advanced enzymes
Where ENZYME is Life

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February 12, 2022

To

BSE Limited	National Stock Exchange of India Ltd.
Department of Corporate Affairs	Exchange Plaza, Plot No. C/1, G Block
P. J. Towers, Dalal Street,	Bandra-Kurla Complex, Bandra (E)
Mumbai- 400 001	Mumbai- 400 051
Scrip ID-540025	**Scrip Code-ADVENZYMES**

Dear Sir,

Sub: Transcript of Conference call held on February 08, 2022 for Un-audited financial results for the quarter and nine months ended December 31, 2021

In furtherance to our intimation letter dated February 03, 2022, please find enclosed the Transcript of the Conference call held on Tuesday, February 08, 2022 with Analysts and Investors for the un-audited Financial Results of the Company for the quarter and nine months ended December 31, 2021.

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

SANJAY PRAKASH BASANTANI
Digitally signed by SANJAY PRAKASH BASANTANI
Date: 2022.02.12 17:18:27 +05'30'

Sanjay Basantani
Company Secretary and Head – Legal

Encl.: As above

"Advanced Enzyme Technologies Limited
Q3 and 9M FY22 Earnings Conference Call"

February 08, 2022

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

Moderator: Ladies and gentlemen, good day and welcome to Advanced Enzyme Technologies Limited Q3 and Nine months FY2022 Earnings Conference Call. As a reminder, all participant lines will be in the 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 Enzymes' Q3 and nine months 2022 earnings conference call. I am Ronak Saraf, the Manager Investor Relations at Advanced Enzyme. I hope you all have received our financials press release and the presentation which has been posted in the Investor Relations section of our website.

We have with us Mr. Mukund Kabra, Whole-time Director and Mr. Beni Prasad Rauka, the Group CFO. Today, the management will discuss performance & business highlights, updates 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 disclaimer content 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 risks and uncertainty. Our actual performance and results may differ materially from our forward-looking statements.

So, without any further ado, we shall commence this call.

Over to you Mr. Kabra!

Mukund Kabra: Thank you Ronak. Good evening, everyone. I really appreciate and welcome you all to the conference call for the quarter and nine months ended December 31, 2021. At the onset, I hope everyone is healthy, safe and taking all the necessary precautions in the wake of the third wave of COVID-19.

At Advanced Enzymes, we are committed towards protecting health and well being of our employees and their families. We continue to implement rigorous safety and hygiene measures across all locations without any compromise and provide to work shift flexibility wherever possible.

Since, our last earnings call, the world has continued to face unprecedented challenges both on health and economic front. During the last quarter, our industry has faced multiple headwinds due to the logistics, raw material availability and higher prices especially for the solvents, coal etc. Most of the solvent prices are on all time high. I believe the supply chain and logistic cost situation will remain a challenge.

Our free cash generation and operating efficiency will continue to drive our strong net cash positions. We made conscious decision to stock up on inventory, so as not to hamper our production and ensure smooth supply to our esteemed customers.

I will start this call by sharing with you the earning updates for Q3 FY22 and segment wise performance. Our revenue declined by 3% on year-on-year basis to Rs. 1,336 million. Our EBITDA declined by 26% to Rs. 491 million during the quarter. Our PAT declined by 35% to Rs. 286 million. EBITDA margins stood at 37% whilst PAT margin stood at 21% during the quarter. The impact in the operating margin is because of high input costs. We are finding unprecedented increase in almost all the input materials including fuel and logistic cost.

In the nine months, the highlights are as follows: our revenue grew by 8% on year-on-year basis to Rs. 3,976 million. Our EBITDA decreased by 9% to Rs.1,612 million. Our PAT declined by 16% and stood at Rs. 985 million. EBITDA margins stood at 41% while PAT margins stood at 25% during the period.

Now, I will take you through the segment wise revenue. The human nutrition contributed 69%, animal nutrition contributed 10%, industrial bio-processing contributed 12% and specialized manufacturing contributed 9% in the total revenue during the quarter as well as in the nine months.

The human nutrition segment de-grew by 16% to Rs. 918 million in Q3 FY22 as compared to Rs. 1,089 million in Q3 FY21 and remained flat on quarter-on-quarter basis. The animal nutrition statement has outperformed during the quarter by 26% to Rs. 132 million in Q3 FY22 as against to Rs. 105 million in Q3 FY2021 while it grew by 19% in the nine months on year-on-year basis.

