



**INNOVATION**  
**WELLNESS SUSTAINABILITY**





SCAN ME

**Disclaimer:**

This document may contain certain forward-looking statements/ details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

## INNOVATION

With more than three decades of expertise in developing Enzymes & Probiotics and proven R&D capabilities, Advanced Enzymes emerged as the market leader in the country and one of the most prominent players globally. Being a research-driven company, innovation is at the core of what we do and is imbibed into our fundamentals. It enables us to consistently introduce products & solutions to cater to the continuously evolving needs of the wide range of our customers.

## WELLNESS

At Advanced Enzymes, we are committed to our vision of a healthy and chemical-free world. In recent times, factors such as aging population, obesity rates and comorbidities have driven consumers toward nutritional needs. Today, consumers are looking for healthy alternatives of nutrition intake. Our Human nutrition range includes Immunity boosters, Gut health solutions (Lactose & Gluten intolerance, Daily Intestinal health) and probiotics. Our solutions to Animal nutrition are also for improving Gut health & digestibility thereby improving FCR and immunity development by use of Enzymes & Probiotics to address the usage of Antibiotics. We contribute to a wider segment of the market with our eco-friendly solutions to minimize our environmental impact.

## SUSTAINABILITY

Being a part of a fast-evolving industry, we have pioneered the art of amalgamating innovation with sustainability. We offer a biodegradable range of products. Sustainable solutions are the bedrock of our sustainable growth. We are a Zero Liquid Discharge Company and we utilize Environment-friendly resources for our solutions thus replacing harmful chemicals. We understand our responsibilities towards our stakeholders and strive to live up to their expectations.

Being one of the frontrunners in the Enzymes & Probiotics Industry, we are set to lead the promising future of the market. With our technological expertise, market experience, strong R&D capabilities, and sustainable business processes, we are well placed to cater to the demand of our customers across industries. With the aim of strengthening our spirit of Innovation, Wellness and Sustainability across our business verticals, we are stepping into the fiscal year 2022-23. As we see it, what you focus on grows, and what you believe in thrives.



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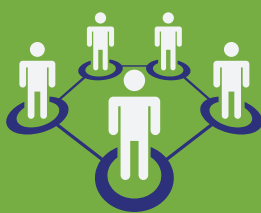
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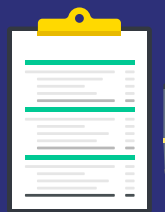
> Board of Directors

