



**“Advanced Enzyme Technologies Limited
34th Annual General Meeting through video
conference / other audio visual means”**

-

- August 12, 2023, Saturday at 3.00 p.m. IST

BOARD MEMBERS AND MANAGEMENT PRESENT:

MR. VASANT L. RATHI	– CHAIRMAN
MR. KADAR DESAI	– INDEPENDENT DIRECTOR AND CHAIRMAN OF THE AUDIT COMMITTEE, CSR AND STAKEHOLDER RELATIONS COMMITTEE
MR. PREMED KARAT	– INDEPENDENT DIRECTOR, CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE
MR. MUKUND KABRA	– WHOLE TIME DIRECTOR
MR. VINOD KUMAR JAROU	– INDEPENDENT DIRECTOR
MR. NITIN DESHMUKH	– INDEPENDENT DIRECTOR
MR. BENI PRASAD RAUKA	– CHIEF FINANCIAL OFFICER
MR. SANJAY BASANTANI	– COMPANY SECRETARY

MEMBERS PRESENT: 82

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 afternoon and welcome to this 34th Annual General Meeting of Advanced Enzyme Technologies Limited being held through virtual mode. To start with audio and video of the Members present for the meeting is by default in a mute mode. During the question answer session the audio video will be enabled for pre-registered speaker members who are present for the AGM once they are invited one by one to speak. The proceedings of this meeting are being recorded, the requisite quorum is present. I now hand over the proceedings of the meeting to the Chairman Mr. Vasant Rathi to address the members. Thank you.

Vasant Rathi: Thank you, Sanjay. Ladies and gentlemen, all the shareholders, Namaskar. It is my privilege to welcome you all for the 34th Annual General meeting of your Company. I sincerely hope that all of you and your families are in good health. As the required Quorum is present, I hereby declare the meeting in order. This AGM is being held through video conference. Other video, audio, visual means in compliance with the circular issued by the Ministry of Corporate Affairs and the Security and Exchange Board of India and the applicable provisions of the Company Acts 2013 and the SEBI Listing (Obligations and Disclosure Requirement), Regulations.

In accordance with the said circular, the physical presence of members at the AGM venue is exempted and the members attending the AGM through the VC facility is counted for the purpose of quorum. I welcome my colleagues on the Board of your Company. Let me briefly introduce them to you. Mr. Kedar Desai. Kedarji is an Independent Director and Chairman of the Audit Committee, CSR and Stakeholder Relations Committee. Kedarji.

Kedar Desai: Yes.

Vasant Rathi: Thank you Kedarji. This is Mr. Pramod Kasat, he is an Independent Director of the Board and Chairman of the Nomination and Remuneration Committee.

Pramod Kasat: Good afternoon everyone.

Vasant Rathi: Mr. Mukund Kabra, who is on my right, is a Whole Time Director.

Mukund Kabra: Good afternoon everyone.

Vasant Rathi: Mr. Vinodkumar Jajoo is an Independent Director on the board. Vinodkumar ji.

Vinodkumar Jajoo: Good afternoon everyone.

Vasant Rathi: And Mr. Nitin Deshmukh is also an Independent Director. Nitin.

Nitin Deshmukh: Hi, good afternoon everybody.

Vasant Rathi: Thank you so much. With us we also have Mr. Beni Prasad Rauka, Chief Financial Officer,

Beni Rauka: Good afternoon. Namaskar to everyone.

Vasant Rathi: and Mr. Sanjay Basantani, Company Secretary. I also welcome Mr. Amrish Vaidhya, Representative and Partner of our Statutory Auditors, M/s MSKA & Associates and the Secretarial Auditor, Mr. Shiv Hari Jalan, Proprietor of the Shiv Hari Jalan, Company Secretaries.

Our first integrated Annual Report for the fiscal year 2022-23 including Board's report, Audited financial statements for the year ended March 31st, 2023, Notice convening this AGM has been sent to 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 exchange.

With the permission of the members present, the said reports, AGM notice, including the resolutions and explanatory statements there to be taken as read. The Statutory Auditor's report and Secretarial auditor report for the year ended March 31st, 2023, does not have any qualifications, observations, or 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 Register of the Directors and Key Managerial personnel and their shareholding, the Registrar of the contracts or arrangements in which directors are interested and other relevant documents as mentioned in the AGM Notice are available for the inspection as mentioned in the Notes to the AGM Notice, including the certificates from the Secretarial Auditors' in respect of the Employee Stock Option Schemes of the Company, confirming the implementation of the Scheme in accordance with the applicable SEBI Regulations and the resolution passed by the shareholders in this regard.

Now I would like you to share some notable breakthroughs achieved in 2023 including the development of next generation engineering protein for biotech analysis, human and animal nutrition and food. Promising commercial results were obtained in enzyme development for API intermediates. We were also granted several patents for the enzyme & probiotic complexes.

