# LH-Kerala

# Transcript – 31st AGM

**COMPANY SECRETARY**

I, Jyothi Gulecha, Company Secretary and compliance officer of the company, welcome you all to the 31st Annual General Meeting of the company, which is being held through video conferencing in accordance with the circulars issued by SEBI & MCA, the registered office of the company, Alva, Kerala shall be the due deemed venue.

For this AGM, all the required members of the board are present in the meeting, including Mr. Anand Subramanian, chairman of the Stakeholders Relationship Committee, Mr. Subramanian Krishnamurthy, chairman of Nomination and Remuneration Committee and Audit Committee, including Our statutory auditors and our secretarial auditors, Mr Biju George, our internal auditors and our scrutinizer BMP and Co.

Mr. Ramesh Vangal, chairman of the Company shall act as chairman of the meeting except for the proposed resolution part wherein chair would be entrusted to our whole-time Director Dr. K. Anil Kumar.

Now I'll take you through certain points regarding the participation and voting at this meeting, as all the Members who have joined this meeting are by default placed on mute to avoid any disturbance from background noise and ensure smooth and seamless conduct of the meeting members who have not voted through remote voting can cast their votes, through the voting facility during the AGM and 20 minutes post the AGM.

As the required Quorum of members is present, with the consent of chair I declare the meeting to be in order.

Since the notice and resolution proposed along with the explanatory statement were already circulated in advance to all the Members to their registered email IDs, it is taken them as read to avoid their repetition, the chairman of the board will respond to all the queries at the end of the Meeting.

 Now, I would request our chairman, Mr Ramesh Vangal, to occupy the chair and proceed further.

Thank you. Over to you, sir.

**CHAIRMAN (Mr. Ramesh Vangal)**

**Good Morning everyone!**

George, can you put up the papers? Please go ahead.

See overall business has been quite strong. Despite COVID, as you can see, our business has grown. In the case of 22-23, recovering almost 50% growth since COVID and overall we are on a Good Trend 23-24 looks to be a stronger trend than 22-23 next.

We grew last year 16% and frankly it was driven by very strong health services growth of 53%. And I think the way in which health service is growing in 23-24, it will be the biggest business in the in the portfolio for us.

Health services are led by Ayurvedagram and we are rapidly increasing the number of clinics and therapy centres we are working. Our digital business in India suffered because of some problems with the main customer, Amazon, who had to change particular people. But I can tell you in this in the current year, 23-24, we are running well over 50% growth. So digital India has also recovered. U.S. business has run into some new regulatory problem, which is why the growth was lower, but we are expecting to see some improvement in 23-24. Overall, we are quite positive that we had a good growth, but we will expect faster growth in 23-24.

The EBITDA between 22-23 actually is you know is the reason for the arrangement is because we have invested heavily actually are operating a bit in 22-23 was 12.3 crores.

We had a Forex loss but this is notional. That's because we deal in dollars. And we had to pay back a lot of pastor years of Rs.190,00,000. And then we have invested almost 4 and a half lakhs between digitization and new products. That is the reason for the EBITDA. But fundamentally operating EBITDA for 22-23 is quite strong. It is almost 15%. Of the business. Thank you.

Next. Net, net Kerala Ayurveda is very well positioned for the future. Can we see the? The PowerPoint George. OK. I wanted to tell you. What have we done all these years? Here is the company. If you see the company as it stands today, it's a powerfully Voiced company with a very strong foundation. I'll show this to you where? We are and we will put this particular profile of the company on the BBC website also so that if you cannot catch it, you can see it later.

 Go ahead next page.

 OK, the basically we all know. It's the time for Ayurveda is now. After pandemic, we recognize the power of herbal science. And particularly in that the interest in Ayurveda is very large. But if you consider Ayurveda. People will talk about Companies like karma. Or forest essentials or say. Or for that matter Dabur. But in many ways. Many of these companies that I've talked about are almost all primarily in the product space and a lot of them are in fast moving consumer goods. For example, the biggest business, for Himalaya, I believe it is around 70% of the business is in their toiletry items like mean face wash. However, if you look at the pure Ayurveda, it is in the Kerala system. Kerala systems are not yet very good in terms of going into the consumer space with fast moving consumer products. OTS. You know, in that particular space we are getting there, but what our primary reason we believe that Kerala Ayurveda will succeed because it enshrines it captures the powerful Kerala tradition of Ashtanga hridayam and It is young. And this is at least 800 years old. So overall. If you think about it. Let us say Ayurveda is 5000 years and there is 800 years of Kerala Ayurveda tradition, and our company is 80 years above all. If the Kerala Ayurveda tradition is so strong, what is the brand name? Our brand name is also Kerala Ayurveda, So we have a very powerful brand name. Enshrining the power of the Kerala Ayurveda tradition, which we believe is the superior tradition and we need to differentiate our tradition of Kerala tradition of Ayurveda from other come. And it is not just us, it is other Kerala traditional companies are also in the same league, but we have the brand name, and we believe we will prevail next.

