

AMRUTANJAN HEALTH CARE LIMITED  
86TH ANNUAL GENERAL MEETING – 21<sup>st</sup> SEPTEMBER, 2023

## Transcript

### **Chairman**

Hello, good morning to all stakeholders, shareholders, fellow board members, partners from the audit firms, management team and everybody else, well wishes from Amrutanjan.

Welcome to the 86th Annual General Meeting.

We are conducting it today via Zoom video conference. My name is Sambhu Prasad. I am the Chairman and Managing Director, and it's a great pleasure to introduce you to my fellow Board members.

Before that, we have the required quorum of 32 people. So, 32 shareholders have joined the meeting through video-conference. I will introduce you to the esteemed Board.

Mr. Raghavan, Independent Director and Chairman of the Remuneration Committee.

Mr. Raja Venkatraman, Independent Director and Chairman of the Audit committee.

We have Mr. Muralidharan, Independent Director and Chairman of the Stakeholders Relationship Committee.

Ms. Meena Raghunathan, Independent Director and Chairman of the CSR committee.

We have Ms. Rama Prabhakar, our new Director; non-Executive Director on the Board appointed in place of Dr. P. S. N. Murthy, who passed away unfortunately in April, after serving the Board since 1989.

So welcome, everybody. I also welcome Mr. Raghu Ram, statutory auditor, and Mr. P. Sriram, secretarial auditor who are also present. The Company has appointed Mr. P. Sriram, Practicing Company Secretary as a scrutinizer to scrutinize the e-voting process.

The shareholders willing to inspect the documents referred to in the notice may send a request to [shares@amrutanjan.com](mailto:shares@amrutanjan.com). Now, I will share my presentation that I do every year.

So, here's the presentation for those of you who joined us over the years. You see a similar flow with, more data given this time. We will start with the history of a great Company that has been in existence for 130 years, successfully and profitably, paying dividends.

A brief history for those of you who are new to the Company. First is- we are values driven organization with a commitment towards the interest of all stakeholders: customers, employees, shareholders and the community. We never compromise on our ethics, which is reflected in all our actions. We strive to provide a culture that accepts new ideas, and embraces change, and as a 130-year-old legacy Company that wants to grow and innovate itself consistently, this is very important. We have been in this play, and we put it in our values.

Amrutanjan's historic brand is managed through a manifesto, it's not dependent on one person, but it's built over the years, and we built it around these values and everybody who's involved in managing this brand follows a set of values. For example, the safety and well-being of the individual and family.

While the roots are deep and old in Ayurveda, we also combine modern scientific principles and methodologies. We are committed to creating offerings which help people get rid of pain. Our products will be efficacious in providing relief, which our consumers speak about, as some of you know, in the case of packaging, we have instant relief and long-lasting relief claims, done through research and mentioned on the pack that we are the first pain Company to put these claims on the pack. We endeavour to delight our customers through the experience we provide. Not only is it a product, but it's a holistic experience.

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We also opened our first experience store outside in Mylapore, and we plan to open a few more around the country. All our products are natural. We are very proud even though Diclofenac balms have done very well recently, we have decided to stay away. That is part of our value system because we feel we can provide the same pain relief experience without harmful chemicals like Diclofenac which while heavily regulated outside India, for some reason, due to intense lobbying, is not allowed and is freely advertised which I think is wrong and detrimental to the health of the consumer. And, of course, the naturalness of Ayurveda and the usage of herbs is one of our core principles.

Overview of the company: The balm was developed by the great Dessodharka Nageswararao Pantulu Garu in 1893 in Mumbai. It was Swadeshi offering to then what were Iodex and other English brands. They honoured Indian businessmen and patriots but had their own ideas and offered products to Indian citizens in those days.

The Company went public in 1936, and now Amrutanjan is probably one of the only leading top five brands or top ten even with variants beyond its original offering. So today, we have pioneered the latest pain patches, sprays, roll-ons, or headache roll-ons, as we all know is, number one. Our body roll-on is one of a kind in India. This is one of the testaments to our scientific endeavour and execution.

We are the first Company to consider the bottom of the pyramid and offer pain balm in sachet at ₹2, and we are proud not to have taken a price increase over the decades since we launched this.

And not only pain products but also services- we opened India's first-of-its-kind pain clinic in Chennai, where we offer holistic pain relief before surgery, and we delay people's need to do surgery or have hip or knee replacements.

In 2013, we successfully launched the Comfy sanitary napkin again with the bottom of the pyramid in mind for women who were using cloth and had a lot of safety and health-related issues. So Comfy today is the number four brand in the mass-branded space of women's sanitary napkins, and Amrutanjan is placed at 775 out of 1,000 publicly traded companies by market cap.

So key highlights: Amrutanjan brand is available in almost 1.2 million outlets, in addition to modern format and even online stores like Flipkart or Amazon. Our sales force reaches 2.6 lakh outlets. In fact, as of today, it has crossed 3 lakh outlets.