During the year 2022-23, your Company also made an investment of INR 60 million for acquiring 50% stake in Saiganesh Enzytech Solutions which is primarily into extracting latex from papaya, purifying and providing finished Papain enzymes in

liquid form like agricultural extraction of Papain enzymes. Papain is one of the most important digestive enzymes used in the formulated solution for human health and nutrition as well as it is also widely used in food processing industry.

We also did something interesting this year. We launched D2C product under the brand name of Wellfa, by offering products such as immune support, skin care, gut health, metabolism boosters, detox solutions, weight management, like a true slim, stress-relief and regulatory health products. Wellfa have a positive impact on consumer health and lifestyle. This is just introduced four or five months ago, and I strongly urge our members to go and take a look at it. It is available on the Amazon.

Despite the challenges faced during the year, financial results of your Company showed an improved top line growth driven by the human nutrition and the bioprocessing segment. However, as you all know, there is an elevated cost in operating costs due to impact and that also impacted some of the profit margins, highlighting the needs for continuous focus on cost management in this uncertain times.

Our top priority will be to develop enzymes to promote healthcare in human and animal nutrition and bioprocessing area. We aim to expand our enzyme libraries for these areas and create probiotic, postbiotic and prebiotic products for multiple use. Your Company's commitment to innovation, sustainability and a wide product portfolio, along with our investment in R&D, ensures that we continue to create value for our stakeholders, resulting in a mutually beneficial outcome.

During the year, the consolidated operating revenue of the Company grew by almost about 2% to INR 5,406 million from INR 5,294 million. Our EBITDA on consolidated basis stood at about INR 1,564 million, de-grew by about 22% to INR 2,014 million. PAT before minority interest declined by 16% to INR 1,039 million from INR 1,238 million. Your Company revenue from operations on standalone basis increased to INR 3,115 million in FY23 from INR 2,728 million in FY22 at an increase of 14%.

Profit after tax and stand-alone basis stood at INR 555 million during FY23 as compared to INR 545 million during FY22, an increase of 2%. Human nutrition has been largest revenue contributor with contribution of 66% of the revenue and rest of them is mostly 10% to 15%. The Company is almost at zero debt with a debt equity ratio standing at about 0.01x.

Now even though it is not a stellar performance last year due to various different reasons as I explained before. Let me give you some of the brief on the financials for quarter 1 of FY24 which is just the quarter ended by June 30th. As your Board in its

meeting held today, approved the financial results for the first quarter of financial year 2023-24.

Let me now share the highlights of the financial performance at consolidated level. Your Company revenue from the operations increased to INR 1,473 million for the quarter ended June 30, 2023, that is the first quarter, as compared to INR 1,387 million for the previous quarter and INR 411 million from the corresponding quarter ended June 30, 2022. That means last year's first quarter versus this year's first quarter, the revenue has been increased by 22%.

EBITDA stood at about INR 440 million in quarter one of FY24 compared to INR 131 million for the last year's quarter (quarter first in FY23), which is about 42%. The EBITDA has grown this year, revenue grown by 22% and EBITDA grown by 42% compared to the first quarter of last year. This year compared to the fourth quarter, it is almost washed.

Profit after tax at about INR294 million which is for first quarter of FY24 as compared to INR 118 million last year in the same quarter, which is about 67% growth. Yes, INR321 million, that is 61% increase of INR118 million, which is 67% growth.

Now let me brief you on the e-voting period and related processes. Members can also refer Notes to AGM Notice for the same. As per the Companies Act and SEBI Listing Regulations read with a 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 8th, 2023 at 9 a.m. IST and ended on August 11th, 2023 at 5 p.m. IST. The e-voting facility is also available for the members present at the AGM and who has not cast the vote earlier during the remote e-voting period. Members voting shares of the Company as of the cutoff date of August 5th, 2023, are provided an opportunity to cast their vote electronically.

We have engaged the services of NSDL for facilitating voting through electronic means. Your Company has taken requisite steps to enable members as on the cutoff date to participate and vote on the business items mentioned in AGM Notice. As per the applicable provisions, every resolution which has been put to vote through remote voting need not be proposed by a member and seconded by another member. There are three ordinary business and five special business items that were pre-circulated through AGM Notice to the registered email ID of the members and taken as a read at this meeting.

All resolutions read with explanatory statements are already placed before members through remote e-voting. Ordinary Business, item number 1: To receive, consider and adopt the Audited financial statements (standalone) of the Company for the financial year ended March 31st, 2023, together with the Auditor's report thereon and the report of the Board of Directors of the Company and the Audited financial statements (consolidated) of the Company for the financial year ended March 31st, 2023, together with the Auditor's report thereon.

Item number 2: pursuant to the dividend distribution policy of the Company, the Board has recommended a final dividend of 50% i.e. INR 1 per equity share of face value of INR 2 each for the approval of the members of the Company. You already well know, that the Company has already and your board of directors has approved a special interim dividend and distributed INR 4 per share i.e. 200%.

Item number 3: To appoint a Director in place of the Director, Dr. Sunny Sharma, retiring by rotation, and being eligible has offered for reappointment.

