



AMRUTANJAN HEALTH CARE LIMITED

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Event	84th Annual General Meeting of the Shareholders
Day, Date & Time	Thursday, 23rd September, 2021 at 10.30 A.M.
Venue	Video Conferencing (VC) Deemed Venue – Registered Office of the Company

Transcript of the 84th Annual General Meeting of Amrutanjan Healthcare Limited

10.30 A.M.

Sambhu Prasad: Good morning members. My name is Sambhu Prasad. I am the Chairman and Managing Director of Amrutanjan Healthcare Limited. I have great pleasure in extending you all a warm welcome to the 84th AGM of the company. This is the second year that we are holding a virtual AGM owing to the pandemic. The quorum required is 30 and we are proud to announce that we have 45 people logged in, 45 shareholders. We are glad to welcome all of them. Participation of members through video conferencing is also being recorded for the purpose of the quorum. The quorum being present, I call the meeting to order. Now I would like to introduce our respected Board members to all of you. We have Mr Raghvan. Then we have Mr Raja Venkatraman, our new member who joined us in May. I will just give you a brief background. Mr Raja has had senior roles in general management, finance, corporate finance, procurement. He was also the MD of Phillips India and has had very senior roles in Unilever, GE Medical, and many other companies. Then we have Dr Pasumarti Murti, Non-Executive Director. Then we have Mr S. Murlidharan who recently joined us in June. Mr Murlidharan also comes with corporate finance and secretarial background. He was with Amrutanjan in the 90s and has also got very senior roles TVS Group, and also in Dubai, in retail chain group. He is also advising us on our Go Global strategy. That is why he is a great asset to us. Then we have Dr Vydeeswaran, Independent Director. Then we have

Ms. Shiranee Pereira, our woman Independent Director. The statutory auditors and secretarial auditors are also present in the meeting. The company has appointed Mr P. Sriram, practising company secretary as a scrutinizer to scrutinize the entire voting process. And shareholders willing to examine the documents mentioned in the notice of the meeting may send their request to email ID: shares@amrutanjan.com. With this, I will present a few slides on the business in the year under review and share some details about the company.

Srinivasan: Mr. Karthik, can you enable screen sharing?

Sambhu Prasad: So, this is for the year 2020-21. Those who are familiar, we have been doing this for many years, presenting in-depth about the operations of the company. And the presentation is broken up into 4 parts. The history, the business, the financials, and Investors Delight. The track record of wealth creation that Amrutanjan is very proud to showcase. A brief history of the company, for those who are new to the company. We are a value-driven company, founded in 1893. Founded by one of the freedom fighters Sri Kasinadhuni Nageswara Rao. Our values are foremost. We train all our employees to bottom-up about the values of the company and ensure that all our actions are dedicated around these. Our commitment towards the interest of all the stakeholders, i.e., customers, employees, shareholders, and community. Now with ESG investing is very well suited to beat those standards, achieve a leadership position in all our businesses. As you know, in the pain business, we are the number one or number two in most of the states in India. We never compromise on ethics. We strive to provide a culture that accepts new ideas. Being an innovative company, launching new products and generating 25% of revenue from new products, innovation is the core of success and one of the guiding forces for us and with bureaucratic culture, innovation will dry. So, we are very keen to build an open culture in the company. We have our Amrutanjan brand, which is the main asset for the company. Here is a manifesto where we don't, as an Ayurvedic company, you all know, do not use any chemicals like Diclofenac. Products are always efficacious. We do many clinical trials before we launch any products. So, safety and performance are the keys. We stand for individual and family wellbeing. Science and naturalness are our ethos and the core purpose of the company. And like I said, we stay loyal to our roots of Ayurveda and naturalness and usage of herbs. Almost 90% of our products, whether beverages or pain products or OTC products, all have roots in natural materials. So, we can trace all the materials to the last mile, as they say.

So Amrutanjan Balm, a brief slide on the history of the company. The company was founded in Mumbai by our founder Nagswara Rao Pantulu Garu. We went public in 1936. We are one of the three, essentially old pain balms in India. Amrutanjan, Iodex, and Zandu. Now Amrutanjan brand which started with the iconic yellow bottle is sold in more than three variants also formats like sprays and roll ons. Last year, we launched a pain patch. We are the first company in India to launch the pain patches in digital on Amazon. So, we are building up that format. We also have number one position in the roll-on format, both in the headache and body space. We are the first company to launch a sachet pain balm in the Rs 2 format. We are still number one there. And recently, as you know, a few years ago, we diversified into pain services, the first professional pain management clinic in Chennai. We treat hundreds of patients every year, largely for knees but also for back pain, people have expressed a very high levels of satisfaction. And as you know, in 2013-14, we launched India's first low priced but high value sanitary napkin Comfy. Today, that brand is more than Rs 50 cr in revenue. Another success story. Amrutanjan is among the top 1000, we are on 615th position in terms of market cap and as you know, there are almost 6000 publicly traded companies in India and being within 600 position is within top 10% of publicly traded companies. So, it's a proud achievement. And since 2006, we have generated almost 24 times capital for our stakeholders. Another proud achievement.

Some of you have sent questions in advance but here is a brief overview. Our distribution is almost 1.15 million outlets in the retail market. On top of that, we are number one in modern trade in market share. We also have our own online store at Amazon. This year, we are launching our own web store. So, next month, it will be live. And also, we are going out on Flipkart and PharmEasy, another online pharmacies. We have a direct distribution reach of 2.5 Lakh outlets. Half of this is chemists, which is our main forte. As you know, we launched Sales Force automation app. So, we are completely paperless as far as our 400-member sales team goes. All orders are taken using their smartphones and all data that they enter; all orders are converted into reports which are at the fingertips for sales managers and also our corporate leaders. So, we can track the entire supply chains. We have distributors present in 21 countries.

As you know, we are also registered in the USA markets two years ago with FDA. We started the first shipment a couple of years ago but because of Covid, we slowed down. But we are continuing to drive that.

So, last year has been one of the best years for us. On top of previous years of growth, we registered sales of Rs 368 Cr and again a proud moment and a testimonial to our focus in innovation is that our new product sales now stand at 27% of total sales. So, another feat because most companies do not succeed in new products. So, success in our Electro+ ORS, Comfy, shows that we have processes in place that drive new products. So, between 2015 and 21, another small lead indicator that makes a big difference is that we doubled our sales. It took us six years to double our sales and we hope to do it much sooner in the coming years.

