



**“Advanced Enzyme Technologies Limited  
33<sup>rd</sup> Annual General Meeting through video  
conference/other audio visual means”**

**August 19, 2022, Friday at 10 a.m. IST**  
(commenced at 10.03 a.m. IST)

**BOARD MEMBERS AND MANAGEMENT PRESENT:**

MR. VASANT RATHI – CHAIRMAN

MR. MUKUND KABRA - WHOLE-TIME DIRECTOR

MS. RASIKA RATHI - NON-EXECUTIVE DIRECTOR

MR. KEDAR DESAI - INDEPENDENT DIRECTOR AND CHAIRMAN OF THE  
AUDIT COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

MR. PRAMOD KASAT - INDEPENDENT DIRECTOR AND CHAIRMAN OF THE  
NOMINATION AND REMUNERATION COMMITTEE

MR. RAJESH SHARMA - INDEPENDENT DIRECTOR

MR. VINOD KUMAR JAJOO - INDEPENDENT DIRECTOR

DR. SUNNY SHARMA - NON-EXECUTIVE DIRECTOR

MS. RAJSHREE PATEL - INDEPENDENT DIRECTOR

MR. NITIN DESHMUKH – ADDITIONAL (INDEPENDENT) DIRECTOR

MR. BENI PRASAD RAUKA - CHIEF FINANCIAL OFFICER

MR. SANJAY BASANTANI – COMPANY SECRETARY

**MEMBERS PRESENT: 84**

PARTNER OF STATUTORY AUDITORS, AND SECRETARIAL AUDITOR PRESENT  
– MR. AMRISH VAIDYA, PARTNER, MSKA & ASSOCIATES, CHARTERED  
ACCOUNTANTS (STATUTORY AUDITORS) AND MR. SHIVHARI JALAN,  
PROPRIETOR OF SHIVHARI JALAN & CO., COMPANY SECRETARIES  
(SECRETARIAL AUDITOR & SCRUTINIZER)

**Sanjay Basantani:** Good morning and welcome to this 33rd Annual General Meeting of the Company being held through video conference other audio-visual means. Members are requested to refer to the instructions provided in the AGM notice for a seamless participation through video conference, or e-voting on the resolutions as per the facility provided for the eligible members present at the AGM. In case of any difficulty, the Members may connect on the helpline number provided in the AGM notice. The proceedings of this meeting are being recorded for compliance purpose. The requisite quorum is present. I now handover the proceedings of the meeting to the Chairman Mr. Vasant Rathi. Thank you.

**Vasant Rathi:** Good morning ladies and gentleman, I welcome all our shareholders to this 33<sup>rd</sup> Annual General Meeting of your company. I sincerely hope that all of you and your families are in good health. And I request you all to continue following all the necessary safety measures during the current times. I understand that we are getting COVID little bit. As a requisite quorum is present, I hereby declare the meeting in order.

This AGM is being held through video conference. And other audio visual means in compliance with the circulate issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India and the applicable provision of the Companies Act 2013 and the SEBI listing obligations and disclosure requirements regulation. In accordance with the said circular, the physical presence of members at the AGM venue is exempted and the member attending the AGM through VC facility is counted for the purpose of the quorum. I welcome my colleagues on the Board of your company and let me briefly introduce them to you. Mr. Kedar Desai, is an Independent Director and Chairman of the Audit Committee, CSR and Stakeholders Relationship Committee.

**Kedar Desai:** Thank you Mr. Rathi and I welcome all the shareholders to the meeting. Good morning to everyone.

**Vasant Rathi:** Thank you, Kedar. Mr. Pramod Kasat is an Independent Director on the Board and Chairman of the Nomination and Remuneration Committee.

**Pramod Kasat:** Good morning, everyone. Welcome to AGM of Advanced Enzymes. Thank you.

**Vasant Rathi:** There is Mr. Mukund Kabra he is our Whole Time Director. Mukund.

**Mukund Kabra:** Good morning to all. I am Mukund Kabra, attending this annual general meeting of the company through video conference from Sinnar. Thank you.