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

- 1) Special business item number 4 pertaining to the Related Party transaction of your Company with subsidiary, JC Biotech Private Limited for a period of 1 year effective from October 1st, 2023, for which the approval is sought for the members for sale and purchase transactions not to exceed INR750 million in the ordinary course of business.
- 2) Resolution number 5, which is special resolution, is for appointment of Mrs. Vandana Tilak, as an Independent Director for a term of five consecutive years with effect from July 1st, 2023.
- 3) Special resolution number 6, is to reappoint of Mr. Vinodkumar Jajoo for a second term of five years effective from February 9, 2024.
- 4) Special resolution number 7 is for the reappointment of Ms. Rajeshree Patel for a second term of 3 years effective from June 12, 2023. Brief profile and other details of the directors being appointed or reappointed are provided in the AGM notice.
- 5) In Resolution number 8, approval of the members is sought for the payment of commission to the Non-executive directors for an amount not exceeding 1% per annum of the net profits of the Company calculated as per the provision of section 198 of the Companies Act on the financial year basis. The said annual compensation is proposed to be paid in proportion to the number of meetings of the Board and the Committee that may be attended by the respective Non-executive directors during the relevant financial year or in such other manner as

may be decided by the Board of your Company. The approval is sought for a period of five financial years from April 1st, 2024 to March 31st, 2029.

Now we invite the pre-registered speaker members one by one and the speaker members will then be required to unmute audio video. In the interest of time, the registered speaker members are requested to requisite the speech for maximum of 3 minutes. I will attempt to reply queries after taking notes of all your queries and questions. The moderator will now invite the pre-registered speaker, non-speaker member one by one. Sanjay.

Moderator: Thank you sir. So we have total 17 pre-registered speakers for this meeting. Out of which, 4 speaker members are not present right now. The first speaker in the list we have is Mr. Anil Mehta. So we are unmuting him. Requesting Mr. Anil Mehta to kindly unmute your audio and the rest to enable your video and then commence with the speech.

Moderator: The person with the said name is not connected for the meeting.

Moderator: Okay, not an issue. I will move on to the next speaker. The next person in the list is Mr. Anil Parekh. Requesting Mr. Anil Parekh to kindly unmute your audio as well as to enable your video and then commence with the speech. Anil Parekh sir.

Anil Parekh: Chairman sir, Rathiji, other Board members and my fellow Shareholders. Sir, I am Anil Parekh here from Mumbai. First of all, I would like to thank our CS team for extending good work as far as investor relation is concerned. Also I would like to extend my gratitude to our CFO Mr. Beni Prasad Rauka, who is always ready to help us whenever we have any kind of questions.

Chairman sir, since last many years, we are doing very good financials and I am truly admirer of your leadership as far as our Company is concerned. Our journey from 1989 onwards to 2022 was exceptionally well and we all are happy that we are doing exceptionally well as far as our financials are concerned.

Sir, and I have also gone through the balance sheet and our corporate governance is highest level of corporate governance. We have a very eminent board which is doing excellent work and giving you support as far as financials are concerned.

Chairman Sir, we have quite a few subsidiaries, are these all subsidiaries doing well or not? And what are your plans as far as capital expenditures are concerned? Chairman Sir, secondly, how many licenses we have got abroad, I would like to know? And our Advance Enzymes, Europe B.V. and Evoxx Technologies and also Malaysian entity, how it is doing?

If you can give me in nutshell, that would be good. Chairman Sir, everything is well explained in the balance sheet and I do not want to go in much detail. However, Chairman Sir, I would like to thank for bringing down our net debt to 0.01, exceptionally well sir. And this you are doing consistently since last 5-6 years.

Sir, also our reserves are very good at this juncture. Do you have any plan of declaring bonus? I would like to know, sir. Otherwise, I have no questions to ask you. Only I would extend my wholehearted support to all the Board members and hoping that we will do exceptionally well in coming future also. Thank you sir for patient hearing. I support all the resolutions.

Vasant Rathi: Thank you Anilji. Next.

Moderator: Thank you sir. So, the next speaker in the list we have is Anuj Katkar. Requesting Mr. Anujji to kindly unmute your audio as well as enable your video and then commence with the speech.

Moderator: The person with the said name is not connected in the meeting.

Moderator: Okay. So, we will move on to the next speaker. Lata Negandhi. Requesting Mrs. Lata mam to kindly unmute your audio as well as enable your video and then commence with the speech. I think she is not right now available in the meeting.

Moderator: The person with the said name is not connected in the meeting.

Moderator: So, the next speaker is Bharat Negandhi. Requesting Bharat sir, kindly unmute your audio as well as enable the video and then commence with the speech.

Bharat Negandhi: Respected Chairman, Board of directors and fellow Shareholders. Good evening to all of you. My name is Bharat Negandhi from Mumbai. So, firstly, I have received the annual report in time. The report is very informative, beautiful and transparent. I congratulate the Company Secretary, Mr. Sanjay Basantani and team who sent the physical annual report to my residence address. I would like to ask few queries. Sir, what is the capex program? Second, Sir, what is the dividend payout ratio?