Just a background about our founders. Contribution to the Indian freedom and also the Government has recognized our founders' contribution. Early advertisements of Amrutanjan at Chennai Railway Station, the hoardings. This is again, as I said last time, this was sent from a Swedish tourist. I think her grandfather came to India in 1940s and she was looking at the pictures of Mysore Maharaja's processions outside. She saw this hoarding. She Googled this and she happened to trace us and she send these pictures. It's so kind of her. It shows the heritage and Amrutanjan's equity across the globe. Again, some advertisements. This is another great moment when the grandmaster Vishwanathan Anand met with another great grandmaster Bobby Fisher. The first thing that Fisher asked him was, "Hey, did you bring Amrutanjan for me?" Because Bobby Fisher grew up in New Jersey, was used to using Amrutanjan because a lot of Indians live in New Jersey in the USA. So, that is a small fun but proud moment.

Now let us focus on the business, a few slides. Since 2012, Amrutanjan has grown from Rs 140 Cr to almost Rs 370 Cr last year. But for Covid in 2020, we would have been close to maybe Rs 450 Cr this year. But 2020, last quarter, we got hit. We were growing almost if I remember in the first nine months of 2019-20. We grew almost 17-18% but Q4 of 2020, 19-20 financial year was hit because of the Covid lockdown. But we made up the last year, thanks to the team's execution also the other secular demands that came because of Covid. So, the OTC business, likewise, the main component of our company. Just an update for those of you who have been asking about Covid. We see a definite shift towards Ayurvedic and healthcare products. A lot of people are now looking at OTC and preventive healthcare. So, that definitely helped a lot of Ayurvedic and healthcare companies in India. Wellness and immunity are key considerations for people. You see the top three search items on Google as per Google Information, things like OTC, immunity,

wellness, these are the keywords that people are searching. Electro Plus is again a great innovation for Amrutanjan. We are the first ORS brand to launch in a pet bottle which became a big hit for consumers. We forecast that to be another big driver like Comfy in the coming years. And also, the pet bottle and people are moving from sugary drinks from fruits juices and carbonated towards. Now, electro plus drink is not only a medicinal product but also a regular use healthcare beverage. And also steaming is another thing that people practiced during Covid, as a way to prevent Covid. So, that also helped out balm sales. And e-commerce has been a great channel for us. As you know, we built our modern trade channel to almost zero to Rs 40 Cr of sales in the last 5 years. Now we are building up the e-commerce channel. So, as you see the numbers from its Rs 1.5 Cr to Rs 4.5 Cr in sales last year. During lockdown, people did not stop purchasing online. So, that has helped and we are further planning to build on it. So, one of the reasons for a huge jump in cash flow was our excellent management by our CFO and sales head on [debtors](#) receivables management. That has been cut by 41% and all our plants are running at full speed. Both our OTC plants, beverage plant, and even our Comfy plant.

So, how do we run Amrutanjan? How do we sustain growth going forward? This is our core values or operating values; I would call it. We want to keep the consumer to the forefront of growth. So, whatever we do, we do keep the consumer in mind. That automatically ensures success. Then execution is the key. Talk is easy but execution, converting words into actions. Just to give you a snapshot, everybody, from top to bottom have goal sheets and the organization has goals. So, everything is cascaded down to the last employee and we review very periodically and we use information technology. Go digital is a big focus for us to be seamlessly connected I will talk in the coming slides but that is how we ensure execution. Off course data. Just a few snapshots of brands. For our headache segment. Body segment, we diversified in the last two years, congestion and off course , health and hygiene and two of our fastest growing categories for the company, women's hygiene and beverages, especially Electro Plus. Another great thing about Electro Plus is that it's very high margin. It's the same gross margin as a balm. So, that is one of the reason last year that our beverage division was profitable last year, it was because of that. We hope to continue with that. Our CFO's great idea was to show this in our annual report, our Rs 100 Cr plus brands, as you know, Amrutanjan and Strong pain balm. Then you have Rs 50-100 Cr brands, Comfy is our main entrant in Rs 50 Cr range. And off course, in the Rs 25 Cr-50 Cr range, we have roll-ons and the 1 ml sachets.

This year, we signed on Shraddha Kapoor as our brand ambassador for Comfy, because if you see Comfy, mainly the biggest growth is still coming from the Hindi belt, more so than the South. The big growth is coming because the penetration of sanitary napkins is much lower in UP, Madhya Pradesh, Bihar, Orissa, even north-west Bengal, North Bengal, Chhattisgarh. Here a Hindi speaking actress is probably more suited for building the brand awareness and Shraddha Kapoor endorses for our brand Comfy. Off course, we have been working with sports and Golf since the last few years. Electro Plus is the official rehydration partner for PGTI of India.

Now a quick slide on something that is very important to all of us, to the company, is our Go Digital strategy. Digital transformation, as we all know, all companies today, if they are not digital and if you are not online and they do not run the operations digitization, I do not think they will survive the onslaught of competition. So, the objectives are Go Global. Like I said today, when you see a customer care ID mail, we get so many requests from consumers in Europe, in the U.S., in South America, Asia, saying that you sell Amrutanjan in our country. So, Amrutanjan today is truly global in terms of awareness. Today, the world is connected. As you know, people are travelling, they come and I gave the example of the lady whose Grandfather came to Mysore. So, people today, because of the internet, are able to Google. So, Amrutanjan truly can be a global brand. We want to use our online platforms to reach consumers across the globe. But being an OTC company, the regulations are very strict. So, this is a time bound process but we are going to do it one by one. The last year, because of Covid resulted in growth, exports doing very well also. So, we will come to talk about that. Off course, Comfy reach, our team is developing the Comfy app where young ladies', women's health can be tracked. Not only that but people can also buy products safely and in privacy of their home. So, they can buy Comfy directly and we can ship it directly to their home. And off course, Salesforce automation that I talked about. And paperless office, we launched an intelligent dashboard where all the key metrics are available to all stakeholders in the company to track. And of course, we are going to upgrade our ERP to SAP this year.