The primary reason why Kerala Ayurveda is the original Ayurveda company because of the Kerala Ayurveda tradition. Is the primary tradition. The main reason is Kerala was never invaded. Because it was never invaded that traditional Kerala Ayurveda has remained pure from the beginning. In many parts of the country there was invasion, and that tradition was interrupted. But that is not true in India. Sorry. In Kerala that is the reason why it is very strong in Kerala, the per capita development of Ayurveda. The Kerala tradition of Ayurveda is 10 to 15 times the national average and therefore in Kerala. It is the mainstream, and it's only when the Ayurveda doesn't work from people go from Ayurveda to Allopathy. So the first call is for is Ayurveda and if that doesn't work for emergency they go to Kerala Ayurveda and as I said our name represents the best tradition of Kerala. Veda and therefore it's a very strong brand name next.

Kerala is also the biodiversity capital of the world. Abroad, we are actually talking a great deal about this. And we essentially are going to say we represent Kerala tradition and Kerala is already the biodiversity capital. It's the herbal capital of the world and that's why there is a lot of strength next.

We have full spectrum company academies, product research, clinics, hospital resorts and Wellness services. None of the other majors have this. We also have solid base and science. Are you spending a lot more of attention to science and on this we all know we have the first US patent.

Kerala Ayurveda has got the first global patent for Ayurveda in the US. Which is a breakthrough. Here are the 2 patents we got a US patent. In Sept in in. Early this year and we followed up this with the Japanese patent. We are trying to find ways of taking this patented product into the market and we are working out arrangements with them.

We've also developed a range of proprietary products with this patent. At it, we are looking for contract manufacturing and you may ask why haven't we done it so far? I'll answer it in the end because we do need some amount of thinking on how we are going to fund further investment in marketing and launches and so on. Many of the bigger companies be it say forest Essentials or others. Have taken hundreds of crores of investments to Do this. We do not intend to take that kind of money because we are not interested in terms of diluting the shareholders at this stage. However, what we will do is take money carefully and we will work along these lines in an intelligent and a careful manner. OK.

They have the best possible quality and I'll explain this to you why we have it. We have actually got in a time when there is a lot of adulteration of herbs. We can be proudly saying very clearly that our company is following the same principles as the founder KGK Panikar did, and his son Anil Kumar, who is the executive director of the company, is a testimony to that next.

I would dare say nobody else has done this Kind of research that we have. We've also got a lot of newer products. For example, you will see this product with superior packaging based in Myron Glass is not yet sold in India. It is sold in the US and it will soon to be launched in other parts. But we need more money in order to be able to push these products because expansion of a relatively small Indian company in the global market. is going to require money. We have demonstrated that our products to be pure, safe and effective. And I wanted to say that while we have a large range of 250 classical and 100 proprietary products, we've also got good packaging. We have one very important thing. The last line of this says US FDA and California prop. 65, our products in the US meet this California prop 65.

What is California prop 65 next? Next here what we are saying are US product range. Is the highest quality available globally for any herbal product. And I'm not saying this casually. It is because we meet that California prop 65. It has taken a lot of effort.

 Why is it important? And I think increasingly. There is heavy metal contamination in our food. Very often, Ayurveda products in America and in Canada and other places, People will mention why they are not to be trusted. It is because of any country metal contamination. But we have to differentiate ourselves. From, say, other companies who are not managing with the same conditions, take a look at this that table. On the right-hand corner. Here is lead. Lead is a poison. Indian standard allows 10 micrograms per day maximum because above 10 micrograms of lead, it is considered poisonous and not allowed. US standard is not 10, it is 5. But California standard? Which is what our company needs is 0.5. That means we are 10 times as strict as US standard and 20 times stricter than Indian standard.