Third, when the Company declared last bonus, issue and how much? Number fourth, how many subsidiary companies are profit making? Fifth, total number of employees in the office and the factory? Sixth, sir what is the export turnover and which country to be export? Seventh, ref. page number 194 of annual report, other expenses consumption of stores expenses, selling and distribution expenses, rate and tax expenses, legal and professional expenses and technical service expenses - all are gone up, please give me the details? I fully support to pass all the resolutions and bright and healthy future of the Company. Thank you.

Vasant Rathi: Thank you, Bharat bhai.

Moderator: Thank you, sir. So, the next speaker in the list we have is Bimal Agrawal. Request to you sir to kindly unmute your audio as well as to enable the video and then commence with the speech.

Bimal Agarwal: Good afternoon to everyone. First of all I thank the Company's executive team, management staff and the shareholders. As Chairman has given beautiful picture and my question was asked by the other shareholders, I do not want to repeat. That is all from me. Thank you very much thank you Company for sending me the physical copy of the annual report and I have already supported the resolution, thank you very much.

Vasant Rathi: Thank you Bimalji.

Moderator: Thank you sir. So the next speaker in the list we have is Dnyaneshwar Bhagwat requesting Dnyaneshwar sir to kindly unmute your audio as well as enable the video and then commence with the speech.

Dnyaneshwar Bhagwat: Yes, thank you very much. First of all, good afternoon. First of all, I am thankful to respected Chairman, Board of directors, my fellow Shareholders. My name is Dnyaneshwar from Mumbai. I am thankful to our Company Secretary, Mr. Sanjay Basantani, for sending me the soft copy as well as hard copy of the AGM copy at my residence well in advance, which is full of knowledge, easy to understand. So I thank him and his team for doing excellent work.

Secondly, I support all the resolutions. Third, about the financial aspect, the Chairman while opening remarks has given all the details. Even he has given the details of first quarter results also. So, after getting all the information, I don't think so I have to ask more question about the financial aspect. So no more question about the financial aspect. I only have two questions. First question is that, sir, who is our competitors?

Secondly, please let me know what share we are having in domestic as well as international market. Third question, sir, in your regards, for coming financial years, how much growth and profit you are expecting for 2024? Rest, I have no more questions. Thanking you for my patience hearing, sir, I wish good luck and best wishes for coming festival and also the Independence Day for our Company and the Board members. Thank you very much, sir.

Vasant Rathi: Thank you, Dnyaneshwarji.

Moderator: Thank you. So, the next speaker in the list we have is Lekha Shah. Requesting Ms. Lekha Shah ma'am to kindly unmute your audio as well as to enable the video and then commence with the speech.

Lekha Shah: Thank you, sir. Respected Chairman, sir. Board of Directors, and my fellow members. Good afternoon to all of you, myself Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary Sanjayji for sending the AGM notice well in time, which is full of knowledge, facts and figures in place. I would like to appreciate the Company Secretary for his effort in making things so much easier for us to understand through our annual report.

Still, I would like to ask few questions. My first question is, what is the future of our Company? How we are planning to increase our revenue? What is the total number of employees? And how many women employees working in our Company? Thank you Chairman, Sir for explaining us well about the Company. Sir, I pray to God that he always shower his blessings upon you. I strongly and wholeheartedly support all the resolutions for today's meeting and my best wishes always our Company and its prosperity. Thank you so much, Sir.

Vasant Rathi: Thank you, Lekhaji.

Moderator: Thank you, ma'am. So, the next speaker in the list we have is Prabhjot Singh Sahni. Requesting Prabhjot sir to kindly unmute your audio as well as video and then commence with the speech.

Moderator: The person with the said name is not connected in the meeting.

Moderator: So, the next speaker we have is Rajendra Seth, requesting Mr. Rajendra Seth to kindly unmute your audio.

Rajendra Seth: Hello, yes, I am Rajendra Seth from Thane. Our Chairman and management explained us very well about the Company's position. There is no special question. The Company is doing a very good job. And whoever took our stock and whoever kept the patient, has got a good reward. I am also an old investor. And there was only one question, that in the international market, who is our main competitor? And how much more chances do we have to move forward in the international market?

Only one question. Our secretarial team, they have done a good job. I thank Sanjayji for sharing the balance sheet with perfect knowledge. I give full support and hearty congratulations for all the resolutions. I will just say one small shloka and end my speech, sir. And sir, it would be better if you can hold a meeting through VC. I am on business tour right now, I can still attend the meeting. That's it, I will say this in the

end, I give full support and hearty congratulations. Thanks for giving me the opportunity to speak. Thank you, sir.

Vasant Rathi: Thank you Rajendrajji and thank you for joining us through video.

Moderator: Thank you, sir. So the next speaker in the list we have is Satish Shah. Requesting Mr. Satish Shah to kindly unmute your audio and please enable the video and commence with the speech.