**Vasant Rathi:** Ms. Rasika Rathi, is a Non-Executive Director of your company. Rasika.

- Rasika Rathi:** Good morning everybody. Happy to be here.
- Vasant Rathi:** And she is also Vice President General Counsel for the US Subsidiary. Mr. Rajesh Sharma, Mr. Vinodkumar Jajoo and Ms. Rajshree Patel are Independent Directors on the Board.
- Rajesh Sharma:** Hi, good morning everyone. Welcome to the AGM.
- Rajshree Patel:** Good morning everyone. Welcome.
- Vasant Rathi:** Dr. Sunny Sharma is a Non-Executive Director of your Company. Sunny
- Sunny Sharma:** Good morning, everyone. I'm Sunny Sharma attending this Annual General meeting of the Company through video conference from Florida. Thank you.
- Vasant Rathi:** Mr. Nitin Deshmukh is appointed by the Board as an Additional Director (Independent), effective from July 1<sup>st</sup>, 2022. Appointment of Mr. Deshmukh is proposed to be regularized at this AGM as an Independent Director. Nitin.
- Nitin Deshmukh:** Hi, good morning, I am Nitin Deshmukh attending this AGM of the Company through video conference from my residence, Mumbai. Welcome to the AGM.
- Vasant Rathi:** During the during the year under review, Mr. Vilas Aurangabadkar, Independent Director of the Company ceased to be on the Board of the Company due to his sad demise. He was a very dear friend of mine from the college days, and we sincerely miss him. We express deep condolences on his demise and appreciate his valuable contribution to the Company during his tenure. We also have with us, Mr. Beni Rauka, Chief Financial Officer, and Mr. Sanjay Basantani, Company Secretary. I also welcome Mr. Amrish Vaidhya, representative and Partner of our Statutory Auditors, M/S MSKA and Associates and the Secretarial Auditor Mr. Shivhari Jalan, proprietor of Shivhari Jalan & Company, Company Secretaries.

The Annual report including Boards' report, Audited Financial Statements for the year ended March 31<sup>st</sup>, 2022. Notice conveyed this AGM read with the corrigendum to the AGM notice in relation to item number six, have been sent through electronic mode to the Members in advance at the registered email ids and have also been made available on the website of the Company and submitted to the Stock Exchanges (BSE and NSE). With the permission of the Members present, the said reports, AGM notice including the resolution and explanatory statements there to read with corrigendum are taken as read.

The Statutory Auditors report and Secretarial Auditor's report for the year ended March 31<sup>st</sup>, 2022 does not have any qualifications, observations or any adverse remarks which would have any material adverse effect on the functioning of the Company. Hence, these Audit reports are not required to be read. The Statutory Registers and other documents as mentioned in the AGM notice are available for the inspection electronically, as mentioned in the notes to the AGM notice, including copy of the certificate from the Secretarial Auditor, in respect of the Employee Stock Options Schemes of the Company confirming the implementation of the Scheme is in accordance with the applicable SEBI Regulations and the resolutions passed by the shareholders in this regard.

Now, I would like to share challenges faced by your Company as well as few developments during this year. During the year under review, which is 2021-22, inflation and supply chain disruption have caused major headwinds for your Company. Overall, input costs increased significantly due to high level of inflation. Prices of raw material and fuel used for manufacturing increased many fold. Shutdowns and supply chain issues in procurements further amplified the cost of raw material in the domestic market, especially for the solvents. Trade across the globe was severely impacted from a ruptured supply chain, which caused obstacles in raw material procurement, as well as finished goods supply. The crisis severely increased containerized freight rates and massive scarcity of truckers in the US, Europe, et cetera. Over and above that, spurt in fuel prices and freight cost escalated overall cost for the Company, thereby impacting margins over the short term.

Now let me share a few developments and performance during the year:

To strengthen the supply chain and improve the market reach your Company also inked two strategic distribution pacts for food and dietary supplements in Southeast Asia and India. Your Company launched its B2C product line and sell platform in India, based on its established and thriving B2C business model in US. The systemic enzyme and probiotic supplement ImmunoSEB and ProbioSEB CSC3 were listed with the National Institute of Health (NIH), for their proven clinical efficiency, to moderate and resolve COVID and post COVID fatigue and muscle weaknesses. This is a very unique achievement by this company because we never seen any kind of supplements that were published on NIH website for the COVID related fatigues and problems. So, that was a great achievement for the Company.

