

Advanced Enzyme Technologies Ltd.

CIN: L24200MH1989PLC051018

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Date: August 07, 2021

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code-540025

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E) Mumbai- 400 051
Trading Symbol-ADVENZYMES

Dear Sir,

Subject: Disclosure pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Ref: Outcome of Board meeting dated August 07, 2021 ("Letter")

This has reference to our Letter dated August 07, 2021, intimating that the Board analysed the reclassification requests dated June 18, 2021 received from the following Promoter/few Promoter Group Members to re-classify them from "Promoter/Promoter Group" to "Public" category of the shareholding of the Company.

Sr. No.	Name of the Promoter/Promoter Group Member	Category / Status (Promoter/Promoter Group)
1.	Mr. Chandrakumar Rathi	Promoter
2.	Mrs. Savita Rathi	Promoter Group
3.	Mr. Piyush Rathi	Promoter Group
4.	Ms. Radhika Pujara	Promoter Group
5.	Advanced Vital Enzymes Private Limited	Promoter Group
6.	Atharva Green Ecotech LLP	Promoter Group

Pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), enclosed herewith is the relevant extract of the Minutes of the Board meeting held on August 07, 2021 including the views of the Board.

This is for your information and for public at large.

Thanking you,
Yours faithfully,

For Advanced Enzyme Technologies Limited


Sanjay Basantani

Company Secretary and Head - Legal



Encl.: As above

**EXTRACT OF THE MINUTES OF THE MEETING OF BOARD OF DIRECTORS OF
ADVANCED ENZYME TECHNOLOGIES LIMITED HELD ON SATURDAY, AUGUST
07, 2021**

Analysis of the requests received from a Promoter/ few Promoter Group Members for reclassification from "Promoter/Promoter Group Members" to "Public" Category of shareholding of the Company and views of the Board thereto, pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

The Board noted that the Company is in receipt of requests dated June 18, 2021 from the following Promoter/Promoter Group members to reclassify them from the status of "Promoter/Promoter Group" category to "Public" category of shareholding of the Company:

Sr. No.	Name of the Promoter/Promoter Group Member	Promoter/Promoter Group	Number of Shares	% of total Shareholding
1.	Mr. Chandrakumar Rathi	Promoter	46,500	0.04
2.	Mrs. Savita Rathi	Promoter Group	3,71,000	0.33
3.	Mr. Piyush Rathi	Promoter Group	23,500	0.02
4.	Ms. Radhika Pujara	Promoter Group	31,500	0.03
5.	Advanced Vital Enzymes Private Limited	Promoter Group	99,56,344	8.91
6.	Atharva Green Ecotech LLP	Promoter Group	6,29,000	0.56
		Total	1,10,57,844	9.89

The Board also noted the confirmation provided by the aforesaid promoter/promoter group members in their respective reclassification requests dated June 18, 2021 and that the intimation in this regard was submitted by the Company to the Stock Exchanges (BSE and NSE) on June 19, 2021 (www.bseindia.com/stock-share-price/advanced-enzymetechnologies-ltd/advenzymes/540025/corp-announcements/). Copy of the reclassification requests were also tabled at the Board meeting. Summary of Regulation 31A of SEBI Listing Regulations, as applicable in case of such reclassification requests, was pre-circulated alongwith the agenda.

The Board deliberated and analyzed the aforesaid reclassification requests received with reference to the applicable provisions under Regulation 31A of SEBI Listing Regulations, opinion from a law firm and following were the views of the Board, based thereto:

- (i) As per Regulation 31A(3)(b)(i) of SEBI Listing Regulations, the promoter(s) seeking re-classification and persons related to the promoter(s) seeking re-classification shall not together, hold more than ten percent of the total voting rights in the listed entity.