Satish Shah: Mr. Chairman and other Directors, my name is Satish Shah. You have explained about the company very well in your speech. The company is a brilliant professional. Sir, this year the Company's performance was good. And the dividend of the Company was also good. So, I want to know, what is the dividend policy of the Company? I got a balance sheet, it is attractive, colorful and nice. The resolutions that has been kept today, I fully supports it. Thank you, sir.

Vasant Rathi: Thank you, Satish bhai.

Moderator: Thank you. So, the next speaker in the list we have is Smita Shah. Requesting Smita ma'am to kindly unmute your audio as well as to enable your video.

Smita Shah: Thank you sir. Respected Chairman, Mr. Vasantji, Ms. Rasikaji and CFO Beni Prasad Rauka and all other Board members and Directors. Sir, I am Smita Shah from Mumbai. Good afternoon, sir. Sir, first of all, I would like to thank the secretarial team for sending me a physical copy as per my request. We got the before time and the link from the secretarial team. He called us and asked us to join the meeting. He asked us if we got the link.

Very good investor service from the secretarial team and I applaud for the same for whole secretarial team, Mr. Sanjay Basantani ji and full team. I congratulate to you sir, for today in your leadership, in the current market, you are trying to keep the company up and running with hard work and dedication and move forward with success. Very good things, from operation, net sales, network and in consolidation also from last five years, I can see a very good growth in the consortium. It is a very good thing. I am happy to know this and see this. Many congratulations, sir. Just keep moving forward with hard work with dedication and success. This is my heart full wishes. Along with that, sir, you have also given a good dividend.

And I just hope that in the future, our Company will move forward with quadruple success and be able to give better dividends. This is my heartfelt wish. and to give better dividends. I pray to God for this. I wish you all the best. I have complete faith in you. I want to support you strongly. I will say that I fully support all the

resolutions today. I wish you all the best wishes for the forthcoming festivals during the year. Thank you. Sir, now Bharat Shah, will speak please keep it on.

Bharat Shah: I would like to thank Mr. Vasantji, Mr. Rasikaji, Mr. Mukund bhai, Mr. Kedar bhai, Mr. Beni Raukaji and others. I will not take much time. I will take one minutes- 1.5 minutes. I have no queries. You are running a neutral company. You should always take care of the shareholder's interest. You have given a good return to the shareholder. You have given a dividend of INR4. I thank you very much. I pray to God that our country moves ahead. And sir, if possible, please give a bonus in the coming year. And sir, please tell us the total employees. And please tell us the competitors. I would like to thank Mr. Sanjay Basantani for his great work. I would also like to thank the CFO of Beni Raukaji, for his great work. I wish you all the best for the upcoming festivals. I have full support in all the resolutions. Thank you very much. Jai Hind, Jai Maharashtra Jai Sri Krishna, sir. Thank you.

Vasant Rathi: Thank you very much, Bharat bhai.

Moderator: Thank you sir. So the next speaker in the list we have is Vinod Agarwal. requesting Mr. Vinod Agarwalji to kindly unmute your audio as well as to enable your video and then commence with the speech

Vinod Agarwal: Respected Chairman, Mr. Rathiji, our whole-time director, Mr. Mukund Kabra, our CFO, Beni Prasad Raukaji, and our Company Secretary, Sanjay Basantani. Sir, good afternoon and regards to everyone. I voted for all the resolutions in favor, which have been sought to be passed today. Sir, I am pleased that Mr. Beni Prasad Raukaji has been there with us since a decade now.

And wherever he'll be there, the finances of the Company will be handled very good and he's handling the finances very well, sir. Sir, my two or three queries. Last year, we had earned a forex of INR 736 lakhs and we spent only INR 435 lakhs. So we are net INR 3.1 crores plus in the foreign exchange. So very good, sir. You're doing very good for the Company and are borrowing when I see, the long-term and the short-term borrowing consolidated are only about INR 132 crores, while our liquidity when I see, the mutual fund is about INR 3,595 millions. And cash and bank balance, INR 964 million and the other cash and bank balance INR 263 million. So it's about INR 4,822 million on a very small financial liability of INR 132 million. So that's very good financial management, strong liquidity. What are we likely to use it for? Any Greenfield project or acquisitions? What are we likely to use this kind of liquid money that we have got? Sir, foreign exchange, the last year you have given, you have declared dividend of INR 1 for the financial year.

And you also declared INR 4 handsome dividend of 200% for the financial year ending and you also declared INR 4 handsome dividend of 200% for the financial year ending 24. For the current year, you have already declared interim dividend. So it's very good, sir. We are pleased with that. And your sales were 9% high and your exports were about INR 2,850 million.

Domestic sales were 9% high and export sales were down by 4%. That's all okay, sir. Now my only worry is that our margins are getting impacted over the last five years. When I see our PAT margins are down compared to what they were five years ago and our return on capital employed is also getting down. ROE has come down to 9% from 19% last five years ago.