Your Company dedication to the safety of the product yielded FDA grant of number of and no further question letter of GRAS dossiers regarding the safety in food for

Bacillus clausii and Bacillus subtilis. Now, with this we have three different probiotics in the supplement market and food market, which are considered as the GRAS stages into entire food chain and supplement market. This accomplishment places your Company in an elite group of probiotic manufacturers. So, now, you can see that besides supplying these three major probiotics, we are also proceeding with many of the probiotics to be registered with FDA.

During the year, the consolidated operating revenue of your Company grew by about 6% to ₹5,294 million from ₹5,018 million. Our EBITDA stood at about ₹2,014 million de-grew by about 13% from ₹2,316 million. PAT before minority interest, declined by 18% to ₹1,238 million from ₹1,513 million. Human Nutrition is our largest revenue contributor which is 68% of the revenue followed by Animal Nutrition which is 11% of the revenue, Bio processing which is 12% of the revenue and specialized manufacturing which is going to be our future superstar this time which is 9% of the revenue. Your Company is almost at zero debt and with the debt equity ratio standing at 0.01x. That is basically your Company is debt free.

Now, let me brief you on the e-voting period and related processes. As per the Companies Act and SEBI Listing Regulations read with the recent circular notified, your Company has provided the remote e-voting facility for all the resolutions mentioned in the AGM notice. The e-voting period commenced on August 15<sup>th</sup>, 2022 at 9 am IST and ended on August 18<sup>th</sup>, 2022 at 5 pm IST. The e-voting facility is also available for the Members present at AGM and who has not cast the vote earlier during the remote e-voting period. So, you still have a chance to e-vote if you have not voted so far. Members holding shares of the Company as on the cutoff date of August 12<sup>th</sup>, 2022 are provided an opportunity to cast their vote electronically. The Company has engaged the services of NSDL for facilitating voting through the electronic means. Your Company has taken requisite steps to enable members as on the cutoff date to participate and vote on business items mentioned in AGM notice. As per the applicable provisions, every resolution which has been put to vote through remote e-voting need not be proposed by the Member and seconded by another Member. I remember a few years ago, we have to read each and every resolution somebody has to support, propose it and support. That is not required. There are three ordinary businesses and six special business items that were pre-circulated through the AGM notice to the registered email id of the Members and taken as a read at this meeting. All resolutions read with the explanatory statements are already placed before Members through the remote e-voting.

Ordinary business item no. 1, we are going to go through these resolutions. Item no. 1: To receive, consider and adopt the Audited Financial Statements (standalone) of the Company for the financial year ended March 31<sup>st</sup> 2022 together with the Auditor's report and the report of the Board of Directors of the Company and the Auditors Financial Statements (consolidated) of the Company for financial year ended March 31<sup>st</sup>, 2022 together with the Auditor's Report thereon.

Item no. 2: pursuant to the dividend distribution policy of the Company, the Board has recommended a final dividend at 50% that is ₹1 per equity share of ₹2 each subject to deduction of the taxes at the source as at the applicable rates. So, this dividend has been increased by 11% this year by the Company and if you can recall last year it was 50% increment, from ₹0.60 to ₹0.90.

Item no.3 of the AGM notice pertains to the Ordinary business to appoint a Director in place of Director retiring by rotation, who being eligible has offered for reappointment.

The Special business items recommended by the Board and details are provided in the relevant explanatory statement circulated earlier as a part of the AGM notice.

The next agenda item related to my continuation on the Board, after me attaining the age of 75 years as required pursuant to the regulations 17(1A) of SEBI Listing Regulations, hence with the consent of the Members present, I would request my fellow Board member and Independent Director, Mr. Kedar Desai to take the chair and conduct the proceedings for the said agenda.

**Kedar Desai:**

Thank you, Mr. Rathi. Special business item no. 4 pertains to continuation of directorship of Mr. Vasant Rathi, Non-Executive Director of the Board of the Company on and after attaining the age of 75 years on January 17<sup>th</sup>, 2023. The Board of your Company was of the view that it is in the interest of the Company to continue to avail the valuable expertise of Mr. Rathi as his vision and active contributions in the business and strategic decision making is critical to the long term growth and prospects of the Company as well as the group. Pursuant to the provisions of regulations 17(1A) of the SEBI Listing Regulations, the Board recommended this resolution for approval of the Members as a special resolution. I will request Mr. Rathi to continue to chair the meeting.

