

AMRUTANJAN HEALTH CARE LIMITED

85<sup>TH</sup> ANNUAL GENERAL MEETING – 22<sup>ND</sup> SEPTEMBER, 2022

## Transcript

### Chairman

Good morning, members. This is Shambhu Prasad, Chairman and Managing Director of Amrutanjan Healthcare Limited.

I have great pleasure in extending warm welcome to the 85<sup>th</sup> AGM being held through video conference. The facility for joining the meeting through video conference is made available for all shareholders on first come first serve basis.

As of now, we have 45 shareholders joined through video conferencing. So, we have the required quorum. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by the MCA/SEBI.

Now I will introduce the eminent board.

We have Mr. Raghavan, Chairman of the Remuneration Committee, Mr. Raja Venkatraman, Chairman of the Audit committee, Dr. P S N Murthi, Mr. S Muralidharan, Chairman of the Stakeholders Relationship Committee, Dr. Vydeeswaran Sambasivam, Chairman of the CSR committee. He will be retiring at the end of this AGM after giving us 2 terms of service. Thank you, Dr. Vydeeswaran.

We have Madam Dr. Shiranee Pereira, also retiring at this AGM again after 10 years in 2 terms. Thank you again, Dr. Shiranee Pereira for your service.

Now I would like to introduce our new independent director, Ms. Meenalochani Raghunathan. Background of Ms. Raghunathan has been given in the annual report to shareholders but to give you briefly, she comes from great experience having served 35 years on various boards and the GMR Group. She handled large scale CSR projects. She's very passionate about rural education, nutrition and, she recently published a book which is doing good, navigating the CSR world in India. She'll be adding a lot of value to us in organization building and probably helping us grow brand comfy through rural.

The Statutory Auditors and Secretarial Auditors are also present at the meeting.

The company has appointed Mr. P Sriram, Practicing Company Secretary, as a Scrutinizer to scrutinize the voting process. Shareholder desirous of inspecting the documents referred to in the notice may send their request to the email ID [shares@amrutanjan.com](mailto:shares@amrutanjan.com).

Now I will share my presentation, which we give every year. Those of you who've been following our company for last decade know that we have been presenting this to the shareholders and the structure remains the same.

It's divided into 4 parts, the background of the company, our business, financials and also wealth creation that this company has given over the decades to the shareholders.

Here's a brief history for those of you who don't know about the company. We are very value driven, 130 year old organization.

Values percolate from the board down below to all aspects and all facets and all levels of employees and all practices are ethically driven. Ours is a purpose driven company.

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As you know, because of value driven company, we have a brand manifesto. this is something that we we follow very strictly.

A brief overview. Company was founded in 1893 through the Amrutanjan Pain Balm and went public in 1936. Founder Dessodharaka Nageswararao Pantulu Garu is very well-known freedom fighter, philanthropist, literature. The Pioneer in businesses in South India.

One of the few pain balms in India which are century old probably even in the world you can say that. Still remains, you know very financially viable with the same family that founded it.

Amrutanjan brand now sold in more variants, as we all know.

We're the first company to launch a pain balm in a sachet to serve the masses, and it remains at the same price part.

Also we are the first company to drive into pain management services with the Pain clinic in India in Chennai.

In 2013, we launched brand Comfy in the women's Hygiene space.

Today the brand is Rs. 70 crores organically built Brand will soon touch Rs. 100 crores. We are very positive about this brand.

Amrutanjan is placed at 664 out of 1000 publicly traded companies as per latest NSE listing.

Some key highlights our distribution that many of you ask.

We reach almost 1.2 million outlets and also we have almost number one market share in modern format stores and also ecommerce. Flipkart and Amazon are some of the sites where we are doing business.

We have a Direct distribution through our large sales force of 360,000 outlets, we have distributor presence in 19 countries.

Last fiscal year our registered sale is Rs. 456 crores and new product sales is 35% which is one of the silent accomplishment of the team.

And one more information that many of you don't know, maybe we are in the top 20 OTC companies in India and we also are very close to entering top 100 FMCG companies in India once we cross the 500 crore barrier.

Just a background about the founder and some of the oldest ads.

So here comes the business part of the presentation. How was the growth in last 10 years? I think we have very consistent growth from almost 4 times since 2013.

OTC business is driving that growth. The balance is from beverages you know.

This is the purpose and the system and process driven company. Consumer is at the apex, the forefront of all our innovations and all over strategies.

So keep the consumer happy and that's what we do. We want to be a marketing and consumer driven company.

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These are the various segments as you all know head, body congestion, health and hygiene, Women's hygiene and the beverages, Electro+ drinks, ORS drinks is doing very well.

And some of the other brands that we focused on. Amrutanjan brand now is 347 crore brand. So that contains the head and body business. Comfy is almost 70 crore brand and within the Amrutanjan brand, the head roll on is almost 40 crore brand last year and we'll be poised to do very well this year also. Electro plus innovation, the ORS drink the first ORS drink in India in a pet bottle. That's something well accepted by consumers.

Then we have a new launch, I think some of you sent questions about what launches we had last year.

One of the successful launches was a variant of Comfy in a Cottony format. The original Comfy was in a dry format.

This is Cottony and well liked in hotter states like Tamil Nadu. Women are liking this because I think it produces less rashes. It's more skin friendly.

Then we have another launch - dental pain gel.

