advanced enzymes
Where ENZYME is Life

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November 21, 2022

To

BSE Limited
Department of Corporate Affairs
P. J. Towers, Dalal Street,
Mumbai- 400 001
Scrip ID-540025

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

Dear Sir/Madam,

Sub: Transcript of Conference call held on November 15, 2022 for Un-audited Financial Results for the quarter and half year ended September 30, 2022

In furtherance to our intimation letter dated November 08, 2022, please find enclosed the Transcript of the Conference call held on Tuesday, November 15, 2022 with Analysts and Investors for the un-audited Financial Results of the Company for the quarter and half year ended September 30, 2022.

The aforesaid information is also being uploaded on the Company's website.

Kindly take same on your records.

Thanking you,
Yours Faithfully,

For Advanced Enzyme Technologies Limited

MUKUND MADHUSUDAN KABRA

Digitally signed by MUKUND MADHUSUDAN KABRA
DN: C=IN, O=Personal, Phone=83d9587c8d7237f85bae074499ef94af11232ce509077172dfbaa5cfc4160fd1, PostalCode=422011, S=Maharashtra, SERIALNUMBER=fc615ab87700b010eb4f4157039814ec9cf8fb9f1fb0670abe937f42d77c4492, CN=MUKUND MADHUSUDAN KABRA
Reason: I am the author of this document
Location:
Date: 2022-11-21 11:53:12

Mukund Kabra
Director
00148294

Encl.: As above

"Advanced Enzyme Technologies Limited Q2 FY23 Earnings Conference Call"

November 15, 2022

MANAGEMENT: **MR. VASANT LAXMINARAYAN RATHI – CHAIRMAN, ADVANCED ENZYME TECHNOLOGIES LIMITED**
MR. MUKUND KABRA – WHOLE-TIME DIRECTOR, ADVANCED ENZYME TECHNOLOGIES LIMITED
MR. BENI PRASAD RAUKA – CHIEF FINANCIAL OFFICER, ADVANCED ENZYME TECHNOLOGIES LIMITED
MR. RONAK SARAF – INVESTOR RELATIONS MANAGER ADVANCED ENZYME TECHNOLOGIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Advanced Enzyme Technologies Limited Q2 & H1 FY'23 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ronak Saraf from Advanced Enzyme Technologies Limited. Thank you and over to you, sir.

Ronak Saraf: Good evening everyone. Welcome to the Advanced Enzyme's Q2 & H1 FY'23 Earnings Conference Call. I am Ronak Saraf, the Manager, Investor Relations here at Advanced Enzyme.

We hope you all have gone through our Financials, Press Release and the Presentation which has been posted in the Investor Relations section of our website.

We have with us Mr. Vasant Rathi – Chairman; Mr. Mukund Kabra – Whole-Time Director; and Mr. Beni Prasad Rauka – Group CFO. Today, the management will Discuss the Performance and Business Highlights, Update on Strategies and Respond to any Questions that you may have. As is usual, for ease of discussion, we will look at the consolidated financials.

Before we proceed, I would request you all to please read the forward-looking statements contained in the Presentation. During our call, we may make forward looking statements regarding our expectations or predictions about the future. Because these statements are based on current assumptions and factors that may involve risk and uncertainty, our actual performance and results may differ materially from our forward-looking statements, without any further ado, we shall commence this call. Over to you, Vic Sir.

Vasant L. Rathi: Thank you, Ronak. Good evening, everybody. It is my pleasure to join you for this conference call today. I really appreciate all of you for taking sometime and I welcome you all to the conference call for this quarter and half year ended 30th September 2022. I hope you all enjoyed the festive season well.

Last few quarters saw an intense macroeconomic high volatility across the globe after rough start of the year. Disruption continued in the business environment due to elongated pandemic situation and geopolitical crisis. The inflationary pressure sustained on the raw material prices, power & fuel and logistics cost. The supply chain issues, which were going on from last couple of quarters, remain unresolved.

Despite all the uncertainty, our Q2 financial results demonstrated an improved top line growth. Although, our operating cost remain elevated, which impacted our profit margins. The growth in the Q2 numbers are driven by human nutrition, animal nutrition which are our fundamental sections and bio-processing segment. We hope these hurdles eases soon and will further move towards the favorable business environment.

Now, as far as the quarter performance, our revenue stood at ₹1,387 million, grew 15% on a sequential basis and on a year basis, we have grown about 9% in Q2. Our EBITDA stood at ₹397 million, grew by 28% on a sequential basis, while it declined by about 20% on year-on-year basis. We have experienced a strong growth of 49% in the bottom line on sequential basis, while it declined 13% on year-on-year basis.