**Vasant Rathi:**

Thank you Mr. Desai. The next special business item no. 5 pertains to the related party transactions of your Company with subsidiary, JC Biotech Private Limited for a period of one year effective October 1<sup>st</sup>, 2022. The approval is sought from the Members for sales / purchases transaction not exceeding ₹750 million in the ordinary course of

business. The product supplied by JC Biotech to your company is manufactured by JC Biotech with a unique technology and its cost of production is lower compared to that of the company for the same product.

Resolution no. 6, which is the special resolution is for the appointment of Mr. Nitin Jagannath Deshmukh as an Independent Director of the Company for a period of five consecutive years, with effect from July 1<sup>st</sup> 2022. Mr. Deshmukh currently serves as an advisor at Kotak Investment Advisory Limited and holds several board and advisory board positions. Brief profile and other details are provided in the AGM notice.

Business item no. 7, pertaining to reclassification of the status from Promoter group category to the Public category, pursuant to the request received from 14 Promoter group members, holding around 0.94% of the paid up share capital of your Company. The Board in its meeting held on May 20, 2022, analyzed the said reclassification request, and was of the view that the request made by the said Promoter group members for reclassification be recommended to the Members for approval. Views of the Board are provided in the explanatory statement in the AGM notice. In this regard, the extract of the Board meeting minutes were also submitted to the Stock exchange, both Stock exchanges on May 20<sup>th</sup>, 2022. The reclassification request, if approved by the Members shall be subject to the approval of the Stock Exchanges.

Now, Resolution no. 8 pertains to the approval of AETL Employee Stock Options Scheme 2022. Resolution no. 9 pertains to the approval for the extension of the said Scheme and grant of options under the Scheme to the employees of the subsidiaries of the Company. We propose to implement AETL Employee Stock Options Scheme 2022 with a view to attract and retain key talents with the Company and its subsidiaries by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Maximum number of options in aggregate to be granted under the ESOP Scheme 2022 shall not exceed 25 lakhs options i.e. around 2.24% of the paid up capital of your Company. Exercise price shall be determined by the Committee at the time of grant, provided that the said exercise price per option shall not be higher than the prevailing market price of the Shares discounted by minimum of 33.33% and shall not be less than prevailing face value of the Equity Share of the Company. The Market price considered will be average of closing price of the Equity Share of the Company on the recognized Stock exchanges for last 90 trading days preceding the grant date. Maximum quantity of options for eligible employees for each year shall not exceed

25,000 options, where in one option is convertible into one share at ₹2 each. Maximum 600,000 options in aggregate per financial year can be granted. Silent features the Scheme are provided in the AGM notice, please read that.

Now, we will invite the pre-registered speaker Members by one by one and the speaker Members will then be required to unmute their audio video. In the interest of the time the registered speaker members are requested to restrict the speech to the maximum of three minutes. I will attempt to reply queries after taking notes of all your queries. The moderator can now invite the pre-registered speaker members one by one.

**Moderator:** Sir we have a total of 10 pre-registered speakers for this meeting (two speaker members were not present). The first speaker we have is Mr. Bimal Kumar Agarwal. So, we are unmuting him, requesting Mr. Bimal Kumar Agarwal to kindly unmute audio as well as video and then commence with the speech.

**Bimal Kumar Agarwal:** Good morning to everyone. First of all, I thank the Company Secretary, Mr. Sanjay and his team and also the management. We should have had two minute silence, as you spoke regarding the late Director, it would have been better we should have two minutes silence, and you can have after my speech. What is the impact of rising dollar, rising interest rate as already you have mentioned regarding crude in our business. Please try to arrange plant visit as sir has already explained other thing which was supposed to ask, I have got nothing else to ask. I have supported all the resolution two days in advance. Thank you very much that's all from me.

**Vasant Rathi:** Thank you Bimal Ji.

**Moderator:** The next speaker in the list is Mr. Anil Parekh. So, we are unmuting him, requesting Mr. Anil Parekh to kindly unmute audio as well as video and then commence with the speech.