The bio processing segment registered a decline of 13% during the quarter, it stood at Rs. 160 million in Q3 FY22 as compared to Rs. 183 million in Q3 FY21 while it grew by 35% on quarter-on-quarter basis. In this segment, food business contributed 9% and stood at Rs. 115 million down 5% year-on-year basis while the non-food business contributed 3% and stood at Rs. 44 million down 27% year-on-year basis during Q3 FY22. The food and non-food business grew by 35% and 36% respectively on quarter-on-quarter basis.

The specialized manufacturing segment contributed Rs. 125 million in Q3 FY22 as compared to Rs. 97 million in Q2 FY22. It has registered a growth of 30% on quarter-on-quarter basis.

Now, I will talk about the geographical split of the revenue. The domestic sales contributed about 43% in the revenue from operation during Q3 FY22 as compared to 52% during Q3 FY21. Domestic sales underperformed by 20%, it stood at Rs. 571 million in Q3 FY22 as compared to Rs. 717 million in Q3 FY21 whilst it remains flat on quarter-on-quarter basis.

International sales were 57% of revenue from operation as compared to 48% during Q3 FY2021. International sales amounting to Rs. 764 million in Q3 FY22 as compared to Rs. 660 million in Q3 FY21, a jump of 16%. The revenue grew by 4% in Americas while it grew by 2% in Europe and strong 262% in Asia ex-India. The Rest of the World registered a growth of 86% on year-on-year basis. On quarter-on-quarter, the international sales grew by 13%. The revenue grew by 10% in Americas, 49% in Europe and strong 934% in the rest of the world, the Asia ex-India declined by 17%.

Now, I will hand over the call to Rauka Ji and he will walk you through the financials and key subsidiary numbers. Thank you.

Beni Prasad Rauka: Thank you very much, Mukund. Good evening, everyone. I hope you all are in good health. Now, I will just take you through the company's financials for Q3 FY22 and then for nine months FY22.

On year-on-year basis, our revenue is down by Rs. 41 million from Rs. 1,377 million to Rs. 1,336 million. EBITDA is decreased by Rs. 173 million from Rs. 664 million to Rs. 491 million. Profit before tax decreased by Rs. 197 million from Rs. 609 million to Rs. 412 million. PAT is decreased by Rs. 157 million from Rs. 443 million to Rs. 286 million which is about 21% as compared to 32%.

On quarter-on-quarter basis, our revenue has increased by Rs. 65 million 5% growth from Rs. 1,271 million to Rs. 1,336 million. EBITDA is flat and it is Rs. 491 million as compared to Rs. 493 million. Profit before tax is also flat at Rs. 412 million as compared to Rs. 413 million. PAT is decreased by about Rs. 17 million from Rs. 303 million to Rs. 286 million.

Our finance cost remains unchanged at about Rs. 3 million during the quarter. Depreciation and amortization charge is up at Rs. 88 million as compared to Rs. 65 million due to the inclusion of the financials of SSPL.

On year-on-year basis for nine months, revenue has increased by Rs. 290 million, 8% increase from Rs. 3,686 million to Rs. 3,967 million. EBITDA decreased by about 9% from Rs. 1,766 million to Rs. 1,612 million. Profit before tax is also decreased by about Rs. 255 million from Rs. 1,626 million to Rs. 1,371 million. PAT is decreased by Rs. 192 million from Rs. 1,177 million to Rs. 985 million. The PAT margin is at 25% for nine months as compared to 32% during FY22 for nine months.

Evoxx's performance during the quarter at revenue of Rs. 47 million, EBITDA of Rs. 12 million and even a PAT positive of about Rs. 1 million as compared to Rs. 62 million of topline and Rs. 9 million of EBITDA and PAT of Rs. -2 million corresponding last year quarter.

JC Biotech's sales during the quarter stood at Rs. 92 million and EBITDA stood at Rs. 32 million and PAT of Rs. 16 million. Our largest selling product which is anti-inflammatory enzyme stood at Rs. 279 million during this quarter as compared to Rs. 365 million in Q3 of FY21, so there is a de-growth of about

24%. Our Top ten customers contributed about 30% of our revenue as compared to 47% in Q3 FY21. B2C sale has contributed $ 1.55 million as compared to $ 1.54 million during the same period previous year.

This is all about the various highlights of our financials for quarter as compared to Q2 and Q3 of last year and a nine-month and now we open the session for question and answer please. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rohit Sinha from Sunidhi Securities. Please go ahead.

