass Processing, Textile Processing, Leather Processing, Paper & Pulp Processing, Bio-Fuels, Bio-Catalysis etc.

AETL has capability to manufacture enzymes using all the four natural origins viz. Plant, Animal, Bacterial and Fungal, their major focus is on developing enzymes through microbial fermentation.

The experienced and qualified R&D team consists of more than 55 members comprising of Scientists, Microbiologists, Engineers, Food Technologists, Biotechnologists etc. AETL has 4 (four) R&D facilities, of which 2 (two) are located at Thane and 1 (one) each at Sinnar and Chino - California.

In Fiscals 2016, 2015 and 2014, the company incurred Rs.8.18 Crores, Rs.9.13 Crores & Rs.8.13 Crores, respectively towards R&D activities on an Unconsolidated basis aggregating to 5.84%, 7.18%, and 5.94%, respectively of the Unconsolidated Total Revenues during these periods.

The persistent R&D efforts have enabled AETL to continuously develop new and innovative enzyme products and customised blends for various applications for their customers.

INTELLECTUAL PROPERTY RIGHTS

	Registered	Application Pending	In the name of
Patent	13	4	AETL
Trademarks	128	14	AETL
	44	1	Cal India – Subsidiary
Copyrights	6	2	AETL

Additionally, AETL has filed 11 food enzymes dossiers with European Food Safety Authority (“EFSA”) for marketing authorizations in Europe.

MANUFACTURING UNITS

The 6 geographically-spread and accredited manufacturing facilities enable AETL to produce a wide range of products and help cater to a diverse set of industries globally. These facilities are flexible and multi-purpose in nature, capable of developing quality enzyme products and solutions with varying batch sizes, customised to meet their clients’ requirements, while adhering to strict controlled processes and allowing for complete traceability of their products.

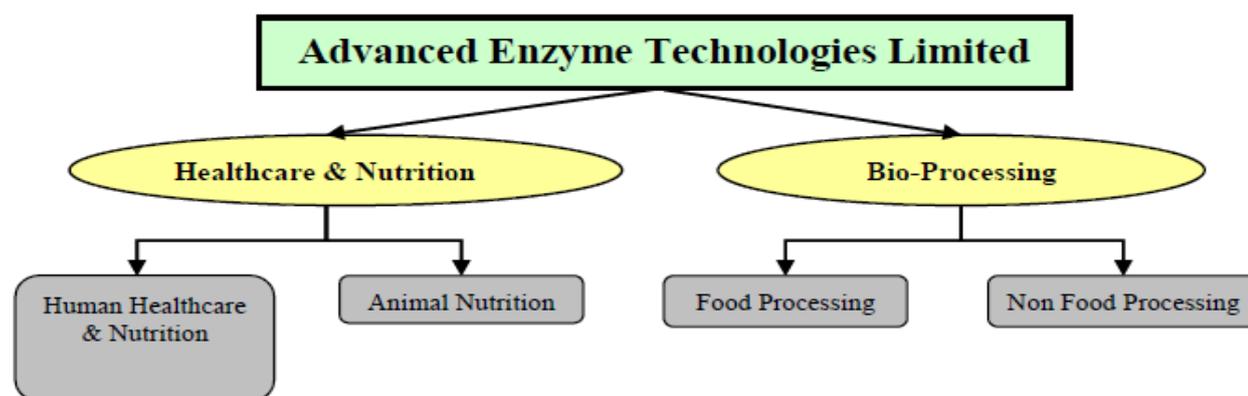
Unit No	Location	Facilities	Key Products Manufactured	Capacity
Unit I	Sinnar-Nasik	Fermentation, Recovery & Formulation	Serratiopeptidase, Cellulase, Xylanase, Lipase, Fungal Amylase, Pectinase, Protease, Lipase, Beta Glucanase, Lactase	120 cubic meters
Unit II	Satput-Nasik	Extraction and Recovery	Papain, Bile salts	36 metric tons p.a.
Unit II	Pithampur – Indore	Fermentation, Recovery & Formulation	Serratiopeptidase, Cellulase, Xylanase, Lipase, Fungal Amylase, Pectinase, Protease, Lipase, Beta Glucanase, Lactase	240 cubic meters
Unit IV	Vashind-Thane	Blending, Mixing and Formulation	Biograin Series, Aciplex Series	2,000 metric tons p.a.
Unit I	SEB - California	Blending, Mixing and	Custom Enzyme Blends, Lactase, Peptizyme,	6,500 metric tons p.a.
Unit II	SEB - California	Formulation	Xylanase	

These Domestic and International facilities have been approved / certified by various regulators / certifying agencies. AETL has received “Indian FDA” approval for several of their products as well as other global standard certifications such as “HALAL”, “Kosher”, “NPOP”, “GOTS”, etc.