This is a remarkable achievement and we need to be in a position to Fundamentally, market this in an aggressive manage with our products. This is a crucial element for us.

Here is our new packaging. This packaging has generally been seen as world class and you will see from the quality of the packaging it is that way and soon we will start launching higher quality packaging in India which will have to look different than the ones in the United States because of the fact that. India the pricing is different in dollars, the pricing is different and in India the pricing is different. So we will Need to differentiate it. We have a large Team of professionals in Salesforce and in terms of the service force, we're moving ahead next.

Our US Academy is probably our biggest differentiator versus anybody. We have over 3000 alumni who are allowed to practice Ayurveda in health freedom states. These are courses that we give which are certificate courses approved in 2 states, California and Washington and in 11 States of America. We are allowed to practice and we have 3000 practitioners, which is a large number. We recently opened one in Norway. Again, we will require more and more will require some additional funding to be able to institute this plan, but the good news is we have a well-established Academy in the US which we believe is the largest vocational Ayurvedic institution outside India.

You have lots of therapies and we have won many, many awards next.

Here is our flagship resort. This is Ayurveda gram, which for the last 6-7 months is running almost completely full. And we are happy because after pandemic we didn't get so many people from abroad, but now they are coming in. In the meanwhile, Indian Clients have started Coming we needed to expand this franchise. So what did we do? We created another. We will show you another picture. Go ahead. This is by the way this Ayurveda gram in Bangalore is one of the most awarded Resorts in the world and this Is something which is the power. This is ayurvedagram.

We opened up Ayurveda gram Bali. And it is beginning to pick up steel. It is the rooms from $300 to up to the most expensive room, is about $800 a night, and it looks beautiful and we would be happy to see this business increase and we expect it over time to do more revenue than Ayurveda Gram in India and what we are expecting is over time. To increase the number of Ayurveda gram franchises. This is Bali again.

 We have many, many awards. We won the herbal company. We won this last year. This year we became in America the Pharmatech Outlook award for the most for the best alternative medicine company. And we also have won many awards. India Today as a champ. For the best herbal company of the year and also Ayurveda, gram in particular has won many awards for the best traditional service. Of the company next. Here is our top alternative medicine company award and we are very proud of this not in India, ladies and gentlemen, but in the United States, please look. That is growing awareness globally. That we need to work on. Here is the list of the global awards. I dare say no one has got as many awards in Ayurveda as we have.

The award right in the middle is the Amazon Award for digital, the most innovative store. This was in 2020. Below that, Dunn and Bradstreet awards Frost and Sullivan award. India Today awards.

Make in India Emerging Entrepreneurs Award, please mute can the operator administrator please mute? OK. OK, next.

Primarily, we are working to partner doctors who we believe are the soul of the business next. KALPAM is a model that we are expanding rapidly on. Dekal is a distributor model, a partnership model that we intend to. Take it forward on. This is our company. And I think you've seen your factory. We are fundamentally building investing big in terms of digital. So inspired by Ayurveda, powered by science, that is our patents capability to keep California prop 65. We have a large education business which we need to roll out globally and in India and we have to invest in digital. What is it we need? Our primary requirement is funding. And therefore what we have done, we need fresh investment to make. All of this happen. As I mentioned to you, companies which actually are in the toiletries area have actually invested and got lots of money in terms of, you know, hundreds of crores. We are not intending to be something which does that because we are not interested in terms of of diluting ourselves beyond the point, but we are. And will look for. Plans which we expect to productivity. In the near future. Fresh investment to basically build digital India. Secondly, we will reduce company debt. And move into greater equity. And I want to be able to tell you in a few days we are going to announce a world class management which I think will basically change the structure. A leader who can comprehensively change the way we do the business and lead this into something I'm not yet ready now, but these initiatives will be announced soon. Because we are very clear that Kerala Ayurveda has a major pathway for accelerated group.

Thank you.

Can we go through the resolutions? And then open for questions.

**CS**

Yes, Sir. Now we will proceed with the proposed Agenda part. Now, I would request Dr. K Anil Kumar to proceed with the resolutions as proposed for the approval of Members.

OK.

**Dr. K. AnilKumar (Whole-Time Director)**

Yeah, this is the agenda which is shown now.