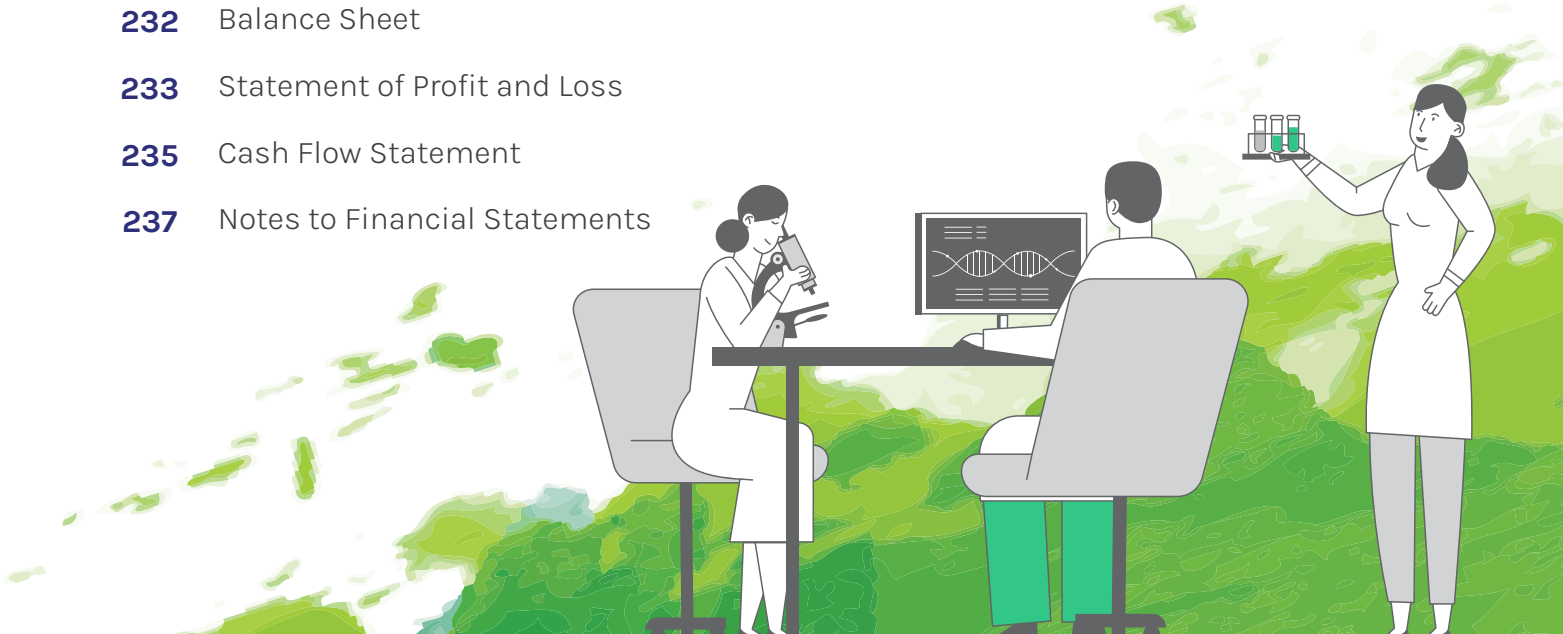


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> Financial Statements







## CORPORATE IDENTITY

Advanced Enzyme Technologies Limited (AETL) is a research driven company with global leadership in the manufacturing of enzymes and probiotics. We are the largest Indian enzyme company, engaged in the research and development, manufacturing and marketing of 400+ proprietary products developed from over 68+ indigenous enzymes and probiotics. We are committed to providing eco-safe solutions to a wide variety of industries like human health care and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, speciality applications, textile processing, leather processing, paper & pulp processing, bio-fuels, biomass processing, bio-catalysis, etc. Our aim is to help consumers access side-effect free healthcare, help farmers enhance nutrition for animals and replace traditionally used chemicals with eco-friendly enzymatic solutions.

### Mission

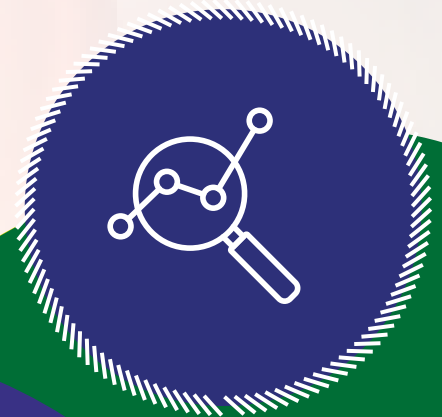
It is our mission to see that every human being is able to utilize the power of enzymes and probiotics, for general well-being, for health and for improving the quality of life. It is also our mission to see that every possible industry is able to take the advantage of enzymes, to create & produce innovative products, improve the quality of the end products, reduce energy costs, optimize the use of raw materials & resources, reduce pollution & overall carbon footprint of the process.

### Vision

Our vision at Advanced Enzymes is to become a leading, respected & preferred, enzymes & probiotics based solutions provider in the global market.

## KEY STRENGTHS

### STRONG RESEARCH AND TECHNOLOGY FOCUS



### INTEGRATION ACROSS THE VALUE CHAIN



### GLOBAL COMPETITIVENESS



# CHAIRMAN'S LETTER

## Dear Shareholders,

I sincerely hope that all of you are safe and in good health. I am delighted to write to you at the end of what has been quite a tumultuous year. Against a challenging backdrop, Your Company's business remained resilient, bolstered by our diverse product portfolio and the dedication of our employees.

The past year will be remembered as unprecedented, with the continued effects of COVID and the conflict between Russia and Ukraine changing the global landscape. Supply chain issues and a sharp surge in crude oil prices have fueled an inflation that has not been seen in decades. Businesses, trade, manufacturing, and employment opportunities have been severely impacted across the global economy. Amidst such a market scenario, your Company could not remain unaffected. Due to soaring inflation, the price of raw materials and other input costs increased multiple-fold. Your Company also faced logistical bottlenecks, supply-chain constraints and other short-term operational hurdles.

Your Company persevered these challenges only to emerge even stronger. Keeping the focus on Innovation, Wellness and Sustainability, your Company managed to keep growing when the market was struggling to stay afloat. This is a testament to the Company's grit and determination to build and lead a more environmentally-friendly and healthy world.

## The Year under Review

### Developments during the year

Because of your Company's focus on strong, research-backed products, the systemic enzyme and probiotic supplements ImmunoSEB and ProbioSEB CSC3 were listed with the National



Institute of Health (NIH) for their proven clinical efficacy to moderate and resolve COVID and Post-COVID fatigue and muscle weakness.

Your Company's dedication to the safety of its products yielded an FDA grant of a No Further Questions letter of its GRAS dossiers regarding the safety in food for *Bacillus clausii* (SEBclausii™) and *Bacillus subtilis* (SEBtilis™). This enormous accomplishment places Your Company in an elite group of probiotic manufacturers. Your Company is continually innovating more probiotics, grounded in strong research of efficacy and safety.

Expanding and diversifying its offerings, the Company launched its B2C product line and sales platform in India this year based on its established and thriving B2C business model in the U.S. These products can be found at [www.advancedenzymedirect.com](http://www.advancedenzymedirect.com) as well as through other e-commerce aggregators.

To strengthen the supply chain and improve market reach, your Company also inked two strategic distribution pacts for food and dietary supplements in South East Asian and India.



*"Keeping the focus on Innovation, Wellness and Sustainability, your Company managed to keep growing when the market was struggling to stay afloat."*



## Major Headwinds

Inflation and supply chain disruptions have caused major headwinds for your Company.

Overall input costs increased significantly due to high levels of inflation. Prices of raw materials and fuel used for manufacturing increased multi-fold. Shutdowns and supply chain issues in procurements from China further amplified the cost of raw materials in the domestic market, especially for solvents.

