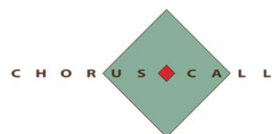




“Advanced Enzyme Technologies Limited
35th Annual General Meeting”

July 25, 2024



MANAGEMENT: **MR. VASANT RATHI – CHAIRMAN**
MR. VINODKUMAR JAJOO – INDEPENDENT DIRECTOR
MR. MUKUND KABRA – WHOLE-TIME DIRECTOR
MS. RASIKA RATHI – NON-EXECUTIVE DIRECTOR
DR. SUNNY SHARMA – NON-EXECUTIVE DIRECTOR
MR. NITIN DESHMUKH – INDEPENDENT DIRECTOR
MR. BENI PRASAD RAUKA – CHIEF FINANCIAL OFFICER
MR. SANJAY BASANTANI – COMPANY SECRETARY

Sanjay Basantani: Good morning and welcome to the 35th Annual General Meeting of the Company, Advanced Enzymes being held through virtual mode. The proceedings of this meeting are being recorded for compliance purposes. Audio and video of the members present for the meeting is in a mute mode.

During the question answer session, the audio and video will be enabled for the pre-registered speakers members once they are invited one by one to speak. As a requisite quorum is present, I now request Mr. Vasant Rathi, Chairman to kindly commence with the proceedings of the meeting. Thank you.

Vasant Rathi: Thank you Sanjay. Good morning shareholders, ladies and gentlemen. It is my privilege to welcome you all to this 35th Annual General Meeting of your Company. The requisite quorum being present, I declare this 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 Securities and Exchange Board of India, the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations. In accordance with the said circulars, the physical presence of members at the AGM venue is exempted and the members attending the AGM through the said VC facility is counted for the purpose of the quorum. I welcome my esteemed colleagues on the Board of your Company.

Let me briefly introduce you to the Board members. Mr. Mukund Kabra is our Whole-Time Director. Mukund?

- Mukund Kabra:** Hello, everyone. Good morning.
- Vasant Rathi:** Good morning, Mukund. Ms. Rasika Rathi and Dr. Sunny Sharma are Non-Executive Directors on the Board of your company. Rasika, Sunny?
- Rasika Rathi:** Hello, everyone.
- Dr. Sunny Sharma:** Hello, everyone.
- Vasant Rathi:** Mr. Vinodkumar Jajoo is an Independent Director on the Board and currently the Chairperson of the Audit Committee and Stakeholders Relationship Committee. Vinod?
- Vinod Jajoo:** Hi. Good morning, everyone and welcome to this meeting.
- Vasant Rathi:** Thank you, Vinod. Mr. Nitin Deshmukh, Ms. Rajshree Patel and Mrs. Vandana Tilak are also Independent Directors on the Board of your company.
- Nitin Deshmukh:** Hello. Good morning. Hi, Nitin Deshmukh, here.
- Vasant Rathi:** Hi, Nitin. Pramod Kasatji is not here today, I believe.
- Sanjay Basantani:** Yes, he's not present for the meeting.
- Vasant Rathi:** With us, we also have Mr. Beni Rauka, Chief Financial Officer of the Company and Mr. Sanjay Basantani, the Company Secretary. We also welcome Mr. Amrish Vaidya, representative and partner of our Statutory Auditors, M/s. MSKA and Associates, and the Secretarial Auditor, Mr. Shiv Hari Jalan, a proprietor of Shiv Hari Jalan & Co., Company Secretaries. Integrated Annual Report including Board Report, Audited financial statements for year ending March 31, 2024, Notice conveying this AGM has been sent through electronic mode to the members in advance and registered email IDs have also been made available on the website of your Company and submitted to the Stock Exchanges.

With the permission of the members present, the said Report, AGM Notice including the resolutions thereto are taken as read. The Statutory Auditor's Report and the Secretarial Auditor's

Report for the year ending March 31, 2024, does not have any qualifications, observations or adverse remarks which would have any material adverse effect on the functioning of this Company. Hence, these Audit reports are not required to be read.

The Register of Directors, Key Managerial Personnel and their shareholdings, the Register of contracts or arrangements in which Directors are interested and other relevant documents as mentioned in the AGM notices are available for the inspection as mentioned in notes to the AGM notice. The certificate from the Secretarial Auditor in respect of the Employee Stock Option Scheme 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 is also available for the inspection. Now, I would like to share some key development achieved by your Company during financial 2024.

Your Company received the approval for two food enzyme dossiers from European Food Safety Authority. As you know, it is called EFSA. One of the most difficult approvals, regulatory approvals and takes a lot of time is one of those is called EFSA in European Food Safety Association and we already filed, we got two approvals already on that area.

In addition, no questions letters were received from two GRAS filing with the United States Food and Drug Association, (USFDA). The approved enzymes can be utilized as a food processing aid for food products. Further, your Company successfully concluded the acquisition of an additional stake in JC Biotech involving total cash consideration of INR 56.07 million resulting an increased shareholding of your Company in JC Biotech 95.72%. The Company expanded the enzyme libraries from application in all business streams.

In human nutrition, vertical enzymes were developed for sugar management, weight management, protein digestion. To introduce new solutions for bio catalysis, your Company developed new enzyme formulas and reaction processes for production of anti-cholesterol, anti-depressant, partial onset, seizure, active pharmaceutical ingredients in intermediates, which shows promising results in clinical trials.

In the food business, we developed new baking enzymes for reducing sugar in baked products such as breads, biscuits, cakes for the global food industry. Your Company also initiated a step forward, steps towards clean energy. As one of its ESG initiatives, your Company installed and made an operational 160-kilowatt solar power plant in FY 2024.

Another 350-kilowatt solar plant installation is under progress. We stay committed to prioritizing sustainability in the operations, guiding the business practices and influencing our interaction with stakeholders and the environmental alike. The dedication is evident both internally within your Company's manufacturing operations and externally through the product offerings.

Let me also brief you on the financials for the year under review. During the year, the consolidated revenue grew by 15% to INR 6,239 million from INR 5,406 million last year. EBITDA on consolidated basis registered an uptick of 31% to reach INR 2,045 million.