**Agenda item No. 1**

1**. To receive, consider and adopt:**

1. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Auditor’s thereon.
2. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the report of the Auditor’s thereon.

**Agenda item No. 2. Appointment of Mr. Ramesh Vangal (DIN: 00064018) as Director, liable to retire by rotation.**

**Special Business:**

**Agenda item No. 3.** To renew the related party agreement with Ayurvedagram Heritage Wellness Centre Private Limited

**Agenda item No. 4.** Ratification of the remuneration to Cost Auditors

**Agenda item No. 5.** To take control over the business segment Nutraveda from Katraphytochem (India) Pvt. Ltd. and to enhance the limit of Related party transactions

**CS**

Now, Sir, as you being the related party. I'll be taking up the remaining Agenda items.

OK.

Next item on the agenda is

**Agenda item No.6.** To consider and approve Re-appointment of Mr. Kunjupanicker Anilkumar (DIN: 0226353) as a Whole Time Director of the Company

**Agenda item No. 7.** To consider and approve the issuance of equity shares on preferential basis to Katra Phytochem(India) Pvt Ltd, promoter group by partially adjusting the existing unsecured loan of the company

**Agenda item No. 8.** To approve Related Party Transactions (RPTs) with Katra Phytochem (India) Private Limited to sell the land held in the name of the company

**Agenda item No. 9.** Approval to sale/transfer or otherwise dispose off the land situated at Sy No.7/2 at Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore Dt. Having an area of 2.85 acres (11,534 SQM; 1,24,147 SQFT) held in the name of the company towards using the sale proceeds to settle partially the loan extended by Katra Phytochem (India) Private Limited

Now we'll proceed with the queries to be taken up by our Chairman, as we have received requests from 14 members as speakers for the AGM to present their queries & views.

The speakers are requested to restrict their queries or comments to 2 minutes for the benefit of other members.

Now, with the permission of chair, I would request the moderator to allow the speaker one by one to express their views & queries. Thank you.

**MODERATOR**

I'm just looking at the names, I'm just going with the sequence at what you have given.

Let us go back to the video screen. So that we can look at the those of the investors or rather the shareholders. Who would like to? Come on video.

First one is Mr V Rangan.

OK, next.

One second, I don't see any name here, Rangan.

If we don't, let's just move on.

OK. The next one is Mr Santosh Kumar Saraf.

Santosh Prabhu I have.

No, it is different person. OK, next.

Has John Taco.

I don't say the name here as well, OK.

OK. Next one is Mr Jay Abhishek. I think he has joined Sir.

Abhishek Jay, I could see there are 2 names. I'm just allowing the first one to talk. Yeah. Abhishek, now we can talk.

Can you hear me? Sir, am I audible?

Yes you are.

Sir, can you enable the moderator? Can you bring me? To the panelist. Because I'm not able to switch on the camera moderator.

OK, OK, I've given you that.

Yeah, yeah.

Yes, Abhishek, you are in the panel.

Can you hear me now? Am I?

yes you are. Please go ahead.

Audible, 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.

Profitability, dividend history and becoming one of the strongest brands in the respective segments. So first of. All I would like I. Would congratulate the management on the eve of annual general Body meeting, 38 annual body meeting. So trust all is well with you and your family in this challenging situation. Our company deserves much more respect than the current market. After completing more than a decade of operations, profitability, dividend history and becoming one of the strongest band in. The respective segment. How many employees are there in the company? Sir? What are the steps being taken by the management to reduce the other expenses charges and the audit? We would like to know from you, Sir, and I would request the management to kindly consider hybrid ATMs and years to come Sir, because of the digital challenges in the virtual platform, most of the senior citizens are not able to join in this virtual ATM. So you can consider.

OK.

You have to come with more number of shareholders can join us. Meeting suggestion and ideas that will be helpful for the management to employ.

**CHAIRMAN**

OK. All right.

OK, let me answer that. First of all, yes, OK. So let me answer that question, please. Can you mute the disturbance we have about 600 people in the company.

And physically and manage their shareholders can join you virtually.

Oh, OK.

And we have not. Can you mute the others please? There's a lot of disturbance, so we have about. 600 people in the company. It is a matter of pride.