This year, trade across the globe was severely impacted from a ruptured supply chain, which caused obstacles in raw material procurement as well as finished goods supply. The crisis included severely increased containerized freight rates and massive scarcity of truckers in the US, UK and Europe. Furthermore, the clearance for shipment faced elongated delays. Over and above that, spurt in fuel prices and freight costs escalated overall cost for the Company thereby impacting margin over the short term.

Although the market was resuscitating well at the onset of the year, supply chain disruptions have caused lumpy demand from customers. In anticipation of supply chain concerns and further pandemic-related lockdowns, our customers over-procured inventories early in the year. As a result of those high inventories, our customers withheld

new orders later in the year.

## Financial Overview

Our operating revenues at the consolidated level grew by about 6% to ₹5,294 million from ₹5,018 million. Our EBITDA stood at ₹2,014 million, de-grew by about 13% to ₹2,316 million. On the other hand, our PAT (before minority interest) declined by 18% to ₹1,238 million from ₹1,513 million.

As earlier, Human Nutrition is our largest revenue contributor (68% of revenue), followed by Animal Nutrition (11% of revenue), Bio Processing (12% of revenue) and Specialized Manufacturing (9% of revenue). At the operations front, our capacity utilization continued to be in the 55-60% range.

Your Company is almost at zero debt with the debt/equity ratio standing at 0.01x. The balance sheet remained healthy and robust during the year. All operations and other proceedings are funded through internal accruals.

## Geared for the Future

The entire world has reached an inflection point and the need to adopt sustainable business practices has never been greater. On the back of this, the global enzymes and probiotics market holds immense potential. With our strong and unique knowledge of enzymes and probiotics, presence across the value chain, and multi-country and multi-industry model, we are diversified and well-positioned to continue to grow sustainably.

To conclude, I would like thank all of our stakeholders, and especially our employees, as our joint efforts help us continue on our journey. We are entering the new fiscal year with optimism that together we can overcome any challenge to ensure growth and sustainability.

Sincerely,  
**V. L. Rathi**  
(Chairman)



## DIVERSIFIED MARKET

### HUMAN HEALTHCARE & NUTRITION

We offer a range of our proprietary enzyme products and customized enzyme solutions to numerous pharmaceutical and nutraceutical companies in India, North America, Asia (ex-India), Europe and other countries as well. Our product line include anti-inflammatory, pro-digestion, probiotics products which are utilized by our clients as active ingredients. We have developed and up scaled technologies for the production and application of several important probiotics which are immensely helpful in various therapies for the digestive disorders and newer applications for treatment of several other diseases.

We have made significant progress on developing biocatalysis for API manufacturers, providing enzymatic based solutions that are target specific, helping them to save cost of energy, time and use of chemicals.