AETL has a de-risked business model having diversified client base with their Top 10 customers accounting for 41.48% of the Total Revenues on consolidated basis for the fiscal year ended March 31, 2016. Some of their customers include Sanofi India, Cipla, Ipca Laboratories, Alkem Laboratories, and Emcure Pharmaceuticals. Both domestic and international markets are well serviced by the 55+ dedicated sales & marketing team.

United States of America (“US”) is an important focus market for AETL which contributes to a major portion of their International Revenues. AETL primarily operate in the Healthcare and Nutrition vertical in US, and is engaged in providing proprietary and customised enzyme blends, mainly to the nutraceutical industry. Further, they are also actively cater to the animal nutrition, food processing and non-food processing verticals in the US market. In the year 2012, AETL has also launched their own branded enzyme supplements in the US, offering healthcare professionals and consumers a natural therapeutic alternative for preventive care and health.

KEY BUSINESS VERTICALS



Contribution from the key business verticals over Fiscals 2016, 2015 and 2014 are as follows

Total Revenue - Business Verticals	FY2014		FY2015		FY2016	
	Rs. (Cr)	% of Total Revenue	Rs. (Cr)	% of Total Revenue	Rs. (Cr)	% of Total Revenue
Healthcare & Nutrition	190.89	79.7%	188.97	84.7%	257.41	87.6%
Bio-Processing	45.56	20.3%	34.14	15.3%	36.35	12.4%
Total Revenues	239.45		223.11		293.76	

Healthcare & Nutrition:

- **Human Healthcare & Nutrition:**

Company provide the proprietary enzyme products and customized enzyme solutions to various pharmaceutical companies in India and globally. Some of the key customers in this business vertical include Sanofi India, Cipla, Ipca Laboratories, Alkem Laboratories and Emcure Pharmaceuticals.

- **Animal Nutrition:**

The company provide enzyme based feed additives for the animal nutrition industry, mainly catering to poultry and swine. The product offering enables animals to maximize the nutrients they absorb from the feed, thus helping in reducing feed costs, minimizing animal waste production and accordingly helping to reduce environmental pollution.

Bio-Processing:

- **Food Processing:**

The company provide the proprietary enzyme products and customized enzyme solutions for food processing industries like Baking, Dairy and Cheese Processing, Fruit and Vegetable Processing, Cereal Extraction, Brewing, Grain Processing, Protein Processing, and Oils and Fats Processing. The specialized enzyme products help

customers to improve the quality of their products, reduce wastages, optimize resources, produce higher yields, reduce costs and also to reduce environmental pollution.

- **Non Food Processing:**

Enzymes are considered as potent biocatalysts for a large number of reactions. AETL offer eco-safe solutions for variety of industries such as Textiles, Leather, Detergent and Pulp and Paper, which are used in the manufacture of a wide range of products. The biological solutions improve the efficiency of industrial processes by saving energy, water and other raw materials, while reducing waste and effluent load, thereby helping the clients to comply with the pollution norms reducing overall process cost.

COMPETITIVE STRENGTH

- **Integrated company with presence across the Enzyme Value Chain**

The company is an integrated company with presence across the enzyme value chain, covering the entire range of activities from research & development, commercial-scale manufacturing, to marketing of enzyme products and customized enzyme solutions. This will enable the company to be cost-effective vis-à-vis competition, and helps to ensure end-to-end quality control resulting in superior products.

- **Strong R&D, enzyme development and manufacturing capabilities**

In Fiscals 2016, 2015 and 2014, the company incurred Rs.8.18 Crores, Rs.9.13 Crores & Rs.8.13 Crores, respectively towards R&D activities on an unconsolidated basis aggregating to 5.84%, 7.18%, and 5.94%, respectively of the unconsolidated Total Revenues during these periods.

AETL presently has 4 R&D facilities located at Thane, Sinnar and Chino, California supported by a team of more than 55 members consisting of scientists, microbiologists, engineers, food technologists and biotechnologists.

AETL is one of the leading enzyme manufacturers globally with fermentation capacity of 360 cubic meters, and 6 geographically diversified manufacturing facilities. The manufacturing facilities are flexible and multi-purpose in nature, capable of developing quality enzyme products and solutions with varying batch sizes, customised to meet the clients' requirements, while adhering to strict controlled processes and allowing for complete traceability of their products. The large production capacities coupled with a globally competitive cost base, has enabled AETL to develop new enzymes, enzyme products and customized solutions across their business verticals for the domestic as well as international markets.

Conceiving an enzyme, developing value-added novel applications, developing commercially viable production technology, and subsequently commercializing the enzyme product successfully, is one of the biggest strengths of AETL. As on the date, AETL has successfully developed and commercialized 60 enzymes, and marketed 400+ proprietary products developed from them.