Consolidated profit after tax touched to INR1,370 million, recording a growth of 32%. On stand-alone basis, your Company revenue from operations increased from 3,115 million in FY23 to INR 3,655 million in FY24, an increase of 17%. Profit after tax increased by 95%, i.e. INR 1,081 million during FY24, as compared to INR 555 million during the previous year, almost double.

Human Nutrition has been the largest revenue contributor with a contribution of 67% of the revenue of your Company, followed by Bioprocessing, 16% of the revenue, Animal Nutrition, 11% and Specialized Manufacturing, 6% of the revenue.

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 the circulars 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 July 21, 2024, at 9 am IST and ended on July 24, 2024 at 5 pm 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 holding shares of the Company as on the cut-off date of July 18, 2024, 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 cut-off date to participate and vote on the business item mentioned in the AGM notice. As per the applicable provisions, every resolution which has been put to vote through the remote e-voting need not be proposed by a member and seconded by another member.

There are three ordinary business and two special business items that were pre-circulated through the AGM notice to the registered e-mail ID of the members and taken as read at this meeting. The said five resolutions read with the exact same text are already placed before members through remote e-voting.

Ordinary business -

Item number 01:

To receive, consider and adopt the Audited financial statements (standalone) of the Company for the financial year ended March 31st, 2024, together with the Auditor's report therein and the report of the Board of Directors of the Company and the Auditor's financial statements

(consolidated) of the Company for the financial year ended March 31st, 2024, together with the Auditor's report thereon.

Item number 02:

Pursuant to the dividend distribution policy of the Company, the Board has recommended a 10% increase than last year for dividend of INR 1.10 per equity share of INR 2 each at the rate of 55% for approval of the members.

As you know, there was a special dividend already provided by your Board of Directors.

Item number 03:

To appoint a director in place of Mr. Vasant Rathi, retiring by rotation and being eligible for offer for reappointment.

There are two special business items recommended by your Board and the details are provided in the relevant explanatory statements as a part of the AGM notice.

Now, Item number 04 pertains to the Related Party transactions of your Company with the subsidiary JC Biotech Private Limited for a period of one year, effective from October 1st, 2024.

The approval is sought from the members for sales and purchase transactions, not exceeding an aggregate limit of INR 800 million in the ordinary course of business. The justification and other requisite details are provided in AGM Notice.

And Item number 05 is for the ratification of remuneration of INR 1.5 lakhs, excluding applicable taxes and out-of-pocket expenses at actuals, for M/s. Shilpa and Company, Cost Auditor of the Company for the financial year 2024-25. The Cost audit is applicable to your Company for FY 25.

Now, we will 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 the time, the registered speaker members are required to restrict the speech to the maximum of three minutes.

I will attempt to reply queries after taking notes of all your questions. As you know, your Company being a listed entity does not comment on specific future guidance and does not share sensitive competitors' information. So, please avoid asking such questions. The moderator will now invite the pre-registered speaker members one by one, please. Sanjay?

Parin Gori (Moderator): Yes, sir. Yeah. Speaker number one, Mr. Vinod Agarwal, please unmute the audio video and go ahead with your questions.

Vinod Agarwal: Yes. Respected Chairman, Mr. Vasant Rathi ji, the Whole-Time Director, Mukund Kabra, our CFO, Beni Prasad Rauka ji and our CS, Sanjay Basantani. Good morning and regards to

everyone. Sir, the performance of the Company has been really very excellent in the year under review, sir. It's been very, very excellent.

Your PAT has increased, EBITDA has increased, everything and consolidated revenue also. The only thing is that sir, your share price has increased. We've got such good EPS, good liquidity. You have given a good dividend last year, 4 plus 1.1, i.e. INR 5.10 on face value of 2. You have given a very good dividend, sir. But the only thing is that, when I see borrowing is nil, debt-free company. We have cash and bank balance of INR 143 crores. And the current investment in the mutual fund is about INR 402 crores. We have got about INR 545 crores of liquidity. We have been acquiring a lot of companies also, sir. The INR 544 crores that we have, will it be used for acquiring more companies also?

What will it be, sir? And everything is good of the company, sir. Research work is going well. We have got 7 research facilities, 9 plants. We are adding new plants. We have got approval from EFSA also. We have got 2 approvals from the USFDA also, in the past year. Sir, please consider Bonus. It's been 8-10 years. In 2016, our IPO came. You split the share. That was also a good thing our shares multiplied. You can provide bonus share if the Company's share is good. I wish the Company all the best. Signing off, Vinod Agarwal from Mumbai. Thank you, sir.

Vasant Rathi: Thank you, Vinod ji.

Parin Gori : I request speaker number 2, Mr. Anil Babubhai Mehta please unmute the audio video and go ahead with your questions. Mr. Anil Babubhai Mehta?

NDSL representative (...): The speaker shareholder is not connected we can move to the next speaker.

Parin Gori: Speaker number 3, Mr. Anil Champaklal Parekh please unmute the audio video and go ahead with your questions Mr. Anil Champaklal Parekh. Please unmute the audio video and go ahead with your questions. Mr. Anil Champaklal Parekh. Hello.

Anil Parekh: Okay. Chairman sir, Vasant Rathi ji, other Board members, my friend, Mr. Beni Prasad Rauja ji and all the shareholders who are attending this meeting, good morning to you all. Hope you all are very fine and doing well at your respective end.

Chairman sir, as usual, our Company Secretary is doing an excellent job as far as investor relation is concerned. And many congratulations to him for doing so. And we have a very clean balance sheet and the physical copy which I received from the secretarial team depicts all the details, whatever we need and one need not should ask any questions going through the balance sheet.

It is very clean and neat balance sheet. And we are debt-free company. But however, sir, I would like to put before some questions for my knowledge. But before putting that, sir, my two requests are there. First is, we are missing now your physical meeting, which is the real essence of

shareholders meeting. Because it seems we are doing just formality by VC conference at one end you are and at second end I am.