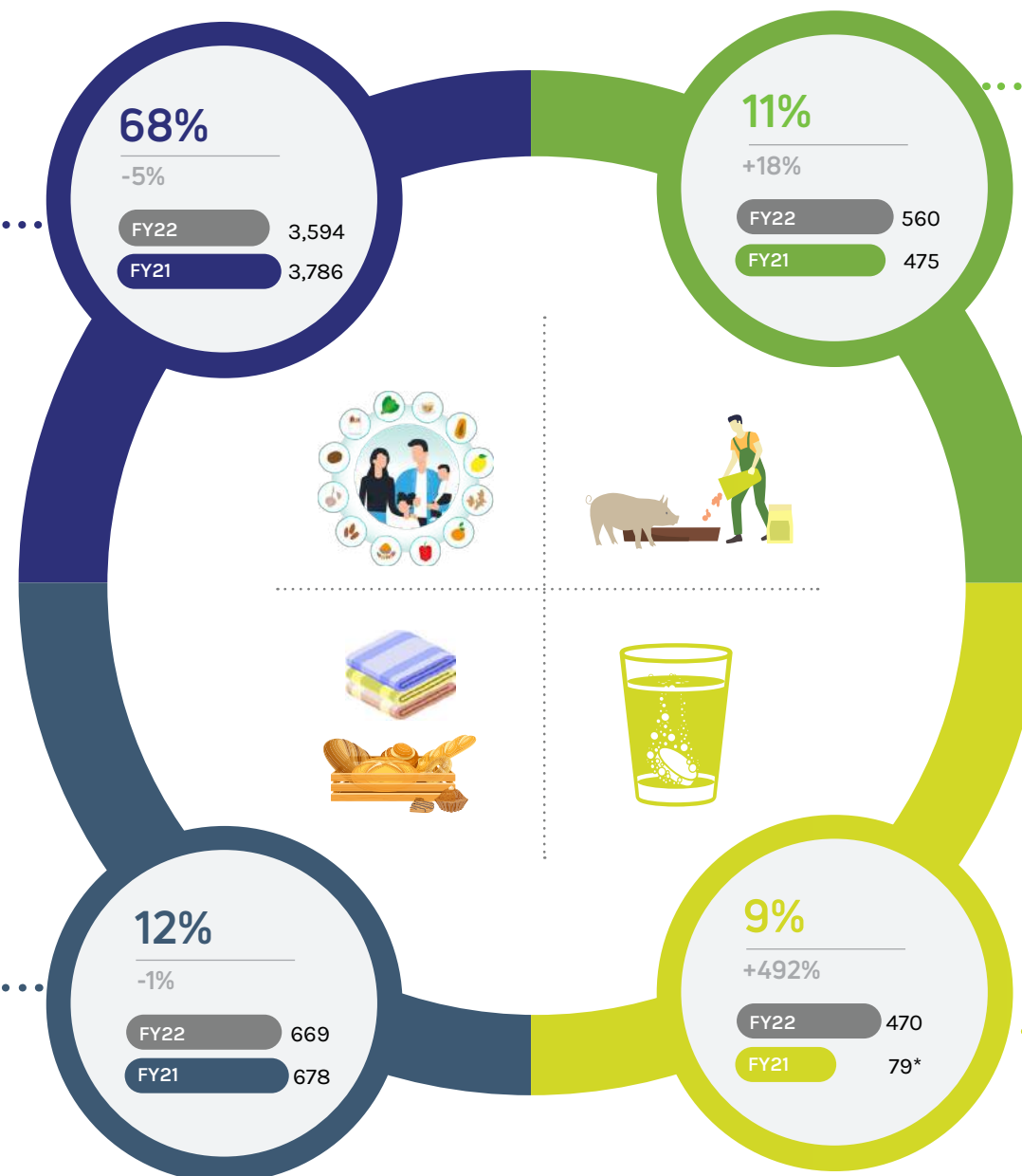
### INDUSTRIAL BIO PROCESSING

#### NON-FOOD PROCESSING

There are a number of reactions in which enzymes are considered to be powerful biocatalysts. We offer eco-safe solutions for a variety of industries, including textiles, leather, detergents, and pulp & paper, that are used in the manufacture of a wide range of products. Biological solutions reduce energy consumption, water use, and waste, not to mention reducing the load of effluent and waste, which improves efficiency and reduces the overall cost of industrial processes.

#### FOOD PROCESSING

Food and beverage manufacturers are continuously enhancing the quality of the products and maximizing the resources to cater to the shift in consumer pattern towards healthier living across the globe. Enzymes are essential to increase the nutritional value and appeal of food and beverage products. They also provide substantial benefits which are above and beyond the scope of options which have been used so far.



### ANIMAL NUTRITION

We offer enzyme-based feed additives for the animal nutrition in the relevant industries, which are majorly poultry and swine. The enzymes are added to animal's feed to enhanced the digestibility of the components. Our product offering enables animals to maximize the amount of nutrients they absorb from their feed, therefore aiding in animal feed cost reduction, decreasing animal waste and consequently helping to curb environmental pollution. We have also developed and evaluated efficacy of probiotic formulations for Animal healthcare. Probiotics have beneficial metabolites and competitive exclusion widely used in animal healthcare.

### SPECIALIZED MANUFACTURING

The Specialized manufacturing segment is newly added to the revenue stream as synergy from the acquisition of SciTech Specialities Pvt. Ltd. (SSPL). In Specialized manufacturing, we manufacture products based on effervescent technology. These effervescent products extend our solutions in Nutraceutical, Pharmaceutical, Bakery, Washing solutions and other Speciality products. SciTech Specialities also helps us in strengthening our B2C segment.

\*Revenue number from Jan'21 to Mar'21

All the figures are in ₹ million, unless otherwise stated



## QUICK FACTS

1<sup>st</sup>

LISTED INDIAN  
ENZYME COMPANY

2<sup>nd</sup>

HIGHEST  
MARKET SHARE IN  
INDIA

2<sup>nd</sup>

LISTED INTEGRATED  
ENZYME PLAYER  
GLOBALLY

68+

Enzymes &  
Probiotics

750+

Employees

500

m<sup>3</sup> Fermentation  
Capacity

400+

Proprietary  
Products

13<sup>\*</sup>

Patents

25+

Years of  
Fermentation  
Experience

700+

Customers  
Worldwide

12<sup>#</sup>

Food Enzyme  
Dossiers  
filed with EFSA

45+

Countries  
Worldwide  
Presence

5<sup>\*\*</sup>

GRAS Dossiers  
filed with FDA

9

Manufacturing  
Units

7

R&D Units

\* Patents include the filed applications

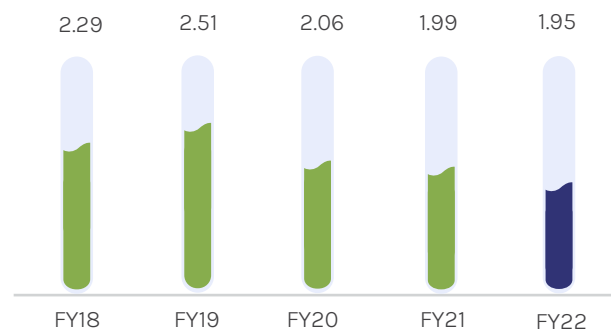
#Received 4 Dossiers, 2 are in the process of being published and 6 are under evaluation

\*\* Received no question letter received for 4 GRAS Dossiers and another 1 is under evaluation