We have a distributor presence in 19 countries registered gross sales of ₹426 crores in the year under review. And new product sales are 41% of total sales. It is one of the achievements for us. A few decades ago it was only 4%. So, this is a continuous endeavour to build products for the future and drive sales and profits for the future.

These are commemorative stamps around the founder from Amrutanjan. Early advertisements, some done by Amrutanjan in the 1940s and 1950s, but today it's sustaining the brand investments made then is what we are all building, at the expense of today. This is a position from the early 1900s.

European tourists reached out to us and shared this picture, and her grandfather was in India, witnessing the Maharaja of Mysore procession, and he noticed Amrutanjan's hoarding and she Googled it, then she found our Company and shared it. Such is our brand connection globally.

Again, hoarding of us in a tram in Chennai. Here's another great story of two great chess masters meeting and the American chess master Bobby Fischer asking our own master, Mr. Viswanathan Anand, "hey did you bring me Amrutanjan"? So, it's again a great testament to the brand's legacy.

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Recently, we won a very prestigious award as one of the Best Healthcare Brands. Very few brands in the pain category were recognized except Amrutanjan, as among the ones. There are other healthcare brands like Abbott and Pfizer, but from an Ayurvedic space and Indian branded space, we are the only brand, and we are very proud of it.

Now, let's talk a little about how wealth was created over the years. This quote is very simple from Warren Buffett. I think this represent Amrutanjan very well, "You find a Company or a business that you think will grow profits over the next 5-10 years, and you buy the shares and you forget".

People have done this with Amrutanjan, which I will show you in the coming slides and have benefited extremely well. For example, let's see the core fundamentals. Sales growth in five years, 11% CAGR, PBT growth of 10.35%, dividend growth of 19% and importantly, market cap growth in five years is 16.4%. So, even be it the Nifty 50 and the BSE FMCG index if you see our five-year timeframe.

At Amrutanjan, while we did not have a great year last year, you have to consider that sometimes execution challenges happen owing to many macro reasons, which I will explain in the coming slides but you look at the 3-5 year time horizon, I think good companies like Amrutanjan are very good investment platform or a vehicle, so to speak.

Here are some key financial ratios over the last 3 years: Revenue per share, while it fell last year, it is consistently growing. It's still higher than March 31 2021, similar to net profit, which slightly dipped, return on assets has dipped again because profits have come down and the same with ROC and we are debt free Company. Our enterprise value, if you notice, while lower than the last to last year but it is still higher than 2021. And this is how we create wealth for the shareholders.

Over the years, you can see the distribution of dividends, bonuses, and splits of shares done, have returned tremendous wealth. We returned over a total of ₹127 crores to shareholders over the years. Again, this is an illustration, if you had 100 shares in 1981 today, you would have and not sold it 13,340 shares. So, ₹4000 investment in 1981 would yield ₹ 76 lakhs. This is an unbelievable multi-bagger and the power of compounding and power of execution by Amrutanjan's team over the years at the CAGR of 20%.

Recently, we were very proud, thanks to the Board, they approved a buyback. We gave almost a 50% premium to the share price listing, and we returned back wealth to shareholders as you know we have excess cash. So, these are the details of the buyback. So, the Company spent, and we also paid tax, but the issue was oversubscribed almost 10 times.

Coming to the financials: Last year was a soft year after growing tremendously over the last 5-6 years, owing to COVID-19. We have excess inventory in channel stocks and also the consumers also at the retailer level if you see Nielsen or IKREA trade reports, there was a dip in the category first time in probably years because consumers over-consumed and overbought during COVID-19. And there was almost a knee-jerk reaction or the pendulum so to speak, swung to the other side. So, we are still facing high stock levels, and we are slowly working it down. We should see growth returning in the second half of the year. So, because of our 8ML, the profitable bar of business going down, our profits also have fallen.

But I wish to state that the profits still are the highest ever if you remove the two COVID years, we are still at the highest profit. So, this is a promising sign. So, here's the data on sales over the years. While we still maintain higher sales than 2021, it is still below 2022. Similarly, profit before Tax, I pointed out at 2023, ₹53 crores while lower than the last two years, is still higher than the pre-COVID year of 2019 and 2020. So, that's something to note and similar to profit after tax also.

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Here's the dividend pay-out ratio and other key metrics. We have increased the dividend pay-out ratio last year. Our cash reserve is to ₹ 222 crores and net worth is ₹ 290 crores, has grown and book value per share is close to ₹100. So, here is a basic overview of the CapEX we did.

As you all know, we have expanded our beverage into a health drink, the Electro Plus brand. It is an isotonic hypotonic drink. So, to improve the quality and improve the yield of the plant, we installed a new beverage bottling line. So that was a major capex.

We are also building, and we commissioned a GMP plant to export our Amrutanjan balm to the US and other regulated markets. One of the major IT projects was SAP. Thanks to our CFO and the team, we have successfully gone live with SAP last July.