Our ROCE has come down to 10% from 24% five years ago. So we'll have to look at our margins also, sir. I wish the Company all the best. We can grow. It's either to make more profits on a low margin by expanding a lot of business, or you make higher margins on the lower business. So it is for the Company to decide how we'll make more profits and we'll give dividends. I wish the Company all the best. Signing off, Vinod Agarwal from Mumbai. Thank you, sir.

Vasant Rathi: Thank you, Agarwalji. Thank you for your kind words.

Moderator: Thank you, sir. So the next speaker in the list we have is Yusuf Rangwala. Requesting Yusuf sir to kindly unmute your audio as enable the video and then commence with the speech.

Yusuf Rangwala: Good afternoon Sir. I am Yusuf Rangwala from Mumbai. First I am thankful to our excellent Company Secretary, he sent link and also called me, sir. This shows how you are caring in the company. Sir, what to say about our Kabra Sir? He is shining like a star, they are sitting next to you. Mukund Kabra, dynamic personality is sitting next to you.

When he is there, what to do? Twice you have given a dividend. This shows how a company, like a company gives a dividend, excellent dividend, this is a history of a dividend as you mentioned. Sir, when was the last bonus given? Many years have passed. Point number 2, what is the total number of staff at present? Point number 3, in which country are we exporting, sir? Nothing more to add. I end my speech. Sir, if we planning for physical meet. Point number 4, if you can keep a small Diwali get together, so that we can meet you, sir.

We never meet sir, five years have passed. Now everything is open, everything is normal, we can go anywhere. Go also foreign sir, as you mentioned sir, now everything is normal sir. So my humble request at time of Diwali, please keep a small

get together, so that we can meet you sir, this is my humble request. And nothing more to add.

Sir, nearby there are 50 locals wishing a very happy independence from my side and also thanks to Sanjay sir and his team for giving me a link and also calling me sir. Thank you very much sir. One second sir, I want to greet you sir. Namaste sir, You can see that Namaste sir, Jai Hind sir. And I end my speech saying that praying to God. I want to make a small poem, I am wishing for all the festivals. Thank you very much. Rauka sir, keep on smiling. Smiling is a well medicine for our, sir. Prime minister's say, smiling is a best medicine, sir. Thank you very much, sir. Smile every time, sir. Thank you very much.

Vasant Rathi:

Thank you, sir. So the next speaker in the list we have is Mr. Tushar Sodha, requesting Mr. Tushar Sodha to kindly unmute your audio and then commence with his speech.

Tushar Sodha:

Thank you, thank you so much sir. Respected Chairman sir, eminent Board of Directors and my fellow shareholders, my name is Tushar Sodha and I have joined our virtual AGM from Mumbai. Finance and Secretarial Departments deserve appreciation for our first ever integrated annual report. Many congratulations for the highest ever consolidated revenues INR 541 crores.

I am very happy to know that we are amongst the top 15 enzyme companies globally. It would not have been possible without the vision of the Board of Directors, senior management team and the passion and dedication of the entire team at Advance Enzymes. Ours is virtually a debt-free company and our Company has managed to return almost the entire debt within the last seven years.

Despite several headwinds and pandemic, our finance department has done a wonderful job with a healthy and a robust balance sheet. Sir, what is the percentage contribution of top 10 customers for total revenues? There have been very many acquisitions in the past two year to three years, can we expect any further acquisitions? Advanced enzymes has the second highest market share in India, kindly inform, which company has the highest market share? I think it is an unlisted company.

Due to constant fluctuation in import material prices and elevated sling cost, profit after tax margins are below 20%, which are at the lowest of the last seven years. When can we expect this profit after tax margins to regain 28% to 30% levels? Moving ahead as a preeminent enzyme manufacturer, Advanced Enzyme Technologies is very well positioned to thrive in the growing global market. I extend my wholehearted support and wish all the very best to our company for a bright

financial performance on a sustainable basis. Thank you, Chairman sir, for giving me this opportunity to put forth my queries and express my views. Thank you so much, sir.

Vasant Rathi: Thank you, Tushar ji.

Moderator: The next speaker in the list we have is Vinay Bhide. Requesting Vinay sir, to kindly unmute your audio and then commence with the speech.

Vinay Bhide: Chairman Mr. Vasant, Rathi, Whole time director Mr. Mukund Kabra, other distinguished Directors now present at today's AGM. As already announced I am Vinay Bhide, company shareholder. I am speaking from Mumbai. At the outset, I will join the other shareholders in congratulating you for your first integrated annual report. Not only the first integrated annual report, from what reading I have given to the financial year 2022-23 report so far, I will place your annual report presentation, the facts and the figures that you represent in the top most of notch.

I am very happy about the presentation and I will go straight away to my questions. My first question is on the global sales. What percentage of our global sales are realized from animal feed and animal enzymes out of the total revenues from this vertical, what percentage of sales is realized from India? That is the first question. The second question, Asia, ex of India, thus suggest some revenue traction, could require a comment on this aspect of the business piece.