Rohit Sinha: Thank you for taking my question. Beni Sir, I hope you are well now. Just few things on a broader picture, how in last quarter also we have indicated that inventory has piled up significant, so how that number has been in this quarter and what kind of basically challenges we are seeing right now in terms of pushing our products or increasing our sales I mean considering the fact that during the COVID time, you have been predicting that this kind of probiotic sales would be much better during this COVID time and it would have incremental sales for us considering probiotic products, so how things are panning right now and where we are actually taking major orders? I was saying that just wanted to understand what is the basic hurdle we are taking right now in terms of scaling our revenue as we are I mean we are expecting that during this COVID time, there would be some incremental sales from the probiotic side or going forward also, so where is the major concern for us and when these things look to be normalized going forward and also how the inventory level right now is standing as of now?

Mukund Kabra: Rohit, there are multiple questions. On the inventory level front, we are maintaining the same inventory, what we had quarters before and we are keeping the same level which is on a higher side. On the probiotic side, this year we were a little bit on a lower because some of the customers who had already bought too much of a probiotics and piled up their inventories are really slow for this year, so this is the situation. We are facing lot of hurdles in terms of logistics and the escalation in the cost. The logistic is playing a role where we are not able to really push most of the material in the export market, also logistic is giving the higher raw material prices in main areas like coal and other etc., and even in some of the segments for example, Biocatalysis where we have already developed the materials or the enzymes for the Biocatalyst market but the logistic at their end is also not helping them to convert it into the new matrix, so logistic is playing a real spoiler, having said that I expect the inventory problem and other problem should be normalized from Q1 of the next year and I expect logistics should be in control by Q2 of the next year. My gut feeling is that from Q1 of the next year, we should start coming back onto the track.

Rohit Sinha: That is good. Secondly on the pricing side just wanted to understand how things are going for us as we have seen for other companies even prices have gone up significantly but simultaneously they have also passed on a lot of things to the customer and that is the reason their toplines are higher by almost 30%-40% on Y-o-Y basis but obviously margins are so compared but still topline has been on the much higher side, so just wanted to know where we are standing and is there any price increase pending for us going forward, it could be reflecting in one or two products?

Mukund Kabra: We are in a different industry, at this point of time we are not thinking to pass on the prices. In areas where we can pass on, we have already started working on it. The best way for us is to increase the sales and that is where the whole focus is.

Rohit Sinha: Going forward where we should see this margin profile which has in fact hit almost four year low at this time. All I can understand that lot of things are there but when these things get normalized, do we get back to that 44%-45% of EBITDA level or because of this SSPL inclusion still that mark would be a bit away from us?

Mukund Kabra: I think that in our normal course, our EBITDA should between 40% to 48% and we will continue that. I do not see any reason why we should not do.

Rohit Sinha: That would be achieved whenever our sales would be slightly improved, I guess I mean kind of numbers, the margins would still remain on the lower side, so in order to push margin our sales from here on would also need to be on the higher side, correct?

Mukund Kabra: That is right.

Rohit Sinha: Just wanted to know your thoughts on going forward into newer products if at all we are working on as always, we have been catering to lot of pharma players as of now, so going forward where our targeted area could be and any thoughts on that?

Mukund Kabra: We repeatedly talked about our targeted areas. Our all the research is given into that direction particularly our focus areas were well-defined on what we are working on. A lot of work is being going into probiotics, in their clinical trials, a lot of work is going on the nutraceuticals side and their clinical side, lot of new enzymes being developed for the food and which are under the pipeline, lot of new developments and the new enzymes developments are going on in the biocatalysis area and different product formation and different presentation is going on in the animal nutrition side, so these are the focused areas and all the R&D is being really focusing into all of this five different areas.

Rohit Sinha: Majorly having what existing segments are we are focusing more into expanding those segments?

Mukund Kabra: Right.

Rohit Sinha: Okay Sir. That is it from my side. I will come back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Shikha Mehta from Equitree Capital Advisors. Please go ahead.

Shikha Mehta: Good evening, Sir. I just have a couple of questions. Could you tell us the increase in logistic cost quarter-on-quarter and year-on-year percentage and raw materials as well?

Beni Prasad Rauka: Shikha we will give some numbers to you as far as you are talking about the logistics cost was increased, right?

Shikha Mehta: Right.

Beni Prasad Rauka: In Q3 if we compare it with Q2, this is up about Rs. 4 million and if we look at Q3 of this year versus Q3 of last year, the increase is about Rs. 6 million and for nine months the increase is about Rs. 11 million, this is only I am talking about an increase in the freight cost.