So, just a revenue breakup by highest to lowest. Headache management is still the highest at Rs 250 Cr., next is women's hygiene, next is Electro Plus, and then last is congestion. So, some of the growth rates. Last year, headache was the fastest growing category because of the Covid and also our deep distribution drive that we

had taken three years ago, which we have written about in the annual report. One of the big focuses for us was to Go Rural, super stockiest network, the vision of M5k, 5000 distributors pan India. We currently have 2000 distributors and we have built a huge super stockiest network that really helped meet the demand that Covid generated. Without that, I do not think we could have met this demand just with our traditional channels alone. So, since 2018, the super stockiest network sales grew from Rs 12 Cr to Rs 48 Cr last year. So, that has been one of the big successes for us- Go Rural drive really met the demand that Covid generated. Off course, the company is growing much steadily, except for the year before.

Electro Plus is very exciting brand for us. We are projecting almost double of last year's sales this year, or much more. We are very confident about that. Already in the Q1, we are reaching last year's numbers. So, we are very very confident. Another secular shift like Comfy. When people are suddenly seriously looking at health beverages and beyond carbonated drinks. Fruit juices were once considered healthy but now people are looking at much healthy products than fruit juices and I think this is the next generation of healthcare products. These are minerals like sodium, potassium that people, even while working out.

Like I said earlier, export sales have been on a fast clip. Even this current year, we see a very good rate of growth for exports, Africa being our number one continent, Uganda being our number one market. So, in Uganda, just to give you an example, we actually built the brand- it is called Amrutanjan Dragon in Uganda. And most of the sales that we see comes from there. After that, Thailand is another big area.

Coming to financials, we shared this. We have had a great last year. I think we hope to continue that this year also. We had a great margin expansion last year, owing to three factors. Number one, sales growth. Number two, low menthol prices, and number three, we also had a certain fixed costs well under control, like travel cost of sales, and other costs. All three perfect down to have margin expansion. So, I think we already went through this.

So, last but not the least, is the most important job for any public company is to create wealth for shareholders. So, I love this quote. Warren Buffet, the iconic investor always says, "you find a business that is virtually known to guarantee growth in earnings in the foreseeable future." He says, "Hold tight, buy these companies and hold onto them even for a very long term." I think Amrutanjan has

proven to do exactly that. Some quick KPIs. Sales growth CAGR almost 14%. PBT growth 19%, dividend growth 17%. The best part, market cap over the last five years is 22% and it has beaten both, the Nifty 50 index and also the BSE FMCG index. So even if you compared the peer, I know we would have beaten the pharma index definitely. Pharma companies are not going this way. So, we hope to continue that. Then key financial ratios. Very high RoC company. some of you always ask-how is RoC? So, how efficient are our managers in capital allocation? So, here is your answer. We have almost NIL debt. And as you know, our market cap has steadily grown. Last but not the least, since 2006, we have shared the wealth back. Our capital return has happened through various ways. We are one of the first small companies to boldly declare the capital return policy and put it online. So, for those of you asking whether the dividend will continue or not. Yes, it will continue as we generate more cash than we need for our capex. So, dividend plus we did buyback, as you know and we also did special dividends when we sold land in 2009 and 2020. So, total cash return to shareholders in the last 15 years has been Rs 100 Cr, on top of the market cap growth. So, for a small company, it is not a small task. So, we are very proud of this. For shareholders' return since 1982-100 shares in Amrutanjan today, Rs 4000 value then, would be worth Rs 75 lakhs. So, its extraordinary growth of capital. We want to continue, frugal capital management with aggressive growth, using innovation as a driver. So, with that, I thank you for listening to me patiently. Now I will proceed to the agenda.

The annual report has been sent to all of you prior to this electronically. So, I request shareholders to take notice of the AGM as read. Members may please note that statutory auditors and secretarial auditors have not made any qualifications. Again, another proud moment. Also, I request the members to take the auditors' report as read. So, voting is now open for shareholders who have not cast their vote earlier and attending the AGM. As you know, it is open till the proceeds are open. So, with this, I now open the floor for questions. We have had many people sign onto us. Compared to the last year, we have two times. We have about 20 people signed on. So, everybody will get three minutes. After that, I will request NSDL to turn it off because everybody gets a chance to speak. I will answer all questions all questions after that. I hope the presentation also answered some of the questions and the first speaker is Mr Praful Chawda from Hyderabad. On to you Sir. Thank you.

Moderator: Sir, Mr Praful has not joined.

Sambhu Prasad: Ok. Next is Mr Santhosh Kumar Saraf from Kolkata.

Santosh Kumar Saraf: *Aapko meri aawaj aa rhi hai?*

Moderator: Santhosh Ji, please mute the other meeting. If you want to speak here, you can speak here.

Santosh Kumar Saraf: *Mere ko baad me dijiye ek baar.*

Sambhu Prasad: I think Santosh Ji is coming later. Is that what he is saying? Hello Santosh Ji, aap baat kar rhe hain?

Moderator: I think he will come later.

Sambhu Prasad: Ok. Next, we will go to Mr Yusuf Rangwala, Mumbai.

Yusuf Rangwala: Good morning Sir. I am speaking from Mumbai.

Sambhu Prasad: Hello Mr Rangwala. How are you?

Yusuf Rangwala: Vannacome Sir. I am also from South India. Two South Indian people are talking Sir. My birthplace is inn South.

Sambhu Prasad: Very good.

Yusuf Rangwala: *This company is very close to my heart Sir. Amrutanjan. World famous product hai apna. There are so many products. Sir, humble request hai mera jo appka Madras me aate the, mere friend log bolte hain aap log gift hampers bana ke dete the. Mera bhi humble request hai Sir aapse kuch products bhejiye. So main bhi appke products use kar saku Sir. Matlab bazar me to milta hai par aap hame chota sa, sample ke hisab see bhejiye apna jo new product hai. Sir we are having many factories. Sir my humble request is to arrange a factor visit Sir. If you arrange a factor visit Sir. And our secretary sahab, jo cache dynamic hain, handsome hai, hardworking. Sir aaj unka phone aaya, aaj aap join karo. Today there are 35 annual general meetings going on Sir. But I left all the meetings and I came to wish you Sir. Aap itne acche apna brand ambassador Shradha Kapoor, as you*

mentioned Sir. Shraddha Kapoor ke aane se apni company me chaar chand aur lag gya hai Sir. Aur apni company ke baare me kya kahein Sir. Amrutanjan ne Sir bonus bhi diya tha. About four years back. Sir abhi aane wale time me jo apna rate upar hai, rate is very high, when can we expect bonus from you Sir? And nothing more to add. In Covid-19, how many people were affected Sir? I would like to know. And total number of staff working with you. And apna export kaun si countries me hota hai Sir? And nothing more to add. Sir, I will end my speech thanking you very much and may God bless our company. Sir whenever possible, you send me a small gift hamper Sir of your products. There are so many products Sir. Thank you very much Sir. And I also thank our Company Secretary for giving me a chance and I am very thankful Sir. Vannakam Sir. One more time I will say Vannakam Sir. Thank you very much. Have a good day Sir.

