



**TTK Healthcare
LIMITED**

TTKH:SECL:GJ:158:17

August 07, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

| | |
|--------------|----------|
| Company Code | : 3153 |
| Scrip Code | : 507747 |

Dear Sirs,

Re : Submission of softcopy of the Annual Report for the year ended 31st March, 2017

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we hereby submit the softcopy of the **Annual Report** for the year ended **31st March, 2017**, which was approved and adopted at the 59th Annual General Meeting of the Company held on 4th August, 2017.

Kindly take the above document on record.

Thanking you,

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Director & Wholetime Secretary

Encl. : a/a

A  Group Company



59th
ANNUAL
REPORT

2016-17

TTK Healthcare Limited



A **TEK** PRODUCT

PH BALANCED*
NO ALCOHOL
SKIN FRIENDLY

READY TO PLAY



WITH
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CONTROL

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TTK HEALTHCARE LIMITED

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BOARD OF DIRECTORS

| | |
|-----------------------------|--------------------------------|
| Mr T T Jagannathan | Chairman |
| Mr T T Raghunathan | Executive Vice Chairman |
| Mr R K Tulshan | Director |
| Mr B N Bhagwat | Director |
| Mr K Shankaran | Director |
| Dr (Mrs) Vandana R Walvekar | Director |
| Mr Girish Rao | Director |
| Mr S Balasubramanian | Director |
| Mr N Ramesh Rajan | Director |
| Mr S Kalyanaraman | Director & Wholetime Secretary |

COMPANY SECRETARY

Mr S Kalyanaraman

REGISTERED & ADMINISTRATIVE OFFICE

No.6, Cathedral Road, Chennai 600 086.
Website: www.ttkhealthcare.com CIN : L24231TN1958PLC003647
Tel: 044-28116106 E-mail: info@ttkhealthcare.com

FACTORIES

- No.5, Old Trunk Road, Pallavaram, Chennai 600 043, Tamil Nadu.
- No.2-B, Hosakote Industrial Area, 8th Kilometre, Hosakote Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka
- Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Thiruvananthapuram 695 586, Kerala.
- No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu.
- No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu.
- Plot No.DTA-005-005, Mahindra World City, Tehsil Sanganer, Jaipur 302 037, Rajasthan.

DEPOTS

Ahmedabad, Bengaluru, Bhiwandi, Chandigarh, Chennai, Cuttack, Dehradun, Ernakulam, Ghaziabad, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Jammu, Kolkata, Lucknow, Madurai, Meerut, Mumbai, Nagpur, New Delhi, Panchkula, Patna, Pune, Raipur, Ranchi, Salem, Siliguri, Tirupathi, Vijayawada and Zirakpur.

BANKERS

Bank of Baroda
Corporate Financial Services Branch
T.Nagar, Chennai 600 017

Corporation Bank
G T Branch
George Town, Chennai 600 001

STATUTORY AUDITORS

M/s Aiyar & Co.
Chartered Accountants
New No.2 (Old No.184)
Rangarajapuram Main Road (1st Floor)
Kodambakkam, Chennai 600 024

M/s S Viswanathan LLP

Chartered Accountants
New No.17 (Old No.8A)
Bishop Wallers Avenue (West)
Mylapore, Chennai 600 004

COST AUDITORS

M/s Geeyes & Co.
Cost Accountants
A-3, III Floor, 7th Avenue, Ashok Nagar
Chennai 600 083

SECRETARIAL AUDITOR

Mr R Balasubramaniam
Practising Company Secretary
Flat A2, "Newry Suprit", J Block, Door No.27,
Second Street, Anna Nagar East, Chennai 600 102

REGISTRARS & TRANSFER AGENTS

M/s Data Software Research Co. Pvt. Ltd.
19, Pycrofts Garden Road, Off. Haddows Road
Nungambakkam, Chennai 600 006
Tel : 044-28213738 / 044-28214487
E-mail: ttk.healthcare@dsrc-cid.in

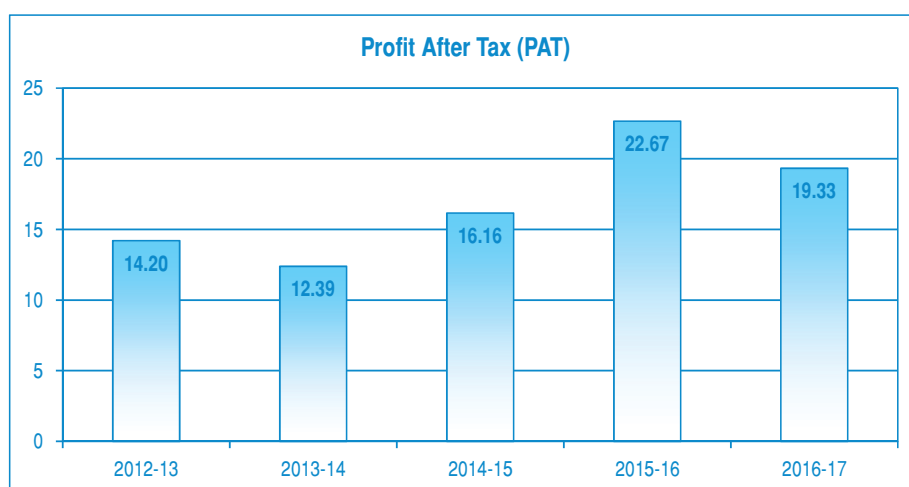
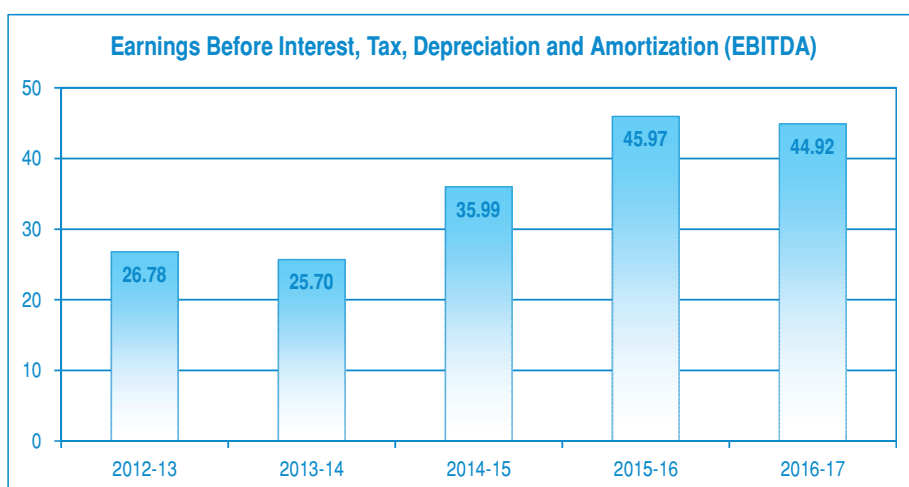
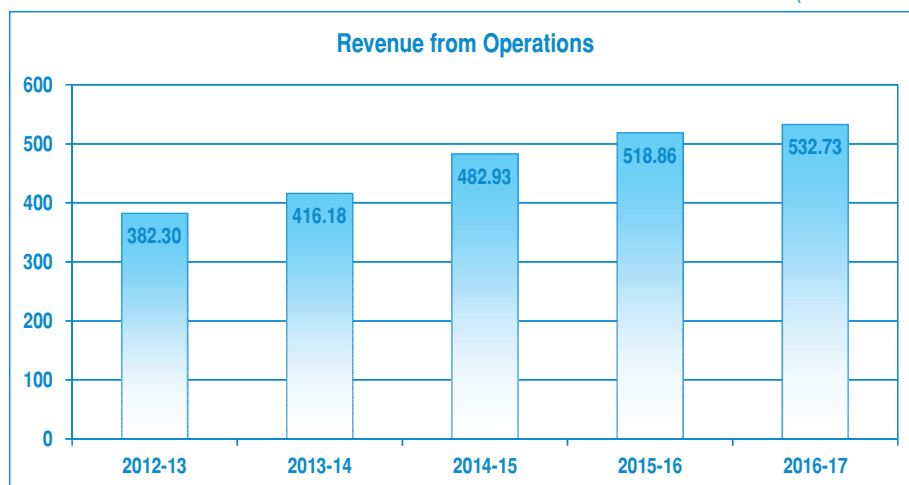
Financial Highlights