But sir, meeting and greeting to you, we are missing. So, if possible, next year, please do physical meeting. Secondly, sir, in absence of physical meeting, you can also have a plant visit of shareholders, those who are attending today.

Chairman sir, having said that excellent performance, year on year by our Company under your dynamic leadership, which is visible on page number 73, standalone as well as consolidated revenues has gone up. PAT, PBT, everything has gone up. I'm not going to read that. It is already there. And also you have rewarded shareholder earlier with interim dividend and now with final dividend. And you are always taking care of small shareholders, keeping their interest in the mind.

Thank you, sir, for that. So, sir, page number 75, our, all the subsidiary, domestic subsidiaries are doing well, and all are profitable venture. Many congratulations to you for the same. But, sir, our international subsidiaries, some of the international subsidiaries are not doing well. First is Advanced Enzyme Europe and evoxx technologies, Germany. These are not doing well.

So what are your steps you are taking to revive them? And also, we have discontinued our operation in Malaysia. So what was the actual reason why we were not able to perform there? That is my second question. Also, sir, on page number 76, we have converted our long and ICDs of Advanced Enzymes Europe, Netherlands. So, sir, what was the reason for the same?

And, sir, also our one of the director, Mr. Rajesh Sharma is retiring from his term, and he is not willing to appoint once again due to his preoccupation and responsibilities elsewhere. So we miss him a lot and his capabilities, we can see in other companies also. But convey my good wishes to him and I don't want to take much of your time. Thank you for allowing me to speak. I support all the resolutions. Thank you very much, sir.

Parin Gori: Next speaker, speaker number 4, Mr. Bimal Kumar Agarwal. Please unmute the audio video and go ahead with your question. Mr. Bimal Kumar Agarwal.

Bimal Kumar Agarwal: Good morning to everyone. First of all, I thank the Company Secretary, his team, management and the staff and the shareholders for holding video conference. I hope Company will continue video conference since this time, the rains are so bad. Today is raining like cats and dogs.

I hope always you continue video conference because anyone can join from anywhere in the world and so your directors also abroad, they also can join. Since everything is good in the company, I also would like to convey, Vinod Agarwal that you can consider for a bonus. That's all from me. Thank you very much. Please do it video conference. Once again, I'm telling you, that's all from me. Thank you very much.

Parin Gori: Next speaker, speaker number 5, Mr. Dnyaneshwar Kamalakar Bhagwat. Please unmute the audio video and go ahead with your questions. Mr. Dnyaneshwar Kamalakar Bhagwat.

Dnyaneshwar Bhagwat: Yes. Thank you very much, sir. First of all, good morning to all Board members as well as Rathi sir, the Chairman of our Company. Now I'll come to the proceedings. Respected Chairman, Board of Directors, myself DK Bhagwat from Mumbai. I would like to thank the Company Secretary, Mr. Sanjay Basantani for sending me the soft copy as well as hard copy of the AGM, well in advance, which is full of knowledge, easy to understand. So thanks to sir and for his team for the excellent work. Secondly, the Chairman has given the brief details of the Company.

He has no more question about the financial part. I have full faith on the board working and the Chairman. So thirdly, I support all the resolution. Sir, only I have one question. Sir, what is, is our company has registered as a green energy project?

Second question is that what is the market share in domestic and international market? That is the two questions. Rest for coming festival, I wish good luck and thank you very much for patience hearing. Thank you, sir. And sir, Mr. Vimal, the first speaker has said for the bonus shares. So it is possible to, can we get a bonus share?

That is the third. And about the factory visit, one of the shareholders said for the speakers. The rest, no more question and thank you very much, sir. And thank you very much for allowing me to speak. Thank you, sir.

Vasant Rathi: Thank you, Bhagwat ji.

Parin Gori: Next speaker, speaker number 6, Mr. Bharat Pratap Singh Negandhi. Please unmute your audio video and go ahead with your question. Mr. Bharat Pratap Singh Negandhi.

Bharat Negandhi: Respected Chairman, Board of Directors and fellow Shareholders. My name is Bharat Negandhi from Bombay. First of all, I received the Annual Report in time. Report is very authentic, transparent and beautiful. I congratulate the Company Secretary, Mr. Sanjay Basantani and team to get the sent the physical copy to my resident letter. Sir, your auditor signed in month of May and meeting will be held on today.

There are five meetings in one hour. My suggestion is next time you should have a meeting. Meeting is held on 3 o'clock or 4 o'clock. So we are content so many shareholders are there. Number three, what is the capex program? Number three, what is the dividend distribution policy?

Number four, total number of employees? Number five, who are the main competitors of our business? Sir, when company gets the last bonus and how much? Sir, how many subsidiary companies profit making? I fully support to pass over the resolution and will brighten the future of the company. Thank you very much.

Vasant Rathi: Thank you.

- Parin Gori:** Next speaker, speaker number 7, Ms. Lata Bharat Negandhi. Please unmute the audio video and go ahead with your question.
- NSDL:** The speaker shareholder is not connected. We can move to the next speaker.
- Parin Gori :** Next speaker, speaker number eight, Ms. Lekha Satish Shah. Please unmute the audio video and go ahead with your question.
- Lekha 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 much thankful to our Company Secretary Sanjay sir, especially Pranit ji for sending the AGM notice well in time, which is full of knowledge, facts and pickets in place. I found the AGM notice, it's really useful with lot of information.
- Again, I thank our Company Secretary Sanjay sir and Pranit ji for their best performance and always outstanding support for all my doubts. Once again, thank you so much Sanjay sir and Pranit ji. Chairman sir, hence, I have no questions today. Thank you, Chairman sir, for explaining as well about the Company. Sir, I pray to God that 2024 comes with great prosperity for our company. Thanks for the dividends, sir.
- Chairman sir, it's raining so heavily in Mumbai, we won't be able to come to Thane from anywhere, sir and request to held the further meeting through video conference. Please, sir, this is a request. Please, sir, do the fact check as well. For this, sir, I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you so much, sir.
- Vasant Rathi:** Thank you, Lekha.
- Parin Gori:** Next speaker, Mr. Naresh Ratilal Kachalia. Please unmute the audio and go ahead with your question.
- NSDL:** The speaker shareholder is not connected. We can move to the next speaker.
- Parin Gori:** The next speaker is Mr. Obaidullah Abdul Bari Khan. Please unmute the audio video and go ahead with your question.
- NSDL:** The speaker shareholder is not connected. We can move to the next speaker.
- Parin Gori:** Next speaker, Mr. Prabhjot Singh Sahni. Please unmute the audio video and go ahead with your question.
- NSDL:** The speaker shareholder is not connected. We can move to the next speaker.
- Parin Gori:** Our next speaker, Mr. Rajendra Jamnadas Seth. Please unmute the audio video and go ahead with your question.