Shikha Mehta: Right and you have a similar thing for raw material increase?

Beni Prasad Rauka: Raw material increase, yes so raw material increase in terms of value I can give you some numbers about Rs. 11 million if I compare with Q3 to Q2 that is increased and if compare with last year then it is about Rs. 15 million and for nine months the raw material price increased by about Rs. 19 million.

Shikha Mehta: I missed the opening remarks. Could you also give us the revenue EBITDA and PAT numbers for subsidiary?

Beni Prasad Rauka: Which subsidiary do you want?

Shikha Mehta: Evoxx and JC Biotech

Beni Prasad Rauka: Evoxx the topline is Rs. 47 million, EBITDA is Rs. 12 million and PAT is Rs. 1 million, and for JC Biotech it is Rs. 92 million EBITDA of Rs. 32 million and PAT of Rs. 16 million.

Shikha Mehta: Thank you so much. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Dipak Saha from Savart, a SEBI registered Investment Advisors. Please go ahead.

Dipak Saha: Thank you for taking question. My question is regarding the probiotic that you launched for COVID package in Indian market, so what is the development on that front because we understand that we have also incurred many marketing expenses and marketing tie ups in this particular quarter and this product has done considerably well in US market, so what is the development on this front for the Indian market?

Mukund Kabra: Dipak, revenues are still negligible of the products which are in the B2C segments, in the Indian market. It is in few lakhs which is not really significant. We are still working. We are still new and generally in the B2C segment, it takes long time, for example, in US also our presence is there from last 7 years to 8 years and now the revenues are shaping up, so we do not expect too much of revenue this year and even next year from this B2C segment.

Dipak Saha: Do we consider any change in the marketing strategy in order to ramp up the revenue numbers?

Mukund Kabra: Marketing, we are really focusing on. We are increasing the people and areas of focus. Particularly in the last quarter, we have built up the keen for the animal feed particularly for the Asian market. We have taken some people for the European market as well and we are focusing on the European market, as how it can be done. Our focus is already there in the US market and we are working certain tie ups for the food into the US market and how we can do it. Biocatalyst is little bit slow, most of the market is in India. But at this point of time it is all the logistics which is spoiling, the new products are not being able to launch but we are continuing our research and developing our product portfolio to get the things normalized and then we can really go forward into those areas. In the probiotics, we already started in US most of our probiotics have already moving into the rapid pace with our own brands which is our ultimate target, so we are moving into the right direction, it is certain time lags which are there.

Dipak Saha: Okay and if I look at the quarterly revenue number and that is quite tepid, I understand all the reasons that you have indeed causing this problem, just some clarity if you can share, is there anything too much concern on the demand side or it is just a timely concern and it will normalize as and when the raw material availability and rising raw material prices, the logistic challenges everything settles down or is there anything concerning about the demand side and according in which in the strategies and other part or just a timely concern it will settle down, if you can share some light on this thing also?

Mukund Kabra: Dipak, I think it is more of a time which is required rather than the demand as a problem overall, some of the problem is of course with logistic, for example, if I had to ship like animal products for a dollar a KG to US and if I had to give a 0.95 to the logistic cost to transfer of course I do not want that kind of a business, so some of the business is being delayed and slowed down at this point of time because of those, some of them are like the inventory problems which are there at this point of time and I think time is required rather then seeing the demand as a real problem.

We are still not able to travel, for example, I have not travelled anywhere since last two years and three months and probably this is the time may be from March we should be able to start travelling, so these are all the time being problems and I feel one or two quarters from here, we require for the things to normalize.

Dipak Saha: Okay and Sir my last question is regarding the specialized segment which show a substantial growth on the specialized segment nearly about 30% and so considering such kind of growth and because of the synergy that we have created with our recent acquisition, do we foresee this particular segment contributing higher revenues in the coming quarters or any strategic change for this particular segment to overall revenue front or anything else as far as this particular segment specialized manufacturing is concerned to better the overall revenue front?

Mukund Kabra: In the specialized manufacturing front, the raw material cost is significantly gone up but good part is we can pass on this costs to the customers at the same time. We are really working on the growth front particularly the specialized company which is biotech as their another joint venture in the Africa, for their products to be launched in the African market and maybe I think this will grow, we are on the track whatever the revenue targets we anticipated before acquisition on the other front, there is somewhat slowness on converting our products into the new kind of a drug delivery of a product because of little bit of slowness into the market and because of the travel problem. We are targeting our food enzymes, which can lead into the different tablets and capsules and we can supply but those areas are little bit on a slower end but rest of the things are at a good pace and we expect this business will be growing.