Then we signed on, you know our Patriots and champions who made India proud in Tokyo Olympics, Mirabai Chanu and Bajrang Punia. We made ads with them and were very well-liked ads went viral on digital source.

Just to give a breakup of various segments and where they stand, the headache management has had a clock sale of 289 crores last year, women hygiene almost 70 crores, the body management has done well thanks to the body roll on another innovation of Amrutanjan and of course beverages fruitnik and ORS drink and congestion management would be a big thrust for us this year.

And some of the comparison of growth of various segments, head, body, congestion, and beverages and of course, women hygiene.

So growth of the Comfy brand over the last 3 years from 40 to 70 crores. And of course, ORS had extraordinary growth from almost 8 crores to 30 crores and that's still not even skimming the surface, as they say, because it's still only, reached 40-50,000 medical shops, whereas our coverage itself is 1.2 lakh medical shops and the grocers and modern trade so we have a long runway here.

The format being a very well liked and accepted among consumers.

Exports is another area, that's done well, but largely through Uganda and Africa, East Africa, where there's still a lot of scope to improve here. We are working on that.

And e-com is another big vertical for us that's organically built. We almost doubled sale last year mainly through Flipkart. Company doing extremely well in Flipkart and of course netmeds and pharma easy for our pain business. And we also further working with Jio Mart and other leading players.

As we all know that we also have launched our own website, [www.amrutanjan.com](http://www.amrutanjan.com) and Comfy app and other innovations. These are continuously going to be driven in digital marketing is one big difference.

Coming to financials.

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We already shared everything. You know even after COVID we have grown by double digit and top line by 24%. We are very proud of that and we'll continue to build into the future.

There is profit after tax and we are cash rich company, no debt, we're building businesses from scratch. We'll take time to scale, but we're very proud that we are driving the organization teaching these skills, new skills for the company and that's very important.

Investors delight.

You know, our presentations may be simple, but they mean they have a lot of value. Annual report has value because it's a real cash rich company built overtime with hard work and sweat and we're very grounded and we want to execute, focus on execution.

Here's some of the data that we always share with proudly. CAGR growth of sales last 5 years - 14%, profits at 21. Dividend growth, you know, market cap growth tremendous. Almost a multibagger stock, you can call it.

We have beaten the nifty and you know BSE index also by a wide margin.

Key financial ratios. Some of you have asked in the past. ROC very healthy, we can see from 20 to almost 33% no debt and steady growth in enterprise value, almost 3 times growth.

We've given Dividend, you know we have a clearly stated policy for a much smaller company. We have boldly put out a Dividend policy and we've been maintaining it, so something we are very proud of.

And of course, shareholder return whereas bonus and splits over the years. In 1981 to 2022 CAGR has been 22% in terms of what shareholders would have had if they held Amrutanjan's stock since then, so tremendous 4000 rupee then would have even tremendous value today.

That's the presentation.

Thank you for your time.

The notice for AGM and the Audited financials has been sent to the members through email on 26th August 2022.

I request Shareholders to take the notice of the AGM as read. Members may please note that the Statutory Auditors and Secretarial Auditors have not made any qualifications, observations, remarks for the year ending March 2022. Hence, I request the Members to take the Auditors report is read.

The company has provided remote e-voting facility for Shareholders to cast their votes electronically in all resolutions set forth in the notice. This was closed on 20<sup>th</sup> September 2022 at 5:00 PM.

Shareholders who have not cast their vote yet and are participating in this meeting may cast their votes during the meeting through e-voting system provided by CDSL.

Before I open the floor for questions, this year we have 21, so each would get 3 minutes.

Please value the time of others so everybody can ask their questions and we will answer all questions in the end, thank you very much. Thank you.

First speaker is Mr. Praful Chavda from Hyderabad. Serial number one.

**Mr. Praful**

Hello. आवाज़ आ रही है ? Yeah we can. सर वीडियो ओपन हो रहा है या नहीं हो रहा है ? वीडियो ऑन नहीं है।

Ok sir. Please go on.

Chairman sir, Board of Directors आज मुझे कंपनी का 85 AGM अटेंड करने में खुसी हो रही है। और प्राउड हो रहा है की कंपनी देश आज़ाद होने से पहले से है। और आज तक चलती आ रही है और पुरे वर्ल्ड में ब्रांड नाम कमाया। मेने देखा है सर में अभी 69 इयर्स का हूँ पण बचपन से लेके कमसेकम २५-३० साल तक देखा है की एक ही ब्रांड चलती थी Amrutanjan. कोई भी बीमारी है छोटी मोटी बीमारी है घर में इलाज करना है तो अमृतांजन। १-२ आइटम आती थी तो हम उसको लाइक करते थे और एक ही कलर आज भी same बोटल same कलर यानि की ८५ इयर्स से जो कंपनी क्वालिटी मेन्टेन करती आ रही है और साइज भी मेन्टेन करती आ रही है उसके लिए धन्यवाद देता हूँ। कंपनी का accounts के बारे में मे कुछ बात करना नहीं चाहता हूँ। आपके पास बहुत सारे CA है, MBA है, और डिपार्टमेंट के लोग भी देखते है accounts के बारे में तो उसके बारे में नहीं बात करता हूँ। एक ही बात करता हूँ अभी और प्रोडक्ट्स लाइए सर। ब्रांड नाम का बेनिफिट उठाइये। ज्यादा से ज्यादा बेनिफिट उठाइये। जो ब्रांड प्रोडक्ट अपने पास नहीं है वैसे प्रोडक्ट लाके भी बेनिफिट उठाना चाहिए। Amrutanjan is a very good brand sir. धन्यवाद सर। Thank You.