(Rs. in lakhs)

| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sales & Other Income | 53,845.85 | 52,445.76 | 48,949.44 | 42,230.31 | 38,903.69 | 35,844.64 | 31,535.20 | 25,619.81 | 22,490.92 | 22,645.86 |
| Profit Before Tax | 3,005.91 | 3,552.74 | 2,633.46 | 1,966.56 | 2,162.17 | 2,354.83 | 2,214.44 | 1,550.23 | 1,337.45 | 2,199.11 |
| Current Tax | 982.00 | 1,002.00 | 1,090.00 | 698.00 | 710.00 | 770.00 | 730.00 | 535.00 | 215.00 | 272.44 |
| Deferred Tax | 90.54 | 284.22 | (72.06) | 29.70 | 31.82 | 21.91 | 12.25 | 102.49 | 239.98 | (617.83) |
| Fringe Benefit Tax | - | - | - | - | - | - | - | - | 95.00 | 90.00 |
| Profit After Tax | 1,933.37 | 2,266.52 | 1,615.52 | 1,238.87 | 1,420.35 | 1,562.91 | 1,472.19 | 912.74 | 787.47 | 1,218.84 |
| Dividend - Amount | 388.30* | 388.30 | 349.47 | 310.64 | 310.64 | 310.64 | 310.64 | 271.81 | 242.63 | 243.31 |
| Rate | 50%* | 50% | 45% | 40% | 40% | 40% | 40% | 35% | 30% | 30% |
| Tax on Dividend | 79.05 | 79.05 | 71.14 | 52.79 | 52.79 | 50.39 | 50.39 | 46.19 | 41.23 | 41.35 |
| Retained Earnings | 1,466.02 | 1,799.17 | 1,194.91 | 875.44 | 1,056.92 | 1,201.88 | 1,111.16 | 594.74 | 503.62 | 934.18 |
| Earnings Per Share (EPS) of Rs.10 each | 24.90 | 29.19 | 20.80 | 15.95 | 18.29 | 20.13 | 18.96 | 11.68 | 9.71 | 15.03 |
| Sources & Applications of Funds : | | | | | | | | | | |
| Net Block | 9,947.54 | 10,707.04 | 9,757.21 | 5,563.50 | 4,374.70 | 3,928.55 | 3,739.01 | 3,032.09 | 2,098.21 | 1,796.80 |
| Investments | 14.27 | 1,013.37 | 13.37 | 13.37 | 76.81 | 676.81 | 683.60 | 815.37 | 815.37 | 315.37 |
| Net Current Assets | 8,211.49 | 4,544.27 | 5,920.74 | 7,019.67 | 7,528.52 | 6,251.86 | 4,602.91 | 4,246.79 | 4,908.32 | 4,799.79 |
| Long Term Loans & Advances | 1,007.26 | 1,189.26 | 1,152.45 | 2,143.16 | 1,123.21 | 703.02 | - | - | - | - |
| Deferred Tax Asset | 176.10 | 131.99 | 115.05 | 106.38 | 85.43 | 65.39 | 54.50 | 69.44 | 177.27 | 413.83 |
| Deferred Tax Liability | (773.44) | (638.80) | (337.64) | (401.02) | (350.38) | (298.51) | (265.71) | (268.40) | (273.74) | (270.32) |
| Total Assets | 18,583.22 | 16,947.13 | 16,621.18 | 14,445.06 | 12,838.29 | 11,327.12 | 8,814.31 | 7,895.29 | 7,725.43 | 7,055.47 |
| Share Capital | 776.60 | 776.60 | 776.60 | 776.60 | 776.60 | 776.60 | 776.60 | 776.60 | 808.75 | 811.04 |
| Reserves | 14,306.66 | 12,844.61 | 11,050.45 | 9,916.04 | 9,045.63 | 7,993.74 | 6,796.88 | 5,690.74 | 5,400.88 | 4,921.26 |
| Borrowings | 2,200.49 | 2,195.31 | 2,230.12 | 1,324.01 | 2,155.40 | 1,754.51 | 1,240.83 | 1,427.95 | 1,515.80 | 1,323.17 |
| Long Term Liabilities | 1,299.47 | 1,130.61 | 2,564.01 | 2,428.41 | 860.66 | 802.27 | - | - | - | - |
| Total Liabilities | 18,583.22 | 16,947.13 | 16,621.18 | 14,445.06 | 12,838.29 | 11,327.12 | 8,814.31 | 7,895.29 | 7,725.43 | 7,055.47 |
| * Recommended by the Board. | | | | | | | | | | |

Financial Highlights (Contd.)

(Rs. in Crores)



Notice to Shareholders

NOTICE is hereby given that the **59th Annual General Meeting** of the Company will be held at **10.15 a.m., on Friday, the 4th August, 2017** at **The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014**, to transact the following business:

Ordinary Business

- To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 together with the Reports of Directors and Auditors thereon.
- To declare Dividend.
- To appoint a Director in the place of Mr R K Tulshan (DIN:00009876) who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in the place of Mr S Kalyanaraman (DIN:00119541) who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Statutory Auditors and fix their remuneration:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No.003990S / 200018), be appointed as Statutory Auditors of the Company, in the place of retiring auditors M/s Aiyar & Co., Chartered Accountants, Chennai (Firm Regn. No.000063S) and M/s S Viswanathan LLP, Chartered Accountants, Chennai (Firm Regn. No.004770S / S200025), to hold office from the conclusion of this 59th Annual General Meeting till the conclusion of the 64th Annual General Meeting, subject to ratification at every Annual General Meeting, on such remuneration, as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company”.

Special Business

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs.3,50,000 (Rupees Three lakhs fifty thousand only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to M/s Geeyes & Co., Cost Accountants (Firm Regn. No.000044), for conducting the audit of cost records of the Company, for the financial year ending 31st March, 2018, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified”.

BY ORDER OF THE BOARD

S KALYANARAMAN
Director & Wholetime Secretary

Place : Bengaluru
Date : May 30, 2017

Registered Office:
No.6, Cathedral Road
Chennai 600 086

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself/**

herself and the Proxy or Proxies so appointed need not be a member or members of the Company.

The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney or other authority shall be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for holding the meeting.

A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than 10% of the total voting Share Capital of the Company. However, a single person may act as a Proxy for a member holding more than 10% of the total voting Share Capital of the Company provided that such person shall not act as a Proxy for any other person.

- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 31st July, 2017 to 4th August, 2017 (Both days inclusive), for the purpose of payment of Dividend for the financial year ended 31st March, 2017, if declared, at the meeting.
- The Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Members whose names appear in the Register of Members on 4th August, 2017.
- Members are requested to keep the Company informed of any change in their respective mailing addresses immediately. Members whose shareholding is in the electronic mode are requested to forward the change of address notifications and updation of Bank Account details to their respective Depository Participants.
- Members / Proxies are requested to affix their signatures at the space provided in the Attendance Slip and handover the Slip at the entrance of the Meeting Hall. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote at the Annual General Meeting.
- In terms of Section 205A(5) read with Section 205C of the Companies Act, 1956, the dividend declared by the Company for earlier years, which remain unclaimed for a period of 7 years will be transferred on respective due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government.

The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished below:

| Financial Year ended | Dividend Declared on | Due Date of Transfer | Unpaid / Unclaimed Amount as on 31.03.2017 (in Rs.) |
|----------------------|----------------------|----------------------|---|
| 31.03.2010 | 28.07.2010 | 03.09.2017 | 6,04,397.50 |
| 31.03.2011 | 27.07.2011 | 02.09.2018 | 7,57,832.00 |
| 31.03.2012 | 13.08.2012 | 19.09.2019 | 8,11,576.00 |
| 31.03.2013 | 25.07.2013 | 31.08.2020 | 8,06,032.00 |
| 31.03.2014 | 22.08.2014 | 28.09.2021 | 7,50,564.00 |
| 31.03.2015 | 07.08.2015 | 13.09.2022 | 8,40,704.00 |
| 31.03.2016 | 05.08.2016 | 11.09.2023 | 9,92,370.00 |

Members who have not encashed their Dividend Warrants in respect of the above period(s) are requested to make their claim(s) by surrendering the unencashed Dividend Warrants immediately to the Company.

Notice to Shareholders (Contd.)

Pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has provided / hosted the required details of unclaimed amounts referred to under Section 205C(2) of the Companies Act, 1956, on its website www.ttkhealthcare.com and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.

8. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.ttkhealthcare.com.
9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements maintained under Section 189 of the said Act, will be available for inspection at the AGM.
10. Information and other Instructions relating to e-Voting (Voting through electronic means) are as under:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-Voting facility to its members through Central Depository Services (India) Limited (CDSL), in respect of the businesses to be transacted at the 59th Annual General Meeting.

The facility for voting through Polling Paper shall also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-Voting shall be able to vote at the Meeting through Polling Paper.

The Company has appointed Mr. Balu Sridhar, Partner, M/s A K Jain & Associates, Practising Company Secretaries as the Scrutinizer for conducting both the e-Voting and the Poll processes in a fair and transparent manner and he has communicated his willingness for the same.

The members who have cast their vote by e-Voting may also attend the Meeting but shall not be entitled to cast their vote again.

The voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 28th July, 2017 being the **cut-off date**. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote electronically or at the venue of the meeting through Polling Paper.

A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date i.e. 28th July, 2017 only shall be entitled to avail the facility of e-Voting.

In case a person has become the Member of the Company after the despatch of Notice but on or before the cut-off date i.e. 28th July, 2017, he/she may write to M/s Data Software Research Co. Pvt. Ltd. (DSRC), on the e-mail ID: ttk.healthcare@dsrc-cid.in or M/s Data Software Research Co. Pvt. Ltd., (Unit – TTK Healthcare Limited), No.19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai 600 006 or contact Mr. S Chandrasekaran at contact No. 044-28213738 / 28214487 during office hours, requesting for the User ID and Password. After receipt of the above credentials, please follow the instructions for e-Voting to cast the vote.

If the member is already registered with CDSL e-Voting platform then he can use his existing User ID and password for casting the vote through e-Voting.

The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and e-Voting, will not later than two days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman for declaring the results.

The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.ttkhealthcare.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

Subject to the requisite number of votes cast in favour of the Resolution(s), the same shall be deemed to be passed on the date of the Meeting (i.e.) 4th August, 2017.

Instructions for e-Voting:

- (i) The voting period begins at 9.30 a.m. on 31st July, 2017 and ends at 5.00 p.m. on 3rd August, 2017. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th July, 2017 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the e-Voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID:
 - (a) For CDSL: 16 digits beneficiary ID;
 - (b) For NSDL: 8 character DP ID followed by 8 digits Client ID;
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |

Notice to Shareholders (Contd.)

| | |
|--|---|
| Dividend Bank Details or Date of Birth (DOB)# | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio No. in the Dividend Bank details field as mentioned in instruction (v). |
|--|---|

* Members who have not updated the PAN details with the Company/ Depository Participant are requested to use the "Sequence Number" provided under the e-Voting details in the Attendance Slip in the PAN details field. (Wherever Members have updated the PAN details, the same has also been provided, for the ready reference to the Members).

Members who have not updated their DOB or Dividend Bank Details with the Company / Depository Participant are requested to use the User ID, as provided under the e-Voting details in the Attendance Slip, in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "TTK HEALTHCARE LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password earlier used then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Stores and the Windows

Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non-Individual Shareholders & Custodians:

- Non-individual Shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin and login password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call toll free No.1800 200 5533.

11. Information required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

Particulars of Directors seeking re-appointment:

(a) **Mr R K Tulshan:**

Mr R K Tulshan retires by rotation and is eligible for re-appointment.

Mr Tulshan is a Commerce Graduate. He has an experience of over three decades in Business and has been a Director of the Company for the last over 30 years.

He is also a Director on the Board of the following Companies:

- Lotus Cine Private Ltd.
- Kanishka Enterprises Ltd.
- Rajiv Investments (India) Pvt. Ltd.
- ISO-Therm Cargo Products Pvt. Ltd.
- Varun Eximp Pvt. Ltd.
- Grand Slam Overseas Pvt. Ltd.
- Microgenetics Systems Pvt. Ltd.

He does not hold any Committee Membership in these Companies.

He is actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.

He is the Member of the Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

He holds 220 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

(b) **Mr S Kalyanaraman**

Mr S Kalyanaraman retires by rotation and is eligible for re-appointment.

Mr Kalyanaraman holds a Bachelor Degree in Commerce from Pune University and is a Gold Medalist.

Notice to Shareholders (Contd.)

He is an Associate Member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.

He has nearly three decades of experience in the areas of Finance, Accounts, Costing, Internal Audit, Corporate Law and Commercial.

He joined the TTK Group in the year 1987 and has been serving the Company as Wholetime Secretary since 1993.

He is also a Director on the Board of Packwell Packaging Products

Limited and does not hold any Committee Membership in that Company. He does not hold any Committee Chairmanship / Membership of the Company also.

He holds 70 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

BY ORDER OF THE BOARD

S KALYANARAMAN
Director & Wholetime Secretary

Place : Bengaluru
Date : May 30, 2017

Registered Office:
No.6, Cathedral Road
Chennai 600 086

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.6

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Geeyes & Co., Cost Accountants as the Cost Auditors, to conduct the audit of the cost records of the Company relating to Pharmaceuticals, for the financial year ending 31st March, 2018.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder,

the remuneration of Rs.3,50,000 (Rupees Three lakhs fifty thousand only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to the said Cost Auditors, for the financial year ending 31st March, 2018, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Shareholders of the Company.

The Board recommends the Ordinary Resolution at Item No.6 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

BY ORDER OF THE BOARD

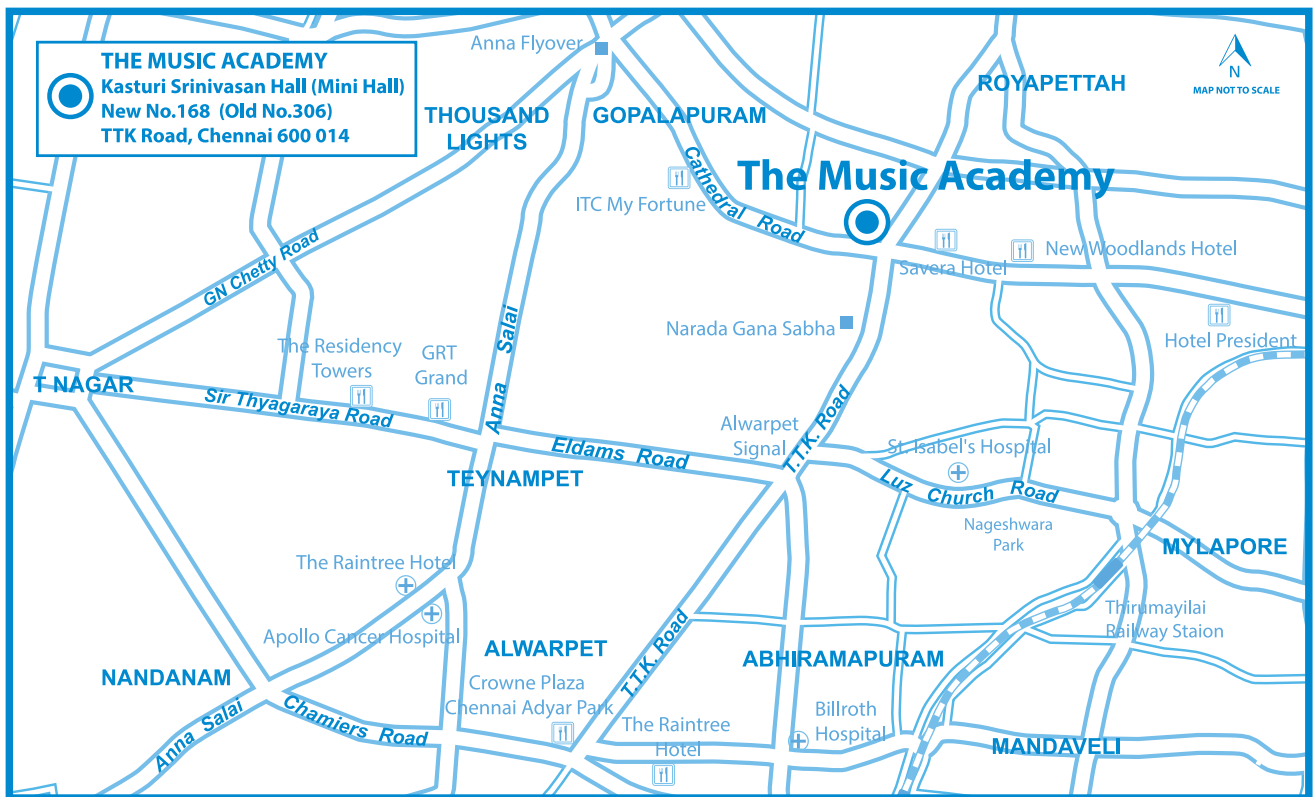
S KALYANARAMAN
Director & Wholetime Secretary

Place : Bengaluru
Date : May 30, 2017

Registered Office:
No.6, Cathedral Road
Chennai 600 086

Route Map

ROUTE MAP TO THE VENUE OF THE 59th ANNUAL GENERAL MEETING 10.15 a.m. - 4th August, 2017



Board's Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the 59th Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2017.