The others are solar projects, which are part of our green initiative and our commitment to being a good corporate citizen. So, our corporate office now is fully run by solar, and we have other CapEX which are routine CapEX. So the total CapEX is ₹25 crores.

Let's talk about the business, Amrutanjan is a steady grower, as you see. That's why stock market also has rewarded us over the years because of the steady growth. All of you know, and those who are new to investing, you talk to some of the seasoned investors, they always say, no surprises and steady growth. That's the hallmark of a good company.

This is a management motto or north star, whatever you may call it. We keep the consumer in mind, and we take all our actions based on the consumer. We very keenly meet consumers regularly to understand nuances and insights and based on that we build our brand Comfy brand was one example of that, and we have to continue to do this in all our OTC and other businesses as well. But insights are only as good as the execution. So, it's something we have to improve constantly. We are still a long way away from being a highly execution-driven Company. Let us say this openly. I discuss this with my team also. Of course, today, excellence, be it product quality, be it service levels, be operational processes, without excellence today, you are just removed from the system. I mean, there is not even a desire. It's a mandate to have high excellence and execution. So here is our headache segment, body segment with our roll-on, sprays, patches and also the maha strong balms, which was specifically formulated to have arthro-relief properties and relief segment in the bottom left. This is the congestion portfolio with our new re-packing and we also recently launched a hot drink like its an Ayurvedic drink to provide soothing relief to the throat if its irritated during a cough and cold. Then we have the other healthcare brands that are smaller at this point: hand sanitizer, Decorn corn caps and dental gel products which we launched. So, women's hygiene and beverage are one of our fastest growing segments that we think are going to be very large in the coming years. Here is our brand laid out by size.

So, Amrutanjan brand now very proudly I can say is more than ₹300 crores with all its variants. Comfy this year will very surely touch ₹100 crores, if not for any supply issues, but the way it's doing, we have come very close. It already touched ₹78 crores last year. Of course, Electro Plus had a soft year but ₹30 crore is targeted this year and it should be a larger brand in coming years also ₹100 crore brand for Amrutanjan. So, these are some of the new products we launched XL variant is doing very well, as more and more women now, we have seen over the last seven years, when we started this business and how women are asking for longer pads. We see a lot of growth coming in this XL variant and some of the other women's period management products, tampons and period cups. Recently Kerala government last week did something very brilliant. I think they are promoting period cups in Kerala. And I think that should really help brands like Amrutanjan, where we have a very strong presence in Kerala and we are number one in our pain business and Comfy is doing very well. So, period cups should find adoption as the Government of Kerala is promoting it as a consumer health measure.

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There is another product we launched, Period Pain roll-on, first of its kind, Ayurvedic, where it's only right now pills and some online brands that are priced exceedingly high ₹400-₹500 for this product. This should be one for the masses. We will build on this in the coming years. We are also proud to announce our digital initiative, our own e-commerce site [worldofamrutanjan.com](http://worldofamrutanjan.com), which went live last year.

Here is the breakdown of revenue by categories. Sales in headache ranges still remain the same; two verticals headache and women's hygiene; e-commerce contributes to 85%-90%; then we have the body business that we are really focused on growing. Non-alcoholic can help beverage businesses, which electrolyte drinks, and then congestion management.

Here is the category, except Comfy last year, all the other categories have de-grown, owing to like I said post-COVID, all healthcare products were down-stocked. We see things coming back to normal this year. So, you can see the growth of women's hygiene, and sanitary napkin business over the years. Then, of course, Electro Plus too did exceedingly well last to last year but again closing to high stock we had a little soft year. And export sales is another focus.

We are very proud to announce that we have opened an office in Dubai, our sales office to serve our Middle East and African customers. So, we have done well over the years growth in exports. E-commerce sales are again another big focus. Our Comfy brand is, I think, among top three brands on Flipkart and also on Amazon. We have built an online store on Amazon, which we are going to focus on this year, and also our own Comfy app and our e-commerce site which I explained to you about.

So, we are very confident that the next milestone would be ₹ 1000 crores for Amrutanjan. We have a lot of growth drivers. Amrutanjan brand is also becoming sizeable to ₹300 crores. There are probably around 6-7 brands or less than 20 brands in Indian FMCG that are even that size. So, in the coming years, we will be really confident about executing that.

Now, I will move on to the next phase of the presentation. I will read out some mandatories and I would like to spend a minute on the qualification that we received, unfortunately.

So, the mandatory notice for the AGM and the audited financials for 2023 has been sent to members through email on 26<sup>th</sup> August. I request the shareholders to take notice as read. As per section 145 of the Companies Act read with secretarial standards, any qualified opinion given by the auditors in the report, which has any adverse affect on the functioning of the company has to be read in General Meeting. I will do that very shortly.

Now, I just want to say that even though the qualification was done and it's a black mark on us, and there is definitely room for improvement on internal financial controls, the impact of financials was very small because of the whistleblower that we identified. The total impact was around ₹15 lakhs, and I will give you some background.