**Chairman**

Thank you. Thank you Mr. Chavda. Thanks for the suggestion. Thank you for compliments. The next is Mr. Santosh Kumar Saraf. Serial number 2 from Kolkata.

**Mr. Saraf**

हेलो माननीय अध्यक्ष जी उपस्थित अधिकारी गण और मेरे शेयरहोल्डर भाइयों बहनों। जो आज हम वीडियो कॉन्फ्रेंस की वजह से मैं संतोष कुमार सराफ कोलकाता का रहने वाला आज बेंगलुरु से आप सभी को नमस्कार करता हूँ। आशा करता हूँ आप जितने भी डायरेक्टर गण जितने भी अधिकारी गण है इस समय स्वस्थ और सुरक्षित होंगे सर। सर कंपनी के बारे में क्या कहे कंपनी तो बहुत अच्छा दे रही है। अभी आपने बताया कि जिनके 1982 के अंदर 64 शेयर थे आज 13000 जितने करोगे तो आप मल्टिप्लाई तो कर, मैं उस समय पता नहीं था। हम लोग यंग थे इसलिए पता नहीं था वरना आज भी हम करोड़पति आपकी छत्रछाया में हो जाते। सर मैं ज्यादा प्रश्न नहीं पूछूंगा। कंपनी इतना अच्छा परफॉर्म कर रही है और बीच में कुछ कुछ बोनस मिल जाता है तो तो इस बार ध्यान रखिएगा सर! और सर मैं यह जानना चाहता हूँ कि अपने सीएसआर का एक्सपेंस जो करता है और फायर सेफ्टी के लिए और एनर्जी के लिए जिसकी ऑडिट नहीं है क्यों? क्योंकि सीएसआर एक्टिविटी में क्या होता है। कई बार सर गलत काम भी होता है सर! इसलिए उसकी ऑडिट जरूर करवानी चाहिए। आप यह पैसा जो दे रहे हैं शेयरहोल्डरका यह ठीक यूटिलाइज हो रहा है कि नहीं हो रहा है और फायर सेफ्टी और एनर्जी भी ऑडिट करवाइए सर! एक सर फीमेल एंप्लॉय की संख्या बढ़ाई है। अभी मोदी जी ने चेष्टा की की फीमेल को ज्यादा से ज्यादा एंपावरमेंट किया जाए। उसके लिए उन्होंने प्रेसिडेंट भी फीमेल बनाया और फाइनेंस मिनिस्टर भी फीमेल है। ऐसे तो आपको मालूम है। अब तो खेलकूद में ध्यान रखते हैं कि अभी वुमन एथलीट जेंट्स से ज्यादा मेडल लाए। और सर आपने पढ़ाई के अंदर में भी लड़कों को पछाड़कर वुमन ज्यादा मतलब यह कह रहा हूँ कि वुमन कोई दायित्व दिया जाए तो वह पूरा करती है और सक्सेसफुली करती है सर! 1 सर रेन वॉटर हार्वेस्टिंग के लिए आप ने क्या कदम उठाए? रिन्यूएबल एनर्जी के लिए क्या कदम उठाए और? और पहले अपने सिंगल यूज प्लास्टिक के लिए अपनी पैकिंग में यूज होते थे उनका अल्टरनेट में आप ने क्या कदम उठाए? उसके बारे में बताइए सर और सर जा

मैं ज्यादा कुछ नहीं कहूंगा सर! मैं आपकी तरफ से जितने भी कर्मचारी है जितने भी भाई बंधू है वीडियो कांफ्रेंस में प्रेजेंट है उनको हाथ जोड़कर रिक्वेस्ट करता हूँ कि आप बूस्टर डोज जरूर लीजिए। मैं इसलिए कह रहा हूँ कि मैंने भी बूस्टर लोन लेने के बाद मुझे covid हुआ था। इसके बाद फायदा यह हुआ कि मैं घर गया ऑर्डिनरी दवाई लेकर मैं स्वस्थ हो गया था। कोविड-19 का उसकी गारंटी नहीं है, लेकिन होगा तो इसकी गारंटी है कि आप बहुत सीरियस नहीं होगा घर की दवाई लेने से और जो बाम हमारा है सर्दी, जुम्मा, सर्दी, जुकाम इत्यादि के लिए इसका भी यूज कर सकते हो, स्वस्थ हो जाएंगे। सर और ज्यादा समय नहीं लेता हूँ मैं सर आप से रिक्वेस्ट है कि वीसी मीटिंग काफी अच्छी होती है सर अभी हैदराबाद से ज्वाइन किया। मैं कोलकाता से रहने वाला आज मैं बेंगलुरु से ज्वाइन हो रहा हूँ। तो VC मीटिंग फ्यूचर में रखे सर। अगर आप चेन्नई में फिजिकल मीटिंग करता है तो उसके हिसाब से 10 15 20 मिनट में रिक्वेस्ट करूंगा। हाइब्रिड मीटिंग जरूर रखिए। अपने को चेंज करना है सर! पहले नगदी लेकर हम अमृतांजन लेने के लिए जाते थे। आज आम वैलेट लेकर अमृतांजन लेकर जाने हैं और पंच करके रुपए ट्रांसफर कर कर इसीलिए मैं चाहूंगा। और ज्यादा समय न लेते हुए आप जितने भी हमारे डायरेक्टर है जितने भी अधिकारी करने और जितने भी हमारे कर्मचारी और भाई बंधुओं आज वीडियो कॉन्फ्रेंसिंग के थ्रू प्रेजेंट है उनके और उनके परिवार की लंबी उम्र की कामना करता हूँ और भगवान से प्रार्थना करता हूँ। भगवान फाइनेंसियल रिजल्ट 22-23 आप सभी के लिए wealthy, healthy, prosperity एंड safety के साथ व्यतीत हो और हमारी कंपनी भी इस दौरान काफी प्रगति करें। एक में सेक्रेटेरियल टीम को धन्यवाद देता हूँ। सर उन्होंने पहले इंफॉर्मेशन कर दिया कि आपका दो नंबर है।