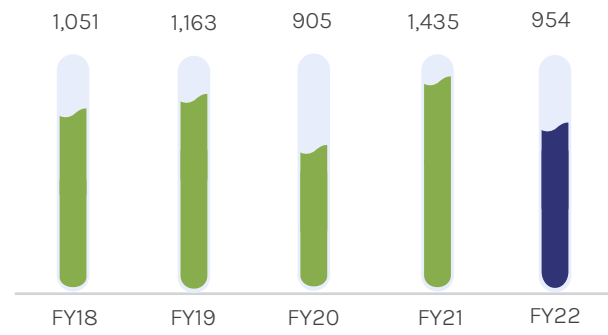


# KEY PERFORMANCE INDICATORS

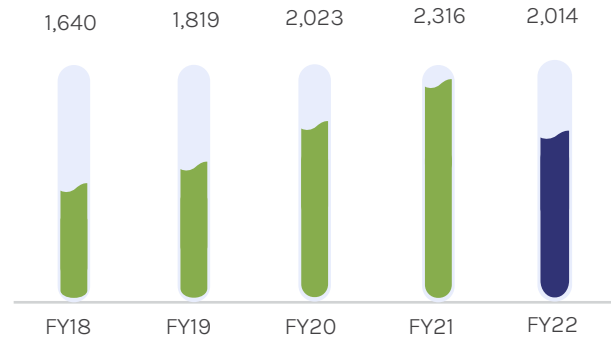
Fixed Asset Turnover (X)



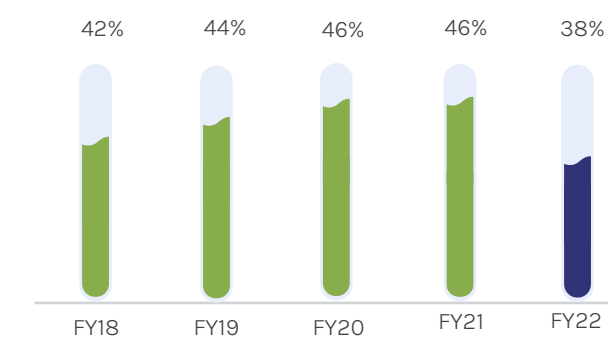
Free Cash Flow\*



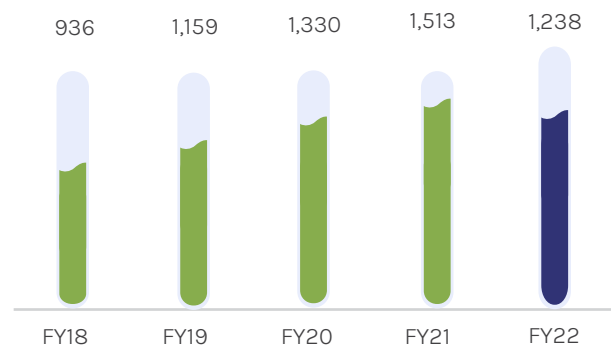
EBITDA\*



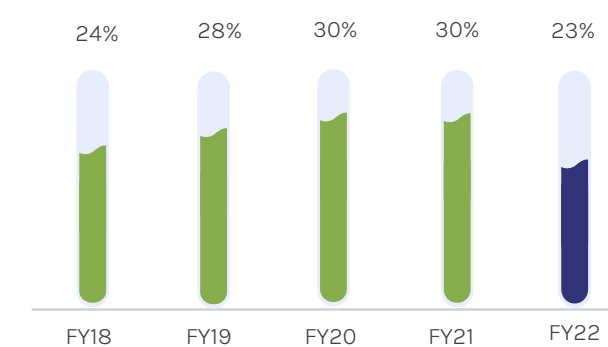
EBITDA Margin (%)



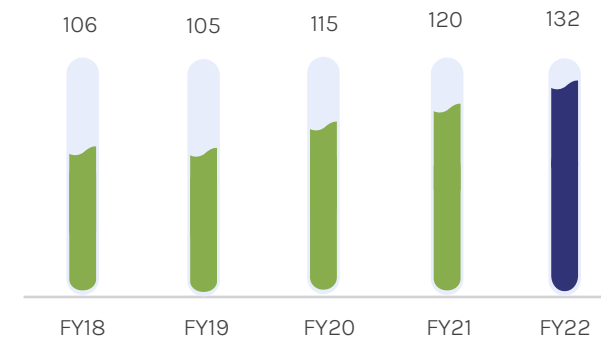
PAT\*



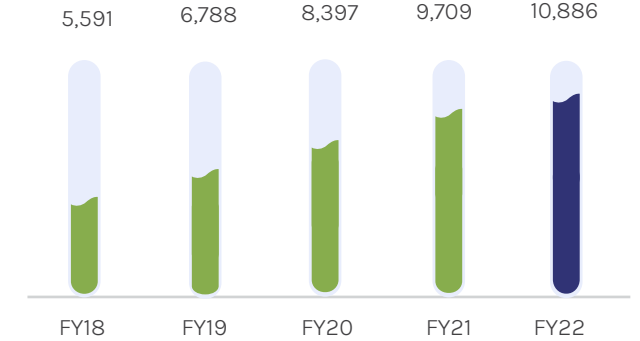
PAT Margin (%)