Dipak Saha: Okay all these situations we understand that should normalize by Q1 of next year, right?

Mukund Kabra: It should start normalizing by Q1 and I think it takes one or two quarters more is needed particularly.

Dipak Saha: We stick to the same margin that we stuck to during the last quarter in the concall, somewhere in 41% to 48% EBITDA margins, right?

Mukund Kabra: That is right.

Dipak Saha: Thank you, Sir. That is from my end and all the best for remaining quarter of the year. Thanks.

Moderator: Thank you. The next question is from the line of Rohit Nagraj from Emkay Global. Please go ahead.

Rohit Nagraj: Thanks for the opportunity. Again broader picture on demand side, so do you see the cost pressures continuously over the last two quarter to three quarters, so is it difficult for the customer to take on the price increases on a sequential basis and that one of the reasons why there has been an impact apart from the increase such as logistics that you have pointed out?

Mukund Kabra: Rohit, I am not been able to hear you, can you please repeat?

Rohit Nagraj: In terms of the increase in input cost so we have seen that in the last two quarters to three quarters there has been continuous increase and probably there is some resistance from the customers to absorb this cost and that is the reason there has been an impact on our performance apart from the logistic cost that you mentioned the challenges that you mentioned?

Mukund Kabra: Rohit, there is always a product mix, that is also one of the factor which is contributing to the higher raw material cost at this point of time, at the same time in many areas, for example, the anti-inflammatory areas and other areas we command significant market share and that is not advisable to increase the cost when the competition is on the doorstep, so we consciously decided not to pass on the raw material cost and whichever the areas we can pass on we started doing it but in our business generally we do not pass on, so we are working on it, the areas like nutraceuticals, specialised business, we started passing on.

Rohit Nagraj: Right, got it. Just in question, in such things when the demand is not made by us, is it that the over few customers are taking the materials from the local customers for the time being I mean just our assessment or is there any substitute which is available?

Mukund Kabra: If you really look at it whatever our international business is those we are keeping at the same level or increasing, the problem which is coming up is more on the domestic front at this point of time and some of the areas where we wanted to grow the market, so there is the real challenge is, rather than the export market because we are taking on all the logistic cost at this point of time it is hampering some of the margin but still we are not losing the business.

Rohit Nagraj: Just little bit on each of the segment if you could just provide some indicators understanding in the recent past across the segment, we have seen that human nutrition has come down but other segments have done exceptionally well, so just thoughts on each segment and how are we seeing the dynamics, is there any change in the last couple of quarters and what are expectations in near future?

Mukund Kabra: I did not see these things on quarter-on-quarter basis we cannot really judge it whether this has gone up or gone down because the business in nature is not such that everyone the same sale will be there for them, some of the months some products goes higher and some of the months the product goes down, now human has gone down to certain level because the contribution of new segment which is there like SciTech which is categorized as a specialized manufacturing.

Rauka Ji you can give some more inputs on this.

Beni Prasad Rauka: That is what I am saying, as Mukund has mentioned on quarter-to-quarter there is not going to be any kind of change in the strategy, we still stick to our growth drivers which we have earlier shared with you that our focus will continue to be on Biocatalysis then on B2C segment particularly in international market and apart from that probiotics, in baking industries, we have mentioned to you about the kind of growth and animal food feed business we have explained that over a period of time, we are working on getting our products registered in various countries, appointing distributors and expanding our marketing and sales team, our growth drivers that is a long-term growth strategy where we are working, so one or two or three quarters it does not really make any sense to think about any kind of a change because you always work on your growth, so these are like some kind of challenges, the sales is not taking up because of several reasons as Mukund has already explained is logistics is the big issue, input cost is up then the market has in past accumulated lot of inventories, they are also liquidating their inventories, so for the time being overall the sale growth for us is slow in that sense but as we look at our bifurcation of international or domestic marketing sense, the domestic market is down international sale is going up, that shows that we always have been telling that our focus is more on the global market because that is the bigger market. In the Indian market for the enzymes whatever in human nutrition is already dominated by us and of course it is only growing at 6% to 7% which is kind of growth in this particular market but the other opportunities are big and the growth potential is high, so we are continuously working on that and unfortunately these two years being exceptional years and very difficult to say anything what really went wrong and keep on talking about several reasons but then at once we see some kind of normalcy, which most likely now may happen from the Q1 or Q2 of FY23 as Mukund has explained so we hope the growth will come going forward.