So sir requested to please restrict your questions.

लास्ट लाइन लास्ट लाइन है सर सेक्रेटरी टीम को धन्यवाद करता हूँ और हमारे मॉडरेटर कार्तिक को भी धन्यवाद करता हूँ। उनकी सर्विस काफी अच्छी है। ओर भगवान इन दोनों को भी लंबी उम्र प्राप्त करें नमस्कार!

#### **Chairman**

Thank you Mr. Santosh Kumar Saraf sir. Thank you sir. We'll answer your questions in the end. Next serial number 3. Mr. Rohit Balakrishna from Delhi.

#### **Mr. Rohit**

Yes, Sir. Good afternoon and thank you for the opportunity. At the offset I would like to congratulate the board and the management team for you know, good execution over the last few years.

So I have around 7 to 8 questions, so probably I'll just get right into it.

So my first question is, you know What are the, what are the companies plans to increase sales you know in the Western and northern part of India and are there any new states we are targeting?

And we have also stated that, you know our goal, our goal our internal goal is to reach 1000 crore in revenue.

So in this town, all of this 1000 crores, what is the kind of sales makes you envision from pain management, Comfy and beverages and also is there like an internal target timeline to achieve this?

Also, I mean we have put out a new vision statement I guess about you know achieving a 33% CAGR growth. So is this like aspirational or is there a specific plan behind this?

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Also I just wanted to know on the, you know, whether the gross and EBITDA margins for Comfy is similar to the company level margins, maybe you know the other segment it will also be helpful if we could list out the margins EBITDA margin separately for pain management, comfy and beverages and whether you know the what the margin level will be going forward?

Also we spoke about you know, our opportunity in the export market. So do we have a, you know, a vision or strategy to take this to maybe 50 crores or 100 crores in the year in the medium term?

Also we have been you know speaking about bringing the manufacturing of sanitary napkins in House. So just wanted to know where are we, I mean why are we, are we going to do this in the near future and what the related Cpaex would be.

And yeah and yeah, yeah. And also you had listed with the new products launched recently. So could you also explain what the new products in the pipeline are and when, you know, may we have been talking about menstrual cups for a while now also you know when these products will be launched?

And in the Beverages segment, if you could just lay out a strategy are we you know looking to expand the beverages segment?

And finally just on the near term demand environment. I mean the demand seems to be subdued especially in the pain management segment as seen in Q1 results.

So how do you see this play out in the maybe in FY23? So that is all from my side. Thank you so much.

**Chairman**

Thank you very much. Very great Questions. We'll answer them one by one. Thank you. Next Sir Mr.

S Gowri Shankar, serial number 4 from Chennai.

**Mr. Shankar**

Hello. Yes, Sir.

Sir, good morning, Sir. Good morning to everyone on the Board.

I first congratulate you on your excellent performance, as you are not breaking our expectations.

Now, one thing, Sir. After the outbreak of the pandemic What steps we have March ahead like, you know, many of the people are there testified that this Amrutanjan has helped them the very great extent even in avoid in covid.

I have couple of friends who say the night time they used to keep that tube Amrutanjan tube or the bottle with them just smell it so that they are totally protected. That is the case really I want to experience it. It's very affecting. It's my personal experience and I've got testimonies also to that extent.

Keeping this in mind It's still Omicron and various variants are coming. Do you have any strategy of introducing any particular sort of preventative or curative Medicine which will go a long way not only in India but globally. You have anything. Why not you your R&D can do something on that.

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And maybe even some of the existing units you may takeover also. So that it will not be a new venture you can, it will be ongoing thing you can continue to carry out. Further also if you, you know our company is very cash rich we can or even if you plan to have any right issue at a very reasonable premiums we are delight. We'll be delight to subscribe to the same.

Because that will also help you on having your research budget so much better extent and page number 2 only required it's an every parameter has increased except one parameter that is share capital. It's a burning issue. The bonus issue. The bonding issue. Chairman. Right from their day you took over as chairman of this company you know in person the person making so many meetings are requested, not only many shareholders are very interested shown but you have very you know, responded saying Yes, in due time the board is very expensive the matter will very soon coming to you. And it's more than a decade or decade and a half Why don't you speak somebody majority remaining silent, silent?

Please speak something on that. You know they're going to give a right issue.

We are also Part of the Management in maybe not being functioning, but at least in in morally supporting you because we are very have been saving right to 30 more than 30 years they have been with you. So please kindly speak your mind on that. OK. Thank you. That's all.