- **Specialized Business with high entry barriers**

Manufacturing of enzymes, enzyme products and enzyme solutions requires specialized knowledge of enzyme fermentation and also the diverse end-user industries in which these products and solutions are utilized. Presently, the enzyme industry is very concentrated and consists of very few players with the likes of domestic players like Biocon and foreign MNCs like Novozymes, DSM Nutritional Products and DuPont Danisco.

Factors such as technical and specialized nature of the business, heavy reliance on research and development and dearth of qualified professionals with experience in enzyme and biotechnology industry operates as an entry barrier to new players in the market. As a result, the enzyme industry has very few players and the top players account for a significant portion of the global market share. One of the biggest challenges facing new companies looking to enter the enzyme industry is obtaining sufficient capital to sustain research and development efforts, until products can be brought to market.

- **Diversified Product Portfolio and Wide Customer Base**

AETL has a diversified product portfolio catering to various verticals and end-user industries with more than 400 proprietary enzyme products developed from 60 enzymes. It has a wide presence in the Healthcare and Nutrition and the Bio-Processing verticals and cater to some of the leading and reputed companies such as Sanofi India, Cipla, etc. AETL offer these products to their global clientele of more than 700 customers spanning presence across 50 countries worldwide.

- ***Experienced Promoters and Strong Management Team***

The Promoters of the company has a cumulative experience of over seven decades in the global enzyme industry, which helps them in assessing market opportunities, estimating future potential of new products and applications, and positioning themselves in the market accordingly. Their industry knowledge and understanding also gives AETL the key competitive advantage enabling to expand their geographical and customer presence in existing as well as target markets, while exploring new growth avenues. The promoters are supported by a well-qualified and strong management team with several years of industry experience in their respective domains of research, quality control, sales, marketing, strategy and finance. Most of the Key Managerial Personnel have been associated with the company for more than 10 years.

- ***Financial stability and stable cash flows***

During the fiscal years ended 2016, 2015 and 2014, AETL reported EBITDA of Rs.138.23 Crores, Rs.90.86 Crores and Rs.103.78 Crores, respectively. The EBITDA has grown at a CAGR of 22.06% from fiscal 2012 to fiscal 2016. Further, as on March 31, 2016, the **Long Term Borrowings / Equity Ratio is 0.26**. During the fiscal years ended 2016, 2015 and 2014, the Return on Net worth (RONW) was of 28.14%, 23.85% and 12.07%, respectively.

The robust financial position illustrates not only the growth of the operations over the years, but also the effectiveness of the administrative and cost management protocols that AETL has implemented across their business. Among other things, the strong financial position and results of operations have enabled them to invest in the continuous research and development efforts. Also, the financial stability and steady operational cash flows enable AETL to meet the present and future product needs of their clientele.

STRATEGY

- ***Continue to invest significantly in R&D***

Being a research driven company, AETL will continue to invest significantly in research and development as it forms the core of their business. The company intend to increase their initiatives in R & D in order to further boost existing verticals of Healthcare and Nutrition and Bio-Processing. AETL possess the necessary skills, technology, know-how, in-house R&D capabilities and intellectual property competence, to develop new enzymes, enzyme products, customized enzyme solutions and proprietary products, which can be manufactured and marketed in both domestic and international markets.

- ***Consolidate and Further Grow the Existing Business Verticals***

AETL continue to consolidate its market position in key business verticals of Human Healthcare and Nutrition, Animal Nutrition, Food Processing, and Non Food Processing. They aim for growth in these areas through various initiatives including driving innovation, expanding opportunities, identification of gaps in their product portfolio for the introduction of new products, increasing product and market penetration, investing in the training and effectiveness of their marketing and sales force. They are continuing to operate with a market oriented structure, with increased focus on customers as well as on internal leadership development to cultivate knowledge and drive results thereby increasing their market shares across target geographies.

In addition, AETL intend to continue to maintain their market share and leadership position in the Human Healthcare and Nutrition space. Further, they will continue to enhance their presence in the branded enzyme supplements business in the US by increasing their distribution reach and by leveraging multiple delivery channels. Additionally, AETL intend to continue to build their market share in the Animal Nutrition and Food Processing verticals, which are the fastest growing enzyme segments globally. They intend to selectively pursue areas with growth opportunities such as development of enzymatic product solutions in Biodiesel and Biocatalysis, as well as entering into the non-food based industries that are complementary to or synergistic with their existing product portfolio.

- ***Broaden and Deepen the Geographical Presence***

AETL intend to deepen market penetration and increase their market share in the North American market for existing products, as well as to position themselves as successfully commercialize their products under development and any additional products for which they may receive approval. AETL also seek to enhance their geographical presence in the Latin American market through their set-up in North America as well as in European and other Asian

markets through their set-up in India. Particularly in Europe, AETL has filed 11 food enzymes dossiers and will continue to file more dossiers in the future as well.