We never fired or laid off any particular permanent employee from our company during COVID. But what we have done is dramatically changed our cost structure reduced it. We have reduced our cost structure by 10 shared by 10 points. That 10 percentage of the MRP of the retail price. So our profitability is higher as far as our. As far as our growth is concerned, what we need is what we need to do is to restructure the company because we need to increase the level of investment we put inside because we have a very strong foundation on education. In the United States. Products both in the United States and in India and also in terms of services. But to explain this, we have actually got a very good digital base, but there requires a lot of expenditure for marketing and we will come up with 2 plans as I mentioned in my presentation, 1A very strong leader who will be announced in the next few days. To lead the company, go forward because I've always been a not a not a full time executive. I'm. I'm not. I'm a non executive chairman and overall what we will do is find a way of being able. To take this. Thing forward hybrid AGM I think is a good idea because we're all comfortable of a purely digit. We can do so the next time. Next question, please. Let's move on. Mani, let's move on.

Yes, the next speaker on the list is Mr K Kankan.

Mr Kankanam Bharath Raj next on the list.

It's not join. OK. Mr Raghavendra, Raja Mohan. Mohan. No. OK. Mr Prabhjot Singh Sahni. No. OK. Mr P Gopal.

Prabhjot Singh is darsa Prabhjot Singh Sahni.

What is the name that he joined in?

Prabhjot itself.

See that here.

OK. Yeah. Let him identify himself, please. Yeah.

This is Prabhjot Singh Sahni. Thank you for allowing me to speak. Good morning to everybody. So following your company for a long time and it's been doing really great visit with our performance through and through.

Good morning.

I just want to know what exactly are our plans to really have are pan India their presence towards. Center what exactly is cost per center, which has been deployed? Could you create and center and how we look forward to that and what exactly we are doing to expand our sales toward the products which we are making and what exactly are we doing just. You are only on Amazon or any other platform also or we are planning distribution sales was that and what exactly is the margin?

OK.

All right.

And tell me your plan, how we are planning. Can you hear me?

Yes, I can. Please go ahead.

How we are planning to really expand our centers plan India, that is one major question. Thank you.

**CHAIRMAN**

OK, good questions. Good questions. Mr Sahni. You see, overall, if you think about it? COVID our business got hit a lot because a lot. Of it was service. Out of our 600 people. I would say around 350. In the services area in COVID, we ground to a halt. We've had to come back because we had a lot of arrears in terms of rentals and so on, but I can tell you that right now, especially in last year, we grew 53%, our services business and this year we are expecting to grow even faster. We have, if you think about it, traditionally our business was going towards Ayurvedic doctors. Today we have actually started moving towards offering the full range of services because I said our name is Kerala Ayurveda and we believe that we represent the best tradition available in Ayurveda, which is the Kerala tradition because Kerala was never invaded and our name being the brand being Kerala Ayurveda, Kerala being the spice. Capital of the herbal capital of the world. We know we are in a good position. What is our and digital? We have put a fair amount of investment inside and our e-commerce business currently this year is growing around 50 to 60%. We are selling on Amazon. We are selling on Flipkart, but we're also increasing our own our own. Basis of our own company owned website. The challenge in all of this, Mr Sahni is we need to raise capital. We do not have enough capital. For example, last year out of a 12,00,00,000 operating EBITDA, we actually invested 5. And as a consequence, but that is not enough. So we need to about fresh equity in the company which we are trying to do and at the same time reduce debt. Above all we need to induct the Global Management because during the COVID period we managed and we did not able to be able to afford somebody. But now we are going to bring in world class manager. And I expect to be making an announcement in the next few days about somebody who I think is truly world class, who combines an understanding of not only marketing but also the physical marketing and also in terms of the digital space. This will happen in a short time. But thank you for your question. We are expecting to build, we believe we have the best possible foundation in Ayurveda, not one company available whether it is Himalaya or dabur. It let's look at our competition. Himalaya doesn't have a single doctor on its payroll who is actually providing service. Neither does dabur. Forest Essentials is primarily a cosmetic company. Not healing. As far as we are concerned, we're starting with healing, but our US products, we have about 50 US products which are in toiletries in India We have a few. We will go into this too, but we want to keep our core, which is therapy which is we solve problems because people post pandemic are looking to herbal. And we have one of the biggest basics on this area on the services business. Mr Sahni, I'll tell you today we have the finest resort, which is generally considered and Ayurveda, which is Ayurveda Gram India, we have Ayurveda gram Bali which is exceptional and if any of our shareholders want to go there, we will offer them a special price. Bali is a beautiful resort and we are getting actually the amount of. Opportunity for us to grow globally is there. We have many such offers in terms of franchises abroad on Ayurveda gram. Secondly, we are creating a model called Kalpam which is partnership with doctors. In the next we have got now around a total of about 30 centers and our expectation is. By the end of the next 12 months, we will add Another 50 more. But with a little bit of extra money that we intend to take, we intend to accelerate it by growing the resources. You asked for the cost of a center, the cost of the center varies, but I would say go anywhere between 5 and 25,00,000 per center. We do not buy the property we typically work with a doctor or a local landlord who we can work this with. Fundamentally, our our business is to partner doctors.