**Anil Parekh:** I am starting my video. Good morning to all the board members. And thank you for allowing me to speak. Mr. Rathi, other board members, our CFO Mr. Beni Rauka, Company Secretary. Thank you all. Good morning to you all, and thanks for allowing me to speak. Chairman sir, I have received well in advance our Annual report, which I have requested for physical copy and our Secretary truly sent me that well in advance so, I could able to go through the balance sheet. Sir excellent performance under the circumstances of Ukraine-Russia war and the dollar is going up. And there are many challenges economic and globally, you have done exceedingly well and all-around performance, which I can see and also I have seen that we are going to have debt free company in 2023 probably, so that's very good that we are debt free company in next



year. And I am really proud that I am a shareholder of this Company, which is one number in enzymes in listed company in India. And sir, my question is, we have 13 patents, how many more patents we are going to add in our portfolio and our expenditure on R&D units is a little bit low 3% to 4% what I have seen in the balance sheet. So, we need to scale up our R&D in terms of expenditure, I would like to have your views on that. Sir, now second question. Sir on page number #16 and #17 where demographic has been given our main penetration is in America and India, but we are not having penetration in Europe and rest of the world and also in Asia. So, kindly give me your views on that, how we are going forward in these regions I would like to know. Sir, then excellent journey of our excellence on page #18 and #19 I'm not reading out very good, keep it up sir. Now, sir on page #24, we have seven R&D locations in India and Germany, where do we plan to have more R&D facilities available in future, I would like to know. Sir, then coming on, what is our installed capacity and capacity utilization in all the plants, I would like to know are they all working at full capacity or because of COVID virus maybe we are not working at full capacity. I would like to know. Sir, everything else is very well explained in the balance sheet. Now, I have only one or two questions sir our subsidiaries on page number #55. Advanced Bio Agro Tech, Advanced Enzy Tech, JC Biotech, sir what activities it takes and how it is contributing to our top line and bottom line. I would like to know and rest yours explain everything in your opening remarks. I would like to extend wholehearted support to you all. And I already voted for all the resolutions very strongly I'm supporting. Thank you for patient hearing. Thank you, sir.

**Vasant Rathi:** Thank you Anil Ji.

**Moderator:** Thank you so much. So, the next speaker on the list is Mrs. Vasudha Dakwe, so we are unmuting her requesting Mrs. Vasudha Dakwe to kindly unmute your audio as well as video and then commence with the speech.

**Vasudha Dakwe:** Thank you very much, sir. Very good morning respected Chairman sir, Board of Directors and my fellow shareholders. Myself Vasudha from Thane. I would like to congrats our Company Secretary for sending me the soft copy as well as physical copy of the report well in advance which itself is clear and transparent. The opening speech given by the Chairperson is also very informative. Most of the question was asked by my previous shareholders, I would not ask to repeat it again. With this, I support all the resolutions. Thank you very much and wish the company all the best for coming financial years, as well as all the festivals coming during the month of Shravan and Bhadrapada. Thank you very much, sir.

**Vasant Rathi:** Thank you Vasudha Ji.

**Moderator:** Thank you. So, the next speaker on the list is Mr. Satish Jayantilal Shah. So, we are unmuting him, requesting Mr. Satish Jayantilal Shah to kindly unmute video as well as audio and then commence with the speech.

**Satish Jayantilal Shah:** Good morning sir. Respected Chairman and Directors my name is Satish Shah. You have given us lot of information about the Company in your speech. Advanced Enzyme is a brilliant professional company. Sir, I would like to congratulate that our Company is zero debt free and that is good to hear. This year our Company performance has been very nice and you have given us good dividend too, so I want to know what is the dividend policy. We got the balance sheet in time and I would like to thank the Company Secretary and his team for that. I fully support all your resolutions. Wish you all the best. Thank you.

**Vasant Rathi:** Thank you Satish Ji.

**Moderator:** Thank you so much. So, the next speaker on the list is Mr. Vinod Motilal Agarwal, so we are unmuting him. Requesting Mr. Vinod Motilal Agarwal to kindly unmute your video as well as audio and then commence with the speech.