**Chairman**

Thank you, Mr. Gowri Shankar. We'll answer your queries very soon. Thank you, Sir. Thanks for great suggestion. Next to Mr. Suresh Chand Jain. Serial number 5 from Hyderabad.

**Mr. Suresh**

Hello. आवाज़ आ रहा है सर ? हा। Chairman Sir.

आदरणीय चेयरमैन सर उपस्थित सभी डायरेक्टर गण और शेयरहोल्डर साथियों सर मैं हैदराबाद से सुरेश चंद जैन बात कर रहा हूँ। आपने जो कंपनी के 85 इयर्स का जो की रूपरेखा जो हमारे सामने रखें। आपने हमें जानकारी दी उसके लिए आपको तथा आपके टीम को बहुत धन्यवाद देता हूँ। सर और मुझे ज्यादा कुछ नहीं पूछने का है क्योंकि आपके पास ऑडिटर एक से बढ़कर एक लोग हैं। इसलिए ज्यादा मैं क्वेश्चन नहीं करना चाहता हूँ आपके कंपनी के अंदर कार्य कर रहे हैं, हमें खुशी है। और ऑल रेगुलेशन को मैं सपोर्ट कर रहा हूँ।

सर कमल किशोर जी बात करना सर मैं कमल किशोर बोल रहा हूँ। फ्रॉम हैदराबाद आपकी कंपनी बहुत अच्छी है। सर हमारे को हमेशा डिविडेंड मिलता है। सेक्रेटरी डिपार्टमेंट ने हमारे को लिंक भी दिया था। मेरा आठवां नंबर है सर!

मैं इसमें ही बात कर रहा हूँ और आगे सर दीपावली दशहरा की शुभकामना देता हूँ। सेक्रेटरी डिपार्टमेंट वेरी नाइस एंड सर हम कभी भी हमको कुछ प्रॉब्लम है सेम डे मेरे को आंसर मिल जाता है और हमारे डायरेक्टर चेयरमैन साहब आज यह कंपनी जो हमारे पुराने जमाने में अमृतांजन मशहूर था तब आज भी वह हम यूज करते हैं आज भी नाम नहीं भूले थैंक यू सर!

Thank you, Sir.

**Chairman**



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Thank you, Sir. Thank you. OK. Next I think Number serial number 6, Mr. Siva Kumar Dilip Sharla, Hyderabad.

**Mr. Siva**

Hello. Yes Mr. Siva Kumar please sir. Hello, Mr. Siva Kumar. Hello. Namaskar sir. Please go ahead.

First of all Namaskar to each and everyone of you and the shareholder and everybody. I'm Siva Kumar from Hyderabad.

I'm a resent shareholder in terms of having joined the company. I in fact because the more open emotionally by rather than a market position. But I'm very happy with my decision.

Now we're coming to my query. Sir I have this query, Are we are going into any Preventive Healthcare segment. Are we having any plans and what are the plans for the anything or you know leveraging the Priority health care segment? That is number one.

Secondly, I was thinking that can we have, you know, exclusive Amrutanjan product test or you know places like Bus Stand, or you know railway station. The probability of profit is higher generally after tier from journey who's having a headache. I asked in that angle.

So these were my queries and all the best to the management and the company sir and I hope we will continue to deliver. Thank you very much.

**Chairman**

Thank you. Very interesting question. We will answer. Thank you. Next next Mr. Hardik Jain, serial number 7 from Mumbai.

**Mr. Hardik**

Yeah, hi, good morning. Can you Hear me? Yeah, we can Hear you, please.

Yes sir I have 4-5 questions. Sir last year I think due to a second wave of COVID in Q1 also you would have request increased offtake of some of our products like cold rub, body pain and even ORS.

So is this normalizing now? Are we seeing some you know impact we've seen in Q1 FY23 also. So do you think this extra demand that we would have received due to covid will will come down now and what will be our expectations of growth for next one or 2 years and are we are thinking to launch any new product category in near future?

So we have mentioned in our report that sales from North and West Zone is less overall as compared to other zones.

So if you can give us how much percentage of sales we get from West, North, East and South zones and what are we doing to increase our sales from North and West?

Sir what is the situation of raw material prices and packaging material prices right now, because there were some inflationary impact on raw material prices in packaging material last year. So I have things normal normalized now.

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So we have a CWIP of 16 cores, So what Capex we are doing and how much investment we are making?

That's it. These are my questions. Thank you.

**Chairman**

Very relevant questions. We will answer them in the end. Thank you for your time. Next is Mr. Kamal Kishor Jhavar, Hyderabad. Serial number 8. Sir if I am not wrong Kamal Kishor has spoken along with sir.

OK, OK then next we have it's a company NVS brokerage private limited, Mumbai.

We couldn't see any one of them as join as an NVS, but is there any representative as registers sir?

We only company's name Karthik. No one has registered sir. No one has joined actually in that name so you can proceed to the another. OK, so next is Mr. Bharat Raj Kankala, Hyderabad, Serial number 10.

Nobody here, yeah. Sir we can move to the next one. Next is Mr. Dipankar Purkayastha, Delhi. Serial number 11.

**Mr. Dipankar**

Yeah. Can you hear me? Yes Sir, please.

OK, so I have a couple of questions.

First question is regarding the dividend payouts. In your presentation, you had pointed out that you have substantially increased the dividend in absolute terms.

Yeah. If I look at your payout ratios, 10 years back FY 2011, the ratio was in excess of 40%, about 43%.