- (ii) For the purpose of the said Regulation 31A of the SEBI Listing Regulations, the term “promoters seeking re-classification” shall mean all such promoters/persons belonging to the promoter group seeking re-classification of status as public. Pursuant to the provisions of Regulation 31A(1)(b) of SEBI Listing Regulations “persons related to the promoter(s) seeking re-classification” shall mean such persons with respect to that promoter(s) seeking re-classification who fall under sub-clauses (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of Regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”). As per Regulation 2(1)(pp)(ii) of SEBI ICDR: “promoter group” includes: an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);
- (iii) Mr. Chandrakumar Rathi is an immediate relative of the following other promoter /promoter group members (i.e. other than the aforesaid promoter group members from whom the reclassification requests are received by the Company):

Name	Relation	No. of shares	%
Vasant Rathi	Brother	3,65,78,702 *	32.72
Kishor Rathi	Brother	14,66,000	1.31
Mangala Kabra	Sister	4,35,600	0.39
		3,84,80,302	34.42

* includes 75,00,000 shares held by Mr. Vasant Rathi on behalf of Vasant and Prabha Rathi Generation Trust and clubbed basis PAN of Mr. Vasant Rathi

- (iv) In view of the above, Mr. Chandrakumar Rathi (Promoter) who proposes to be reclassified as a public shareholder holds, along with (i) his sister Mrs. Mangala Kabra, (ii) his brother Mr. Kishore Rathi, and (iii) his brother Mr. Vasant Rathi holds over 34% of the issued, subscribed and paid-up equity share capital of the Company and thereby their collective holding and voting rights exceed 10% of voting rights in the Company.
- (v) Other promoter group members from whom reclassification requests are received by the Company are Mrs. Savita Rathi, Mr. Piyush Rathi, Ms. Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP (herein referred to as the “Said Promoter Group Members”). Out of the Said Promoter Group Members, Mrs. Savita Rathi, Mr. Piyush Rathi and Ms. Radhika Pujara are also Immediate Relatives in terms of Regulation 2(1)(pp)(ii) of SEBI ICDR, being the spouse, son and daughter of Chandrakumar Rathi (Promoter). Further, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP are under the control of Chandrakumar Rathi and the Said Promoter Group Members.



- (vi) In view of the above, the collective holding / voting rights of Chandrakumar Rathi, Mangala Kabra, Kishore Rathi, Vasant Rathi Savita Rathi, Piyush Rathi, Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP exceeds 10% of the total voting rights held by the 'promoter(s) seeking reclassification' and 'persons related to the promoter(s) seeking re-classification'. In addition, as Chandrakumar Rathi, the promoter himself does not meet the criteria of reclassification under Regulation 31A of the SEBI Listing Regulations, then Savita Rathi, Piyush Rathi, Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP, who form part of the "promoter group" of the Company inter alia by virtue of Chandrakumar Rathi being promoter of the Company, would consequently also not meet the criteria of reclassification as prescribed under Regulation 31A of the SEBI Listing Regulations.
- (vii) Considering the above, the Board was of the view that the reclassification requests received are not in compliance with the Regulation 31A of SEBI Listing Regulations.
- (viii) Sub-Regulation 3(a)(ii) of Regulation 31A of the SEBI Listing Regulations provides that the board of directors of the listed entity shall analyse the reclassification request and place the same before the shareholders in a general meeting for approval along with the views of the Board on the request within the prescribed time. The Board of the Company analysed the aforesaid reclassification requests received by the Company, as mentioned above and decided to place the same before the shareholders in a general meeting, along with its views as mentioned herein.
- (ix) Further, in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended) read with the provisions of the Company's Insider Trading Code, the term "Designated Persons" inter alia includes Promoters/Promoter Group Members of the listed entity. As per the provisions of the Company's Insider Trading Code, the Designated Persons cannot carry out contra-trade for a period of six months from the date of previous transaction. Assuming that, in the event the reclassification requests are finally approved by the Stock Exchanges and the promoter/promoter group members are reclassified under public category, the said persons shall consequently cease to be the Designated Persons of the Company, provided that they do not attract any other parameters that qualify them as Designated Persons. Consequently the contra-trade restrictions as applicable to the Designated Persons, will no longer be applicable to the persons, if so reclassified.
- (x) The reclassification requests, if approved by the Members of the Company shall be subject to the approval of the Stock Exchange(s) as per the provisions of Regulation 31A of SEBI Listing Regulations and even if the Members of the Company approve the aforesaid reclassification requests, such non-compliance as mentioned above, may result in the Stock Exchange(s) rejecting the application for reclassification in as much as, the provisions of sub-regulation (2) of Regulation 31A of the SEBI Listing Regulations clearly provide that



the stock exchanges shall permit the request for reclassification only upon satisfaction of the prescribed conditions, one of which being shareholding of the promoters seeking reclassification and persons related to the promoters seeking reclassification, shall not be more than 10% of the total voting rights of the Company.