**Vinod Motilal Agarwal:** Respected Chairman Vasant Rathi Ji, our MD Kabra Ji, our CFO Beni Prasad Rauka Ji and our Company Secretary Sanjay good morning to everyone sir. I voted for all the seven resolutions, and all your resolutions to be sought to be passed today in today's AGM. Sir, going and noting from your five year EPS in the page numbers 12 to 15 you have given five year highlights, I see that the EPS when I add up the five year EPS, it comes to ₹43+ and the dividend paid out for those five years is only ₹3.06 and now the net worth of the company is ₹1000+ crore and the equity is only very small of 22 crore only. And when I see on the balance sheet side, we have got a net cash balance of about ₹267 crores. And on this ₹267 crores the interest income is only about ₹32 lakh sir, plus ₹79,000. So, it's only ₹33 lakhs on ₹267 crores of pay cash then why so low interest income only on such large reserves of the company, cash balance reserve I would like to know and sir with this, you have good reserves, you have got small equity, can we expect because you have given out, the net worth has crossed ₹1,000 crore now, in this year for the first time, which is very good sir, the net worth is good, the cash reserves are good and everything is good, the performance ₹10 on earnings plus on only ₹2 to face value is also very good sir. And I appreciate all those things, but the dividend paid out is only ₹3.06 over five years sir as I see it and sir can we expect the bonus from the company or a special dividend from the Company from the

cash reserves or a buyback or from the cash reserves of the Company, is what I like to know. And I'm speaking only on the consolidated part of the balance sheet sir standalone may be different. This was highlighted by the company in the pages #12 to #15. That is why, I took up only those pages. With the Company all the best, the Company may keep on performing well and keep on increasing. But look into the matter of giving bonus or a special dividend or a buyback with the reserves and the good performance of the Company. I am signing off Vinod Agrawal from Mumbai. Thank you.

**Vasant Rathi:** Thank you Vinod Ji.

**Moderator:** Thank you Vinod Ji. So, the next speaker of the list we have is Ms. Lekha Satish Shah, so we are unmuting her. Requesting Ms. Lekha Satish Shah to unmute your audio as well as video and then commence with the speech.

**Lekha Satish Shah:** Thank you, sir. Respected Chairman sir, Board of Directors and my fellow members. Good morning to all of you, myself Lekha Shah from Mumbai. First of all, I'm very thankful to our Company Secretary Sanjay sir, for extending very good investor services, and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. Thank you, Chairman sir for explaining us about the Company. Congratulation for excellent work sir. Today being Janmashtami I pray to God, that showers his blessing upon our Company and you sir. I'm confident that with your vision and determination, you will lead our Company to greater heights, sir, thanks for the dividend. I would like to ask you few questions. My first question is, being the market leader in developing enzyme and probiotics, which are the other companies in the same business. My second question is, how many scientists we have in our R&D unit and the number of women employees. My third question is, due to shutdowns and supply chain issue in China, how much are we heading supply raw materials. My fourth question is, in our newly added specialized manufacturing segment, how much of revenue we accept it to contribute. I would like to say I strongly support all the resolutions for today's meeting and my best wishes, always our company and its prosperity. Thank you sir

**Vasant Rathi:** Thank you Lekha Ji.

**Moderator:** Thank you Lekha ma'am. So, the next speaker on the list we have is Mr. Tushar Sodha. So, we are unmuting him. Requesting Mr. Tushar Sodha to kindly unmute your audio as well as video and then commence with the speech.

**Tushar Sodha:** Respected Chairman sir, eminent Board of Directors and fellow shareholders, finance and secretarial departments deserve appreciation for nice presentation of this year's financial statements. Congratulations for the highest ever consolidated revenues of ₹539 crores. I'm happy to know that we are among the top 15 enzymes companies globally, it would not have been possible without the vision of the Board of Directors, senior management and the passion and dedication of the entire team, Advanced Enzyme. Ours is virtually a debt free company, and you have managed to retire almost the entire debt within the last five years. Despite several headwinds and pandemic, our finance department has done a wonderful job with a very healthy and robust balance sheet. In operations plan our capacity utilization continues to be in the range of about 55% to 60%. Kindly informed steps initiated to increase these percentages further. Chairman sir sales promotion and legal and professional charges have gone up substantially for March 22 as compared to the last year. What is the percentage contribution of top 10 customers for total revenue. Can we expect any further acquisitions. Advanced Enzyme has the second highest market share in India kindly inform which unlisted company has the highest market share. Profit after tax margins are at 33%, which are the lowest of last five years. When can we expect these margins to regain 28% to 30% levels. Financial results for first quarter ended on 30th June have not been up to the month. Do you expect revival in the next nine months. Sir inventory turnover cycle has increased to 83 days. Since last four, five years it was at only 66 days. Net worth of ₹1,090 crores which is about 86% of the total balance sheet size of ₹1,267 crores provides very good financial comfort to all the stakeholders. As always, I extend my wholehearted support and wish you all the very best for great financial performance on a sustainable basis. Thank you Chairman sir for giving me this opportunity to put forth my queries. Thank you so much.