So last December, we received a whistleblower letter alleging financial misappropriation by certain employees in the company. Immediately our audit committee, auditors and board, identified Deloitte to do a forensic audit and based on that, some people unfortunately had to be let go. There were weaknesses in systems in onboarding vendors, which is what the qualification was about and also in casual labour, there were some issues with attendance which we rectified subsequently. Also, there was no fraud identified in procurement or logistics, but there were some controls that we strengthened, which I will explain to you in a minute.

Based on that, I refer to note number 39, page 182, where the auditors have written in detail about the whistleblower and the qualification. So, I request the shareholders to please refer to that. Also, on the main page of the auditor's report, page number 126, the qualifications are mentioned, and the IFC qualification is on page number 134, which is regarding the marketing and onboarding of vendors where there was some misappropriation. Since then, we have strengthened our controls accordingly, which I will list to you.

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First of all, we have centralized purchasing. Earlier anybody or any department could raise a PO, and now only the purchase department can raise a PO. We are also creating a separate sourcing department.

Also, PR rights, so everything now that we have SAP, no PO can be raised without a prior PR request. And also, payroll and casual labour, while it is common in sales, FMCG where a lot of casual labour is used. The frontline salesman many times, they quit right away, even after inventorying them; using attendance is very painful, and these issues happen in other companies. We have now fully digitized the sales onboarding process through Darwinbox, and also the KYC documents now have to be received by HR before we even allow them to join the roles of the Company. Earlier it was not the case, owing to sales pressure, people would join the field, then 3-4 days later, HR would onboard them, and that's where the gap was in many times in payroll. So, we made a lot of controls, even at the plant level, casual labour, we have fully implemented biometric systems that directly link to the Darwinbox HRMS system and payroll is taken subsequently. So, it is an unfortunate incident. We have done a lot of work and will continue to improve our controls and with that, I think at this point my presentation is over.

Now, I will open the floor to questions. Everybody has three minutes. I request people to follow their strict timelines of three minutes to give others a chance to ask questions. Thank you very much. Back to you, Mr Srinivasan (Company Secretary)

**M. Srinivasan (Company Secretary)**

Yes, Sir, we can read out the names.

**Chairman**

First is Kirti Shah from Mumbai.

**Karthik**

Kirti Shah has not joined. We can move to the next speaker.

**Chairman**

The next speaker is Mr. Santosh Kumar Saraf from Kolkata.

**Karthik**

Yes, he is available. He is facing some issues and will be joining in some time. For the time being, we can move to the next speaker.

**Chairman**

The next speaker is Mr. Yashpal Chopra from Delhi.

**Karthik**

He has not joined; we can move to the next speaker.

**Chairman**

The next speaker is Mr. Balaji G R from Chennai.

**Karthik**

He is available. Mr Balaji, please unmute and speak.

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**Balaji G R**

Thank you for running through the presentation and sharing your initial perspective. Congratulations to the management. Coming to a couple of questions.

One, what will drive our ambition of ₹ 1000 crores revenue by 2028? Which segment are you really bullish about? Can you touch upon whether it is fully organic or inorganic?

Question number two, you have spoken about your direct reach has gone to 3 lakhs from 2.6 lakhs. What is the medium-term number you are looking at in terms of direct reach? New products have earnings out of it right? because earlier we used to be few products companies. Now, you have actually more products for the size of business. So, how do you see diversifying more products or trying to become deeper into the products which we have launched? Any thoughts on that will be helpful.

Congratulations again for implementing SAP, but can you run through how it is improving our business effectiveness through some examples vis-a-vis our earlier system, which gives us an idea about the real effectiveness of this technology at the ground level? So, if any senior leadership team we have hired during the year? We have reported a ₹40 lakhs lost on trade receivable. What is the general credit period for retailers and how it has been panning out over the last few years? Do we have a very similar structure, or are we slightly strengthening? How it is currently?

And final question, we are spending a very healthy ₹50 Crore + in advertisement for the size. Again it clearly shows we as a Company are willing to invest in brands. But as a management, how do you measure the productivity of this expense because this expense is very large in relation to our PBT and PAT. So, what are the internal markers you measure to see how effective the brand building activity and the productivity of this large P&L item. Thank you. Wish you very good luck for the future and all the success.

**Chairman**

I will give answers at the end, once I compile all the questions. Thank you, Sir. Next is Mr Suresh Chand Jain from Hyderabad.

**Karthik**

He has not joined.

**Chairman**

Next is Mr. Sanjog Saraf from Kolkata.

**Karthik**

Yes, he is available.

**Sanjog Saraf**

Hello, respected Chairman, board member and fellow shareholder. My name is Sanjog Saraf from Kolkata. Hope you are all in good shape and condition. Thank you for a nice result. I hope you will continue this chain. I want to know what steps are you taking to continue this growth. Why have you not appointed so many female employees? Your worker female employee is 44%, but your permanent female employee is 5%, what is the reason? I think you could really consider these to give more and more female empowerment. What steps are taken for renewable energies and rainwater harvesting? Lastly, what steps are taken for insider trading and how shareholders still have physical holdings? I thank Karthik for giving me a chance. Thank you, and hope that the next year we will again have a VC meeting, Sir.