That's good.

Next question please. Thank you.

Yeah. Mr Bharath Raj can talk now. Please unmute. Hello, it's Bharath Raj.

Maybe we'll come back to him. Can we try the? Next, yeah.

Next, yes, sure. The next on the list is Mr P Gopal.

Gopal, do we have? I don't see the name.

OK, Mr S Padmanabhan.

One second. Mr S Padmanabhan. But also I don't have the name.

Mr Prakash Chand galada.

I don't know. I haven't PR Prasad.

OK.

I don't know that is different.

Let's keep the name as it is. There's a lot of similar names. Yeah. Please continue.

Mr P jaichand.

OK, no.

OK. Mr AV Mani Sundaram.

Anything that may I have this?

Sir, can you give me the analyst? Sir, I've already joined you. Bring me panelists, Sir. Only then camera can. Be enabled. Hello Sir.

Please come.

Sir, because of the restriction of number of meetings being conducted today, Mr P Jaichand, Jay Abhishek and AV Manish Sundaram all will join from the same device, Sir. So, moderator, you give us unmuted throughout session, say immediately is taking us to the back to the. Windows, so please ask them to give the panelists so that we can all the 3 speakers will join from the same devices. Thank you very much.

Good morning, Sir. Hi I am Mani Sundaram Kerala Ayurvedic very proud shareholder. I welcome all the shareholders and. Board of Director, chairman, company secretary for past 4 years, I am suffer from your greetings and also first of all, I needed Chavan Prakash on the oil and face cream is very happy Sir and I applied. I have rectified my. Difficulties of body pain and also very good Sir. And this year we have done very good target and also. You have after pandemic you have done a good business and also transparency of annual reports are and futurely. You can give lot of Health Center treatment center TN and also Andhra.

**CHAIRMAN**

Yes, Sir. We will do. Our plan is that. Both in Tamil Nadu and thank you very much appreciate KM lepam is very good Sir.

And also another shareholder, Mr Abhishek is speaking also speaking the same direction.

Later, please continue, Sir, Namaskaram namaskaram.

Sir, good Morning, Chairman, Board of Directors and Company secretary and his team and my fellow shareholders. Sir, I congratulate the management on the eve of this AGM, our company is performing well. Corporate governance is good, CSR activities, good share price is good. So what are the expansion and future? Answer I request that management to consider the bonus issue to reward the shareholders. Sir, the only grievance of the shareholders is expecting better dividends and appreciation of share price. I wish our company will grow and touch Sky High. Our company, which stood the pandemic situation very well. And my entire family members are proud, shareholders of this company from the date of IPO. I support the management. I have cast all the votes in favor. I request the management. To conduct the AGM well in advance, Sir, and also minimize the expenditure, Sir.

OK, Sir, our hospital reserve your medicines, the Chavan Prakash and oil is very good. Sir, please provide to the speaker shareholders Sir. Thank you very much Sir. One second Pavan Sir.

One second.

No, this is Abhishek. Speaker chair on the Sir. I was thinking.

That I was going to be disconnected anyhow, that my best wishes to the company, Sir. Yeah. The revision of the company we used to run physical medium. So most of the companies have started conducting hybrid AGMs. So if you can also conduct hybrid AGM, they have to come in.