Financial Results:

| | (Rs. in lakhs) | |
|--|------------------------|------------------------|
| | 2016-17 | 2015-16 |
| Profit before Depreciation & Tax | 4,192.48 | 4,273.45 |
| Less : Depreciation | <u>1,186.57</u> | <u>720.71</u> |
| Profit before Tax | 3,005.91 | 3,552.74 |
| Less : Provision for Tax | | |
| Current Tax | 982.00 | 1,002.00 |
| Deferred Tax | <u>90.54</u> | <u>284.22</u> |
| Profit after Tax | <u>1,933.37</u> | <u>2,266.52</u> |
| Surplus Account: | | |
| Balance as per last Balance Sheet | 7,777.00 | 6,377.83 |
| Add: Profit for the year | <u>1,933.37</u> | <u>2,266.52</u> |
| Total | 9,710.37 | 8,644.35 |
| Less: Proposed Dividend | <u>388.30</u> | <u>388.30</u> |
| Provision for tax on Dividend | <u>79.05</u> | <u>79.05</u> |
| Amount transferred to General Reserve | <u>200.00</u> | <u>400.00</u> |
| Net Surplus | <u>9,043.02</u> | <u>7,777.00</u> |

Review of Performance:

During the year under review, the Revenue from Operations amounted to Rs.532.73 crores as against the previous year's figure of Rs.518.86 crores, a growth of around 3%.

Pre-Tax Profit for the year stood at Rs.30.06 crores as against the previous year's figure of Rs.35.53 crores.

The overall performance was impacted due to external factors such as sluggish / negative growth in FMCG categories handled by your Company, regulatory / licensing issues in pharmaceutical business, demonetization, etc. and also internal issues like field force attrition.

A detailed review is presented under the Section "Segmentwise Performance".

Dividend:

Your Directors are pleased to recommend a dividend of Rs.5.00 (50%) per Equity Share of Rs.10 each for the year ended 31st March, 2017 [Previous Year - Rs.5.00 (50%) per Equity Share].

Share Capital:

The Paid-up Equity Share Capital as on 31st March, 2017 was Rs.776.60 lakhs. Your Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

MANAGEMENT DISCUSSION AND ANALYSIS:

(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the year 2016-17, the GDP growth was estimated at 7.1% as against the previous year's growth of 7.9%.

The year 2016-17 witnessed two major economic policy developments- (i) constitutional amendment making way for the implementation of Goods and Services Tax (GST); and (ii) demonetization of high value

currency notes (Rs.1,000 & Rs.500) which was initiated to curb black money. Despite a slow start, the economic momentum picked up in the middle of the year. Though the demonetization impacted the momentum to some extent during the second-half of the year, the economy appears to be on the recovery path.

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,11,135 crores [MAT March 2017], grew by 10.3%.

The growth was driven by (i) growth in volume of existing brands (4.8%); (ii) new introductions (3.3%); and (iii) price revisions (2.3%). Chronic Segment continues to grow faster than Acute Segment (11.9% vis-à-vis 8.6%). Therapeutic segments like anti-diabetic and derma reported healthy growth. (Source: Pharmatrac).

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma Business further.
- Your Company has the unique advantage of an exclusive network for distribution of OTC products. This can be leveraged for launch of new products under own brands so as to ensure improved profitability and value creation through brand building.
- On Medical Devices, the market continues to be dominated by imported medical devices / implants. Since your Company manufactures world class products and these are priced competitively, this segment provides opportunity for growth. The "Make in India" initiative by the Government would further enhance the growth prospect for this Segment. These products also have export potential.
- Considering the size of the market for food products, the Foods Business of your Company has potential for growth including branding / retail and export opportunities.

Threats:

- The Product Patent Regime has restricted the access for Indian Pharma Companies to the latest molecules which were earlier available. However, there may be opportunities to launch products that are out of patents regimentation.
- The Drugs Price Control may have an adverse impact on the sales / margins of Pharmaceutical Companies.
- The action by the Government for banning the Fixed Dose Combinations (FDCs) may also have its impact on the overall size / growth of the market.

(C) SEGMENTWISE PERFORMANCE:

Your Company is engaged in Pharmaceuticals, Consumer Products, Medical Devices and Foods Businesses.

A look at the performance of individual Business Segments:

Pharmaceutical Business:

The Ethical Pharma Business of your Company deals in Pharmaceutical Formulations both Herbal and Allopathic, in various therapeutic segments. Pharmaceuticals also include Woodward's Gripewater. Since this product is distributed through the Consumer Products Division of your Company, it is covered under the head Consumer Products Business.

Board's Report (Contd.)

Ethical Products Division (EPD) & Ventura Division

During the year 2016-17, EPD and Ventura Divisions registered a turnover of Rs.143.83 crores, with a marginal negative growth.

The performance was partly impacted due to regulatory constraints, political disturbances in Jammu & Kashmir and banning of Fixed Dose Combinations (FCDs) by the Central Government. Demonetization also had its impact on the performance of the business during the latter part of the year.

High attrition continues to be a cause of concern. Employee Engagement Programmes are being conducted to increase retention.

Your Company has introduced a couple of line extensions under Ossopan brand so as to strengthen the Calcium Segment. Similarly, a couple of new products were added to further strengthen the Infertility Segment under the Ventura Division.

The strategy for 2017-18 is to focus on high potential brands to consolidate the position in Gynaecology and Infertility Segments and concurrently, work towards reducing attrition and improving the field force productivity through training and motivation.

Animal Welfare Division (AWD)

During the year under review, the Animal Welfare Division reported a sales turnover of Rs.47.68 crores, with a growth of 7% over the previous year.

All the three sub-divisions viz., Bovianim (Cattle), Gallus (Poultry) & Companim (Pet Animals) reported decent growth. However, the growth was subdued partly on account of the adverse impact of demonetization in the second-half of the year.

Although drought like situation in a few key States also decelerated the momentum, the Division continues to harp on optimizing customer coverage, focused product promotion and improved field operational effectiveness.

The strategy for 2017-18 would be to ensure a healthy growth through focused promotion of core brands, introduction of new products, significant improvement in customer coverage, optimum efficiency in field operations, geographical expansion, etc.

Consumer Products Business:

The Division reported a turnover of Rs.242.95 crores, with a growth of about 3% during the year under review, in a challenging economic environment, especially during the second-half of the year.

Woodward's continued its growth across all territories especially with the Northern markets registering a strong growth during the summer season.

Deodorants, as a category, declined this year in volumes by about 7%. Consequently, EVA too had a very challenging year and declined by 9.6% in turnover. However, the base product EVA Deospray 125ml is fairly steady and maintained its volumes.

Condoms market grew by a marginal 1.6% and Skore increased its turnover by about 17%, propped up by a price increase and the launch of its premium variants - "SKORE CHAMPION".

This brand signed off with Dwayne Bravo and Chris Gayle as Brand Ambassadors and maintained its market share of about 9.5%.

The Homecare brand Good Home grew by 11% during the year.

Medical Devices Business:

Heart Valve Division

Your Company's Heart Valve Division reported a sales turnover of Rs.15.83 crores during the year under review, with a growth of around 16%.

Though there was growth in offtake in select geographies, the Division continues to be impacted due to stiff competition from imported valves. Nevertheless, efforts are made to further increase the volumes.

The initial response to the test marketing initiative of the Bi-Leaflet Valves manufactured by CardiaMed, Netherlands is encouraging and the distribution would be scaled up during the current year.

Under an arrangement with a Brazilian Company, the distribution of Bio-Prosthetic Valves would commence during the second-half of 2017-18.

The Vascular Graft and the Improved Heart Valve devices are ready for clinical trials, awaiting appropriate regulatory approvals, which are expected to be received during the financial year 2017-18.