And over the last 10 years, the payout ratios have been steadily reduced. First it was brought down to the mid 30s then it came down to the mid 20s and for the last 2 years it has hit an all time low of 20%.

Now amongst the FMCG and OTC companies, you have one of the lowest payout ratios. So the question is where has this money gone? Because if I look at reinvestment in Capex, which is where normally a company this doesn't pay high dividend puts its money. Your netblock today of 28 crores is less than what it was 10 years back.

When will cost 30 crores and it has almost been stagnant for the last 5 years. I accept that this year there has been exceptional Capex. But if I look at the overall trend instead of Capex, what has gone up our financial assets, no investments in bank, fixed deposits, mutual funds, bonds, etc., etc. this figure now stands at more than 200 crores. So what are we accumulating all this cash flow and would you consider reducing this horde because it depresses your ratios?

And you could enhance shareholder value by giving some of the surplus cash back to shareholders, unless you have other plans in mind like acquisitions or further substantial Capex.

So if you could clarify this point. Yeah. My second issue is your credit impairment loss allowances. Last year, credit impairment loss allowance was 31% of receivables this year, it is around 14%. These are way,

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way too high figures. And surprisingly of this current impairment provision, 17% of the impairment provision is on account of receivable dues for less than 6 months.

You know, this is a bucket which would ideally be 0. I don't understand why you are credit impairment loss figures are so high.

It is very difficult to run an OTC or FMCG business if you expect that 14% of your receivables are going to go bad. So kindly throw some light on this. Thank you.

My next point is the Amrutanjan Pain Management Center which is being run by the company. So just wanted to know is this a profit Center for the company?

If yes, please give the turnover and profit figures so that the shareholders know what we are getting out of this activity.

And if it is not, why don't you spin this off into a separate entity? Because running a hospital and running an FMCG or OTC company are 2 very different activities.

The last company which tried this was a company called Work Hard in Mumbai and ultimately they also gave it up and spun off the hospital business separately. And my final question is that.

You have this upgradation of plant and machinery for the fruit and juice plant, which was scheduled to be completed in September 22.

So has this been completed and how much of the Capex of 23 crores in FY22 of which work in progress, 16 crores work on account of this plant, if you could just give that figure. That's all. Thank you for the opportunity and good day.

**Chairman**

Thank you. Very good questions. So I will answer these questions in the end. You'll get all the answers.

Next is Mr. Saraf's family. I think I'll same Mr. Bharat Saraf and Santosh Kumar Saraf. Mr. Saraf has already spoken. So is it a repeat? Do we continue or? We can go to the Next to the speaker. Next serial number 13 Mr. Ishan Thakkar from Gujarat.

**Mr. Ishan**

Am I audible? Yes Sir, please go ahead.

Thank you for the opportunity. These are my list of questions.

When are you planning to install our own manufacturing capacity for woman hygiene product?

Outlook on Comfy business for the next 2 to 3 years, when can we see in terms of revenue?

What are the challenges currently we are facing to sell a Comfy range of products?

Have we started our network in the Northern region as far as the balm category is concerned?

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In the last AGM, we mentioned that we are targeting UP and Maharashtra as big market and lots of opportunity over there. So any update on that front?

Are you planning to launch any new product during the year and in which category?

Give some light on division.

There was some deep in the sales for Q1 FY23 as compared to the last Year. What was the reason behind it?

Apart from the Manta, which are the other major raw material we use?

Are you looking for any organic or inorganic growth?

We launch new products related to dental gel. What is the market size on our targeted market?

How is the additional response are we getting from the customer?

What are the criteria do we look for entering a new segment? Will it be a niche of space or we are looking for large scale categories?

And the last is capping guidelines for the next 2 to 3 Years. Thank you.

**Chairman**

Thank you. We'll answer all these questions. Next is serial number 14 Mr. J Abhishek from Chennai.

**Mr. Abhishek**

Sir am I audible? Yes, Sir, I can hear you. The camera is not enabled just now. It is unable Sir.

Sir my name is Abhishek Shareholder of the company. My DP id IN0316379949155.

Sir first of all I congratulate the management on the eve of annual general body meeting. Sir trust all is well with you and your family in this challenging situation. A company deserves much more respect than the current market cap after completing more than decade or successful operations profitability, Dividend history and during one of the strongest brand in the respective segment sir.

Chairman sir I would like to know our business is being impacted in these past 3 years of this covid time. Corona virus lockdown left virtually no industry and no one untouched with the COVID.

Sir, we are in the 85<sup>th</sup> year now so how are you going to reward the minority shareholders in the years to come. We are eagerly that up or company has outperformed do even during the pandemic time and rewarded the shareholders So hope that the management will be continued to provide minority shareholders in a similar manner in the years to come and I would request our management to kindly take part in con call, Quarterly Presentations and investors call.

Stock price in the market, Sir? What are the steps taken by the management produce the other expenses legal profession charges and the audit fees?

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Sir myself and my team are running a legal firm, the name inside of 7 rules associated Chennai. I would request to kindly enroll our form in the appointment of the company and we will be glad to extend our services sir.

Nothing much to ask I have already mailed my questions to the company. I thank the company secretary and their entire team for sending us a link well in advance and making this 85<sup>th</sup> annual general Body Meeting a grand success.

I wish the company and the Board of Directors great success and prosperity in the coming future. Sir then one more shareholder A V Mani Sundaram who is also joined from the same device in order to restrict time kindly allow him in the same device. He is the next speaker in this particular annual general body meeting sir. He speak from same device sir.