Sambhu Prasad: I will answer the questions in the end. So, the next speaker is Mr A. B. Manisundaram from Salem. Hello Mr. Mani. Is he joining?

Moderator: Sir he has joined but he is not responding. Mr Manisundaram.

A. B. Manisundaram: Hello, I am Manisundaram.

Moderator: Mr Manisundaram, your audio is very low. Please speak a little louder. Chairman Sir, let us move to the next speaker.

Sambhu Prasad: Yes, move to the next speaker. We can always get back in the end. Next is Mr Abhishek from Chennai. Looking forward to hearing you.

Moderator: Mr Abhishek, you can unmute and speak please.

Abhishek J: Am I audible now?

Sambhu Prasad: Yes.

Abhishek J: Sir, my name is Abhishek. I am a shareholder of the company. My DPID IN301637 and Client ID 41359155. Sir, first of all, I congratulate the management on the eve of 84th Annual General Body Meeting. Sir 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 industry segment. Sir, we are really thankful to the management for having declared a fantastic dividend. Even during the pandemic time, the management has sustained to make profits and declare a very good dividend to the minority investor fraternity. We are really thankful to the management. Sir, most of my queries, I have sent you through email also in order for the management to facilitate. Sir, what are the steps being taken by the management to reduce the other expenses, legal and professional charges, and the audit fee? I am myself and my team are running a legal firm and we will be glad to extend our services Sir. Sir, in the CDSL portal, where we get access to the Annual General Body meeting, and where we exercise our voting, we are supposed to inspect the updates of documents like register of members, register of members, registered of KMP, and register of contracts, if any of this is unfortunately not updated, I request you to kindly update the same for the inspection of members Sir. If you provide inspection through email. It will be a headache for the company throughout the year the shareholders may ask for inspection. In fact, if you can make the benefit of CDSL platform, the shareholders can inspect the documents 30 mins prior the meeting and after the conclusion of the AGM so that the shareholders do not ask for any further inspection of documents after the AGM. So, this is a very good opportunity for the management to serve the shareholders. So, I would request the management to kindly take it up and nothing much to ask Sir. I have sent you my queries I have sent you through email. I would not like to repeat the same. Sir, there is a small request from minority investors. Since the past 2 years, we are not able to meet you physically and we are forced to meet you virtually. The hospitality part to be taken care for the investor fraternity Sir. So, kindly look into this Sir. Kindly give us an appointment to meet you and greet you. We want to honor you with a memento and a shawl. So, kindly give us an appointment as and when possible Sir, when you think that the pandemic has ended. I thank the Company Secretary and the entire team for conducting the Annual General Meeting Virtually and making this 84th Annual General Body Meeting a grand success. Thank you for giving me the opportunity.

Sambhu Prasad: Thank you. Thank you Mr Abhishek. We will answer all the questions in the end, as I said. We always appreciate all the good advice. Thank you. Next is Mr Prakash Chand Galada from Chennai.

Moderator: Sir, Mr Prakash Chand has not joined.

Sambhu Prasad: Ok. Next is Mrs Shayam Sundari from Channai. Madam Shayam Sundari from Chennai.

Moderator: Shyam Sundari Madam has also not joined Sir.

Sambhu Prasad: Next is Mr Suresh Chandra Jain from Andhra Pradesh.

Moderator: Mr Suresh Jain has also not joined Sir.

Sambhu Prasad: Next is Mr S. Padmanabhan from Chennai.

Moderator: Mr S. Padmanabhan has also not joined Sir.

Sambhu Prasad: Ok. Next is Mr Hardik Jain from Mumbai.

Moderator: Yes. He is available.

Sambhu Prasad: Hello Mr Jain.

Hardik Jain: Hi, good morning. Thanks for the opportunity. Sir I have a few questions that I will ask. Sir, in beverages, are the major sales coming from Electro Plus? Is that assumption, right?

Sambhu Prasad: Yes. That is correct.

Hardik Jain: You mentioned that the margins in Electro Plus are as high as the margins in balms. So, how the margins in Comfy? Are they lower to the balms?

Sambhu Prasad: Comfy is generally lower.

Hardik Jain: Low margin product. And you also mentioned that you can double the Electro Plus sales this year. If you can share your outlook on the sales growth for Comfy.

Sambhu Prasad: I will answer that in the end. I will do it.

Hardik Jain: And one of the reasons you said for margin expansion is low menthol prices. So, what is the situation on menthol prices right now?

Sambhu Prasad: It is a good question I received. We will answer that in the end. Multiple people asked this question.

Hardik Jain: I will complete all my questions.

Sambhu Prasad: Yes, please.

Hardik Jain: You also mentioned that you are getting enquiries from export markets. I suppose it is mainly for balms. So, how do you see your exports panning out? Any outlook on that front.

Sambhu Prasad: Yes. We will answer that. It's a very good question.

Hardik Jain: Sir, we spent around Rs 45 Cr on advertising. Since last couple of years, we are doing that. What will be your advertising budgets for the next two years? And if you can share, how much amount we spent on the brand ambassador?

Sambhu Prasad: We will do that.

Hardik Jain: You also mentioned in the annual report that you launched an app for Comfy. So, how is the traction there? If you can share some details like the number of people registered, number of orders that you got, anything which we can estimate the traction out there. Our e-commerce sales have also grown very fast, although on a very low base. Where is the traction coming from? Is it more from third party apps like Amazon, Flipkart etc. or are we getting good traction on our own website also?