The third question is on the capex and opex spends. On capex and opex spends on information technology in financial years 2021- 22 and 2022-23. Question number 4, who are our local and global competitors in the areas of human and animal enzymes? The fifth question, the overall demand picture and price realization trend in the current financial year from our revenue verticals and geographies? And the final question, over the past five years, EBITDA margins have been best in the range of 44% to 46% and trending down up to 38% and 29% last year.

The question here is that, when in your opinion we will get back to our best EBITDA margin ranges in the times to come? Otherwise I think you know we are a sound management with sound intentions and I must mention here that our CS team, Sanjay Basantani and all of them have taken a lot of efforts in order to ensure our participation. I close with best wishes to you all. And thank you for giving me the opportunity to speak and look forward to meeting you again next year. Thank you, sir. Jai Hind.

Vasant Rathi: Thank you, Vinayji.

Moderator: Thank you, sir. So that's all about the speaker, requesting Chairman sir to proceed further.

Vasant Rathi: I sincerely want to thank all of the participants asking various different queries. Some of them are repeated ones so far. Hopefully, I'm going to try to answer all the questions which have been put forward. One of the question was, who are our main competitors? There are many companies which compete in this space because it's a specialized space and there are companies on local and global level. There are like Novozymes, Anthem Biosciences, Titan Biotech. On Animal Nutrition side, Lumis Biotech, there is Aumgene Life Sciences in India, Infinita biotech, in a global market there is ADM, Codexis, DSM, Kerry Group, etc.

Now there is another question which was previously asked, what is our capex program? During this year, we will put the capex of around INR 20 crores to INR 25 crores. We are expecting to put the capex in that particular range. Further as informed earlier, we are also expanding our current R&D capabilities in Nashik to which we will be spending around INR25 crores within next three years or so.

We are expanding our R&D capabilities to a much higher level. Currently we spend approximately 5% to 6% of our revenue on the R&D. Regarding what did the company declare last dividend, bonus and how much? Let me tell you that, interim dividend for FY'24 of INR4 per share declared by the Board at its meeting held on May 13, 2023 and interim dividend payout ratio was 200%. Final dividend of FY23 of INR1 each which is 50%. Bonus shares issued by the Company on March 15, 2007 and March 18, 2010 in ratio of 1:1.

So the Company is constantly looking to benefit, how we can benefit in, how benefit of the Company goes to our shareholders, our employees, and overall our customers satisfying our customer base with the new and improved products. There is another question asked that what is our Company's strength, employee strength at this time. On standalone basis, the total number of employees as of March 31, 2023, for AETL is 322, in which there are about 250 plus males and about 70 plus females and on a consolidated basis, it is more than 750.

There are various different expenses has been asked, you can look into our balance sheet, but you will get all those numbers for the year. Now, how many subsidiaries are profit making? Somebody asked me. We have about 12 subsidiaries, out of which eight subsidiaries are profit making this year. There can be loss in other four subsidiaries due to one or the other events, but those are not continuous loss making subsidiaries. They are making profits. There is a lot of improvement going on and a lot of interchange in the products are happening, those companies, which can overall contribute to our further profitability of this Company.

There's a question asked about our export turnovers and which countries do we export. Now by standalone, AETL has an export of about INR 975 million and consolidated export is about INR 2,850 million. These products are exported to 49 different countries across the five continents. And I appreciate someone explaining that with this we have our country gained a lot of foreign exchange and hope to help country in this manner gain some export dividends.

Now, Dhyaneshwarji Bhagat asked, who is the competitor? I already told you that before, in the earlier query. What are our percentage of sales in domestic and international market? Now, standalone, our domestic sales are about INR 2,140 million, export sales is INR 975 million. In consolidated, we have a domestic sale of INR 2,566 million, export sales are about INR 2,850 million.

So to answer your question on that particular area, there's a huge market segment, we are also niche marketing on a certain particular segment of healthcare and animal nutrition. I don't think we are, we have a long way to go to become a substantial player in the international market. And we have a lot of opportunities to develop and expand our market share.

There's also a question, would like to know our views regarding the growth in the coming financial year. As I explained in my previous early presentation, we have given you the details about our first quarter reports, which you will see that, we are on the right path to the 22% revenue growth, somewhere at upward to 40% and 70% on the EBITDA and the PAT. Hopefully, we have charted the path to this year to grow.

There are a lot of still hangovers from last year. The pressure on the raw material has been eased a little bit, but a lot of different challenges. We don't know where the fuel costs will go, what will happen in the international market vis-à-vis war in Europe. So there are a lot of other areas in there, internationally they have expectations of the recession, for which the fears are eased a little bit, but still there are a lot of uncertainties.

Having said all of that, still we feel that we should have a very good year this year, financially. And hopefully our Board of Directors will pay attention to various different growth factors and for shareholders. I thank you for all your various queries. Hopefully I answered most of them. Is there more questions?

Yes, Tusharji asked some questions, I am sorry, Tusharji asked what is the percentage of contribution of top 10 customers on our total revenue. Last year our top 10 customer gave probably about 24% and FY'22 it was about 28% just to give comparisons. Now, Advanced Enzyme has a second highest market share in India.