On the margin side, EBITDA margin stood at 29% and PAT margin stood at 19% and our overall margin improved dramatically on a sequential basis but remain subdued on year-on-year basis on account of elevated operating cost.

Talking about various different segments, the Human Nutrition segment remained the highest contributor as usual at 68% in the revenue, grew by 16% on a sequential basis and 2% on the year basis. On half year comparison, it declined by 4%.

Pharma API and Bio-catalysis in domestic market and Probiotics international markets, primarily driving this growth in Human Nutrition. There is softness in the Nutrition business as an impact of heightened inflation.

We always state that animal nutrition segment is one of our future growth drivers and it contributed 12% to the revenue. This segment is continuously improving from almost few consecutive quarters. It grew by 27% on year-on-year basis, 10% on sequential basis and 19% on half year basis.

In our Bio-Processing area, the segment contributed 14% to the revenue. It grew by 63% on year-on-year basis, 5% on sequential basis. Both food and non-food business grew by 64% and 61% respectively on y-o-y basis.

The Specialized Manufacturing segment contributed 6% and grew by 28% on the sequential basis, a negative 14% and 36% on year-on-year basis and half year basis respectively.

We are delighted to announce that we are investing ₹60 million for 50% stake in Saiganesh Enzytech Solutions(SESL). The company will earn intrastate supply of one of the important digestive enzyme with consistent quality which will help the company to provide better and regular offerings in relation to the formulated solution for human health and nutrition and food industry.

Apart from the SESL, we have also acquired an additional stake of 4.83% in our subsidiary, JC Biotech, which is over and above our existing stake of 85%.

With this, I will now hand over this call to Mr. Beni Rauka. He will talk you through the financials and key subsidiary numbers.

Beni P. Rauka: Thank you very much, sir. Good evening, everyone. I hope you all are in good health. The COVID lockdowns maybe behind us, but the havoc it triggered in the entire supply chain, is still causing pain. As Vic sir rightly mentioned, the inflation in the input material supported by operating cost to remain elevated but we sincerely hope that things will ease soon.

Now, on the company's financial for the second quarter 2023, on sequential basis Q-o-Q, our revenue has increased by ₹176 million, 15% growth from ₹1,211 million to ₹1,387 million. Our EBITDA has increased by ₹88 million, 28% growth from ₹309 million to ₹397 million, now it's about 29% of our revenue as compared to 26% in the previous quarter. Profit before tax has increased by about ₹105 million, this is about 44% growth, from ₹237 million to ₹342 million, which is about 25% of our revenue as compared to 20% in the previous quarter. Our PAT has increased from ₹176 million to ₹263 million, increase of about ₹87 million, which is about 49% growth and is about 19% of our revenue as compared to 15% of our revenue in the previous quarter.

On year-on-year basis, the revenue has increased by ₹116 million which is a growth of about 9% and EBITDA margin has gone up, it's about ₹397 million from ₹493 million, so there is a dip of about 20%. Profit before tax has decreased by about ₹71 million and PAT has decreased by ₹40 million from ₹303 million to ₹263 million.

On the performance for the first half year as compared to the first half of the previous year, the revenue has decreased by about 2%, ₹43 million from ₹2,641 million to ₹2,598 million. EBITDA has decreased by ₹414 million from ₹1,120 million to ₹706 million. Profit before tax has gone down by about ₹382 million and profit after tax has also decreased by about ₹262 million from ₹700 million to ₹438 million.

I would like to give some reasons why the EBITDA margin is down. So, this is because of a couple of reasons. The first one, as you all are aware, the impact of inflation on the raw material price and in addition to that the product mix also is very important in our case, that has also impacted. And in addition to that, the cost of other inputs like power and fuel has gone up and there is additional expenses now because things are becoming normal, so travel cost has gone up, lab expenses has gone up, sales promotion has gone up. So, all these expenses which has increased, so that has impacted our EBITDA margins if I compare on quarter-on-quarter basis. And in addition to that, if I compare EBITDA margin on year-on-year basis, the major impact as mentioned earlier is one because of the increased input cost, be the raw material, power and fuel, lab expenses and stores & spares. In addition to that, we have also taken into consideration the mark-to-market valuation, fair market valuation loss of about ₹43 million when I compare year-on-year increase in my other expenses. On YTD basis, the EBITDA margin is down from 42% to 27% mainly because of the lower gross contribution due to the increased input cost and payroll cost is up by ₹32 million and higher expenses as mentioned earlier, the mark-to-market loss of about ₹76 million, and in addition to that, the consulting charges, power and fuel expenses, lab expenses, travel, sales and promotion activities, all these expenses are higher than the previous year six months of the FY'22.