Sambhu Prasad: Good questions. We will answer that.

Hardik Jain: We are planning to move to SAP from our current ERP. I am sure you people must have really analyzed why we are moving from ERP to SAP. If you can help us understand what key benefits we will get from this shift, whether inventory management or anything that you can share, and how much amount we are spending on it. Sir, my last question is we have a lot of cash on our books. So, are we open to use it for any inorganic expansion or for the time being, we are only focussed on the organic growth and not considering any inorganic acquisitions?

Sambhu Prasad: Great questions. I will answer them all.

Hardik Jain: These are my questions Sir.

Sambhu Prasad: Thank you. Thanks, Mr Jain for the pointed questions. Next is Mr Kankanalla Bharatraj from Hyderabad.

Moderator: Mr Bharatraj has joined Sir. Give us a minute.

Sambhu Prasad: Ok.

Kankanalla Bharatraj: Hello. Very good morning Mr Chairman.

Sambhu Prasad: We can hear you Sir. Please go ahead.

Kankanalla Bharatraj: Sir, first of all, I am Bbharatraj calling from Hyderabad Sir.

Sambhu Prasad: Hello Sir.

Kankanalla Bharatraj: Last time also, I spoke to you. It is a 100 years old legacy company Sir. Now the fourth-generation people are with our company Sir. Sir, in this annual speech, you have given the entire brief about our company Sir. What are the products? You have given the entire information through your speech. There are no issues and no complaints about my company. And by the presentation and a belief in your leadership Sir. I am very much touched by the leadership and how you are diversifying our company. And you are bringing our different type of products and making our revenue more Sir. Sir, i am very happy the way you bring this drink which is a wonderful drink Sir. I am very happy with that drink Sir. And about the future, what are your plans for Amrutanjan taking into a global brand Sir? Do you have any plans for going to China, Europe, or America because it is 100 plus years old company, we have a very strong brand Sir? And we within the top 600 companies. So, you must encash that brand Sir. You must encash the legacy of our company Sir. One more thing Sir. Can we expect a bonus Sir because I know you have already given a bonus but it is a right time for once again to look into bonus Sir? Sir, last time I requested for the plant visit Sir. You told that in the better times, I will definitely inform Mr Srinivasan, our Company Secretary. And I thank Mr Srinivasan. Mr. Srinivasan is a wonderful person. Whenever I called him, and anytime he was accessible to me and any information regarding the balance sheet or anything, he immediately looked into it. He is always available Sir. Today, I do not need to meet you in person because Mr Srinivasan is taking care of everything Sir. I thank for his services Sir and thank for this wonderful video conference. Sir the entire Board of Directors, be happy, be healthy, be safe and fine Sir. In this pandemic, how have you taken care of our employees Sir? Have you given 100% vaccination to our employees? Any salary cuts and any death calamities and how have you taken care of that families Sir? That is my question Sir. Sir I believe in our legacy and leadership Sir. Once again, in physical meeting, I will meet you Sir. Sir, please, last time in our meeting, I told you about our products Sir. You told, Bharatal, I will definitely send you. Please once again, tell Mr Srinivasan to send me the products Sir.

Sambhu Prasad: We will do it.

Kankanalla Bharatraj: Thank you Mr Chairman and entire Board of Ddirectors and all the best.

Sambhu Prasad: Thank you very much Mr Bharatraj. Thank you. Thanks for your well wishes and thoughts for us. Next is Mr Ali Asgar Kagzi from Mumbai.

Moderator: He is available Sir. Please give us a minute.

Ali Asgar Kagzi: Hi, can you hear me? Am I audible?

Sambhu Prasad: Yes Sir. Please go ahead.

Ali Asgar Kagzi: Hi, congratulations on the great performance of the company and I would like to read out a few questions that I have and probably you could answer those.

Sambhu Prasad: Definitely.

Ali Asgar Kagzi: So, the first thing is with regard to capex. So, if you can give any indication, qualitative or quantitative, what is the capex that we are looking at, because we are running at 100% capacity and last time you said that you had plans to go towards disaster recovery capex to decentralize. So, how is that going out? Can you suggest if you can shed some light on that? My second part is that Comfy was initially targeted at first time users. But now we are also going and launching a few variants in the premium end. What is our strategy over there? Are we moving up in the value chain?

Sambhu Prasad: Yes.

Ali Sagar Kagzi: Like someone had asked us, if you could just lay out your future plans for Comfy and Electro Plus, as these are the two major products. And while we may expand into product adjacencies, are there any completely new categories that we are looking to enter at least in the next 3-5 years? And in terms of the

medium term, what would be our growth and margin range which we would be looking at from a broad perspective? Like, what would be the target that you have in mind? So, do you think that in the last 5 years, we have grown at a 13% CAGR topline. So, do you think that we can grow faster than that? And according to me, what would Amrutanjan have to do differently to become a Rs 1000 Cr sales company in the next 5-6 years down? And in doing that, what are the major disruptions that you see, as the owner and the CMD of the company or the business? Lastly, can you explain the distribution model? How is it in terms of wholesalers, super stockiest, or directories? So, how is it divided among these players? That will be helpful. And my last question is on the line of building the second line of management. So, are we focusing on that and what are our plans going ahead? And Yes, that is about it. And it will be really helpful if you could shed some more light on APMC. Just to give us some revenue or something on that. So, what are we doing over there? That is about it.

Sambhu Prasad: We will do it.

Ali Asgar Kagzi: Good luck to you.

Sambhu Prasad: Great questions. Thank you. We will answer all of them in the end. The next is Mr Ishan Thakkar from Gujarat.

Moderator: He is available Sir. Please give us a minute. Mr Ishan Thakkar, you can unmute and speak please.

Ishan Thakkar: Sir, can you hear me?

Sambhu Prasad: Yes Sir. Very much. Please proceed.

Ishan Thakkar: Thank you so much for giving me an opportunity. Sir, I have already sent my questions. So, do you want me to repeat them?

Sambhu Prasad: No. I have them. In fact, I very much have them. You said marketing efforts, in markets where we do not have a strong presence. I think you also asked about appeal to millennials, right? These are the questions that you

asked. Western and northern India market strategy. So, I have the questions in front of me. I will answer them.

Ishan Thakkar: Ok Sir. No problem.