Mr. Mani Sundaram. Serial number 15.

**Mr. Mani**

Good morning, Sir. Good Morning sir.

Sir my name is Mani Sundaram A V. IN391371521740.

First of all I congratulate the management very happy to attend this meeting video conference because each person every person to contact the management board of directors, Chairman or company secretary in Particularly in this video conferencing only. Then long back before 25 years I think you awarded a silver coin till date I put in my Pooja room I pray God to develop the Company and our investors also.

What is the necessary steps track to global investment sir? Any user plan expanding plan, Amrutanjan is very glad and also we always support to the Amrutanjan Health care Company Limited and also very happy to have this meeting in future. Next year we have attend the physical meeting in Chennai sir and also excellent performance of this year we have done very every page is very fantastic and also all the accounts under. Our CSR also very good, Sir. Thank you. Thanks a lot. Sir. Please consider hospitality to the shareholder who have attended AGM Video conference who are requested. Thank you. Thanks a lot sir.

**Chairman**

Thank you. Thank you, Sir. OK, I think we lost him. Sir he has completed. OK, Next is Mr. P J Chand from Chennai Sir serial number 16. I think they will be joined with the same login only sir. They all are counting on the same login sir. Yeah, Mr. P J Chand you can speak now. P J Chand is joined from a separate device, Sir. Is not there, not in the same.

Then we can consider here he has not joined sir so we can move to the Next one.

OK, we'll do that. Next is Mr. S Padbnabam from Chennai.

He is also not joined sir.

Now next year, serial number 18, Mr. P Gopal, Chennai.

It seems not present, Sir.

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Serial number 19, Mr. Prakash Chand Balada, Chennai.

Prakash Chand also. It seems not present here.

Serial number 20, Mr. Aspi Bhesania, Maharashtra.

**Mr. Aspi**

Can you hear me now? Yeah, we can hear you. Please go ahead.

Sir on your screen, we can't see anything just now. Only when I made a speaker I can see everybody's faces.

But otherwise, when I was not a speaker, I couldn't see anybody accepting you or the person who was speaking. So Please ensure that we are allowed to see everybody.

Sir about the AGM date. Please do not hold the meeting in the end of September today. There are so many meetings between 10:30 and 11:30.

Sir Next year please keep the meeting VC see also hybrid meeting. So that we from Bombay can also talk. So now promoters like is only 50%. So is there any intention to increase the stake?

Sir then year on year, for the full year, our margin was 23% last year, which has reduced to 16%. So what, what are your plans for increasing the margin again? what do you see the margins in future?

Sir in secondly Q1 of current year, our revenue and profits are low quarter and quarter and year on year. So what are the reasons for that, which margins will be maintained going forward, if you can give some idea?

Sir what are your plans for utilizing the cash? I would prefer not to give a dividend but to do a buyback because buyback is tax efficient also in every way, even for the promoters and also for the shareholders.

Sir thank you very much and I hope I Can see the Directors even now, after I stop speaking.

Thank you, Sir.

**Chairman**

Thank you. Great questions. We'll answer them. Sir, Mr. Bharat Raj has joined. So if you are OK with submit we will permit. Yeah yeah go ahead.

**Mr. Bharat**

Hello. Yes Mr. Bharat Raj please go ahead.

Sir very good morning, Sir. I'm happy to see you. Safe and healthy. How are you, Sir? I'm very, very, very proud of Amrutanjan sir. Sir under your leadership you are bringing lots of products for the Company sir I'm very happy, Sir. My question is this year, what type of new product coming in sir? Because you're you're given a speech that we're making 1000 crores. So, so how to target the 1000 crores how we want to make it sir.

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That is my question, Sir. I thanks for your wonderful Dividend sir and you came out from the pandemic and you're doing wonderful under your leadership, Sir, I thank our secretarial department for seamless meeting through VC sir. Sir there is pending sir last year. I'm Bharat Raj from Hyderabad sir. Past 2 AGMs also participated sir. So please look into the hospitality sir. Please consider plant visit sir. That is only request because of the leadership we hope the next year with physical AGM will meet get together sir. Thank you very much for giving me opportunity. God bless you to all entire board of directors. Be safe, healthy and fine sir. Thank you Mr. Srinivas, CS.

**Chairman**

Thank you, Sir. Is there anybody else pending, Sir? Sir that's all. We have covered all.

OK, I will answer the questions one by one.

Will start with booster dose. Somebody had sent a question, right. We did arrange camps in our company for booster dose. I hope that answers the question.

Mr. Saraf had always asked about a female and male ratio. We have one of the early companies to actually have female sales women.

We actually in Tamil Nadu have some female sale staff. So that's something pioneering in OTC as you know in FMCG but this will have long ways to go.

Women hygiene is our focus, so we have lot of female members in our marketing team also we will continue to improve on that metric.

Somebody asked about health insurance. Yes, all our employees are covered up to 4 lakh, floater policy in terms of health and other insurance facilities.

Future Capex, yes, you see a WVAP 16 crores is part of our Fruitnik capacity increase because of big demand that we foresee in our ORS brand. Since we acquired the company in 2012, we have not done much capex in Fruitnik. So, first time we are really installing a world class line to reduce any quality defects because it is a consumption product and for safety and well being of consumers, so that is one. And then we're also building a GMP block to export pain balms to regulated countries and even in Africa nowadays even South Africa and Nigeria, even Middle East people are asking for GMP manufacturing. So that's why we're adding a GMP block that will be up and running. Beverage line is already up and running as we speak and the GMP block will be up and running in end of October, so that will move to capex out of the WVAP.