Rajendra Seth: Yes, I am speaking from Rajendra Seth, Thane, Maharashtra. Chairman sir, your honesty, our Company has given good dividends, good profit, congratulations to you sir. I would also like to thank our secretary sir for sending us a notice on time with details and kept the time perfect. A businessman can attend his meetings at 10 o'clock and go to work. I thank the Secretary for this. And sir, only one question, Rathi ji, is that what steps will we take to increase the domestic market? Only that tell me. Rest, you have done a good job of all the balance sheet. The company's business is doing very well. Just gave me a chance to speak and in all resolution, I have full support and hearty blessings. Rathi ji, I will say a small line of the shloka and then I will end my speech. Please listen. या देवी सर्वभूतेषु शान्तिरूपेण संस्थिता । नमस्तस्यै नमस्तस्यै नमस्तस्यै नमो नमः Thank you, sir and hereby support all the resolutions

Vasant Rathi: Thank you for your blessings, sir ji.

Parin Gori: Our next speaker, Mr. Rohit Vinod Ohri. Please unmute the audio video and go ahead with your questions. Mr. Rohit Vinod Ohri.

Rohit Vinod Ohri: So, thank you for adding me to the call, sir. I sincerely appreciate the products that are manufactured. And these are top class. And I have in the past tested the efficacy of Advenza, I think, eight, nine years ago. And recently, I even tested the efficacy of Wellfa. Of course, I was the guinea pig over here. But these are really good products in terms of the gut and digestive probiotic kind of products, which somewhat like Alka-Seltzer, which was in the past. So it's a good product library that we have.

So a couple of questions, quite a lot of them, if you can note them down and answer them one by one, I'll be very happy. We've been talking quite a lot about the food business. And in your opening remarks, you did mention about two food dossiers, which were from EFSA. So what sort of opportunity do you see over here? And in terms of these other products that you mentioned about bakery and other confectioneries, are we looking at reducing the sugar content in the products? Are we looking at certain procedures where we can increase the shelf life of these products?

In terms of the developments of the library for biofuel-related enzymes, if you can take us through, if it makes sense or is it lucrative to venture or become more aggressive in this business? In your opening remarks, you also mentioned about certain new enzyme formulas, which are related to anti-cholesterol and anti-depressant, as well as certain APIs. And you also mentioned that there are certain clinical trials already in progress. So when do you think that these products will be launched in the market?

And which is your target geography as of now or are you only looking at the export market currently? We're constantly talking about speciality enzymes. And I feel that going forward the three main pillars would be Biocatalysis, animal nutrition and baking. So if there is anything else apart from these three pillars for growth, which you'd like to share please do that. So you would like to share anything on the water-soluble polymers, where ATL can play a role, probably

in the domain of wastewater management, which is in need of the hour across the globe. So if we have some concrete steps done in that domain then please do share that. There's a mention of some non-armoured probiotics in the annual report and that is mostly towards the antibiotics in the animal feed.

So if you can just take us through what sort of opportunities are there, what is the scope of these probiotics or maybe these new products that are launched or maybe they will be launched in the future, if you can share that. On the company's side, in terms of the new product developments and probiotic businesses, how many of these are anticipated to be launched in near future or maybe in the short term or long term, if you can put a number to that. Some questions related to the financial aspect. Well, of course, understand that enzyme production it is a very energy-intensive procedure.

So how do you intend to tackle these issues going forward with the prices of energy and fuel trying to move towards the north? How are we tackling these issues currently? In terms of the freight cost, do you think that there were certain issues during the quarter under review or in the last three or four months? And how do you see going forward? Do you think that there will be certain issues that we need to tackle or there could be some fluctuation in terms of the hedging? Or how do you see that? Do you think that these will impact the EBITDA margin per se? Or do you think that there could be a little bit of a dampener in the first half for the current financial year? One of the fellow shareholders he did mention about some US-based subsidiaries, some of them not performing well.

But in the current scenario, do you think that there are certain green shoots that have already started coming up in the US subsidiary? I know evocx will be more interested in the R&D. But the other subsidiaries, do you think the other sister concerns, are they something that are seeing green shoots probably after the elections in the US? Because you're more into the North American part of the world, so you must be knowing more as to please do share some thoughts on that as to what exactly is happening in the US subsidiary. Do you think that this can help us increase the margins probably move towards 30% 39% kind of a range on the EBITDA margin front? So, exports are currently 31% of the total turnover.

My question is that do you think that in the next 1000 days or so, you will try to probably make it 50-50? Is it possible that with the other subsidiaries and sister concerns been ticking up, do you think that 50-50 can be achieved in terms of the exports for us? So, in the opening remark, you did mention that there are certain works related to solar. You did mention 160 plus 350 kilowatts of solar work that we have done. Is this entirely towards CSR activity or do you think that these can help us get some more operational efficiencies and probably give an uptick to the EBITDA margins?

And so, my last question is the more or less directional thing -- directional growth that I'm anticipating or expecting, I know you don't give guidance's, but do you think in the next 1000 days or so, you'll be able to achieve a top line of INR1000 crores or so with a sustainable margins

of maybe 36 plus? I'll be very happy if you're able to sustain the 36% or 35% EBITDA margin range also. So, thank you for patiently listening. Hopefully, you answer all the questions. Thank you, sir. Thanks a lot.