Rohit Nagraj: Right, Sir just to probably summarize, FY22 has been in transition probably first half of FY2023 will also be in transition once when the external environment will more or less normalize and FY24 would be the year when we will have the effect of normalization of the external environment as well as the growth which will come from the initiatives that we are currently taking in and the product that we are working on, is that a right assessment?

Beni Prasad Rauka: As and when all economy opens, everyone has to rush because everyone is waiting for the right time now. Unfortunately sometime back when everyone realized now things are opening up then again what happened we all know, so we lost this time in the sense so very difficult in the terms of one or two or three quarters but yes we always say that we have been on our path and we are confident that going forward I think things will turn out to be normal and as you all are analysts, you have been interacting with so many companies probably you can give better insight to us that what exactly is happening with this present scenario whether one can really comment on it or not that is really a challenge we are also facing.

Rohit Nagraj: Right Sir. Got it and thanks for all the answers and best of luck.

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

Rohit Sinha: Thank you for the follow up. I wanted to understand on this SciTech recent acquisition, what was your thought process behind that and secondly on this existing business and SciTech being doing I would say pretty as well as of now, the numbers are looking good in terms of revenue, so where we can see this number scaling forward in next two years, if you can speak little about this SSPL?

Beni Prasad Rauka: Rohit, I think as far as the synergy is concerned as we already mentioned to you is specialized manufacturing company with the technology of effervescent and various technologies they have developed over a period of time and this was thought to have one other way of delivering our known products through this technology, that was one way of looking at because we already had presence in B2C segment in USA and India we wanted to expand, that is where we have already started, so it would be really helpful then we can use this particular subsidiary company and their expertise and technology and SSPL how much they can grow like I really look at my nine months number of SSPL for this year and compared with the previous year it is growing about 30% and we are definitely expanding that company, we are also investing some more money in capex, the company is now kind of a self-sustained company with a very low debt, so going forward again in this company we will be expanding manufacturing capacities and we should be in a position to grow by 25% to 30% as far as SSPL is concerned.

Rohit Sinha: Just a wild thought but is it that in order to expand SSPL, we are somehow restricting our growth in this human nutrition business or they are going?

Beni Prasad Rauka: No, those are independent rather like SSPL now as Mukund has already mentioned that one particular area of work where we have been working with them, it is kind of you can slowdown because the overall issues are different now in last two years, so you want to develop something new but you have several other challenges because industry is also looking as such somehow to go with the flow, so nobody wants to take a new challenge in this last two years that is what our observation is, so many more products which we have like working on it but now adoption of products in a different forms by the industry is itself a challenge because of several things in addition to the logistics. I mean that is independent. They have their own resources, it is kind of not at all blocking our growth, yes, our growth is something which we have been working and this year the particular growth number wise, whatever number because you might be looking at whatever growth has happened it is mainly contributed because of the number of SSPL. The organic growth particularly in this year is tapered off because of COVID situation and because of the inventory built up in the past by couple of nutraceutical companies, so couple of reasons has really hampered the growth during this particular year.

Rohit Sinha: Okay and just some thought on acquisition of SSPL, and we can see what the small company is the recent filing they have acquired stake?

Beni Prasad Rauka: Yes, SSPL going to contribute some stake in African company because that particular companies again into that nutraceuticals business. As Mukund has already explained so that will help SSPL and us to expand again our marketing reach to African countries so they are based in Africa and they will help us to market products of SSPL as well as Advance Enzymes because that is where we have been telling that we are working on like several novel ideas of delivering our products, so we will again use that as an opportunities to expand that African continent market.

Rohit Sinha: Okay and any idea about the market size opportunity there for us?

Beni Prasad Rauka: For us it is a big opportunity, but in terms of numbers and all if you ask me, that I think right now I am not in a position to give you that number.

Rohit Sinha: Okay. That is all from my side.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Ronak Saraf for closing comments. Thank you and over to you Sir!

Ronak Saraf: Thank you everyone for taking your valuable time for attending our conference call. We will keep you posted for any further updates. I request you all, to kindly send in your questions that may remain unanswered in the call. The transcript of this conference call will be uploaded on our website in the due course. Looking forward to host you all in the next quarter till then stay healthy, stay safe.

Beni Prasad Rauka: Thank you very much

Mukund Kabra: Thank you, everyone.

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