Now, talking about our subsidiary numbers, JC Biotech revenue stood at ₹137 million with EBITDA of ₹40 million, PAT of ₹5 million during this quarter, this is 9% lower than the previous quarter on year-on-year basis and on QoQ basis it is lower than by 6% and PAT margin is lower than by about 29% on QoQ and on year-on-year basis about 80%.

Evoxx is EBITDA-positive. So revenue stood at ₹48 million, EBITDA of ₹4 million.

On SciTech numbers, top line the revenue has improved from ₹66 million to ₹84 million but the EBITDA is still negative in this quarter and due to higher depreciation and interest cost, the PAT is negative of ₹8.5 million as compared to the loss of ₹13.7 million during the previous quarter.

The sale of our largest product, which is our anti-inflammatory enzyme stood at ₹352 million as compared to ₹268 million in Q2 of FY'22. This constitute about 25% of our revenue as compared to 23% in the previous quarter and the corresponding second quarter of last year it was about 21%.

Top-10 customers contribute about 28% of our revenue as compared to 30% in the previous quarter and on the corresponding Q2 of FY'22 was 31%. Our B2C segment contributed sale of about USD1.11 million as compared to USD1.62 million during the same period previous year.

Our R&D expenses has gone up from ₹100 million to ₹148 million in six months. And if I compare with the previous quarter, Q2 was ₹66 million and this time in Q2 it was about ₹72 million. So, R&D expenses constitute about 6% of our consolidated revenue as compared to 4%.

So, this is what is from my side. Now, we shall open the floor for question- and-answer session.

Moderator: Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Nikhil Mathur from HDFC Mutual Fund. Please go ahead.

Nikhil Mathur: Sir, my first question is on the comment you made initially the margins have impacted a bit by product mix? Can you elaborate a bit more as to what are the key segments which have started performing and are you seeing that in the coming quarter and in FY'24 there can be a reversal on the product mix side?

Vasant L. Rathi: Nikhil, your voice is not clear. Can you please repeat?

Nikhil Mathur: Sir, my question was on the comment you made in your opening remarks around product mix impacting gross margins. Can you please elaborate a bit more which particular segments are kind of underperforming which is leading to this gross margin pressure? And what is the outlook for second half FY'23 and also for FY'24 -- do you believe that there could be a reversal in store on the product mix side?

Vasant L. Rathi: Nikhil, usually, industrial segments do impact the margins definitely and we will see that our international sales particularly in US has impacted this year quite a bit, and that also reduces the margin. Overall also, this will be reducing the margins in those areas. The cost we are spending good deal of money also on the R&D; R&D expenditure has gone up by 2% and more and more investments in research and development will be there. But I think your question is the mix impacting, that is because of the industrial sales which has considerably gone up rather.

Mukund Kabra: So, Nikhil, it's always a percentage when we talk about. So, when you really look at it, nutraceutical sale is a little bit down because of the inflationary pressures right now, other sales on a higher side and mix and match on the margin side. But, speaking about like what will be the second half and the next year, we have already communicated earlier also that we are a R&D company, our research is continuously going on, and as we move on, we will improve our margins on quarter-on-quarter basis and we are working on that. Even if you look from the last quarter to this year, our margins are better. We are continuously working on it. Maybe two, three, four quarters down the line, our target will come back to our original EBITDA margins of between 40% and 48%.

Nikhil Mathur: Sir, in the last two quarterly results, you have highlighted destocking in the probiotics market and maybe lower probiotics sales is what is impacting margins. So, any color you can share how that market is shaping up from Advanced Enzyme perspective?

Mukund Kabra: We always talk about that. There are two types of probiotics market what we have. In the long-term market, what we want to choose is our own branded market. And that market is already improving on the international side. On the domestic front, when we are talking about is the probiotic market. Those are on a lower side. So, it's a mixed feature at this point of time, but overall if you really look at it, we have done much better on the pharma side, on the India front as well, On the AETL front, but because of the inflationary pressures, the nutraceutical sales are down which we will recover in the next two, three quarters.

Nikhil Mathur: And sir, when you say that your margins you are targeting to go back to the normal levels, is there any exquisite cost that's you are building in that expectation or this entire margin improvement will be driven by better mix and better sales growth, so if you can help me understand what are the drivers from here on?