Thereafter, the following resolution was passed by the Board unanimously:

“RESOLVED THAT pursuant to the applicable provisions of Regulation 31A and other applicable provisions, if any of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof) and other applicable laws, if any, and subject to the approval of the Members of the Company and the Stock Exchanges i.e. BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively “Stock Exchanges”) and such other approvals as may be required, the Board of Directors of the Company (“Board”) has analysed the reclassification requests dated June 18, 2021 received by the Company from the following Promoter/Promoter Group Members, and hereby accord its consent to place the said reclassification requests and its resolution before the Members of the Company at the ensuing annual general meeting, as required pursuant to the said Regulation 31A:

Sr. No.	Name of the Promoter/Promoter Group Member	Existing Category (Promoter/Promoter Group)	% of total Shareholding
1.	Mr. Chandrakumar Rathi	Promoter	0.04
2.	Mrs. Savita Rathi	Promoter Group	0.33
3.	Mr. Piyush Rathi	Promoter Group	0.02
4.	Ms. Radhika Pujara	Promoter Group	0.03
5.	Advanced Vital Enzymes Private Limited	Promoter Group	8.91
6.	Atharva Green Ecotech LLP	Promoter Group	0.56
		Total	9.89

RESOLVED FURTHER THAT the following views of the Board shall be placed before the Members of the Company, as part of the explanatory statement to the aforesaid resolution:

- (i) As per Regulation 31A(3)(b)(i) of SEBI Listing Regulations, the promoter(s) seeking reclassification and persons related to the promoter(s) seeking re-classification shall not together, hold more than ten percent of the total voting rights in the listed entity.
- (ii) For the purpose of the said Regulation 31A of the SEBI Listing Regulations, the term “promoters seeking re-classification” shall mean all such promoters/persons belonging to the promoter group seeking re-classification of status as public. Pursuant to the provisions of Regulation 31A(1)(b) of SEBI Listing Regulations “persons related to the promoter(s)



seeking re-classification" shall mean such persons with respect to that promoter(s) seeking re-classification who fall under sub-clauses (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of Regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR"). As per Regulation 2(1)(pp)(ii) of SEBI ICDR: "promoter group" includes: an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);

- (iii) Mr. Chandrakumar Rathi is an immediate relative of the following other promoter /promoter group members (i.e. other than the aforesaid promoter group members from whom the reclassification requests are received by the Company):

Name	Relation	No. of shares	%
Vasant Rathi	Brother	3,65,78,702 *	32.72
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		3,84,80,302	34.42

* includes 75,00,000 shares held by Mr. Vasant Rathi on behalf of Vasant and Prabha Rathi Generation Trust and clubbed basis PAN of Mr. Vasant Rathi

- (iv) In view of the above, Mr. Chandrakumar Rathi (Promoter) who proposes to be reclassified as a public shareholder holds, along with (i) his sister Mrs. Mangala Kabra, (ii) his brother Mr. Kishore Rathi, and (iii) his brother Mr. Vasant Rathi holds over 34% of the issued, subscribed and paid-up equity share capital of the Company and thereby their collective holding and voting rights exceed 10% of voting rights in the Company.
- (v) Other promoter group members from whom reclassification requests are received by the Company are Mrs. Savita Rathi, Mr. Piyush Rathi, Ms. Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP (herein referred to as the "Said Promoter Group Members"). Out of the Said Promoter Group Members, Mrs. Savita Rathi, Mr. Piyush Rathi and Ms. Radhika Pujara are also Immediate Relatives in terms of Regulation 2(1)(pp)(ii) of SEBI ICDR, being the spouse, son and daughter of Chandrakumar Rathi (Promoter). Further, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP are under the control of Chandrakumar Rathi and the Said Promoter Group Members.
- (vi) In view of the above, the collective holding / voting rights of Chandrakumar Rathi, Mangala Kabra, Kishore Rathi, Vasant Rathi Savita Rathi, Piyush Rathi, Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP exceeds 10% of the total voting rights held by the 'promoter(s) seeking reclassification' and 'persons related to the promoter(s) seeking re-classification'. In addition, as Chandrakumar Rathi, the promoter himself does not meet the criteria of reclassification under Regulation 31A of