Vasant Rathi: Thanks a lot. Rohit, thank you for your lot of probing questions. Hopefully I can answer most of them. Okay. Thank you.

Parin Gori: Next speaker, Mr. Satish Jayantilal Shah. Please unmute yourself and go ahead with your questions.

Satish Jayantilal Shah: Thank you. Good morning, Mr. Chairman and all the Directors. My name is Satish Shah. You explained very well about the Company in your Chairman speech. And it is a good thing that our company is a debt-free company. and today you have also kept the dividend and it would be a good if you arrange plant visit for us. And whatever the resolution is today, I fully support it. Wish you all the best. Thank you.

Vasant Rathi: Thank you Satish ji.

Parin Gori: Our next speaker, Mr. Shubham Sehgal, please unmute the audio video and go ahead with your question. Mr. Shubham Sehgal? I can go to the next. Yes, Mr. Shubham, in case you are logged in from multiple devices, please log in from one device only. So, there will be no echo. There seems some technical issue at speaker's end. We can move to the next speaker. Next speaker, Ms. Vasudha Vikas Dakwe. Please unmute the audio video and go ahead with the question. Ms. Vasudha Vikas Dakwe.

Vasudha Vikas Dakwe: Yes. Very Good morning, respected Chairman, Board of directors and my fellow shareholders. Myself, Vasudha from Thane. Thank you for sending the soft copy of the report well in advance.

Parin Gori: Ms. Vasudha, your voice is not audible.

Vasudha Dakwe: I would like to ask, what is our efficiency...?

Vasant Rathi: Sorry, I cannot hear her.

Parin Gori: Yeah. Ms. Vasudha, can you please come to the place which have a better network?

Parin Gori: We can reconnect to you later on. We'll go to the next speaker, Mr. Tushar Sodha. Please unmute the audio video and go ahead with your question.

Tushar Sodha: A very Good morning to all. Am I clearly audible and visible?

Vasant Rathi: You are very well audible.

Tushar Sodha: Thank you so much, sir. Respected Chairman sir and stalwart Board of Directors, my name is Tushar Sodha and I have joined our virtual AGM from Mumbai. Finance and Secretarial

departments deserve appreciation for our second integrated Annual Report, which extensively covers almost all details. Many congratulations for the highest ever revenues of INR 661 crores. Despite several global headwinds, net profits are at INR 137 crores, registering a very healthy 32% rise over the previous year.

These impressive figures have been recorded despite the one-time impact of INR 15 crores on profitability due to adverse judgment of U.S. court in lawsuit in our subsidiary AST Enzymes. I thank the Board for a very handsome dividend of INR 5.10 per share for INR 2 face value share, which amounts to a staggering 235%. I am confident that our company will continue healthy dividend payouts in coming years as well.

Due to a strong cash flow, diversified portfolio of value-added products, and proven expertise in customer-focused innovation, our company remains financially robust. This equips Advanced Enzymes with strength and resilience to stay on the path of continuous growth as well as profitability.

In the year of our IPO in 2016, Advanced Enzyme Technologies had acquired 70% stake in JC Biotech. I am very happy that within just eight years, we have propelled our shareholding to 96% in JC Biotech. I refer to page 26 and 27 of our Annual Report. I am thankful to both finance as well as secretarial departments for a detailed presentation of almost all financial issues for the last five years. Sincerely appreciate it, sir.

Working capital finance this year is at an all-time high of INR17.6 crores. I request our Group CFO, Shri Rauka ji, to please give some color on this. Advanced Enzymes is virtually a debt-free company and our Company has 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 healthy and robust balance sheet.

What is the outlook for U.S. and European Union business in forthcoming years? What is the percentage contribution of top 10 customers for total revenues? Sir, our Company has INR 500 crores in balance sheet and we generate approximately INR 100 crores of cash every year. Can we expect any further acquisitions?

Our Company has the second-highest market share in India. Please inform which unlisted company has the highest market share? Within how many years can we, the shareholders, expect PAT margins to regain 30% levels? Are we planning on setting up any new research and development facilities?

Chairman sir, I request you to kindly consider a plant, or a factory visit of shareholders at any one of our facilities for a better understanding of our business model. Moving ahead as a preeminent enzyme manufacturer, Advanced Enzymes is very well positioned to thrive in the growing global market.

In your closing note communication, you have extended heartfelt gratitude to everyone associated with the company, including esteemed Board members, dedicated employees, suppliers, stakeholders, and always supportive shareholders. Chairman sir, your belief in us motivates us to stand steadfast with the company. We reciprocate your very warm sentiments, and I extend my wholehearted support and wish all the very best for a very 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 very much.

Parin Gori: Our next speaker, Mr. Vinay Vishnu Bhide. Please unmute the audio video and go ahead with your questions. Mr. Vinay Vishnu Bhide.

Vinay Vishnu Bhide: Chairman, Vasant Rathi ji; Rasika Rathi madam; Whole-Time Director, Mr. Mukund Kabra; CFO, Mr. Beni Prasad Rauka, I must congratulate team Advanced Enzymes for an excellent performance in the financial year ended 2024 as compared to '23. Our revenues have gone up from INR 312 crores in '23 to INR 366 crores in '24. With that, the net profit has also gone up almost double from INR 56 crores to INR 108 crores. Net margins have improved from 17.8% to nearly 30%.

Now, most of the questions have only been covered on the product as well as the finances. I have just got a few questions to understand the present and the future better. And the questions are as follows. We have already reached a net profit margin of 30%. So, first of the question is that, how confident are we that we will be able to maintain this net profit margin in the running financial year and in the near future?

Secondly, you have explained what is the breakup of the local business and the export business. So can you give us some color as to what are the profit margins on the local business and the export business? That is the second question. And well, I have some shareholders who request not only for a bonus, but also for a factory visit. And I think we are doing really well. So, that leaves a very ended room to ask any questions. I will look forward to the Annual Report from the company.

And I must mention that our participation in this meeting has been made facilitated by Mr. Basantani and Pranit and others did a fine job to bring us all together. So, all that I will say that I am supporting all the resolutions. And I wish you all the good health, sir. And all the best to the entire team at Advanced Enzymes. I look forward to much better years ahead. Thank you so much.