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**Chairman**

Next is Mr. Kamal Kishore Jhawar from Hyderabad.

**Karthik**

Yes, Mr. Kamal Kishore has not joined, actually. We can move to next.

**Chairman**

Next is Mr. Srikant Jhawar.

**Karthik**

Yes, he is available.

**Karthik**

We are not getting Srikant online, Sir. We can move to the next one.

**Chairman**

Next is Mr. Bharati Saraf.

**Karthik**

The Sarafs are same. I am enabling Mr. Santosh Kumar Saraf once again. If he has any other specific queries, we can go ahead. We are able to connect with Srikant Jhawar.

**Srikant Jhawar**

*Respected Chairman, on-ground promoters ko dhanyavad jo video conference meeting rakhi hain sir. How many distributors are there in all over India? Uske baare mein thoda bataiye sir aur jo apna product hain usme konse segment mein sabse zyada revenue aa raha hai? Aur aage jo product demand main nahi hain toh koi badi Company se koyi acha tie-up karke thoda unke saath business expansion kuch karein toh, apne ko growth bhi milta. Main Hyderabad se baat kar raha hoon Sir.*

**Kamal Kishore Jhawar**

*Chairman Sir, all Directors ko mera namaskar, mera naam Kamal Kishore hai aur mera kuch technical problem hain. Already mera speaker registration hai, isse pehle mera naam pukar rahe the sahab. Main inke login se baat kar raha hoon Sir. already main voting kar dia, sab kuch kar dia. Sir aapka support bahut kuch acha hai sir, bahut khushi ki baat hain, share price bhi acha hain, dividend bhi mila but hamare secretarial department ko hum last year bhi bole the ki aapka product bhijwao, ghar mein kaam aata hain. Toh humko product bheja toh abhi tak humein nahi mila. Last year aisa laga ki kam se kam apni Company ka product hamare ghar mein ladies ke hisab se aapka product bahut acha rehta hain. Wo balm hain jo hain A-Z toh bahut acha lagta hain. Toh meharbaani karke humare ko mereko kam se kam 15-20 folio. Last year bhi mujhe ni mila tha aapka product. Ye saal toh bhijwae apke company ka products. Secretarial department ki tareef, parshansha, hum mail karne se hamko Annual Report mil gaya, sab kuch mil gaya but the Secretarial department, CFO se main darkhwasat karta hoon ki humko company ka products bhijwaiye or issi tarah video conference rakhein. Main aap sabko Diwali and Dussehra ki shubhkamnayein deta hoon. Secretarial department ka jo support hain, uske liye dhanyavad.*



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**Chairman**

Next is Mr. Ishant Thakkar from Baroda.

**Karthik**

Yes, he is accepting the request.

**Ishant Thakkar**

Hello, Sir. Thank you for the opportunity. So, these are my questions. So, the first one is sales of the OTC category have declined from ₹372 crore to ₹345 crore. So, majorly due to decreased sales of head balm of around 11.5% compared to last year. So, how much market share did we lose and why? As our competitor has gained market share and ended in double-digit sales growth.

Second is: we are behind our sales target for Comfy. So, what are the challenges we are facing currently?

Third, our women's hygiene business is now ₹ 70 crore plus, so are we planning to install our own capacity next one 1-2 years? Last time, you said once we have reached ₹100 crore, and what is the current status? The next is what are the new products we launched last year and also give some light on the product we plan to launch in FY2024 in the pharma and OTC category.

How much dental gel contributed to our revenue in FY 2023? Any capex plan for the next 2-3 years? Please give geography-wise sales distribution. What are the steps we have taken against whistle-blowers? Our Electro Plus sales were marginally down last year as we had also cut down our advertising expenses. So, I just wanted to understand our strategy going forward. Thank you.

**Chairman**

Next is Mr. Abhishek Chennai.

**Abhishek**

Sir, my name is Abhishek Jai, Company's shareholder my DP ID is IN301637, and Client ID is 41359155. So first of all, I congratulate the management on the eve of the Annual General Body meeting. Trust all is well with you and your family in this challenging situation.

Our Company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend history, and becoming one of the strongest brands in our respective segment.

I would like to know as of this date, how many employees are there in our Company. The Company's shareholders have been seeking for a factory visit or plant visit for the past several years, but the management has not taken a call to arrange for the plant visit. So, I would request the management to finally take up the call this year and arrange for a plant visit for the investor fraternity in the year.

Then what are the steps being taken by the management to reduce other expenses, legal, chartered accountant and audit fees? My team and I are running a little firm in Chennai please get us empanelled in the Company, and we will be keen to extend our services.

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On the NSDL portal, we are supposed to update the inspection of documents like the register of members, register of KMP and register of contracts if any, but unfortunately, we have not updated the same for the inspection of members and I will request the management to kindly consider hybrid AGMs in the years to come, which will enable more number of participants to join you in physical as well as virtual because of the digital challenge on this platform most of the shareholders are not able to join. So, if it's the hybrid mode, local shareholders can join physically and Pan India shareholders can join you virtually. Then nothing much to ask.