Ortho Division

Ortho Division reported a sales turnover of Rs.9.78 crores, during the year under review, with a growth of around 10%.

The sales team has been further strengthened to cover Non-South markets with addition of Managers / Product Specialists.

The Division received the renewal of ISO 9001:2008 / ISO 13485:2003 and CE Certification from DNV, Norway.

With the renewal of CE marking, efforts on exports front would be re-commenced.

Considering the dominant market share enjoyed by Fixed Bearing Knee in the overall knee market, efforts are also directed towards developing a Posterior Stabilized Fixed Bearing Knee, in collaboration with appropriate technology partners.

Considering the capacity constraints at the existing facility at Ambattur, it is also proposed to set up a state-of-the-art manufacturing facility for Orthopaedic Implants at Chennai.

Foods Business:

During the year under review, the Foods Division achieved a sales turnover of Rs.69.56 crores, with a growth of 15%.

The capacity utilization at the new manufacturing facility at Jaipur has been gradually improving.

Your Company's sales and distribution network has been further strengthened so as to handle the additional volumes available from the Jaipur facility.

Apart from this, fair amount of business development activities were initiated in order to tap export and institutional businesses which are expected to yield results in the coming years.

The state-of-the-art R&D Centre of the Foods Division at Hosakote is engaged in developing value-added / innovative and differentiated products like Lentil, Dal, Quinoa, Vegetable based Pappads (Pellets), so as to gain volumes and also to improve the overall profitability.

Your Company is implementing Total Productive Maintenance (TPM) at both the Hosakote and Jaipur factories, in order to improve its operational efficiencies.

Board's Report (Contd.)

(D) OUTLOOK:

In view of the above developments and initiatives, the outlook for your Company as a whole for 2017-18 appears promising.

(E) RISKS AND CONCERNS:

The analysis presented in the Industry Scenario and Opportunities and Threats Section of this Report throws light on the important risks and concerns faced by your Company. The strategy of your Company to de-risk against these factors is also outlined in the said Sections.

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has necessary Internal Control Systems in place which is commensurate with the size, scale and complexity of its operations. Further, your Company has retained the services of an External Consultant for developing the necessary manuals / SOPs for effectively implementing the Internal Financial Control System and this would be finalized and implemented shortly. Internal Audits are regularly conducted through In-house Audit Department and also through External Audit Firms. The Reports are periodically discussed internally. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

(G) FINANCIAL PERFORMANCE:

| | (Rs. in lakhs) | |
|--|------------------|------------------|
| | 2016-17 | 2015-16 |
| Revenue from Operations (Gross) | 53,292.43 | 51,909.51 |
| Less: Excise Duty relating to Sales | 19.33 | 22.96 |
| Revenue from Operations (Net) | 53,273.10 | 51,886.55 |
| Other Income | 572.75 | 559.21 |
| Total Income | 53,845.85 | 52,445.76 |
| Cost of Materials Consumed | 24,324.63 | 22,927.14 |
| Employee Benefits Expense | 8,810.85 | 8,141.85 |
| Other Expenses | 16,206.40 | 16,770.59 |
| Profit before Finance Cost and Depreciation | 4,503.97 | 4,606.18 |
| Finance Cost | 311.49 | 332.73 |
| Depreciation | 1,186.57 | 720.71 |
| Profit before Tax | 3,005.91 | 3,552.74 |
| Less: Provision for Tax | | |
| Current Tax | 982.00 | 1,002.00 |
| Deferred Tax | 90.54 | 284.22 |
| Profit after Tax | 1,933.37 | 2,266.52 |

ANALYSIS OF PERFORMANCE:

- Revenue from Operations registered a growth of around 3% as against the previous year's figure of around 7%, with a Profit before tax of Rs.30.06 crores. (Previous year's Pre-Tax Profit – Rs.35.53 crores).
- During the year under review, Other Income stood at Rs.572.75 lakhs as against the previous year's figure of Rs.559.21 lakhs. The increase was mainly on account of profit of Rs.83.70 lakhs made on sale of

1,000 Listed, Rated, Secured, Redeemable, Index-Linked, Non-Convertible Debentures of face value of Rs.1,00,000 each.

- Goods Consumption as a percentage of Revenue from Operations for the year works out to 45.66% as against the previous year's figure of 44.19%. The increase is due to higher proportion of Traded Goods (Condoms) vis-à-vis Own Branded Goods in the product mix and lower net realisations from Foods Division due to price reduction.
 - The increase in employee benefits expense was due to regular annual increments / revision in packages.
 - The increase in Power and Fuel expenses was mainly on account of the increase in production at the manufacturing facility of the Foods Division at Jaipur.
 - The increase in R&D expenses represents the expenses incurred for various research and developmental activities undertaken at the Pharma / Foods Divisions of your Company for the development of new formulations / recipes / products.
 - Depreciation was higher on account of the full year depreciation charged in respect of assets capitalised during the latter part of last year at the new manufacturing facility at Jaipur.
 - The details of additions to Fixed Assets are as below:
 - At Foods Division's manufacturing facility at Jaipur:
 - construction of Buildings (Rs.14.07 lakhs);
 - purchase of Plant & Equipments (Rs.42.59 lakhs); and
 - purchase of Furniture and Fittings (Rs.11.14 lakhs).
 - At Foods Division's manufacturing facility at Hosakote:
 - construction of Buildings (Rs.12.94 lakhs); and
 - purchase of Plant & Equipments (Rs.89.98 lakhs).
 - At Foods Division's R&D facility at Hosakote:
 - construction of Buildings (Rs.18.34 lakhs);
 - purchase of Plant & Equipments (Rs.13.77 lakhs); and
 - purchase of Lab Equipments (Rs.30.01 lakhs);
 - Purchase of Vehicles and Computers (Rs.63.19 lakhs);
 - During the year under review, your Company made an investment of Rs.3.40 lakhs in M/s Renew Wind Power (AP) Private Limited, in connection with purchase of wind power, by way of subscription to the issue of 3,400 Equity Shares of face value of Rs.10 each at a price of Rs.100 per Equity Share. Subsequently, 2,500 Equity Shares were transferred to M/s Renew Wind Power (Karnataka Three) Private Limited at a price of Rs.100 each, thus holding the balance 900 Equity Shares of Rs.10 each (Rs.0.90 lakhs) as on 31st March, 2017.
- Further, your Company, during the year, had sold off 1,000 Listed, Rated, Secured, Redeemable, Index-Linked, Non-Convertible Debentures of face value of Rs.1,00,000 each, at a consideration of Rs.1,083.70 lakhs.
- The decrease in Other Current Liabilities was mainly due to (i) repayment of term loan of Rs.15 crores availed from Commonwealth Bank of Australia; and (ii) reduction in expenses payable, particularly the sales promotional expenses as there was significant reduction in promotional spend during the last quarter, post-demonetization.
 - The reduction in Short Term Loans and Advances was mainly on account of adjustment of advances paid to suppliers for supply of goods and services, upon supply.

Board's Report (Contd.)

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

Human Resources:

Your Company attaches significant importance to continuous upgradation of Human Resources for achieving the highest levels of efficiency, customer satisfaction and growth.

As part of the overall HR Strategy, initiatives such as Balanced Score Card (BSC), Total Productive Maintenance (TPM), etc., have been implemented to enhance employee productivity and corporate performance. Further, extensive trainings have been provided to enable continuous improvement of employee capabilities. Succession planning has also been commenced for Senior Management Staff. HR representatives met MSRs as part of the employee engagement activities and to reduce attrition.

As on 31st March, 2017, the employee strength was 1853. (Previous Year - 1817).

Industrial Relations:

The industrial relations during the year under review continued to be cordial. The Directors place on record their sincere appreciation for the services rendered by employees at all levels.

(I) INFORMATION TECHNOLOGY:

E-Reporting System has been fully implemented in the Pharma Division of your Company. Plans are also underway to implement Oracle Apex so as to provide interface between the Oracle ERP and the Online Reporting Module in order to ensure seamless integration of information and easy access by the sales force. Online reporting for field staff in Ortho Division has just commenced.

(J) FUTURISTIC STATEMENTS:

This analysis may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

(a) Extract of Annual Return:

Extract of Annual Return (Form MGT-9) is enclosed as **Annexure-1**.

(b) Number of Meetings of the Board:

The Board of Directors met 4 (four) times during the year 2016-17. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance.