Mukund Kabra: It's a combination of all, like it will be the increase in the sales, it will be improvement on the productivity, then it will be a reduction on the cost. We are working on all the fronts like we continuously work on improving our outputs, that reduces the cost as well on the raw material front, we are also working on improving the top line and that will also like increase the margins.

Nikhil Mathur: Sir, one clarification. Sorry, I missed the number that you shared on MTM losses on other expenses. Can you reset those numbers please?

Beni P. Rauka: So, the mark to market valuation loss is increased by about ₹10 million in this quarter and in the last quarter it increased to ₹33 million and total for six months it is about ₹76 million. So, overall if you see the other expenses for six months has gone up substantially, if you see the EBITDA which is down by ₹414 million, ₹203 million is our other expenses increased in six months' time. This comprises of ₹76 million of mark-to-market loss. On the other expenses, the consulting charges, professional fees expenses has gone up by about ₹34 million and power and fuel cost is up by ₹27 million and our lab expense is up by ₹15 million. So, this is a combination of various expenses increase due to the inflationary trend as well as the business is picking up, so definitely a lot of expenses on travel, sales promotion and a lot of activities on lab-related, a lot of QC-related work is to be done and even like rates and taxes are up because of the increase in sale of our exempted products, GST expenses has also gone up. So, total overall ₹203 million is the increase in other expenses if I compare the six months number of the previous year.

Nikhil Mathur: And pardon me for a very short-term oriented question in a volatile environment. But with 1.5-months gone into this quarter, do we expect that these other expenses should start normalizing from this quarter itself or we are still one or two quarters away for the impact visible?

Vasant L. Rathi: No, this is not going to normalize in this quarter at all. It will take two, three quarters.

Moderator: The next question is from the line of Vaibhav Badjatya from Honesty and Integrity Investments. Please go ahead.

Vaibhav Badjatya: So, we understand the adverse pressure on the margins because of the product mix, but in terms of product-by-product gross margins, do you think that has contracted or improved sequentially as compared to last quarter? I am not asking for a specific number, but just a broad commentary on whether our top three, four products have seen sequential improvement in gross margin or not.

Mukund Kabra: So, if you really look at it, our EBITDA numbers has improved on the sequential basis, our bottom line has improved, our sales have improved and on a percentage basis also it's improved. That itself shows that sequentially we are making big progress.

Vaibhav Badjatya: I understand EBITDA margin has improved, but what I was talking about the gross margin. So, if I look at your gross margin, revenue minus raw material cost, that sequentially, the number doesn't suggest so. It shows your RM cost as a percentage of sales has increased from 22.4% to 24.2%, so, gross margin has worsened as per the number.

Beni P. Rauka: He is talking about only input cost raw material. In terms of the percentage of revenue, I think he is right absolutely that it shows from 22% to 24%, there is an increase in the input cost. But what we are trying to say is that this increased cost is fine, other than that, if you really see other expenses which are showing some downward trend because whatever increase has to happen in the cost of various power and fuel, employee cost and lab expenses, most of them has already taken place. So, overall improvement in the EBITDA margin. Now, to your specific question about whether the gross margin on some of the products has gone up on sequential basis, it all depends where we have higher sales, because we cater to human nutrition and animal nutrition, food processing. So sometimes in a particular quarter, the sale of that particular product fetching better margins may not be there. So that will keep on happening. To give you a precise number, it is not possible, frankly speaking for one or two products.

Vaibhav Badjatya: I understand that completely and that's why I was not asking for a precise number. But, on a broad basis, if I see obviously one source of improvement in margin is basically our scale and operating leverage that we drive in employee cost and other cost because of that. But if I look at your gross margin, from FY'2017-18, your raw material cost was always around 20%, 21% of the same. That has increased to say 23%, 24%. This 3%, 4% margin compression that has happened is what I was trying to understand, is it due to some of the pricing reduction that you have taken or is it due to the mix change between the products that has happened?

Beni P. Rauka: I understand your point. If I look at the increase in the prices of the raw material, probably the impact is about 1% to 1.5% of our revenue. This is only because the input cost has gone up. And in addition to that, the impact of product mix like you have the products which is fetching higher margin, that impact is probably from 5% to 4%. So, that's what exactly you see that variance in the raw material. This has gone up from 18% to 23%.

Mukund Kabra: It might reduce because some of the output has gone up. It's an impact what you see is only 3%, 4%, but on overall basis the impacts were much bigger.