The Company follows very good corporate governance, and the Company has an excellent whistleblower mechanism policy. We appreciate the Company Secretary for their sincere efforts and brilliant management in bringing the Company to this level of excellence and rewarding the minority shareholders. There's not much to ask. I hope that physical AGMs will be conducted over the years to come, and hybrid AGMs will be conducted.

I thank the Company Secretary and their entire team for sending us the link well in advance and making this annual general body meeting a success.

Mr P Jaichand, who is the subsequent speaker, because of a technical problem he is not able to join. So, kindly allow him to join through the same device. I thank the management for giving me this opportunity. Now P. Jaichand will join from the same device.

**P. Jaichand**

Sir, I am P. Jaichand. My DP ID is IN3316374119143. Good morning respected Chairman, Board of Directors, Secretary, his team and my fellow shareholders. I congratulate the management on the eve of the 86<sup>th</sup> AGM. Our company is performing well. Corporate Governance is good, and CSR activities are good. Sir, what are the expansion and future plans? I request the management to consider a bonus issue to reward the shareholders. That total Amrutanjan share price will be ₹630. It is one of the top household products all over India. Then, the only grievance of shareholders is expecting better dividends and appreciation of share price. I hope our Company will grow and touch higher sky high. Our Company stood the the pandemic situation very well. My entire family members are proud shareholders of this Company from the date of IPO. I support the management. I have cast all the votes in favour. I thank the management for giving me the opportunity. Thank you, Sir.

**Chairman**

Next is Mr. Gopal P. from Chennai.

**Karthik**

Sir, Mr. Gopal P has not joined.

**Chairman**

Next is Mr. Padmanaban S from Chennai.

**Karthik**

No, Sir, he also has not joined.

**Chairman**

Next is Mr Prakash Chand galada from Chennai.

**Karthik-** He is available.

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**Prakash Chand Galada**

Good morning to the management and all the shareholders, as requested, we would like to have a hybrid meeting and thank you for the buyback, which came as a surprise to us, but we hope that the same will continue over the years. Regarding the factory visit, yes, we definitely want and hope you will reward the shareholders who have attended this AGM with the hospitality from your side. Thank you very much.

**Chairman**

Next is Mr A.V. Manisundaram from Salem.

**Karthik**

Mr. A.V. Manisundram has not joined.

**Chairman**

Next is Mr Bharat Raj K from Hyderabad.

**Karthik**

He is available.

**Bharat Raj K**

Very good morning, Chairman, Sir. I am Bharat Raj, calling from Hyderabad. Our performance in this financial year is very good. Sir, you are always with your words. There is no question to raise because everybody has raised the questions. There is one request. For the past three years, I have requested a plant visit, and you already promised me, and you said differently Bharat we will arrange it. Those words have not been fulfilled. My Company Secretary in-time sent me the annual report, he is always accessible. Mr Srinivas, he is very humble and patient. Thanks to the Secretarial Service, Chairman, Sir. In this festive season, Sir, please send dry fruit, and sweets to shareholders, Sir. We will also celebrate the happiness and success of our Company. Once again best wishes to you, and all the best for the coming years. God bless you all.

**Chairman**

Next is Mr Yusuf Yunus Rangwala from Mumbai.

**Karthik**

Sir we have not gotten a call back from him. So, we can move further.

**Chairman**

Is Mr. Saraf there? Did he already speak, earlier, he couldn't join. He has raised his hand.

**Santosh Kumar Saraf-** *Manniya sabhapati ji, upshthit nirdeshak mandal ke sadhsyagan, अधिकारिगण aur mere shareholder bhai-behno, jo aaj hum video call meeting ke through present hain, mein Santosh Kumar Saraf, Kolkata se aap sabhi ko namaskar karta hoon. Asha karta hoon aap jitne bhi Director hain, jitne bhi अधिकारी hain, jitne bhi karamchari hain, ache swasathay main honge, main un karamchaario ka bhi aabhar prakhat karta hoon, jo hamari factory mein kaam karte hain aur apni mehnat ka fal humein result ke roop mein aaj dkehne ko milta hain. Bhaiyo or Beheno ka bhi aabhaar prakhat karta hoon jinki mehnat ka fal hain aaj hamari Company ne ₹4.60 dividend diya. Main aapse janna chahunga ki iss saal humari income kamti rahi, uska kya kaaran hain? Aur ek Sir aapka maine jo insurance ka sector hain well being mein ek cheez dekha wahan aapne paternity benefit apne male employee ko nahi provide ki, kya kaaran hai? Maternity benefit aapne provide ki hai but paternity benefit aapne*