Somebody had asked about ESG commitment, rainwater harvesting.

We are very proud to announce that our corporate office is entirely driven by solar, so we have solar panels installed on the roof.

So all our, Corporate staff, all the rooms, AC, everything are run by solar. At our fruitnik plant, all the water is treated and reintroduced. So that's something we do. So, we are very, very ESG focused.

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We want to reduce single use plastic because we still use single use plastic in our Rs. 2 - balm sachet, and we're looking for ways to reduce that.

Now coming to products.

What about new products? Yes, we launched, you know, as I said in my presentation, we launched, Comfy and Dental pain gel. We see a lot of runway for sanitary napkin business because of low penetration in India in general.

You will see in the markets Online, maybe to start with and then modern trade tampons and menstrual cups.

We have around 5-6 new products launched this year which we will discuss. In the next AGM will share more information.

As far as sales in the North and West?

Last year Maharashtra was very good for us. We grew a market share by 150 basis points.

There's a lot of work going on in Maharashtra and Gujarat, and Rajasthan. There is a lot of demand for Comfy and Roll on in these markets.

So Mumbai City, we are very strong in terms of roll on in overall business, but rural Maharashtra, rural Gujarat, you know Rajasthan in general, we are weak.

We are building a superstockist network to drive business in rural. We have added distributor salesman in our Metro's to reduce our cost of our own salespeople and also to increase sale as they say the skin in the game for distributors which all the Big FMCG companies do.

So that's something we're doing. Next 5 years West would be a driver of growth as East was you see in last 10 years.

So now we will see Western States and Jharkhand, UP, Chhattisgarh all focus market for us. We're building up from scratch. It takes time to build distribution and brands in virgin markets as those of you who follow consumer goods industries, know, but we are doing it one by one.

So one gentleman asked specific questions on cash. Yes, cash has built up during COVID there was a huge influx of cash. We will discuss with the board and come up with a policy maybe we can improve the dividend payout ratio.

As far as Dividend payout ratio coming down, you know you must understand we are a much larger company today, larger so Percentage of a large number is always bigger, so even if it's a smaller percentage, so in terms of absolute quantum. You will agree with me that Dividend payout is higher today than it was maybe in 2011, which you quoted, Sir.

Now as far as credit impairment. If you see the biggest risk for any FMCG company is credit, giving credit to the distributors.



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Without giving credit we cannot grow in new markets no distribution takes new products or new markets, you know when we are relatively weak. So that's why there is some impairment loss provision given as per the requirement of IND AS.

Dividend payout ratio actual numbers. FY17, 25%, FY18, 28%. So we're continuing that.

Yes, it does come down little, but as I said, the quantum has gone up because profits have tripled since those years.

In the last few questions about Q1 which is beyond the scope of the meeting, but I will always say, Sir.

Those people who have been with this company know, we are executing and you know we believe very strongly in the future and one quarter does not give us any direction of the future sir.

Even though COVID demand has come down in FY21 we still grew last year. It is our job to find growth.

India is one of the fastest growing major economies. We have huge pockets where there is no, we have very low market share, so we have various brands. So there's always growth. That's why we are here. It's our duty to grow the company. You know, I don't believe in sitting here every day and not growing. I really don't. It's not in my blood and we really strive hard to grow. We will continue to grow.

CSR spends, we are very careful with the CSR expense. We get a end use certificate, utilization certificate so of course everything that's written in annual report is audited. So that's we are very careful but we will continue to do that.

Impact analysis of CSR is not applicable for less than one crore spend and it has to be greater than one crore per unit spend, so which we don't have yet, so we don't do that.

I hope I answered all questions.

We will soon build company into 1000 crore brand very soon. So it's not a fluke. So it's built over time, you know so somebody asked about preventive health care is very good question. Generally preventive Healthcare is VMS, category of vitamins, mineral supplement.

In a way, OTC is also preventive that's what it is, you know we are like ORS is a preventive drink. You know, before dehydration becomes really bad ORS can be considered, you know, electrolyte drinks that we sell. Many of our pain products are in a way preventive so but we will continue to look at the VMS category.

So I hope I answered all question and the bonus and the cash utilization, we will have a discussion with the board and we'll come back to you on you know seeing what we can do.

But building cash is not wrong. I mean strong companies have cash. You look at global companies and you know even in India we will never know when opportunity arrives for growth.

Because some things are dynamic, but we are very mindful of our as you know of our capital deployment. We have very high ROC and yes by ratios may come down short term.

We are very mindful of how we use our capital. We will definitely look at ways to reward minority shareholders and everybody in general.

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I hope all questions have been answered and Factory visits, Sir, we are very careful about that because of strategic and technologic and IP related issues. So we will look into that also.

I think I've answered all questions.

Guidelines, you know, generally low Capex business so these 2 years because of SAP and our fruitnik plant we have deployed capital but may be year after next we will come down to normal levels. Comfy plants we have a strong relationship with CMU global company that we'll look at we'll always look at you know adding our overall capacity when the time arrives.

Thank you all. Thanks for your time. And I think I've answered all the questions.

Sir with permission of chairperson can we conclude the meeting sir.

Yes sir. Thank you.