(c) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee consists of Mr T T Raghunathan as Chairman, Mr K Shankaran, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao as Members. Mr S Kalyanaraman is the Secretary of the Committee.

The Corporate Social Responsibility (CSR) Policy enumerating the CSR activities to be undertaken by your Company, in accordance with Schedule

VII to the Companies Act, 2013 was recommended to the Board and the Board adopted the same. The said policy was also made available on the Company's website www.ttkhealthcare.com. The Annual Report under CSR Activities is annexed to this Report as **Annexure-2**.

The details relating to the meetings convened, etc., are furnished in the Report on Corporate Governance.

(d) Composition of Audit Committee:

The Audit Committee consists of Mr Girish Rao as Chairman, Mr B N Bhagwat, Mr K Shankaran and Mr S Balasubramanian as Members. Mr S Kalyanaraman is the Secretary of the Committee. More details on the Committee are given in the Report on Corporate Governance.

(e) Related Party Transactions:

During the year under review, no transaction of material nature has been entered into by your Company with its promoters, the directors or the key managerial personnel or their relatives, etc., that may have a potential conflict with the interests of your Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. A Statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval / ratification on a quarterly basis.

The Register of Contracts containing the details of the transactions, in which directors / key managerial personnel are interested, is placed before the Audit Committee / Board regularly.

The Board of Directors of your Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Policy as approved by the Board is uploaded on the Company's website www.ttkhealthcare.com.

Form AOC-2 containing the details of Related Party Transactions is annexed as **Annexure-3** to this Report.

(f) Corporate Governance:

Your Company has complied with the various requirements of the Corporate Governance Code under the provisions of the Companies Act, 2013 and as stipulated under the SEBI (LODR) Regulations, 2015.

A detailed Report on Corporate Governance forms part of this Annual Report.

(g) Risk Management:

Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of your Company.

Your Company has a risk identification and management framework appropriate to the size of your Company and the environment in which it operates.

Your Company constituted a Risk Management Group (RMG) with due representations from each of the Businesses / Functions of your Company to effectively implement the Risk Management Framework and to address the key risks.

Board's Report (Contd.)

The meetings of the RMG were convened periodically, in order to have detailed interactions / discussions with the Members / Risk Owners on the various risks identified and the status of the mitigation plans.

The detailed Report of the RMG incorporating the update on the various risks identified and the mitigation plans in respect thereof are periodically placed before the Audit Committee and the Board, for their discussions and record.

(h) Directors and Key Managerial Personnel:

None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

(i) Appointment / Re-appointment of Directors:

Mr R K Tulshan and Mr S Kalyanaraman, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

(ii) Statement on Declaration by the Independent Directors of the Company:

All the Independent Directors of your Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of the Independent Directors are posted on the Company's website www.ttkhealthcare.com

(iii) Key Managerial Personnel (KMP):

The following managerial personnel are Key Managerial Personnel (KMP):

- Mr T T Raghunathan, Executive Vice Chairman [Chief Executive Officer (CEO)];
- Mr S Kalyanaraman, Director & Wholtime Secretary [Company Secretary]; and
- Mr B V K Durga Prasad, Senior Vice President – Finance [Chief Financial Officer (CFO)].

(iv) Performance Evaluation of the Board, its Committees and the Directors:

In compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Report on Corporate Governance.

(v) Remuneration Policy:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy was hosted on the Company's website www.ttkhealthcare.com.

(i) Auditors:

(i) Auditors and their Report:

• Appointment of Auditors:

M/s Aiyar & Co. and M/s S Viswanathan LLP were appointed by the Shareholders at the 56th Annual General Meeting held on 22nd August, 2014, as Statutory Auditors of the Company, for a term of three years, to hold office from the conclusion of the 56th Annual

General Meeting till the conclusion of the 59th Annual General Meeting, in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

The term of office of the said Statutory Auditors expires at the conclusion of the ensuing 59th Annual General Meeting.

The Board places on record its appreciation for the valuable services rendered by M/s Aiyar & Co. and M/s S Viswanathan LLP, during their tenure as the Statutory Auditors of your Company.

The Board of Directors at their meeting held on 30th May, 2017, based on the recommendation of the Audit Committee, at their meeting held on 29th May, 2017, considered and recommended to the Members of the Company, the appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No.003990S / 200018), as Statutory Auditors in the place of the retiring Auditors, for a term of five years, to hold office from the conclusion of the 59th Annual General Meeting till the conclusion of 64th Annual General Meeting, subject to ratification by the members at every Annual General Meeting.

A brief profile of M/s. PKF Sridhar & Santhanam LLP is provided below:

- The firm has been in existence from 1978, initially as a Partnership Firm and presently as a Limited Liability Partnership.
- The firm has 20 partners as of 1st January, 2017 and has over 350 people in the firm, across its offices.
- The firm has its Head Office at Chennai and has offices in six cities in all, viz., Chennai, Mumbai, New Delhi, Bangalore, Hyderabad and Coimbatore.
- The firm has been peer reviewed in 2016. Also, as a part of the "Forum of Firms", an association of international networks of accounting firms that perform audits of financial statements that are or may be used across national borders, the firm maintains international quality control standards.

Their appointment, if made, will be in accordance with the provisions of the Companies Act, 2013, the Chartered Accountants Act, 1949 and the Rules and Regulations made thereunder. They also satisfy the criteria provided under Section 141 of the Companies Act, 2013 and are not disqualified under the said Acts.

Accordingly, a Resolution seeking members' approval for the appointment of M/s PKF Sridhar & Santhanam LLP, as Statutory Auditors of the Company is included under Item No.5 of the Notice convening the Annual General Meeting.

• Auditors' Report for the year ended 31st March, 2017:

The Auditors' Report to the Shareholders for the year under review does not contain any qualifications.

(ii) Cost Auditor and Cost Audit Report:

• Appointment for the year 2017-18:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Records of your Company relating to "Drugs and Pharmaceuticals" are required to be audited, for the year 2017-18.

Board's Report (Contd.)

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Geeyes & Co. as Cost Auditors of your Company, for the financial year 2017-18 and fixed their remuneration at Rs.3,50,000 plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit.

M/s Geeyes & Co., have confirmed that their appointment is within the limits prescribed under Section 141 of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under the said Section.

The Audit Committee also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with your Company.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the ratification of the Members is sought by means of an Ordinary Resolution for the remuneration of Rs.3,50,000 plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to M/s Geeyes & Co., Cost Auditors, under Item No.6 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the year ended 31st March, 2017 would be filed on or before the due date (i.e.) 27th September, 2017.

• **Cost Audit Report for the year 2015-16:**

The Cost Audit Report for the financial year ended 31st March, 2016 was filed on 29th August, 2016 vide SRN G10152601 on the website of the Ministry of Corporate Affairs.

(iii) Secretarial Auditor and Secretarial Audit Report:

The Board had appointed Mr R Balasubramaniam, Company Secretary in Wholtime Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-17. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-4**. The Report does not contain any qualification or reservation or adverse remarks.

(j) Transfer to Investor Education and Protection Fund:

Your Company has transferred a sum of Rs.5.28 lakhs during the financial year 2016-17 to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 205C(2) of the Companies Act, 1956. The said amount represents the unclaimed dividends for the year ended 31st March, 2009, which were lying unclaimed with your Company for a period of seven years from the due date of payment.

(k) Disclosure under Schedule V (F) of the SEBI (LODR) Regulations, 2015:

Your Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

(l) Conservation of Energy:

The prescribed particulars under Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are furnished in **Annexure-5** to this Report.

(m) Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 and the Rules made thereunder are annexed to this Report as **Annexure-6**.

(n) Subsidiary Company:

Your Company does not have any Subsidiary.

(o) Deposits:

As on 31st March, 2017, your Company was not holding any amount under Fixed Deposit Account.

(p) Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013:

During the year under review, your Company had not given any loan and provided any guarantee under Section 186 of the Companies Act, 2013.

During the year under review, your Company made an investment of Rs.3.40 lakhs in M/s Renew Wind Power (AP) Private Limited, in connection with purchase of wind power, by way of subscription to the issue of 3,400 Equity Shares of face value of Rs.10 each at a price of Rs.100 per Equity Share. Subsequently, 2,500 Equity Shares were transferred to M/s Renew Wind Power (Karnataka Three) Private Limited at a price of Rs.100 each, thus holding the balance 900 Equity Shares of Rs.10 each (Rs.0.90 lakhs) as on 31st March, 2017.