Moderator: The next question is from the line of Rohit Sinha from Sunidhi Securities. Please go ahead.

Rohit Sinha: So, going forward, wanted to understand that this recovery in the revenue and so on the margin side, how we should see the coming two quarters? In past few quarters, we have been talking about the higher logistic cost which are impacting the margins and now we are seeing that logistic cost or rates are coming down. So, that would be also going to help us on the margin front or it will take some more time to reflect decent margin expansion?

Vasant L. Rathi: Rohit, we can see some changes happening in the logistic side, the cost is coming down. We are seeing fuel pressures on the cost going up in the labor market. Raw material market is somewhat softening. International conditions are mixed to say the least and inflationary pressures are still pretty high globally. So, overall people are still working out all these inventories and very cautious about ordering. These take things I believe a couple of quarters more when the market settles down. But we see it's trending positively definitely.

Rohit Sinha: On the SciTech business, I believe this quarter numbers were slightly lower. Once that cross ₹100 million or similar kind of a range mark in a quarter, then it would be a contributor on the EBITDA side also. So, this quarter, as you said that EBITDA was still on the negative side. But can you give the number what are the factors which are actually affecting SciTech revenue growth?

Mukund Kabra: SciTech revenue in this quarter was ₹84 million which is down by 15% on year-on-year basis, EBITDA is negative ₹3 million and PAT is further negative ₹8 million. SciTech is going through a very rough phase right now with all the vitamin-C and other business is on a lower side. Probably, this is the toughest time in the SciTech's history. Maybe it will take another two quarters to really recover.

Rohit Sinha: What kind of inventory buildup at the customer level you are observing because post-COVID we have been talking about the sudden pent up demand for a lot of products and that has probably led to some inventory stocking also.

Mukund Kabra: It's a mixed picture. At some places particularly into the nutraceutical area, into the vitamin-C side or other sides, you will see that people are carrying a lot of inventories. At the same time, some of the products, there are shortages of the products. It's always a mixed picture, but it is really hampering us on the nutraceutical segment.

Rohit Sinha: I actually missed out the opening remark for this new acquisition. So, can you just elaborate on the thoughts behind that?

Vasant L. Rathi: It's just a nice addition to our overall total service to our customers with additional products. This will enable us to develop many different products to our clients and service our nutraceutical as well as industrial market at best.

Rohit Sinha: Any numbers on the revenue side or the margin side do we get for this business?

Beni P. Rauka: Top line of about ₹83 million, EBITDA of about ₹7 million and PAT of about ₹5 million, that is the financial for FY'22.

Moderator: The next question is from the line of Jatinder Agarwal, an individual investor. Please go ahead.

Jatinder Agarwal: Sir, my question is related to R&D expenses. So, we have seen a sharp increase during the first half. Could you elaborate more in terms of are there any new hirings and which segments are you looking to focus more on as you go forward? Usually, in your experience, what type of timeframe do you see when you start investing incrementally in R&D? I know it's difficult to answer, but yes, from your own experiences, if you could just suggest what type of lead lag effect do we see from such type of initiatives? If you could explain all of this R&D in layman terms, I think that will be very helpful?

Vasant L. Rathi: R&D is a long-term project always. We are expanding with the more personnel, expansion of the labs, development of various different processes and obviously it all takes a lot of capital expenditures, but we are very committed to continuously grow in this R&D sector. Our concentration is on our segments of human nutrition, animal nutrition, etc., at this point of time. They will start providing some immediate results, probably next year, some of them will be two to three years down the road. So, as usual, we are putting a lot of energy into it. I am very excited by the way with the results which will happen. We recently filed some batches.

Jatinder Agarwal: So, within the human and the animal segment that we have, are these more of incremental R&D on your existing product baskets or these are mostly being spent on identifying new business lines in which we can focus on?

Mukund Kabra: It's a combination of both. In the existing products, we are carrying a lot of clinical trials, getting a lot of supporting basis and the new products we are always trying to find it. So, there are a lot of things which are going on. Probably, we are working on more than 20 different new enzymes, plenty of different bio-catalysis area, we are working on a lot of different formulations on the animal feed area. It's a mix of these. We can't like just pinpoint one this area or that area.

Moderator: The next question is from the line of Vaibhav Badjatya from Honesty and Integrity Investment. Please go ahead.

Vaibhav Badjatya: Sir, just one request. For this MTM numbers in other expenses that is there, you give it on concall, but it would be great if these things can be mentioned either in the notes to the quarterly results or in the presentation because of the fluctuation that changes a lot of things.