Sambhu Prasad: Thank you. Next is Ms Swechha Jain from Mumbai.

Moderator: Sir, Swechha Jain has not joined.

Sambhu Prasad: Ok. The next is Mr Rohit Balakrishnan from New Delhi.

Moderator: Yes, he is available.

Rohit Balakrishnan: Hello.

Sambhu Prasad: Hello Mr Balakrishnan.

Rohit Balakrishnan: Yes Sir, hi. Thanks for the opportunity. So, first of all, I would say that in your annual report, I have been reading it since last few years and its very informative. You give out a lot of good data points and please continue to do that. It helps us to understand the business very well. I have a few questions. Some of it you have included into your presentation. But if you can talk a bit more on these. So, you talked about the new launches and your company being very focused on them . 27% of your revenue comes from that. So, if you can maybe spend a bit more time and talk about your board framework for new launches. How do you think as a company, I remember looking at your annual report 5-7 years back and now? There is a huge expansion in terms of your product basket, even in terms of your pain management business, which is very interesting. So, if you can just talk a bit more about that and how are you thinking about new launches in this year and also in the next couple of years. That is one. Second Sir, you mentioned also that you are number one or number two across states in your pain management. So, has there been any cases specific states where we have gained market share in the last two, three or four years, as you have already given in your annual report, you are more focussing on South in terms of sales. The general perception has been that Amrutanjan, I am only talking about pain management care, is very strong in South but not so much in the North and West. So, if you can just talk a bit about how has the market share in these specific areas, in pain management itself, I am

talking about. Then my third question is about Comfy. We have done about Rs 54-55 Cr rupees of sales in this year that just went by. So, how do you see the market share that we have in this category? And can you talk a bit about the challenges that you see in scaling up the segment? We all know that there is a very strong intent there. Now, from hereon, from Rs 54 Cr to let us say, Rs 100-150 Cr kind of sales, if you. Clearly, there is a great opportunity given the under penetration and the overall market opportunity, but what are the challenges are how are we trying to overcome these challenges to get to that kind of scale? I think there was a question about advertising spends. So, I just want to understand, as we grow from here, do we continue to spend about 8-10% of our sales on advertisement or as a percentage of sales, can it come down? And then, just a two more questions. Beverage business, while the headline numbers, it seems that we are stagnant at Rs 20-25 Cr every year but I think that you shared an interesting point that our electrol drink has replaced fruit drinks pretty much in sales. So, can we just talk a bit about how do you think of scaling up in the next couple of years? How big this business can be for you? And how do you see this business? And just looking out 3-4 years out, 80% of our revenue comes from pain management.

Moderator: Sorry to interrupt Rohit Sir. Could you restrict your questions please?

Rohit Balakrishnan: I will just take one minute maximum. 3-4 years from now, how do you see the pain management share of revenue coming down from 80% to 60-65% and female hygiene going up from 15-16% to about 25-30%? And on similar lines, North and West is about 11%. Do you think that can it be taken to 20-25%? And what will you do to achieve these numbers?

Sambhu Prasad: Thanks. Good questions. I will answer them. Next is Mr Gowri Shankar from Chennai.

Moderator: Sir, he is available. Give us a minute. Mr Gowri Shankar, please unmute and speak.

Gowri Shankar: Hello.

Sambhu Prasad: Hello Mr Gauri Shankar. How are you Sir?

Gowri Shankar: Good morning. Fine. Thank you. First, good morning to everyone. First, I want to place my sincere thanks on records to Mr Raghvan who has been so helpful in enabling me to come on this platform. **Primarily** I wish Mr Sambhu Prasad and everyone in the Board. May God Blessed long life to this company. For showing a record performance over the years.

Sambhu Prasad: Thank you Sir. I wish you the same.

Gowri Shankar: Now I come to the point. Four points. Diversifying into pharma is on your agenda because we are already in the pharma but to diversify further, it should bring in more in our fold. Can you think on these lines please? Second, the previous year's dividends, which have been unclaimed, you will be transferring to the Government. I would like to know whether the details of the funds that you are transferring because I want to know whether my dividend is to be received or not. Why don't you share this information with all the shareholders or at least with those shareholders who ask for it so that we ensure that our dividend is credited to us every year. Kindly, give that. Third point, Go Global, you said, Go Global. I have a friend in Denmark. In the year 2018 AGM also, I spoke about this. In Denmark, they say they are not getting these products because they are not getting these products.

Sambhu Prasad: Very right.

Gowri Shankar: I remember that you assured me that you will take the necessary steps in the years ahead. But still, they are not getting it. What is the reason? Can you see that? Not only global but national. See, in the North I have relatives. In the North, most of the people think Amrutanjan only has pain balm. They do not know that they have diversified. They have Comfy product. So many other products you have. Why not take an effort and steps there, so that people in the North have their perception change? Last but not the least, some people, some speakers said that bonus has been given four years back. Just for my knowledge, after you took over as the Chairman, in place of your father, year after year, we have been insisting, we have been pleading with you to come out with a bonus issue, which you have not done. At least this year, I hope Amrutanjan gives bonus shares and everybody will be happy. May God Bless you all, Sir.

Sambhu Prasad: Thank you Sir. Great questions Sir. Next is Mr Ayush Aggarwal from West Bengal.

Moderator: He is available Sir, in a minute. Mr Ayush, you can unmute and speak.

Ayush Aggarwal: I hope I am audible Sir.

Sambhu Prasad: Yes Sir. Please go ahead.

Ayush Agarwal: Good morning Chairman, Board members, and fellow shareholders. Thanks for the opportunity. I have already sent you a list of questions. If I can highlight one of my questions, which is, could you show some color on how the Germany plant of menthol has changed the overall dynamics of menthol pricing and what is management's view on menthol going ahead? And, if you see advertising as a percentage of revenue, and then what that percentage is, and if we aim to attain a certain size, do you think that advertisement will grow, not in absolute but as a percentage of revenue? These are my questions. If you can throw some light on this.

Sambhu Prasad: We have your questions. I will answer them. It is in front of me.

Ayush Agarwal: Thank you so much Sir and all the best.

Sambhu Prasad: Thank you Mr Aggarwal. I think we have Shyam Sundari Madam waiting. Right?

Moderator: Yes Sir. We can finish the list Sir.