You asked kindly inform, which unlisted company has the highest market share, that's the Novozymes India.

Tusharji asked, that can you expect any further acquisition?

Acquisition is a continuous process. You just don't stop with acquiring one or two companies. If we find that strategically, we have an opportunity for inorganic growth. We will definitely evaluate them from time-to-time. Whenever they come in, suitable decisions should be made for considering our future growth by our Board of Directors. A similar line of business, it has to be a combined synergy gain, operational conveniences, and of course our liquidity and market positions. So we will be looking to all of those, based upon those, we'll be looking always at some opportunities in the market.

And there is a question, it's called due to constant fluctuation in input material prices and elevated fuel costs, profit after tax margins are at below 20%, which is lowest of last seven years. When can we expect these margins to regain same level at 28% to 30%?

We're constantly working on improving our margins, however, as you rightly pointed out, lot of incremental processes and increasing elevated cost in fuel and raw material, logistic cost was very high, all of them are subsiding currently and that will definitely help in our improving margins.

Last couple of years, what else we have observed that input cost including logistic costs are softening. Customers are also gradually accepting slightly higher sales prices. This can help us to regain some margins which we lost last year. And however, regaining of the 28% to 30% PAT margins based on the current scenario is really difficult to predict, but we are constantly working as we improve in our operational cost.

Moving ahead as a preeminent enzyme manufacturer, Advanced Enzyme Technology is very well positioned to thrive in the growing global market. Yes, we are constantly working to stay focused and keep consolidating our sustainable businesses throughout the global scenario by increasing our new market territories and strengthening our current market position.

I hope I answered all your queries. If at all there is anything left, we're more than happy to answer them if you can send it to us again. Well, thank you so much.

Beni Rauka:

Sir, couple of questions Mr. Vinay Bhide has asked. So, with your permission I can answer those questions.

Vasant Rathi: Yes, go ahead, Beni.

Beni Rauka: So his question was about animal nutrition business. So what is the percentage of global sales realized from animal free enzymes and what is the total revenues from this vertical? What percentage of sales is realized from India? So, Bhideji, this is about, 13% of our business comes from the animal nutrition business. Out of this, 9% comes from India and 4% comes from the international market.

Another question was, Asia, ex-India does suggest some revenue traction. Your inputs please? So yes, if we look at our FY'22 and FY'23 numbers, then growth is about 43% from INR332 million to INR473 million. And that is the trend which we can also see in the current quarter. So it is like, it is to be a kind of fact and you look at the numbers as well as the trend.

Our Capex and Opex spends on Information Technology ("IT") for FY22 and FY23. So, our Capex was INR6 million on IT and this was INR24 million Opex as compared to INR7 million of Capex and INR12 million of Opex during last year. So total we spent about INR30 million this year on IT as compared to INR19 million in the previous year.

Another question was over our demand and price realization trend in the current financial year from our revenue verticals and geographies. Bhideji, this information, we have covered in very-very detailed manner. You can refer, page 46 to page 56 of our annual report where we have given a vertical wise the global scenario of the market. And our vertical wise sale numbers as well as geography wise, revenue we have given on page 268 of our annual report. I think the last question has already been covered by Vic Sir, about the EBITDA margin and the trend about whether you can expect a similar margin of 44%, 46%. So that has been covered by Vic Sir and he was responding to our question because he was asking more on the PAT, but then PAT and EBITDA margin go hand in hand in that sense. Thank you.

Vasant Rathi: Okay, thank you Beni. Thank you all for the patient hearing and for offering your suggestions. I have replied, Beni have replied almost all of your queries received from the members. Members who are present in this virtual AGM today, and have not used the facility of remote e-voting earlier to cast their vote on the resolution mentioned in this Notice and otherwise not prohibited 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.

Most of you who came and gave your suggestions and asked some questions would have voted for the resolution and those who did not vote would like to vote, it will be open for another 15 minutes after I conclude. Mr. Shiv Hari Jalan, a proprietor of

Shiv Hari Jaan and Co., Company Secretaries has been appointed as a Scrutinizer by the Board for scrutinizing the entire e-voting process. The report on voting results will be submitted by the Scrutinizer to the Company. The voting results shall be declared by the Company on receipt of the scrutinizer's report within the prescribed timelines as per the applicable regulations. The Scrutinizer's report will include combined results of the 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 we conclude, I on behalf of the members of the Board, would like to thank the valued shareholders, customers, all suppliers, bankers for continued contribution, support and trust without which the Company would never be able to achieve the results. I extend my sincere thanks to all my colleagues on the Board for their guidance and support. They're always there to help and guide us.

I also convey my gratitude to the management, employees and the business associated for their contribution to the performance and growth of your Company. As informed earlier, the e-voting facility for all the resolution mentioned in the AGM, Notice shall continue to remain open for next 15 minutes. 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 34th AGM. With your consent, I and other Board members would sign off now. Wish you good luck, good health, be safe and thank you for all for joining us on this AGM. Thank you very much. Jai Hind.

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