**CHAIRMAN**

Thank you. Yes, it's a good idea. We can do from Next year so. I'm glad you like our products and more important we are planning a rapid expansion. We need to get a strong leader in a few days. We are going to get a strong Chief Executive Officer and we are planning further moves quickly in order to bring in some certain limited amount of capital to increase the growth. And frankly, our intention is to grow the business, then the business grows automatically, share price and other things. Will move on. So, thank you very much, Mr Jaichand, Mr Mani Sundaram and Mr Abhishek, thank you. Next, please.

Next on the list is Mr Keshav Garg.

Mr Keshav.

Good morning, Sir. Thank you for the opportunity. I've sent my questions over email. So if you have them, I'll won't ask them again. Or else I'll just ask them like quickly.

Ask I think you know I saw. Were you the one who? Gave a lot of questions.

Yeah, sure.

So, in general, if you know I have looked at the questions. Can you basically give us 2 or 3 of the principal ones and the rest you know we can always handle separately, give us 2 or the 3 quickly because time is a constraint. Please. So that's that we can answer.

OK.

Those 2-3 questions?

Yes, sure, sure. What is our like, can you explain our business into various segments that we are? So like if you could give an overview of our business. My second question would be Sir, what is our outlook for FY24 in terms of top line and bottom line as well? As our outlook for the next 3 to 5 years, when we are saying that we'll see your like precedented changes in our business and we are getting a new executive as well.

OK.

3rd question would be what will be the margins that we should expect going forward because as well as when will our loss-making subsidies turn positive? The so like regarding our business, our future prospects, OK, as as yeah.

**CHAIRMAN**

OK, I think I'll answer this. Mr Garg, see very simply stated. What we have done so far in invest in a strong foundation in 3 areas. We have products in India which was the traditional business selling to doctors. We now have products which are going towards consumers as well as doctors through e-commerce. This is one of the fastest growing businesses we have. We were awarded in 2020 by Amazon, the most innovative store. We also got an I media award digital media Award. And I believe that what this business requires is more investment and our e-commerce business can grow. Number one.

Second is we have products in America. Our U.S. business is very strong and I mentioned in my presentation, please, when you have a chance, you will see after this our particular presentation of our company profile, you will get a very good idea. Of our US products are actually exceptional. They are the world 's highest standards and this is not something that we are saying lightly. They are supported by the best research because we are the only company in the world to get an Ayurvedic patent in the America US patent and later a Japanese patent on this. So we're very comfortable in that particular opportunity for us, Mr Garg. So we have a strong product business and we are moving towards consumer. The biggest and fastest growing business of our is a service business, the panchakarma business, the rejuvenation business both in day centers as well as in hospitals and also in.

On resorts, we now have AyurvedaGram India, which is seen as probably the best in the world. They also have an Ayurveda gram in Bali in Indonesia, which is one of the largest tourist centers and that is beginning to gain steel. The second is we have opened day centers till about now we have about a 30. And we are expecting to grow another 50 to 60 in the next 6 to 7 months. So we expect further traction along these lines in terms of that business. So I believe Academy in the US that we've got is a good one. We have 3000 people who are licensed in, sorry, are allowed to practice in America, not licensed because Armada is still approaching the license and they are allowed to practice in America. And this is because we are the only certified. The big. And there is no other Indian company in Ayurveda or otherwise, who is certified to be able to and make products in America. So we are planning to work all of this. All this requires is a combination of resources, which is both human as well as money. So we are in the process of doing 2 things, reducing the debt, increasing the resources. With increasing resources, we will add more money into this picture in the. After and we have already identified somebody and in a short time we'll be making an announcement for a, for a, for a top flight manager, and then we will aim to bring him further capital. Into this business. Thank you, Mr. Mr Garg, can we have the next question please to you?

Just my final question would be, Sir, if you could highlight on the margins that we can expect going forward and then we are telling that we are that will grow in our business but will require capital.

So are you planning on raising our debt or are we planning to increase our margin because our margins were in mid single digits, mid double digits in 2015, 16 but they have reduced to 2-3 portions right now and even after what you have said earlier that because of our investments in our business, but these are the like. Kind of maintenance kind of expenses for our business. So these are necessary. So if you have margins going.