Sambhu Prasad: Yes. The list is finished.

Moderator: Then, shall I enable Sir, one by one?

Sambhu Prasad: Yes.

Moderator: Now we are moving for Mr Santosh Kumar Saraf. Mr Santosh Kumar Saraf, you will be unmuted to speak. Mr Santosh Kumar Saraf, you can unmute and

Speak.

Santosh Kumar Saraf: Hello.

Sambhu Prasad: Hello Mr Saraf. How are you?

Santosh Kumar Saraf: *Santosh Kumar Saraf bol rha hoon. 1 min ka samay dijiye please. Manniya adyaksh ji, upstith sadasya gan, aur mere shareholder bhaiyon aur behno, mera naam Santosh Kumar Saraf hai. Sarwapratham, app sabhi ko main namaskar karta hoon Sir. Aasha karta hoon aap jitne hamare Directors hain, jitne bhi adhikari gan hain, is samay surakshit aur acche swasthya me honge Sir. Aur main un bhaiyon aur behno ke liye apni samvedna prakat karta hoon, hamare karchari logon ke liye bhi, jo is Covid me affect hoke hame chhod ke chale gye Sir. Main bhagwan se prarthna karunga ki unki atma ko shanti de. Unke pariwar ko himmat de, jis se wo apni samanya jeevan me wapas aayein Sir. Sir aapki company bahut accha kaam mkar rhi hai, iske liye bhi aapko main bahut bahut dhanyawad deta hoon. Aap aacha dividend bhi de rhe hain, iske liye bhi main dhanyawad deta hoon Sir. Sir, aap itna kaam kar rhe hain ke mere ko bolne ke liye koi shabd nahi hain. fir bhi ham thoda aadat se lachaar hain, speaker log. 1-2 prashan aapse karenge hi Sir. Iske liye aapse shama chahta hoon Sir. Ek to apna Capex plan kay hai, iske baare me batane ka kasht kariyega Sir. Aur aapne is saal naye products much launch kiye hain kya? Koi bazar me naya product introduce kiya hai to use baare me batane ka kasht karein. Aur sir, rainwater harvesting ke liye kya kadam utaye hain Sir. Abhi kya capacity hai aur future me kya karne ka plan hai? Ye bhi bataiyega Sir. Ek Sir, renewable energy ke source ke liye kya kadam uthayein hain? Kya megawatt apni capacity hai? Solar panel ya wind power lagaya hai to uske baare me bataiyega Sir. Sir ek single use plastic ka bhi kam se kam use ho, uske liye kya kadam uthaye hain, ye bhi batane ka kasht kariyega Sir. Ek Sir ye bhi batane ka kasht kariyega Sir, kitne percent employees ko abhi take vaccine lag chuki hai. Employees, casual employees, ye unke parivar ko Sir. Sir, last me main yehi request karunga Sir ke aap jyada se jyada women ko job dijiye Sir. Aur main samajhta hoon jaise aap to meri Hindi nahi samajhte honge.*

Sambhu Prasad: *Hindi to samajh rha hoon. Hindi aata hai hamko.*

Santosh Kumar Saraf: *Women ko jyada se jyada job dijiye kyuki ghar me apni Laxmi*

ko agar mauka dete hain, to apne ghar me Laxmi aati hai. To aap jitna Laxmi ko mauka denge Sir, utni Laxmi badhegi. Aur Sir, women jo hai na, abhi kaafi aage ho gyi hain. Aap Olympic me dekhiye, Paralympics me dekhiye, unhone hamare desh ke liye medals jeete.

Sambhu Prasad: Correct.

Santosh Kumar Saraf: *To unko hunar dikhane ka mauka dijiye Sir. Yehi request hai. Aur disabled employees ko bhi mauka dijiye Sir. Paralympics me unhone hi padak dilaye hain Sir. Jayda samay nahi lunga Sir. Ek baar aapne mujhe mauka diya, iske liye main fir aapko dhanyawad deta hoon aur hamare Karthik sahab ko bhi dhanyawad deta hoon Sir. Bahut sincere aadmi hain. Unhone pehle bata diya. Main doosri meeting me tha. To Sir, hota hai, kyi baar meetings clash kar jaati hain. Iske liye main shama chahta hoon aapse. Aur Karthik ko bhi dhanyawad deta hoon, hamare moderator ko, ki bhai tumhari lambi umar ho. Isi tarah hamari sewa karte raho.*

Sambhu Prasad: Thank you.

Santosh Kumar Saraf: *Aur Sir, sirf company ke acche bhavishya ki kamna karta hoon aur ek baar aapki lambi umar ki kamna karta hoon. Aur bhagwan se prarthna karta hoon, financial year 2021 jo hai, sabke liye happiness, wellness aur prosperity ke sath vyateet ho, aur safety aur security ke sath vyateet ho Sir. Last me ye batayein, physical meetings aap karte the Sir. Uska kharcha, aur video conferencing meeting karne se apne kitne paise ki bachat hui hai, ye bataiyega Sir. Aur jaise logon ne kaha Sir, agar ho to Deepawali ke upar me kuch uphaar ya kuchc products hame de sakein, to dene ka kasht kariyega Sir.*

Sambhu Prasad: Thank you.

Santosh Kumar Saraf: *Kyuki aapka medicine type ka product hai, wo hamare bahut kaam me aata hai. Jai Hind, Jai Bharat. Aap sabhi ko namaskar karta hoon Sir. Aapki lambi umar ho.*

Sambhu Prasad: Thank you. Thank you Sir. Mr Karthik anybody else?

Moderator: Sir, Mr Manisundaram is there. So, I am giving permission to Mr Manisundaram. Mr Manisundaram you can speak now. Mr Manisundaram?

Srinivasan: I think he is on mute.

Moderator: We are not getting any responses.

A. B. Manisundaram: Hello.

Sambhu Prasad: Hello Sir. Please go ahead.

A. B. Manisundaram: Hello. Sir, I am Manisundaram. Welcome to the 84th Annual General Body Meeting of Amrutanjan Ltd. I have a few questions. Page number 4, performance, excellent Sir. Very excellent. Nobody will complaint. And also, you have given good dividend. They cannot expect it. And also, turnover, sales, I am very happy. And page number 62, physical shareholders have to be given a chance to demat. Page number 118, reversal of bad debts is written as Rs 761.77 Cr. What is the reason?