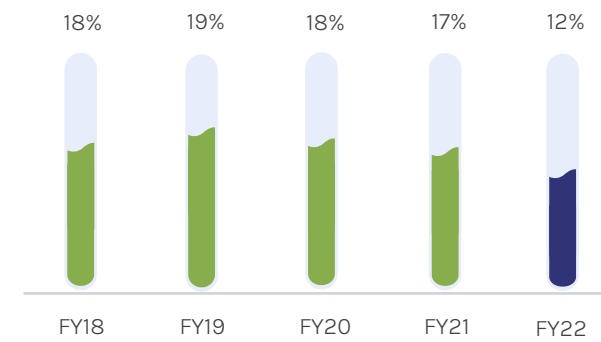
Net Working Capital (Days)



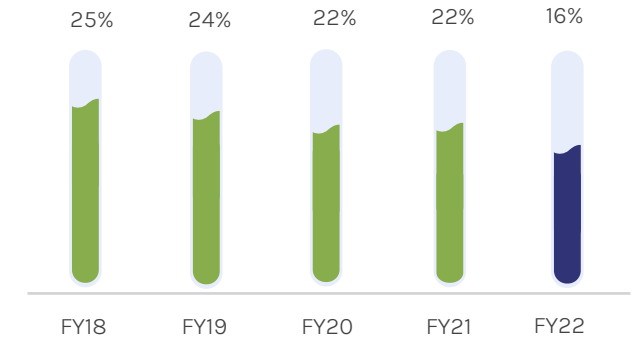
Net Worth\*



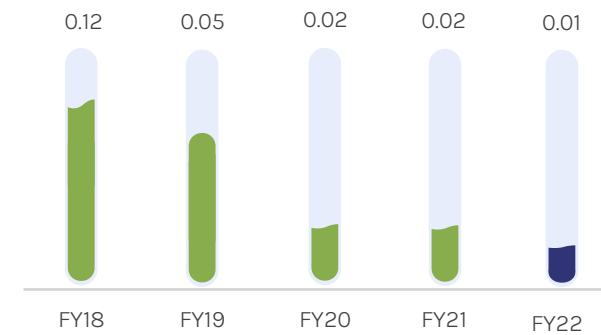
ROE (%)



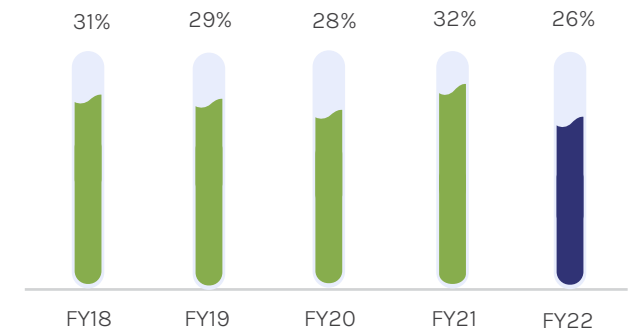
ROCE (%)



Net Debt / Equity (X)



ROIC (%)



All the numbers are on Consolidated basis

\*All the numbers are in ₹ million, Unless otherwise Stated

Net working capital days = ((Trade receivables + inventories - Trade payables) / Net Sales) \* 365

Net Debt = Long term debt + short term debt + current maturities of long term debt - Cash & Cash Equivalent

ROIC = EBITDA / (Equity + Net Debt)

Return ratio calculated based on average of shareholders' fund and average debt



FINANCIAL SUMMARY (Consolidated)