Vasant Rathi: Thank you very much.

Parin Gori: Our next speaker, Mr. Kishore Ratilal Kachalia, please unmute the audio video and go ahead with your questions. Mr. Kishore Ratilal Kachalia.

NSDL: The speaker shareholder is not connected. We are moved to the next speaker.

Parin Gori: Our next speaker, Ms. Smita Bharat Shah, please unmute the audio video and go ahead with your questions.

Smita Bharat Shah: Thank you, sir. How are you, sir?

Vasant Rathi: Very well. It is a very good thing that you have come.

Smita Bharat Shah: Yes sir. I am very happy to see all of you. Thank you, sir. Honourable Chairman, Mr. Vasant Rathi ji and all other respected directors, I bow to all of you. Sir, first of all, I would like to thank Mr. Sanjay Basantani from our CS team. I also thank his team. Very good investor service, who called us and told us that you are connected to our AGM. Along with that, the physical copy that he sent us, with excellent and very good information on the balance sheet. So for a very good investor service, I thank Mr. Sanjay ji and his entire CS team. And sir, I would like to thank you for the good work of the Company.

Revenue from operation has increased significantly compared to the previous year. International sales increased by 10% and domestic sales, including export, increased by 21%. The Company's performance is very best. The hard work of all of you and all the employees has brought a new color to the company. Sir, keep moving forward like this. We also always support you. With everyone, everyone's development. Dividend, sir, you gave 200% of the interim dividend. Thank you very much, sir. Sir, I have always supported you in all your resolutions. So, as usual, you are my complete support, sir. And along with that, sir, my wish is always with you. That with your good health and smile, you keep moving forward on the path of progress. Keep climbing the path of success.

And sir, I would like to say one thing that many of my speakers have told me that you should keep a VC meeting because many people are connected to this rain from anywhere. This is a good thing sir. We also like VC meetings very much. So sir, we will say that you should do hybrid meetings. Because sir, till now I have seen that all the local people are connected with you. So sir, do hybrid meetings so that they too can sit at home and attend VC meetings easily. And those who want to come and meet you physically. So, sir, we will neither say VC nor physical.

And along with that, sir, I would also say that if you say for visit, then also make the visit hybrid. Sir, because you can also make the visit online. Because they may not be able to come for the visit. So, in the visit, those who are in the right position, they will definitely come in the hybrid physical. Sir, we have experienced that sir, in many rains, however, many companies are doing physical AGM, then people come before time.

Whether you are from VC or whether we are from physical, everyone comes because the good attitude of all of us for the company, we all have been a good attachment with you. So sir, I will definitely say that you do AGM also hybrid and your visit also do hybrid. And later you see that how much percentage you are getting in the visit, either on hybrid mode or physical. Rest, my blessings are with you. You all stay nice, stay healthy, smiling and keep moving forward. So, I thank you for your continued support. Sir, keep it on and let's talk further. Thank you.

Vasant Rathi: Thank you, Smita ji.

Bharat Shah: Chairman Vasant Rathi ji, Jai Shri Krishna, sir. How are you, sir?

Vasant Rathi: Jai Shri Krishna. Very good.

Bharat Shah: Thank you. Sir, first of all, you have given a great dividend. For that, I would like to thank you very much, sir. And in the same way, I know that my dividend is going to grow, and the company is going to move forward. And in the future, sir, I have complete confidence in you. You don't get such confidence, but you know from the front that you are running such a good company. You are running a good company, sir. You have taken good care of the company, sir.

I would like to thank the Chairman, the committee, the director, the CFO, the Company Secretary, Sanjay Basantani and Pranit ji and the entire team. I would like to thank the entire team of the Company Secretary, the Secretary, the team, and the whole team very much. Sir, we are very thankful to you. Sir, we respect him. We never stop working. Sir, we get respect from your department. I thank the whole team very much. Sir, we are very thankful to you. Sir, we can do this face to face and keep it in hand, then we will be able to do it. And if we can do this effectively, then we will get a chance to do it. Thank you very much, sir. Jai Shri Krishna.

Vasant Rathi: Jai Shri Krishna.

Parin Gori: Our next speaker, Mr. Shubham Sehgal who was not able to connect earlier. Mr. Shubham Sehgal, please unmute your audio video and ask your question.

Shubham Sehgal: Good morning to all and thank you for this opportunity. It's really good to talk to you, sir. And I just had a few questions for you. So, like if you could make a note of them and just answer that one by one, so it will be really good. So my first question is that, so we are talking about our four major segments, which we have right now. And like we want to focus our R&D on those four segments and our budget is in the range of 3% to 4%. So how are we planning or how do we allocate our resources, and which would be our key focus areas or priorities amongst these segments?

And my next question is, so over the next two to three years, what would be our key priorities and key gaps in the business or with the competitors that we want to cover up? And our next question is that in last four years, we have narrowed down our focus on human nutrition. So human nutrition is a very big segment for us as of now in our company. So what is our advantage

exactly in the human nutrition space? And as we've mentioned in the earlier calls as well that we have a good market share in human nutrition, and we are quite competitive at it. So what is our advantage in the business of human nutrition?

And next question is that if you have to think about what gives our company an edge in one of our segments. So what would be those 3-4 traits that give us an edge in our different segments? And next question is, so we have been in this industry for a very long time. And I just wanted to ask you personally, so how have you seen consolidation happening in our industry? And what are the factors that some businesses fail to scale up and how are we approaching the scale up?

So how are we able to scale up and how are some businesses not able to scale up and are failing in our industry? Because we've seen we have good margins, even other smaller companies have good margins. So if you could just speak about how we are able to scale up, but some companies are not able to, and they are failing?

And next question being about our probiotic segment. So it is a very large market size present, and I just wanted to ask so how we are splitting it between the key solution areas that we've spoken about like gut health, immunity, weight management and where would be our presence be strongest in the coming future because we've just heard that we would be venturing into these segments, but still if we could get a split about which segments would be the strongest for us in the coming future.