- **Use of Organic and Inorganic strategy to Explore Growth**

AETL has acquired the erstwhile Group Companies, Cal-India in April 2011 and AST Enzymes in October 2012, which provided the commercial platform through which AETL is able to market and sell their portfolio of products in the United States. The company actively seek and evaluate potential acquisitions targets to explore inorganic opportunities for expanding their presence in North America, Europe and other growth markets. In addition to using strategic acquisitions to drive growth, AETL also explore opportunities to enter into partnership agreements for out-licensing and in-licensing of products to get ready access to newer markets / geographies and augment the product / service offerings.

INDUSTRY - OUTLOOK

Introduction to Enzymes

Enzymes are natural protein molecules produced by all living organisms, functioning as highly specialized catalysts for accelerating the pace of chemical reactions, that is, they help a chemical reaction take place quickly and efficiently, without undergoing change themselves. Enzymes are responsible for many essential biochemical reactions and metabolic processes in microorganisms, plants, animals, and human beings, but are not alive. Enzymes are highly efficient in increasing the reaction rate of biochemical processes that otherwise proceed very slowly, or in some cases, not at all, and are also biodegradable. Moreover, with the positive environmental profile offered by enzymes, there exist opportunities in the form of substituting non-renewable chemicals with the intent of reducing energy consumption or decreasing the production of harmful wastes.

Enzymes are produced and harvested from living organisms such as plants, animals, bacteria and fungi. Enzymes are presently employed in a diverse array of applications that range from the manipulation of DNA in biotechnology research, to improving the softness of fabrics in the textile industry. Enzymes are used in a diverse range of applications, and therefore global demand for enzymes is influenced by a number of macroeconomic factors including the likes of GDP growth, manufacturing output, and per capita income.

Classification of global Enzyme Market :

Segment	Used in	Enzyme market includes -
Industrial enzymes	High volume and Low value-added applications	Food and Beverages, Cleaning products (detergents), Biofuel production, Animal Feed, Textiles, Leather, Pulp and Paper, Starch Processing, etc.
Speciality enzymes	Low volume and High value-added applications	Pharmaceutical, Research and Biotechnology, Diagnostics and Biocatalysts.

The following table represents the key segments across Industrial and Specialty Enzymes, and the expected enzyme demand over the next few years.

World Enzyme Demand by Market

(in USD million)

Market/Year	2002	2007	2012	2017	2022
Industrial Enzymes:					
Food & Beverage	570	940	1,320	1,865	2,555
Cleaning Product	530	740	920	1,245	1,690
Biofuel Production	90	290	515	555	640
Animal Feed	168	310	395	540	745
Other Industrial	362	420	480	555	670
Total Industrial Enzymes	1,720	2,700	3,630	4,760	6,300
Speciality Enzymes:					
Research & Biotechnology	380	543	815	1,180	1,720
Diagnostic	203	282	430	640	950
Other Speciality	97	175	255	370	530
Total Speciality Enzymes	680	1,000	1,500	2,190	3,200
World Enzymes Demand (Industrial and Speciality)	2,400	3,700	5,130	6,950	9,500

The largest application for enzymes in food and beverages is in baked goods, where enzymes have several applications including anti-staling/shelf-life extension, volume expansion and dough strengthening, among others. The second largest market is dairy products, in which enzymes are used for the production of cheese and removal of lactose. In beverages, enzymes see application in beer, distilled spirits, fruit juice and wine. Other food applications include confectionery manufacturing, cocoa, coffee and egg processing, fruit and vegetable processing, and meat tenderizing. More recently, enzymes have also found an important role in fat and oil production and processing, and in preventing the formation of acrylamide in the baking and frying of starch-containing foods.

Indian Enzyme Market:

The market for enzymes in India will be the fastest growing in the world through 2015. Advances will average more than 12% per year through 2015, driving demand to \$170 million. As with most other markets in the Asia / Pacific region, demand is concentrated in industrial enzymes. However, the rapid development of India's pharmaceutical industry is starting to change this, and specialty enzyme demand will outpace industrial enzyme demand going forward. Enzyme demand in India is concentrated in industrial enzymes, particularly the cleaning product (detergent), food and beverage, and textile and leather markets.

In specialty enzymes, most demand is concentrated in the pharmaceutical and research and biotechnology enzyme markets. Growth in the pharmaceutical market is expected to be robust going forward as rising per capita incomes and the reform of India's patent laws to reflect the country's commitments to the World Trade Organization encourage western companies to enter the Indian market.

In addition to the pharmaceutical market, strong growth will also be seen in research and biotechnology as the government seeks to promote development of the biotechnology sector to showcase the country's technological prowess, and Indian pharmaceutical and biotechnology companies increasingly seek to make inroads into the developed markets of the United States, the European Union and Japan by investing in advanced technologies. This same trend will also benefit the biocatalysis market.

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