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*provide nahi ki hai. Jabki as per rule unko provide karna chahiye tha, iske baarein mein zarur vichar kariyega or bataiyega, Sir. Aapke yahan jo female employee ki sankhya kaafi kam hain, uske baarein mein bataiye? Aur aapne ek jagah highlight mein likha hain ki aapke pass total 572 employee hain, ye aapne family's highlights jo page no-7 mein 572 likha hain lekin main jab aapke employee ki sankhya dekhta hoon toh wahan mereko 572 se zyada lagte hain kyunki aapke 449 permanent employee hain aur uske baad main agar joddu toh 20 employee ko, toh sab mila kr kareeban zyada hote hian. 572 ka jo figure hain ye mil nahi raha hai. Iske baare mein Secretarial zarur clarify karnege sir. Aur main humare Secretary, Srinivasan or unki team ka aabhar prakhat karta hoon, Sudarshan ka bhi, kaafi achi service hain. Dhyan rakhte hain humare jaise shareholders se. Phone karte hain khud ki aapko link mila, join karne ka hai, aapka serial number itna hain toh unki lambi umar ki kaamana karta hoon aur Bhagwan se prathana karta hoon ki unki lambi umar ho. Main apne moderator Karthik ka aabhar prakhat karta hoon, unki service ke lie, har shareholder ka khayal rakhte hain aur sabko mauka dete hain. Zyada main time ni lunga, ye hain ki agle saal aap VC meeting rakhiyega, aur agar physical rakhenge to shayad hum aapke darshan bhi kar sakege or humare karamchari bhai jo factory mein kaam kar rahe hain unke ache kaam ke prati hum apna aabhar prakhat ni kar sakege. Unki mehnat ka fal hain ki aaj humein awards or rewards mil rahe hain sir. Unka aabhar prakhat karne ka zarur mauka dijiyega, physical meeting karte hain toh sir hybrid ka samavesh kariyega jisse hum hybrid ke madhyam se join kar sakege aur mujhe purn vishwas hain ki jo Karthik hain, CSDL ke ye physical ke saath hybrid ka maintenance bahut acha karege. Main jitne bhi Director hain, jitne bhi adhikari hain, jitne bhi karamchari hain un sabhi ko financial year 2023-2024 ki shubhkamana deta hoon aur bhagwan se prathna karta hoon bhagwan FY 2023-2024 aap sabhi ke liye aur aapke parivar ke lie healthy, wealthy, prosperity ke saath vyatit ho. Namaskar, Jai Hind, Jai Bharat.*

**Chairman**

Thank you. I think with Mr. Saraf's speech, we are done with all the questions from registered speakers. There is no more left, right Mr Karthik?

**Karthik**

Yes, sir, no more left. We can continue. Yusuf has lined in again, Sir. Should I allow him again?

**Chairman**

We already spoke to him, right? With Yusuf, we have not spoken. Please let him join,

**Yusuf Yunus Rangwala**

Good morning, Sir. *Vanakkam, sir main Madras mein born hua tha.* This is a very excellent Company, I am very proud to be a shareholder. You actually declared a bonus twice about two years back. That's a very fantastic and handsome return to us. *Market mein apna rate fantastic hain Sir.* Nobody can beat us. One question, Patanjali and apne mein kya competition hain, I would love to know. The same product they are also benefitting, we are also. The same question is for Emami. I would love to know about two companies Sir. What competition are we facing with these two companies? I also request to show I am coming to Madras on the 6<sup>th</sup>. Can I come to the office? You can arrange your sample product for me. I stay near the station, how far is the office? Can you arrange for some people to come and meet me at Madras Station, if possible, for you, you can send a product to meet at the station, this is my request. How big is our factory? I would like to know. *Factory durr hai Sir ki nazdeek hai Sir?*

**Chairman**

Railway station se kaafi durr hain hai Sir. You can come to the corporate office; we will meet you there.

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### **Yusuf Yunus Rangwala**

Sir, can you send me a product at your office Sir. I came to know previously. *Jab physical meeting mein aap dete the, pura gift hamper banake. Humein bhi dijiye na Sir. Aap factory visit karaiye Sir, Bombay se humein bulaiye. Aapka Bombay side mein koi factory hain sir main janna chahta hoon? Aur aapke baarein mein kya kehna, aapne mujhe chance diya sir uske lie koti koti pranam. Ganesh Chaturthi ki bahut saari shubhkamanayein, aur koi question nahi hai. Dividend to aapne chappar faad ke diya hain, very excellent, Sir. Vanakkam, Sir. Thank you.*

### **Chairman**

I think with that, I will run through the excellent questions that were asked. Firstly, on the regulatory side, of insider trading, we are using vigilance software applied by Cameo Corporate Services, and we are complying with all insider trading regulations. Somebody asked about our physical shareholding. We have around 2.5%, details of which are given on page 83 of the Annual report. Regarding the inspection of documents, I read at the beginning of the speech itself that whatever documents you want can be obtained through email and connected to the company secretary.