Moderator: Mr Manisundaram, you have muted yourself.

A. B. Manisundaram: And also, you have given me chance to speak this year. You have also done very good CSR activity. Page number 78. Chennai high school, hospitals, health, education, wonderful Sir. I am very happy. Congratulations to the management, Chairman, and Directors, specifically, Company Secretary Sir. He is a very good person Sir. I solemnly thank all the team members of Company Secretary. I need product samples. I also need to visit your plants Sir. Please accommodate our request. We have been asking for it. I will also request for bonus shares. Thanks a lot Sir. Very happy Sir. Congratulations.

Sambhu Prasad: Thank you Mr. Mani.

Sambhu Prasad: Mr Karthik, is there anybody else?

Moderator: Sir, no. Rest all the people have spoken.

Sambhu Prasad: Ok. Now I will answer the questions. So, first I will answer the repeated questions. For example, we cannot use synthetic menthol in our company because being medicine, we cannot use synthetic menthol. So, menthol prices are at lowest in the last 6 years and we are also covered till next year. So, we will continue to see this at least for the next 2-3 quarters more. Next is, coming to ad and sales promotions, we are dealing with a very competitive, aggressive, large competition. So, we have to spend today. I have learnt in the last 15 years here, you do not spend only for the consumers, you have to spend so your sales team does not leave you. You have to spend so that your distributors also support you. So, spending on TV is almost like wearing clothes. It's a hygiene. It's like taking a vaccine for Covid. It's a must to do, to stay in the same place at least. Not even growth. Our ad to sales ratio last year was a bit depressed because of Covid. But it will continue to be between 12-15% in range of sales. So, that is something that people should note. Next, coming to Comfy, many of you asked what the future of Comfy will be. Future of Comfy will be one is to scale up further. The strategy of supplying to cloth users. So, that itself will be more than Rs 100 Cr. In the current Rs 20 pack for Comfy, we are driving that. We are also getting into things like menstrual cups and tampons because that is the future, and also good for the environment. Especially menstrual cups are a great boon for the environment because you can use it for years, if not for months. You do not have to throw it like napkins. It's a double-edged sword for the environment. Coming to distribution growth, yes, U.P., AP, MP, Maharashtra are areas where we have a big gap between the competition and us. So, that is where the growth will come in the future. Those of you who think we are only a South India company, it's not correct. We are also strong in East, Orissa, West Bengal, we have more than 50%. In Orissa, we have 70% share in the pain balm business. Comfy, we have a double-digit market share. So, with the exception of AP and Telangana, we are strong in the South, also in West Bengal, [NESA](#), Orissa. So, that is where our strengths lie. If we can grow in UP and Maharashtra, we will be a Rs 1000 Cr company. So, now the plans are being made to target Rs 1000 Cr. So, Rs 500 Cr is not anymore, it used to be a target a year or two ago. So, that is the target now, to reach the four-figure family of companies, more than Rs 1000 Cr. that is what we are looking at. So, as far as the question whether balms do not appeal to millennials, we are the first balm company to launch roll-ons. So, we were very foresighted in launching roll-ons. So, roll-on brand does very well in India and not only in India but also in Africa in Uganda. So, roll-ons and sprays were launched keeping the younger people in

mind. There are millennials, Gen X. So, that is our focus. In fact, I would go out to the limit to say that Electro Plus, Comfy, getting Shraddha Kapoor, all these strategies were also to attract, to make the company younger. That is the whole point. Electro Plus is a product not only used by people have diarrhea or medicinal use but also a lot of people I see, when I talk to them, using them as a workout drink, even during the day. It might even replace, some of them are using, we even talked to housewives, young mothers who use Electro Plus. So, it is used as an energy drink also. So, it's a great product for youth. So, coming to plant visits, I have to talk to the Board about this and get other people, who ran the company, Mr Raja, Mr Raghvan. A lot of people ask me about these Plant visits. So, we will have an internal discussion on this because there is a lot of proprietary information there. And we are very sensitive about some of the technology that we develop in-house, manufacturing etc. So, we have to think about it. As far as capex, we are blessed to be in a business that does not generally require a lot of capex. As you know, FMCG businesses are low capex. So, this year, we will see some capex if the Board approves. One of the large capex that I foresee will be at some point be a Comfy plant. So, these are the two areas. And off course, Go Digital, SAP implementation will be around Rs 2 Cr. One of the benefits of SAP, somebody asked, it not only controls, but the auditors KPMG are also insisting on it because the current Ramco is an older technology and you need SAP today. Not only for controls but also it can seamlessly integrate all our Salesforce automation and distributor management services and all the other operational technologies. So, it will drive efficiency. So, that is one of the things we are looking at. So, these are the questions that came up. The second line management, yes, we have. It's not a single man show company by any means. So, we have a strong management. Those of you who complemented Mr Srinivasan correctly, there are many Srinivasans in this company and that is why this company is growing. We have a great Board. The company is built as a professional organization. So, that is the focus. So, I think these are the questions that came up. As far as bonus, again, I will talk to the Board. And Mr Gowri Shankar talked about Denmark. Let me tell you, USFDA registration was not easier than the Europe. Europe is very strict. It takes 270 days and then you have EU registration or a single country registration. So, that will take longer. Let us not forget it's a medicinal product. It will take some time. But now we are going to register in these countries and use our website to sell these products in the coming years. Then, diversification in pharma that Mr Gowri Shankar asked, yes. We are. ORS is a classic pharma product. The WHO talks about ORS as one of the greatest inventions that has saved many lives, as you know, in Africa. People

who would have died otherwise from cholera and ORS is very much an important product. So, we are using that. It's very much a pharma product. But we will never get into ethical pharma, if that is what you mean. No. We will be in OTC. That is our strength. I think that I have answered all the questions. We will continue to see high growth because we have a great Board and management team. But it's also very aggressive environment out there. A lot of brands are going straight to digital. There are a lot of e-commerce brands. So, that's why we have to keep up with them. That is why we are investing in digital. I hope I have answered all the questions.

Thank you all for your time and great answering. Some of the questions are very thought provoking. I have shared those with my team. So, hope to see you all in person the next year. Thank you all. Be safe. Thank you.

Thank you Sir.