**Vasant Rathi:** Thank you Tushar Ji.

**Moderator:** We have Rajendra Sheth. We are unmuting him, requesting Mr. Rajendra Sheth to kindly unmute your video as well as audio and then commence with the speech.

**Rajendra Sheth:** Sir I am Rajendra Sheth from Thane. I wish you all Happy Janmashtami, it's a big day today and our Company has done good performance so I am very thankful to the management Mr. Rathi, our Company has performed very well and it is going to be debt free that is very good and I had only two questions. One was regarding dividend policy do let us know about it and secondly who is our competitor do let us know that as well. And you used to meet us in the Maheshwari functions but now you hardly go out. And you have given all the details in the balance sheet so there is no question as such. I would like to end with a Sanskrit shlok, "Yaa Devi Sarva-Bhutessu Shanti Rupe

Namas-Tasyai, Namas-Tasyai Namas-Tasyai Namo Namah". I thank you to the secretarial team and management. Thank you.

**Moderator:** Thank you Rajendra Ji. So, that's all about the speakers requesting Chairman sir to proceed further.

**Vasant Rathi:** Thank you all. It was really nice to hear from various different speakers and their questions. I will try to attempt to answer as many questions as I can. If I forget something, please remind me. Initially, Vimal Ji asked, what is the impact on the Company's performance going forward with the rising interest rates. Fortunately, the Company has a sterling financial and balance sheet with a good amount of cash on the books, so we don't have to borrow money considerably at a higher interest rates. So, I believe that it will be a very minimal impact for the Company with the rising interest rates. Second thing, which Anil Ji asked a lot of questions on the expenditure in R&D. R&D expenditures in the Company is 4% to 5% at this point in time. And because our company's product and product line is so much dependent upon future developments, new products, and new applications, new developments, your Company is trying to do and expand the research and development activities enormously. Good news, I want to give you that we, as you all know, couple of years ago brought 15 acre lands in Nashik for the research and development creating a word worldwide in R&D headquarters, we have received all the requisite approvals from various different government agencies and city. And now that we've just started the construction on it. Hopefully we will be very quickly within the next six to 12 months, we will have our first R&D center building will be ready for inauguration. So, we are trying to expand our R&D activities enormously. We have just expanded, our R&D facilities in Mumbai also. And we think that our R&D expenditure will grow from current 4% to 5% to somewhere around 7% to 8%, 9% in the near future. So, we are paying a lot of attention to new R&Ds.

Coming back to some of the other questions which you talked about how our European market, Asian and next other world markets. This year is again very challenging year with the war going in Europe, there are a lot of challenges the Company is going to face and facing actually on logistics, on the cost, raw material supply, even though it is somewhat easing a little bit at this point in time. But we believe that our European activities will increase as well as our Russian activities are going very robustly nowadays. So, we'll be expanding our operations quite a lot into Asian and other African markets during these coming years.

Coming to your next question, somebody asked me about the capacity utilization, obviously there was a lot of strain but capacity utilization is still around 50% - 55%,

we have enormous room to grow without putting lots of capital expenditure, but we will be adding quite a few other equipment's to make it more efficient operation and still reduce the cost vis-à-vis we can be competitive in the world market. Our other subsidiaries like Bio-Agro Tech and Enzy Tech, even though they are stable and steady for last year, we see that there will be a good growth coming into these two other subsidiaries in the coming years. There was a question regarding the bonus. As I said that we are increasing the bonus this year by 11% from ₹0.90 to ₹1 even though company is facing a lot of different challenges in the marketplace.

**Pramod Kasat:** Sir it's dividend does not bonus just correcting.

**Vasant Rathi:** Yes, dividend, thank you. We are increasing the dividend by 11%. We see that we will continue to do our very progressive dividend policy in coming years and try to maintain our profitability and EBITDA ratio which are under great pressure due to various different conditions. And situation wide market which I explained before. In R&D units, Beni can you say how many people are working in our R&D units and how many woman employee?

**Beni Prasad Rauka:** Yes, so we have 85 people working over there, out of them 31 are female employees. And we have 60 scientists. This is other than evovx, evovx has another team of a 20 people over there. And there, six members are female and that's the breakup of male and female in evovx.