And my last question is that so in the period of FY16 to FY19 we had a very large customer who became very close to INR80 crores, INR90 crores of sales, but since then we are not able to get such large deeds or customers. So could you talk what worked at that time that we were able to build such a large customer and why are we not able to make such a large customer right now again and basically replicate that kind of success right now. Yes, these are my questions. So thanks a lot for this opportunity.

Vasant Rathi: Thank you, Sehgal ji.

Parin Gori: All our speakers have asked their questions requesting Chairman Sir to reply to the queries collectively. Over to you, sir.

Vasant Rathi: Okay. Thank you so much for such an interesting range of speakers and the various questions on operations and what is happening. Sehgal ji has very interesting questions. He was the last one. I will give some answers. Remember that last four or five years, we are very much focused on human nutrition. Yes, it is our major business and we have always been focused on human nutrition. We offer enzymes from pharma industry and also customized formulated and finished product for the nutritional, nutraceutical industry.

Additionally, we do market our finished enzymes and probiotics based finished products directly to consumer through our online media. Also somebody mentioned the Wellfa or some of the consumer brands which is in India also with Wellfa brand. I recommend our shareholders to do

try those products which are readily available in the marketplace and do let us know your comments, suggestions, ideas. We are also offering a lot of products into the healthcare practitioners and OTC market. We are very strong in terms of our offerings and we also continue to work with our strength as this is a sustainable business after all - as you know after all health is wealth and our endeavour is to build a product line which keep people healthy rather than get sick to take drugs so to speak. But we are both in pharmaceutical and nutraceutical area.

We are developing number of enzymes and there are a lot of enzymes in our library. The thing is that developing the product to the particular application takes a lot of trials. And besides R&D, it requires lot of free trials and then controlled trials and then papers has to be published and then it has to get approvals from the various different agencies in respective countries.

As I was mentioning previously in my initial segment that the European Union, EC countries are one of the few very difficult and time-consuming approvals. So is in US market like FDAs and all that. So we are constantly working on a new applications and new formulations, product offerings and getting through.

Your Company is a very integrated company with a very strong research base. We just as you know probably by now that we are building a very large research facility in Nashik which will possibly be built by next year or so with more than 1 lakh square feet R&D facilities. And it will make the research on various different areas which we are working on vis-a-vis food applications, biocatalysis, human nutrition, animal nutrition etc.

There are some questions and queries came out how we are doing with the clean energies and things like that. We are but that's not our focus area at this point in time, but our research work is going on in those areas also. And we are adopting other measures to adopt the clean energy vis-a-vis putting solar panels as you noticed it, I mentioned that before, in our plants and try to control our energy costs because there was a question how we are coping with the energy cost.

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Energy cost is constantly going up as you know very well and it's a very unstable supply chain on energy and not in our control. So as much as we can control it and do a renewable energy, we are adopting it in our production and plants. Yes, the MNC continues to look for expansion and consolidation. We have been on the journey with available resources. We have also been consistently working on our on this due to some nature of the industry and limited number of true enzyme players. This is challenging.

And acquisition sometimes could lead to indigestion and that could create more issues on the health of the company. So we are very cautious on this - on this path of where do we expand inorganically. Now when I was telling you more about our research area, I mentioned that we are working on a gut health, immunity, weight management, etc. We're presently strong in all

these areas. And as regards bifurcation - there is not a defined bifurcation you can make, but we feel that glucose control and some of the products which we are introducing in the market will make a big effect in a future growth of our companies and as I was mentioning our R&D facility which is under construction which will enable us to expand our capabilities in various other areas as well as the time comes besides human nutrition, food processing, animal feed, and probiotics.

There are studies when we do today as I was telling before there's a two to three years of gap once you get the product to bring in the marketplace and it requires registration studies, market expansion, distribution channels, etc. I did mention before that there are some challenges in the world market because of the shipping cost, unstable price structures on the shipment etc., logistic cost.

And we have to accept that as that is going to be a condition and state going to continue for some time to come. We don't see any easing up on that area and that will be a challenge always on our financial documents and profit margins. We have done well this year. As you can see that our growth in those areas of increasing our margins it's considerably improved this year.

We will continue to try and keep on growing in that particular field by controlling our cost and still continue to expand and spend into our R&D areas. I think Sehgal ji mentioned that yes there is a large customer likes, large customers which we dropped. This is a part of the market. There are always going to some customers will leave for some reason or another, but to build this kind of customer base it requires three, four years and more and more nowadays market is very competitive, very aggressive and very global.

And to that those challenges also we are facing a lot of regulatory hurdles also, but in spite of that your company is very strongly positioned financially, research-wise and marketing-wise. We are very integrated company altogether and I feel very comfortable that we will be continuing to grow 15% or so on average for the next several years and somebody gave us I believe wishes when can we get INR1,000 crores and increase our margins 50-50%. Well, it's difficult to make 50-50% margins in this competitive world, but I can assure you that we will cross INR1000 crores very soon.

Now, Bhagwat ji mentioned that what is our share in international domestic front? Well, it is very difficult to because we are in various different segments, it is very difficult to project what are our exact share numbers, but one thing is for sure that we have enormous opportunity in front of us to continue to grow at this rate what we are doing this year or coming years. Sometimes we can wrap up the growth also. There are a lot of factors involved in it.

But your management is continuously working on expanding and growing our market share and profitability and we are very, very mindful of that. As far as any green energy to use in our company premises, I mentioned that yes, we are working and we could also see, you can also

see more details on it which are provided in your integrated Annual Report on our solar plants and integrated green energy consumptions. Beni would you like to add anything further?

Beni Rauka:

Yes, I think a couple of questions where I think I can give some data points. So one was from Tushar, wanted to check that working capital finance has gone all time high, INR176 crores. Tushar, this is not INR176 crores, it is INR17.6 crores, because the numbers are in millions. And INR17.6 crores is the additional working capital that is required by our subsidiary companies.

So for that, they have borrowed from bankers. So it was like, the borrowing against the fixed deposits, as and when they needed that funds. So because of that, the additional working capital finance of about INR17.6 crores. Then I think one question from your side was the top 10 customers. So it is about 26% of our total revenues.