the SEBI Listing Regulations, then Savita Rathi, Piyush Rathi, Radhika Pujara, Advanced Vital Enzymes Private Limited and Atharva Green Ecotech LLP, who form part of the "promoter group" of the Company inter alia by virtue of Chandrakumar Rathi being promoter of the Company, would consequently also not meet the criteria of reclassification as prescribed under Regulation 31A of the SEBI Listing Regulations.

- (vii) Considering the above, the Board was of the view that the reclassification requests received are not in compliance with the Regulation 31A of SEBI Listing Regulations.
- (viii) Sub-Regulation 3(a)(ii) of Regulation 31A of the SEBI Listing Regulations provides that the board of directors of the listed entity shall analyse the reclassification request and place the same before the shareholders in a general meeting for approval along with the views of the Board on the request within the prescribed time. The Board of the Company analysed the aforesaid reclassification requests received by the Company, as mentioned above and decided to place the same before the shareholders in a general meeting, along with its views as mentioned herein.
- (ix) Further, in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended) read with the provisions of the Company's Insider Trading Code, the term "Designated Persons" inter alia includes Promoters/Promoter Group Members of the listed entity. As per the provisions of the Company's Insider Trading Code, the Designated Persons cannot carry out contra-trade for a period of six months from the date of previous transaction. Assuming that, in the event the reclassification requests are finally approved by the Stock Exchanges and the promoter/promoter group members are reclassified under public category, the said persons shall consequently cease to be the Designated Persons of the Company, provided that they do not attract any other parameters that qualify them as Designated Persons. Consequently the contra-trade restrictions as applicable to the Designated Persons, will no longer be applicable to the persons, if so reclassified.
- (x) The reclassification requests, if approved by the Members of the Company shall be subject to the approval of the Stock Exchange(s) as per the provisions of Regulation 31A of SEBI Listing Regulations and even if the Members of the Company approve the aforesaid reclassification requests, such non-compliance as mentioned above, may result in the Stock Exchange(s) rejecting the application for reclassification in as much as, the provisions of sub-regulation (2) of Regulation 31A of the SEBI Listing Regulations clearly provide that the stock exchanges shall permit the request for reclassification only upon satisfaction of the prescribed conditions, one of which being shareholding of the promoters seeking reclassification and persons related to the promoters seeking reclassification, shall not be more than 10% of the total voting rights of the Company.



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RESOLVED FURTHER THAT pursuant to the provisions of Regulation 31A of SEBI Listing Regulations, Mr. Mukund Kabra, Whole-time Director, Mr. Beni P Rauka, Chief Financial Officer and Mr. Sanjay Basantani, Company Secretary & Head-Legal be and are hereby severally authorized to submit the extract of the Board meeting minutes pertaining to the reclassification agenda and the resolution passed thereto, to the Stock Exchanges (BSE and NSE), within 24 hours from the conclusion of the Board meeting of August 07, 2021.

RESOLVED FURTHER THAT the Whole-time Director, Chief Financial Officer and Company Secretary & Head-legal be and are hereby severally authorized to (i) sign and submit, for and on behalf of the Company, necessary intimations, applications, declarations, representations and other documents as may be required, to the Stock Exchanges and/or any other authorities as may be required, in relation to the aforesaid reclassification requests as may be approved by the Members of the Company, (ii) settle any question, difficulty or doubt that may arise, represent the Company and (iii) do all such acts, deeds, matters and things, for and on behalf of the Company, as may be deemed proper, expedient and necessary in this regard."