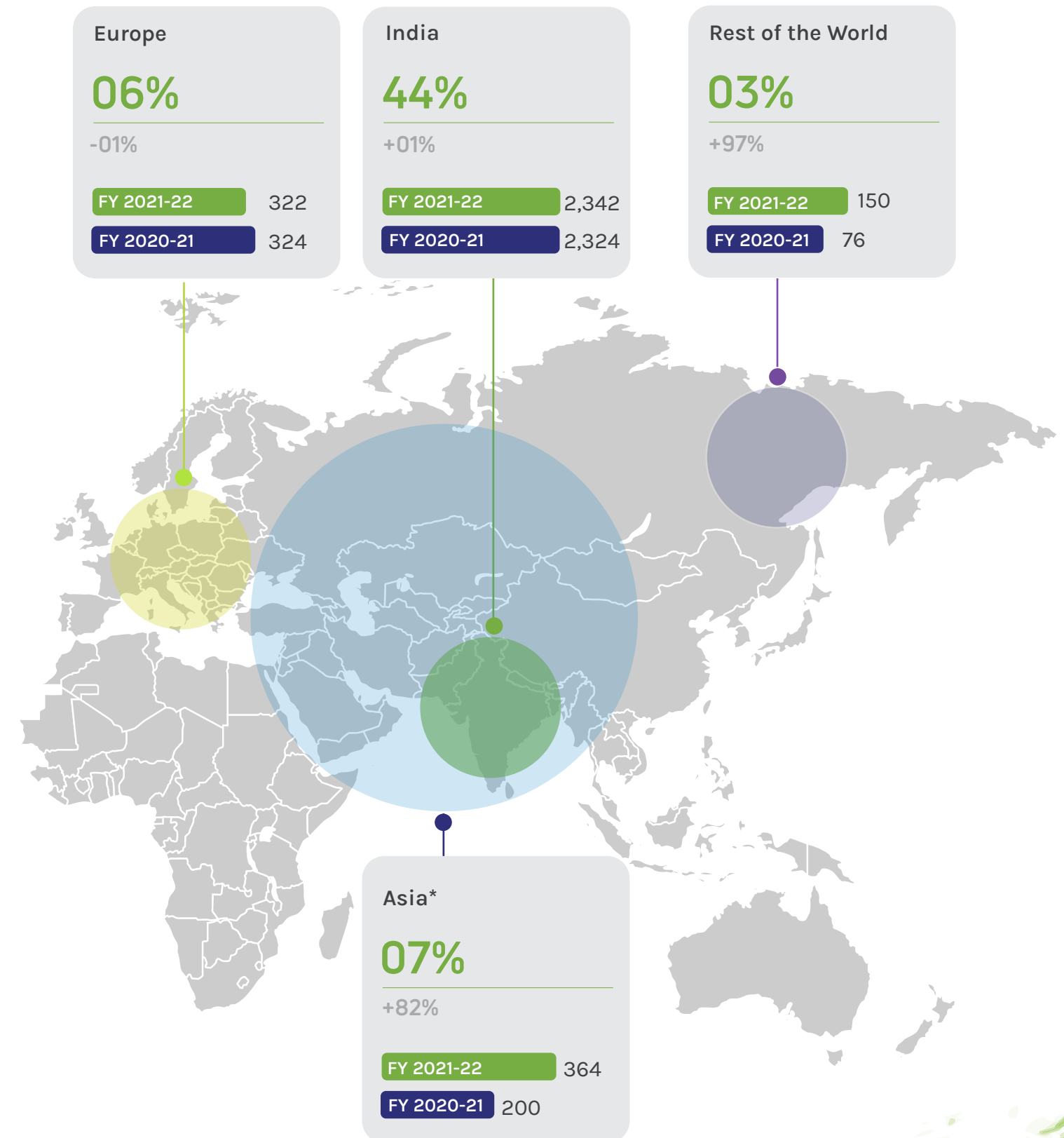
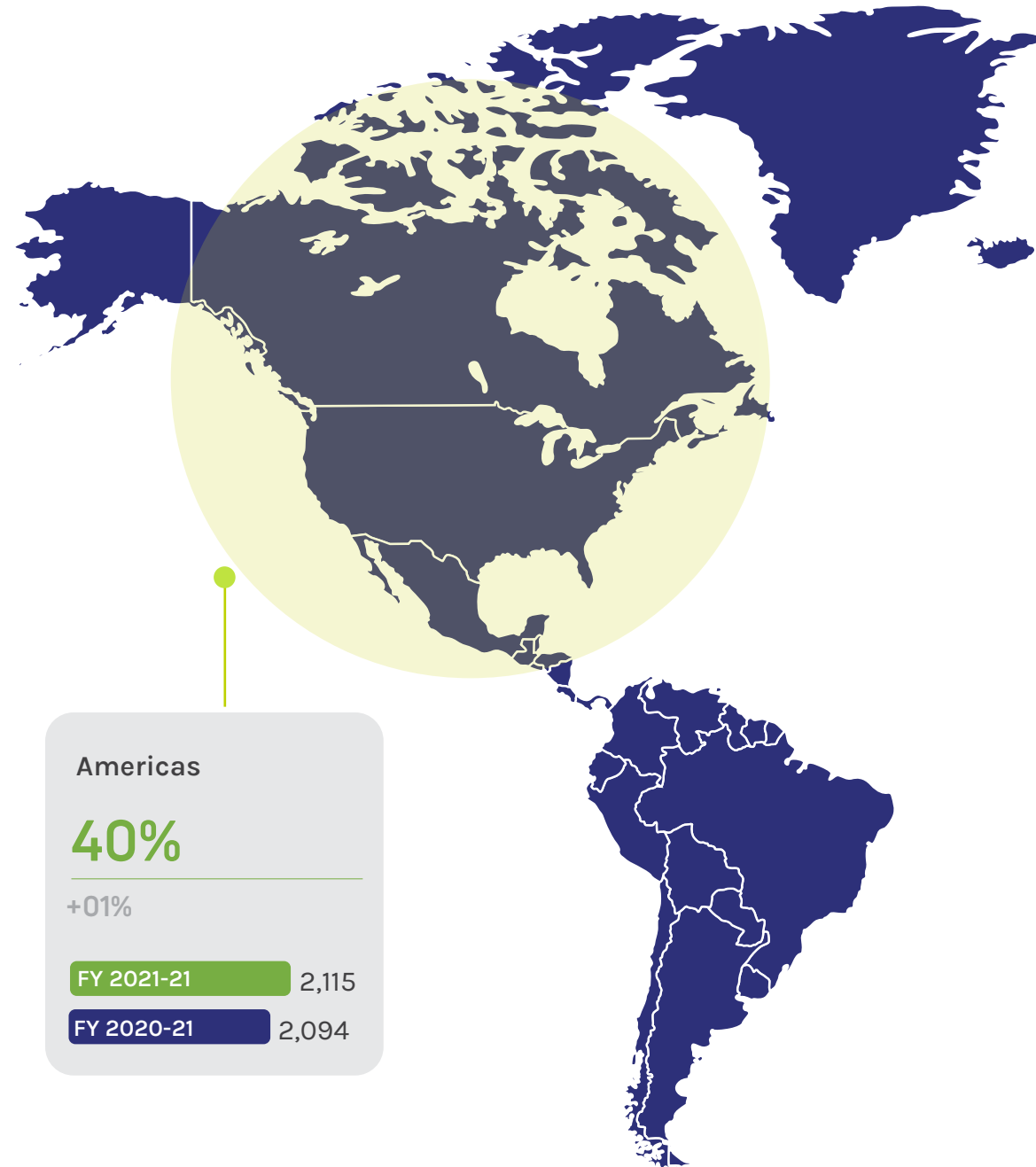


Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue from Operations (including excise duty and export incentives)	5,294	5,018	4,440	4,196	3,957
Net Sales (excluding excise duty and export incentives)	5,289	5,004	4,416	4,177	3,881
EBITDA	2,014	2,316	2,023	1,819	1,640
Depreciation	349	287	258	211	183
EBIT	1,664	2,029	1,765	1,608	1,457
Finance Charge	18	16	30	39	81
Profit Before Tax & Exceptional Items	1,646	2,013	1,735	1,569	1,376
Other Income	64	88	56	50	14
Profit Before Tax	1,711	2,101	1,791	1,619	1,390
Tax	473	588	461	460	454
Profit After Tax Including Minority Interest (PAT)	1,238	1,513	1,330	1,159	936
Profit After Tax and Allocation of Minority Interest	1,196	1,459	1,293	1,111	901
Paid up Capital-Equity	224	223	223	223	223
Reserves & Surplus	10,662	9,486	8,173	6,565	5,368
Shareholders' Fund	10,886	9,709	8,397	6,788	5,591
Minority Interest	518	617	278	260	226
Long-term Borrowings (including current maturities)	81	99	72	137	290
Working Capital Finance	19	38	127	213	377
Short Term Borrowings	9	54	-	-	1
Total Debt	109	191	199	350	668
Current Liabilities (excluding short term borrowings and current maturities)	576	584	437	372	519
Other Liabilities	587	461	372	341	312
Net Tangible Fixed Assets (Property, Plant and Equipment)	2,718	2,510	2,143	1,665	1,693
Net Intangible Assets	663	747	645	680	741
Goodwill on Consolidation	2,961	2,887	2,941	2,715	2,584
Current Assets	6,044	5,160	3,756	2,821	2,107
Other Assets	290	222	300	230	191
Net Worth	10,886	9,709	8,397	6,788	5,591
Total Outside Liabilities (TOL)	1,790	1,852	1,286	1,323	1,725

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Growth Indicators					
Net Sales	6%	13%	6%	8%	18%
EBITDA	-13%	14%	11%	11%	9%
EBIT	-18%	15%	10%	10%	5%
PAT	-18%	14%	15%	24%	1%
Key Operating Ratios*					
Gross Margin	79%	80%	82%	82%	79%
EBITDA Margin (EBITDA/Net Sales)	38%	46%	46%	44%	42%
EBIT Margin (EBIT/ Net Sales)	31%	41%	40%	38%	38%
PAT Margin (PAT/Net Sales)	23%	30%	30%	28%	24%
Financial Leverage					
Net Debt/Equity	0.01	0.02	0.02	0.05	0.12
Interest Coverage	92.66	126.07	58.14	41.23	17.99
Debt/EBDAT	0.05	0.08	0.10	0.20	0.43
TOL/Net Worth	0.16	0.19	0.15	0.19	0.31
Return Ratios#					
RoE (PAT/ Shareholders' Fund)	12%	17%	18%	19%	18%
RoCE (EBIT/(Shareholders' Fund + Total Debt))	16%	22%	22%	24%	25%
ROIC (EBITDA/(Equity+ Total Debt-Cash & Cash equivalent))	26%	32%	28%	29%	31%
Other Ratios					
Turnover to Tangible Assets (Net)	1.95	1.99	2.06	2.51	2.29
Inventory Turnover	4.93	5.77	5.66	5.50	5.49
Book Value/Share (₹)	97.37	86.90	75.18	60.80	50.08
EPS (Basic)	10.70	13.09	11.58	9.95	8.07
EPS (Diluted)	10.68	13.07	11.56	9.94	8.06
Working Capital Cycle (No. of Days)*					
Inventory Turnover	83	68	66	67	71
Accounts Receivable	61	63	61	51	55
Accounts Payable	12	11	12	13	20
Net Working Capital	132	120	115	105	106
R&D Spends					
Capital Expenditure	16	54	22	6	8
Recurring Expenditure	150	125	115	107	98
Total R&D Expenditure	166	178	137	113	106
As % of Net Sales	3%	4%	3%	3%	3%

Note - Book value and EPS are based on face value of ₹ 2 per share  
\*Based on Net sales  
All figures are in ₹ million, unless otherwise stated  
#Return ratio calculated based on average shareholders' fund and average debt

## OUR PRESENCE ACROSS THE GLOBE



Note - \*excluding India  
All the figures are in ₹million, unless otherwise stated