Your Company, during the year under review, had sold off 1,000 Listed, Rated, Secured, Redeemable, Index-Linked, Non-Convertible Debentures of face value of Rs.1,00,000 each, at a consideration of Rs.1,083.70 lakhs.

(q) Significant and Material Orders passed by the Regulators or Courts:

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

(r) Whistle Blower Policy:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also the SEBI (LODR) Regulations, 2015, your Company established a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Corporate Governance Officer / Chairman of the Audit Committee / Executive Vice Chairman in exceptional cases.

The Whistle Blower Policy was also hosted on the Company's website www.ttkhealthcare.com.

During the year under review, your Company had not received any complaint.

(s) Scheme of Amalgamation:

The Board of Directors in their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of TTK Protective Devices Limited (TTKPD) (formerly known as TTK-LIG Limited) and its Wholly Owned Subsidiary TSL Techno Services Limited (TSL) with your Company, the appointed date being 1st April, 2012.

Under the Scheme, the Shareholders of TTKPD would be entitled for 9 Equity Shares of Rs.10 each fully paid-up of your Company for every 2 Equity Shares of Rs.10 each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

Your Company obtained necessary No Objection from the Stock

Board's Report (Contd.)

Exchanges and also the approval of the Shareholders for the Scheme of Amalgamation.

Your Company filed necessary petition with the Hon'ble High Court of Judicature at Madras for obtaining its sanction for the said Scheme of Amalgamation.

Consequent to the constitution of the National Company Law Tribunal (NCLT), petitions relating to compromises, arrangements and amalgamations, etc., would henceforth be dealt with by this Tribunal.

Accordingly, your Company's petition relating to Scheme of Amalgamation stands transferred to NCLT and its sanction is awaited.

Your Directors have also extended the time limit of the Scheme upto 31st March, 2018.

Necessary entries will be made in the books of accounts upon sanction of the Scheme.

(t) Finance:

Your Company availed a Term Loan of Rs.20 crores from Commonwealth Bank of Australia in the year 2013-14. As per the terms of sanction, the first instalment of Rs.2 crores was repaid in December, 2014, the second instalment of Rs.3 crores in December, 2015 and during the year under review, the last instalment of Rs.15 crores was paid in July, 2016.

(u) Listing of Equity Shares:

Your Company's shares are listed with-

- BSE Limited (BSE), Mumbai; and
- National Stock Exchange of India Limited (NSE), Mumbai.

The Listing Fees have been paid for the financial year 2017-18.

(v) Obligation of your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In order to prevent sexual harassment of women at workplace, a legislation - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any woman employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and has constituted an Internal Complaints Committee (ICC) with an NGO as one of its Members. During the year

2016-17, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of your Company.

(w) Directors' Responsibility Statement:

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Appropriate accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2017 and of the Profit of the Company for that period;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts had been prepared on a going concern basis;
- The Internal Financial Controls had been laid down, to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including Sweat Equity Shares and ESOS) to employees of the Company under any scheme.

Acknowledgement:

Your Directors place on record their grateful thanks to the Bankers, Customers, Vendors and Members for their continued support and patronage.

Place : Bengaluru
Date : May 30, 2017

Registered Office:
No.6, Cathedral Road
Chennai 600 086

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexure to the Board's Report

ANNEXURE-1

Form No. MGT-9
Extract of Annual Return

As on the Financial Year Ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I REGISTRATION AND OTHER DETAILS: | |
|---|--|
| (i) CIN | : L24231TN1958PLC003647 |
| (ii) Registration Date | : 21 st May, 1958 |
| (iii) Name of the Company | : TTK HEALTHCARE LIMITED |
| (iv) Category / Sub-Category of the Company | : Company having Share Capital |
| (v) Address of the Registered Office and Contact Details | : No.6, Cathedral Road, Chennai 600 086 Tel: 044 – 28116106 Website: www.ttkhealthcare.com E-mail: info@tkhealthcare.com |
| (vi) Whether Listed Company | : Yes |
| (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : M/s Data Software Research Co. Pvt. Ltd. No.19, Pycrofts Garden Road Off. Haddows Road, Nungambakkam Chennai 600 006 Tel: 044 – 28213738 / 28214487 E-mail: ttk.healthcare@dsrc-cid.in |

| II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: | | | |
|--|--|-----------------------------------|------------------------------------|
| All the business activities contributing 10% or more of the total turnover of the Company shall be stated: | | | |
| Sl. No. | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the Company |
| 1. | Allopathic Medicines | 3004 90 99 | 22.66% |
| 2. | Ayurvedic Medicines | 3004 90 11 | 21.07% |
| 3. | Deodorants | 3307 20 00 | 12.03% |
| 4. | Pappads | 1905 90 40 | 13.12% |

| III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: | | | | | |
|--|---------------------------------|-----------|----------------------------------|------------------|--------------------|
| Sl. No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
| | | | NONE | | |

| IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | | | |
|---|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|--|
| (i) Category-wise Shareholding: | | | | | | | | | | |
| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| (a) Individual / HUF | 9,26,835 | – | 9,26,835 | 11.94 | 9,26,835 | – | 9,26,835 | 11.94 | – | |
| (b) Central Govt. | – | – | – | – | – | – | – | – | – | |
| (c) State Govt(s). | – | – | – | – | – | – | – | – | – | |
| (d) Bodies Corporate | 10,080 | – | 10,080 | 0.13 | 10,080 | – | 10,080 | 0.13 | – | |
| (e) Banks / FI | – | – | – | – | – | – | – | – | – | |
| (f) Any other – Partnership Firm | 41,44,085 | – | 41,44,085 | 53.36 | 41,44,085 | – | 41,44,085 | 53.36 | – | |
| Sub-Total (A)(1) | 50,81,000 | – | 50,81,000 | 65.43 | 50,81,000 | – | 50,81,000 | 65.43 | – | |
| (2) Foreign | | | | | | | | | | |
| (a) NRIs – Individuals | – | – | – | – | – | – | – | – | – | |
| (b) Other – Individuals | – | – | – | – | – | – | – | – | – | |
| (c) Bodies Corporate | – | – | – | – | – | – | – | – | – | |
| (d) Banks / FI | – | – | – | – | – | – | – | – | – | |
| (e) Any other | – | – | – | – | – | – | – | – | – | |
| Sub-Total (A)(2) | – | – | – | – | – | – | – | – | – | |
| Total Shareholding of Promoter (A) = (A)(1) + (A)(2) | 50,81,000 | – | 50,81,000 | 65.43 | 50,81,000 | – | 50,81,000 | 65.43 | – | |