And I think the answer about the PAT margins to regain 30% level, Vic sir has already mentioned. And about setting up of the new research and development facility that has also been addressed by the Vic sir. One question was from Vinay, your side. So wanted to check about the profit margins in domestic and international market.

So we have seen the EBITDA margin is always high in, international market exports, in sales from our India as well as our subsidiaries in USA. So they make better margins. So the VAT is about 9% to 10%. And the PAT margin again, naturally because of the higher EBITDA margin, we make more profit after tax. So that is again, 8% to 9% of difference.

Exports, I think somebody mentioned that we have 30% export. This export is I think, you have looked at the standalone numbers. If you really check the overall geographical revenues, so we have 50% in India, 50% has come from our international market. That has been given on page 270 of the Annual Report.

I think we have addressed a lot of issues. Bharat Negandhi wanted to check about the capex plan. I think capex plan is something we have already mentioned. We are spending on our research and development facility expansion. And we are setting up our facility at Nashik, which you already mentioned.

The total outgo, we already spend on the land. And now we are spending on the building. And then, we will be procuring the plant and machinery, I think we will be spending about INR75 crores on that.

Vasant Rathi:

Mukund, would you like to add any other things?

Mukund Kabra:

There were a couple of questions, few questions from Rohit ji. On the food business, where is the focus? The focus is on both the areas on the shelf life implement as well as on the on the sugar content reduction as well. So both are different. There are some questions on biofuel industry. We are not really targeting the biofuel industry as of now, but we are working on it. But that is not on actively.

There were a lot of questions on the biotech list product. The target market is in India, particularly. One of the questions was, is it like they're, are we working on water-soluble polymers? We do have certain Enzymes on that, but that is not right now our focus area. But there are certain Enzymes are there in the baskets.

I think there were some questions on the whether this solar facility is on the CSR areas. That is not on the CSR areas, but that is where we're trying to install it in some of the plants. If you really look at it, it will be just like somewhere around 4% to 5% saving as of now on the electricity. I guess that's all.

Beni Rauka:

I think one more question that was from Anil Parekh's side, that a couple of our overseas Subsidiaries are making loss and we have done some conversion of loan into equity. So, this is in one company is Advanced Enzymes Europe, Netherland, which is a SPV, a holding company for the shares of evocx. So this is not like, generating any revenue separately.

It is just a holding company for evocx and evocx, as already mentioned, is our research and development company, basically. So the revenue generation to the extent of their expenditures, including depreciation is still not there. So we are making some losses over there. However, the conversion of loans into equity was done with that intent, because we are not able to like, generate that kind of revenue, which is adequate to meet the interest liability of them. I hope we have answered the questions.

Vasant Rathi:

I believe that most of the questions, the questions I see is answered. Is there anything missing? Regarding bonus share, etc. We always keep the interest of all our shareholders. They are the backbone along with our employees, keeping our strong R&D and overall company growth. So from time to time, your board of directors will take a decision on what is the best course of action for our, for our esteemed shareholders like you.

And we are always looking forward to take full interest of our shareholders. Regarding physical meetings, some people have physical meetings. One, Anil Parekh ji was talking about physical meeting. But most of the people said, video conferencing is fine. And then I believe Lekha ji said, no, keep it hybrid, so to speak. I think, every forum has its own pluses and minuses.

And it is nice to meet sometimes all the shareholders. But it's also difficult to travel everybody. So we'll take the best possible solutions as given time. So you don't have to, with the video conferencing, you don't have to travel all the way. But we'll, Beni will take right future as advantage goes, keeping your suggestions in mind.

Vasant Rathi:

Rohit ji asked a lot of questions and very broad questions on food, food business, reducing sugar, guts, shelf life. The shelf life is always stable. We generally offer all our products with a two-year shelf life for our customers. In various different markets, you know that we have four verticals, which we work on animal nutrition, food, human nutrition, Biocatalysis and food processing. And we continue to keep our focus on the key market areas, because we believe that we have enormous opportunities in that. And in the meantime, our work, our R&D will expand

and go further into other areas as well. But I believe we answered all your questions, hopefully most of your questions. Anything else?

Thank you for all of your patience hearing and offering your suggestions. I hope I have replied to the queries received from members and Beni Rauka ji and Mukund Kabra ji has given some of the answers for you. Members who are presented virtual, AGM has not used the facility of remote e-voting earlier to cast their vote on the resolution mentioned in this notice, and are otherwise not barred 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. Shiv hari Jalan, proprietor of Shiv hari Jalan and Company Secretaries, has been appointed as a scrutiniser by the board for scrutinising the entire e-voting process. The voting results shall be declared by the company on the receipt of the scrutiniser's report within the prescribed time limit, as per the applicable regulations.

The scrutiniser's report will include combined results of the votes cast by the members through remote e-voting and vote cast electronically at the AGM. The report will be submitted by the company to BSE and NSE and will also be uploaded on the website of the company. On behalf of the board members, I would like to extend my sincere thanks and appreciation to the shareholders, customers, suppliers, bankers for continued contribution, support and trust.

We sincerely appreciate those who participated in the AGM and giving their valuable suggestions. We sincerely appreciate their contribution as well. I convey my gratitude to my colleagues on the board for their guidance and support and to the management, employees and business associates for the contribution to the growth of your company.

As informed earlier, the e-voting facility for all the resolutions shall continue to remain open for the next 15 minutes. Subjected to receipt of the requisite number of votes, the resolution shall be deemed to be passed today. That is the date of this 35th AGM. As there is no further matter to discuss, we can close this meeting.

Wish you and your family good health. Stay well. And thank you for taking your time to join us for this AGM. I hope there will be some rain retrieve in Bombay since you are just bombarded with four days of continuous rain. Thank you very much. And good night. Have a good day

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This is a transcription and may contain transcription errors. The transcript has been edited for clarity, readability, etc. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy. Kindly Note, there could be unpublished price sensitive information that would have been shared /discussed during the meeting.