Beni P. Rauka: Thank you so much for your suggestion. We take a note of it.

Vaibhav Badjatya: R&D cost mostly would be sitting in employee cost, right, if I am not wrong. A large portion of it maybe 70%, 80% of it would be employee cost?

Beni P. Rauka: It would be employee cost; it would be in power and fuel cost, lab expenses, then again consulting, because you have some consultants in research and development too and you spend a lot of money on technical services and of course rent of the premises. So, those are different heads where these expenses are sitting.

Vaibhav Badjatya: But the large portion of it maybe 60%, 70% would be in employee cost or my understanding is not right?

Beni P. Rauka: It's about 30%.

Vaibhav Badjatya: On the Papain side of the business, where we have made an acquisition, maybe I am wrong, but I think we already that business in form of procurement from other party and selling it in open market if I am not wrong. Just wanted to understand what is the additional benefit as compared to what we already had by acquiring this new entity?

Mukund Kabra: In this area, we need to have a lot of control on the procurement. So, if you want to expand this business, even though like we were in this business from 1958, but recently we were just trying it whatever is needed for it. If we want to really expand into this business, then we need to have a control on the procurement side and we need to have a continuous supply of the material. These are the two areas which is really missing at this point of time and that's why this acquisition has come into the books.

Vaibhav Badjatya: So, were we procuring from the same entity or there was some other entity?

Mukund Kabra: No, we are procuring from different, different people depending on the situation.

Moderator: The next question is from the line of Rajat Goel, an investor. Please go ahead.

Rajat Goel: I am Rajat Goel, individual investor in your company since more than three years. I have few queries like first of all we developed immunoSEB to overcome fatigue after COVID. But we could not take any benefit from the same… anyhow there are some breakthrough, but we could not make a good market of that. Second is overall the results are almost in the same trajectory since long time. As I am also from R&D background, I believe R&D and enzymes can do miracle, but it is not reflecting very great in the results.

Vasant L. Rathi: Thank you for your patience. Glad to see that you are an investor in our company for last three years. As you have a great experience in R&D, as you know, not every R&D projects converts into blockbusters. Unfortunate for the company, sometimes immunoSEB kind of products which people know that results are good, but the period was short and hold of it, so people forget their equity. But there are some exciting results coming out which as I mentioned before, these things will take a little time and sometimes right conditions, but immunity is one of the very key areas and various other aspects of it. Let's hope that we will continue to work on it, make sure that we can provide good solutions of enzyme benefits in various different sectors which are clinically proven and the rest of it we hope that they will be successful.

Mukund Kabra: One thing which it has given is like a lot of deep knowledge how to deal with viruses. This knowledge, we will always be able to use it in the future. There's always going to be some opportunity when the immunoSEB product didn't went well in India because we didn't have experience, but we got a good response in USA.

Vasant L. Rathi: It's excellent references because once you take Era-H that sites for experience in public institutions. People of which can be seen in entire growing in economy, the marketplace.

Rajat Goel: In fact, I was reading one of your interviews, in that, you told that okay, you are working on some lumpy skin disease trials that are under progress.

Vasant L. Rathi: Not clear.

Rajat Goel: I read your article. In that interview, you told that Advance Enzyme is working on lumpy skin disease trial.

Mukund Kabra: Yes, the trials are still going on the north side. I didn't have a result as of now. It's again on the virus basis. We are trying to get in whether we can find some solutions.

Rajat Goel: Sometimes we do great work, but sometimes we are not able to tell the world –

Mukund Kabra: Actually, it's like somewhere is there in the kitty which we can use in the future. End is always well.

Moderator: As there are no further questions, I now hand the conference over to Mr. Ronak Saraf for his closing comments.

Ronak Saraf: Thank you, everyone, for taking your valuable time for attending our earnings concall. We will keep you all posted for any further updates. I request you all to kind in your questions that may remain unanswered. Audio recording and the transcript of this call will be soon uploaded on our website. Looking forward to host you all in the next quarter. Till then, stay healthy, stay safe.

Vasant L. Rathi: Thank you, everyone.

Mukund Kabra: Thank you, everyone.

Beni P. Rauka: Thank you so much.

Moderator: Ladies and gentlemen, on behalf of Advanced Enzyme Technologies, that concludes this conference call. We thank you for joining us and you may now disconnect your lines.

Disclaimer:

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 call. Complying with the SEBI regulations, we have shared Audio Transcript to the Stock Exchanges and the Company website on November 15, 2022 for information of public at large.