Now, coming to female employees, we are very progressive. *Humne sales mein bhi female employees ko hire kiya hai. We are one of the few companies even in frontline sales we have some female employees, not a lot but yes and also if you see our management team even on Board now, with the coming of Ms. Rama, we have almost 30% Board of Directors as female and then even in the factory we have female and even HOD level, company brand manager, for example, many people, so while the numbers don't show it. We have long way to go, but we are very progressive in that thinking so we will definitely improve on that.*

Now, coming to the factory visit, I think people are asking many times, we will organize something in Hyderabad and Chennai, where the two factories are. We have no factory in Mumbai. We will do it properly; we will discuss this with the Company Secretary and come back to you.

Coming to some specific business questions, the first gentleman Mr. Balaji asked what gives you the confidence to get ₹1000 crores. For example let's take Electro Plus, this drink if you see IKREA it doesn't just treat it as an ORS drink, it treats it in a bigger space i.e., vitamins and minerals space. So, we have large categories we are playing with, and we also going to launch no-sugar drinks.

Now, we are expanding distribution of our balms into Maharashtra. Comfy is doing exceedingly well in UP. To give you an example, Sir, the entire company was doing ₹2 crore sale, now Comfy alone is doing ₹2 crore sales a month in U.P, so U.P and North.

We are expanding into parts of India where we are not been. We have been number one in our balm market share in the south and east, but the west and north are where we are going to experiment with the Amrutanjan brand.

And sanitary napkins of course; as one of our Board Directors, Raja also said recently, it will be bigger than the balm business. In the next 7-8 years, we will become almost close to ₹100 crores, and we only have 4% market share. So, we have a huge growth opportunity there. There are a lot of exciting categories that will definitely take us to that number. He also asked for direct reach, what is the medium target? So, distribution, as we know, Sir, is very costly.

So having direct sales force, almost 50% of our employee cost of sales today, you know, including ISR and casual labour. So, we have added a lot of indirect sales force also. So, I think the reach we have is sufficient. We want to expand our indirect reach by creating more demand, and wholesale is still the driver of large revenue in Indian FMCG as we all know.

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So, we will continue to do direct and indirect. One of the major benefits of SAP, sir, is the FICO module audit trail, which is why the auditors are also pushing for it along with our CFO. So, this audit trail now controls PR and PO, as I explained earlier. After the whistleblower, we have improved those controls. One of the major improvements, as you know, we are three manufacturing facilities and earlier we could never run, you know, MRP, planning in production. So now MRP is being run in SAP. So, our inventory levels will be optimized. That's the SAP benefit. Also, various reports SAP has a very good theory reporting module. So, our sales system everything is connected now to SAP. As I explained to you, Amruta, our BI intelligent dashboard, is also working together. So, SAP will have great advancements in getting ROI, and a lot of freight and transport, which is done manually now, will be done through SAP very shortly. So, in the coming years, there will be more to speak about.

As far as employees go, somebody asked how many employees. One of you actually answered the question, we have 572 employees. But at any given time, we are 1000 employees, because we have large casual labour and casual salesforce. So, at any given time, really, we are 1000 employees that stay consistent. And then, for advertising effectiveness, you talk to the best team advertising brains in the world. Nobody can really measure advertising. You can only see brand equity growth and sales growth or medium to long term. So, after every campaign, we do a brand equity study through the Nielsen brand Track study, where we measure customer satisfaction advertising effectiveness in terms of impact scores and when we measure top-of-mind, spontaneous and other measurements, so we do standard benchmarking studies. And that's how we measure, and we also do standard benchmarking studies and that is how we measure. We also do informal studies, voice of sales, every week I and the top management team, speak to 100 salespeople. We also meet retail. So, it's all done collectively. That's how we measure advertising effectiveness.

And then new products, Mr Ishant Thakkar had already sent his questions in advance. There is no market share loss for Amrutanjan. Let me tell you, our main competitor is the Emami group. If you see the last 8-9 quarters, our market share after COVID has hardly fallen. So, we are very consistent because we have products like roll-on and sprays that are also contributing to the small drop in the pain balm business. So, we have maintained the market share and yes, we are going to put up a sanitary napkin plant once I get the approval from the Board. I will be meeting the Board on this very shortly. And definitely there will be big CAPEX coming this year and then new products. I have explained to you in my presentation that 41% of sales today is new product. So, they will continue to be the engine of growth, and new products also mean line extensions in the core pain business. So, some of them are products that are old and not focused on that are growing now head roll-on brand used to be only ₹4 crore core brand, now it's a ₹40 crore brand. So, these are all drivers of growth, but large consumer tends of preventive health, immunity, and wellness are all the pillars on which Amrutanjan's future business is being built and we will continue to see big progress in that.

With that, I have answered all the questions. I would like to thank all of you for coming today and patiently listening to us and thanks to the board for guidance and also looking forward to building a great Company in years to come and also creating shareholder wealth. Thank you very much.

**M. Srinivasan (Company Secretary)** - Thank you, Sir.

**Karthik**- With the permission of the Chairperson, we are concluding this meeting. Thank you all for joining. Have a good day. Thank you.