**CHAIRMAN**

Twofold. See our operating margin. One is in the region of 12 to 15% and the problem is we are investing a lot of it and we will need to because we want to grow faster once we get past the break-even we will be in a position to work this out. Our primary objective is to show the promise for the future. If you look at, say, some of the recent entries which have entered into the digital space. Like Mama Earth and others, they are all working on the basis of purely digital. So we have to invest in digital. We intend to be a fishtail company, physical and digital, and I think that combination is a powerful one. So please allow. I think you will see better results in 23-24 and more important. You will see reduction in debt. You will see some new capital inside and I think for we can expect to see from. 24-25 onwards, much rapid growth. If I were to project out in the next few years, I would like to be in a position to hit 500 crores of top line within the next 34 years.

Thank you. So that was a short.

Next question. Thank you. Shall we get? Yeah.

And Sir, if you just the CS to answer all my remaining questions would be great answer. What is the final?

Later on we can handle that.

Yeah, yeah. And what will be the break-even revenue that you said that will? Get the bed.

We are already we are already at break even. The question really is whatever we are going to get, we are going to reinvest because we want growth. But if we bring in further money what we will show is strong EBITDA growth that will be the interest. OK, my friend. Thank you. Next please.

I think Mr Santosh Kumar Saraf has joined even Mr. John. We'll take one by one.

Yeah. Mr Santosh is on. We can talk.

After that we can basically close the after those 2 questions we can close.

Yeah, hello.

OK. And yeah.

That's it.

I'll check. I'll check a Chucky.

That's it. May I call the neighbor who can keep up? They can pura 26 ingredient. Tum follow karte hai. Manufacturing cost original. Equality Main kya Hota hai Abhi apna desh? Standardization here ayurveda. Mushkil has standardized product variation variation. Product quality, hair recognition management. Aslam Palace, Harato chief executive leadership. Vishwas, believe her. Thank you very much. Mr Sarah, next one more. One more question.

Thank you.

Mr. John. Mr. John chacko.

Mr. John. You are on mute.

Can you hear me? Say this question is specifically to Doctor Anil Kumar. And you have signed a custom manufacturing agreement with SDK Pharmacy way back in 2013. And I would like to know whether all the obligations under the agreement. Has been fulfilled. Or not. And if it if anything pending because I didn't see anything in your annual report.

That was not in this annual report. It was. Previous years, you know, 2 years back we discontinued agreement with.

I'm thinking about.

You have signed the agreement sometime 10 Years ago and my question is very limited. Is there any financial obligations still pending out of that which because there's? Nothing showing in Your annual report.

**CHAIRMAN**

Yeah. Yeah, go ahead. As far as we are concerned. They owe us money. I don't know. A couple of Crores 2 and a half crores. They are under liquidation. We are in the along with the whole line of Creditors as, as and men, the assets of SDP. Basically, get finalized, we will get a portion of it. It's in the process in the hands of the liquidator, but we are owed money. We have no obligation to them. They have no obligation to Us, I mean.

But because nothing if you owe this much of money, that should be shown it as a credit on our books.

Yeah, but it is. The company is under liquidation. So the ability, their company.

Which number?

SD pharmacy, yes.

OK, I'm not aware of that. That is all.

Well, please check it is available on the on the Internet my friend. So please check can we get.

I just asking you. But it's not. It is not going there anyway. I'm not much interested in the matter because that's all I have. Only custom made agreement between Mr Anil Kumar and SD Pharmacy. I had a chat with me, so I just.

Yeah, yeah, yes, yes.

Thought that all the obligations under this have been fulfilled or Not either way, both the ways and.

They have answered it. I think we have answered that question substantially and please check the Internet and get back to us if you have anything more can we get? To the next question please.

I think that's a Mr Manoj Bagadia is the last on the list. I don't see. Can you see?

I don't see.

OK, so let's close this conversation. Close questions. It's been a good questions.

**CS**

Now that we have come to the end of the meeting. The process of e-voting shall continue for another 20 minutes for those who have not yet casted their vote can please cast their vote. The meeting shall stand concluded at the end of 20 minutes.

BMP and Co LLP practicing company secretary are appointed as scrutinises for conducting the voting process in a fair and transparent manner. The result shall be declared after receiving the report from SCRUTINIZER. The combined results for remote voting and E voting will be placed on the website of the company. The results will also be submitted to the Stock Exchange as per the relevant provisions of the Companies Act and listing regulation.

Now I present vote of thanks to our chairman, Mr Ramesh Vangal, all our board members, Auditors and scrutinisers, and express my gratitude to all the Members for their support and motivation.

Thank you all.

**Thank you.**