**Vasant Rathi:** So, that can give you ours R&D is very substantial we pay very great deal of attention to the R&D group and R&D team. We're very proud of our R&D people. Enormous amount of work is going on at this point in time in our various different R&D centers. And this will over the period of next few years, you will see a great deal of expansion in this area.

There was a question Lekha Ji asked regarding China supplies and how it is affecting. China supplies are affecting everybody, because most of the chemicals, raw materials, lot of things worldwide everybody is dependent upon China and that is vis-à-vis because the supplies are constrained or delayed, the cost of the raw materials are enormously increasing that also effect us on our production cost. So, yes China supplies are a major concern. I believe I answered almost all the queries. There are some questions I understand is answered. Rajendra Ji was asking a lot of financial questions. Beni do you have those?

**Beni Prasad Rauka:** Anil Ji has asked some question about the contribution of our subsidiaries. So, Anil Ji that information is available on page #55 of Annual report where we have given entity

wise contribution in top line as well as contribution in PAT of the consolidated basis by each of our subsidiaries. So, kindly refer that page number #55 and #56. And in addition to that, information regarding top 10 customers, the contribution of top 10 customers. This is about 28%. Is there any other question which we have not addressed?

**Mukund Kabra:**

Rajendra Ji has asked on the competitor and dividend policy, the dividend policy I guess like sir has already explained what is going to be there. There are many different competitors in different segments. When you go into the food segment, main competitors are the global players like Novozymes and others and animal feed there are a lot of regional players as well get into the picture into the nutraceutical there is another different ballgame people like DSM and other people are there. So, every area depends who is going to be the competitor. Because your company works in many different areas, which very few people do.

**Vasant Rathi:**

I think we covered almost all the questions, anything else, we are left anything. I personally would really like to thank all our stakeholders who were kind to read all these annual reports, review them, digest them, and ask very pertinent questions. We sincerely appreciate that. I can assure you that your Company will continue to grow as we are doing, and at a much vigorous speed. We hope that this is going to be a challenging year. We know it, first quarter was a very challenging quarter for us. And we de-grew actually but, this period of time of challenges are always give us a new opportunity to review, to challenge ourselves to find new ways and means to grow. And I'm sure that our very dedicated staff and people who are working in the Company with your support, and with the guidance of our very esteemed Board of directors, your Company is going to do very well in coming years to come. So, thank you all for the patient hearings and for offering your suggestions. I hope I have replied to the queries received from the Members.

Members who are present for this virtual AGM today and have not used the facility for the remote e-voting earlier to cast their vote on the resolution mentioned in this notice and are otherwise not bear from doing so are being provided e-voting facility at the AGM which is available and continue to remain open for 15 minutes after I conclude here. Mr. Shivhari Jalan, proprietor of Shivhari Jalan & Co., Company Secretaries has been appointed as a scrutinizer by the Board for scrutinizing the entirety e-voting process. Report on voting results will be submitted by the Scrutinizer to the Company on or before August 20<sup>th</sup>, 2022. The voting results shall be declared by the company and receipt of the scrutinizers report within two working days of the conclusion of this AGM. The Scrutinizers report will include combined results of votes cast by the

Members through remote e-voting, and votes cast electronically at the AGM. The report will be submitted by the Company to BSE and NSE, Stock exchanges and will also be uploaded on the website of the Company.

Before I conclude, I would like to thank all our valued shareholders, customers, suppliers, bankers for continued contribution and trust. This is a very auspicious day today; I want to extend my best wishes on this Krishna Janmashtami to each and every one. I extend my sincere thanks to my colleagues on the Board for the guidance and support. I also convey my heartfelt gratitude to the management. My very dedicated employees and business associates for their dedicated contribution to the performance and growth of your company. As informed earlier the e-voting facility for all the resolutions mentioned in the AGM notice shall continue to remain open for next 15 minutes. From here, subject to receipt of the requisite number of votes, the resolution shall be deemed to be passed today i.e. on the date of this 33<sup>rd</sup> AGM. With consent of the Members, I and other Board members would sign off now. The meeting shall formally conclude with the conclusion of the said 15 minutes I wish you all very good health. Be safe and thank you all for joining us for this AGM. Have a wonderful day. Thank you.