Annexure to the Board's Report (Contd.)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year | |
|---|--|---|----------------------------------|--|---|----------------------------------|--|--|--------------------------|--|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| B. Public Shareholding | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| (a) Mutual Funds | 3,24,803 | 5,272 | 3,30,075 | 4.25 | 3,24,803 | 5,272 | 3,30,075 | 4.25 | -- | |
| (b) Banks / FI | 5,703 | 516 | 6,219 | 0.08 | 5,703 | 516 | 6,219 | 0.08 | -- | |
| (c) Central Govt. | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (d) State Govt(s). | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (e) Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (f) Insurance Companies | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (g) FIs | 4,89,488 | 936 | 4,90,424 | 6.31 | 4,61,814 | 936 | 4,62,750 | 5.96 | (0.36) | |
| (h) Foreign Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (i) Others (specify) | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Sub-Total (B)(1) | 8,19,994 | 6,724 | 8,26,718 | 10.64 | 7,92,320 | 6,724 | 7,99,044 | 10.29 | (0.36) | |
| (2) Non-Institutions | | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | | |
| (i) Indian | 75,017 | 10,629 | 85,646 | 1.10 | 57,737 | 9,079 | 66,816 | 0.86 | (0.24) | |
| (ii) Overseas | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| (b) Individuals | | | | | | | | | | |
| (i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh | 6,69,630 | 4,14,169 | 10,83,799 | 13.96 | 7,07,405 | 3,85,379 | 10,92,784 | 14.07 | 0.11 | |
| (ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh | 6,27,967 | 25,000 | 6,52,967 | 8.41 | 6,18,620 | 25,000 | 6,43,620 | 8.29 | (0.12) | |
| (c) Others (specify) | | | | | | | | | | |
| NRI | 31,601 | 4,252 | 35,853 | 0.46 | 78,467 | 4,252 | 82,719 | 1.07 | 0.60 | |
| Sub-Total (B)(2) | 14,04,215 | 4,54,050 | 18,58,265 | 23.93 | 14,62,229 | 4,23,710 | 18,85,939 | 24.28 | 0.36 | |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 22,24,209 | 4,60,774 | 26,84,983 | 34.57 | 22,54,549 | 4,30,434 | 26,84,983 | 34.57 | -- | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | | |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Grand Total (A+B+C) | 73,05,209 | 4,60,774 | 77,65,983 | 100.00 | 73,35,549 | 4,30,434 | 77,65,983 | 100.00 | -- | |
| (ii) Shareholding of Promoters | | | | | | | | | | |
| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in Shareholding during the year | | |
| | | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to Total Shares | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to Total Shares | | | |
| 1. | M/s T T Krishnamachari & Co. represented by its Partners – Mr T T Jagannathan & Mr T T Raghunathan | 41,44,085 | 53.36 | -- | 41,44,085 | 53.36 | -- | -- | | |
| 2. | Mr T T Jagannathan | 7,30,048 | 9.40 | -- | 7,30,048 | 9.40 | -- | -- | | |
| 3. | Mr T T Raghunathan | 9,547 | 0.12 | -- | 9,547 | 0.12 | -- | -- | | |
| 4. | Mrs Stina Vasu | 960 | 0.01 | -- | 960 | 0.01 | -- | -- | | |
| 5. | Mrs Shanthy Ranganathan | 58,360 | 0.76 | -- | 58,360 | 0.76 | -- | -- | | |
| 6. | Mrs Latha Jagannathan | 29,728 | 0.39 | -- | 29,728 | 0.39 | -- | -- | | |
| 7. | Mrs Bhanu Raghunathan | 56,000 | 0.72 | -- | 56,000 | 0.72 | -- | -- | | |
| 8. | Mr T T Mukund | 14,096 | 0.18 | -- | 14,096 | 0.18 | -- | -- | | |
| 9. | Mr T T Lakshman | 14,096 | 0.18 | -- | 14,096 | 0.18 | -- | -- | | |
| 10. | Mr T T Venkatesh | 14,000 | 0.18 | -- | 14,000 | 0.18 | -- | -- | | |
| 11. | M/s TTK Prestige Limited | 1,440 | 0.02 | -- | 1,440 | 0.02 | -- | -- | | |
| 12. | M/s TTK Tantex Limited | 8,640 | 0.11 | -- | 8,640 | 0.11 | -- | -- | | |
| | Total | 50,81,000 | 65.43 | -- | 50,81,000 | 65.43 | -- | -- | | |

Annexure to the Board's Report (Contd.)

| (iii) Change in Promoters' Shareholding (please specify, if there is no change) | | | | | | | | | |
|---|---|--|----------------------------------|---------------------------------------|---|----------------------------------|--|----------------------------------|--|
| Sl. No. | Particulars | Shareholding at the beginning of the year | | | Cumulative Shareholding during the year | | | | |
| | | No. of Shares | % of Total Shares of the Company | | No. of Shares | % of Total Shares of the Company | | | |
| 1. | At the beginning of the year | No change during the year | | | | | | | |
| 2. | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.) | | | | | | | | |
| 3. | At the end of the year | | | | | | | | |
| (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): | | | | | | | | | |
| Sl. No. | Shareholder's Name | Shareholding | | Increase / (Decrease) in Shareholding | | | Cumulative Shareholding during the year (01.04.2016 to 31.03.2017) | | |
| | | No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017) | % of Total Shares of the Company | Date | No. of Shares | Reason | No. of Shares | % of Total Shares of the Company | |
| 1. | Axis Mutual Fund Trustee Ltd. a/c Axis Mutual Fund | 3,24,803 | 4.18 | 01.04.2016 | No change during the year | | 3,24,803 | 4.18 | |
| | | | | | | | 3,24,803 | 4.18 | |
| | | 3,24,803 | 4.18 | 31.03.2017 | | | | | |
| 2. | Vidhit K Tulshan | 1,66,262 | 2.14 | 01.04.2016 | (301) | Transfer | 1,65,961 | 2.14 | |
| | | | | 08.04.2016 | (55) | Transfer | 1,65,906 | 2.14 | |
| | | | | 06.05.2016 | (97) | Transfer | 1,65,809 | 2.14 | |
| | | | | 22.07.2016 | (31) | Transfer | 1,65,778 | 2.13 | |
| | | | | 29.07.2016 | (50) | Transfer | 1,65,728 | 2.13 | |
| | | | | 23.09.2016 | (80) | Transfer | 1,65,648 | 2.13 | |
| | | | | 16.12.2016 | 210 | Transfer | 1,65,858 | 2.14 | |
| | | | | 13.01.2017 | (78) | Transfer | 1,65,780 | 2.13 | |
| | | 31.03.2017 | - | - | 1,65,780 | 2.13 | | | |
| 3. | National Westminster Bank PLC as Trustee of the Jupiter India Fund | 1,44,311 | 1.86 | 01.04.2016 | - | - | 1,44,311 | 1.86 | |
| | | | | 28.10.2016 | 50,000 | Transfer | 1,94,311 | 2.50 | |
| | | 1,94,311 | 2.50 | 31.03.2017 | - | - | 1,94,311 | 2.50 | |
| 4. | M/s Jupiter South Asia Investment Co. Ltd. a/c Jupiter South Asia Investment Company | 1,25,465 | 1.62 | 01.04.2016 | No change during the year | | 1,25,465 | 1.62 | |
| | | 1,25,465 | 1.62 | 31.03.2017 | | | 1,25,465 | 1.62 | |
| 5. | Alchemy India Long-term Fund Ltd. | 1,00,000 | 1.29 | 01.04.2016 | - | - | 1,00,000 | 1.29 | |
| | | | | 16.09.2016 | (6,453) | Transfer | 93,547 | 1.20 | |
| | | | | 28.10.2016 | (50,000) | Transfer | 43,547 | 0.56 | |
| | | | | 24.02.2017 | (8,530) | Transfer | 35,017 | 0.45 | |
| | | | | 03.03.2017 | (9,263) | Transfer | 25,754 | 0.33 | |
| | | | | 10.03.2017 | (1,228) | Transfer | 24,526 | 0.32 | |
| | | | | 31.03.2017 | - | - | 24,526 | 0.32 | |
| 6. | Premier Investments Fund Limited | 79,469 | 1.02 | 01.04.2016 | - | - | 79,469 | 1.02 | |
| | | | | 23.12.2016 | (458) | Transfer | 79,011 | 1.02 | |
| | | | | 24.02.2017 | (20) | Transfer | 78,991 | 1.02 | |
| | | | | 17.03.2017 | (1,322) | Transfer | 77,669 | 1.00 | |
| | | | | 24.03.2017 | (3,003) | Transfer | 74,666 | 0.96 | |
| | | | | 31.03.2017 | (415) | Transfer | 74,251 | 0.96 | |

Annexure to the Board's Report (Contd.)

| | | | | | | | | |
|-----|------------------------------|--------|------|------------|---------------------------|----------|--------|------|
| 7. | Sarala Tulshan | 78,241 | 1.01 | 01.04.2016 | (200) | Transfer | 78,041 | 1.00 |
| | | | | 17.06.2016 | 50 | Transfer | 78,091 | 1.01 |
| | | | | 24.06.2016 | 119 | Transfer | 78,210 | 1.01 |
| | | | | 19.08.2016 | (100) | Transfer | 78,110 | 1.01 |
| | | | | 02.09.2016 | (100) | Transfer | 78,010 | 1.00 |
| | | | | 07.10.2016 | (150) | Transfer | 77,860 | 1.00 |
| | | | | 14.10.2016 | (300) | Transfer | 77,560 | 1.00 |
| | | | | 21.10.2016 | (200) | Transfer | 77,360 | 1.00 |
| | | | | 31.12.2016 | (10) | Transfer | 77,350 | 1.00 |
| | | | | 06.01.2017 | (33) | Transfer | 77,317 | 1.00 |
| | | | | 13.01.2017 | (100) | Transfer | 77,217 | 0.99 |
| | | | | 20.01.2017 | (200) | Transfer | 77,017 | 0.99 |
| | | 76,917 | 0.99 | 31.03.2017 | (100) | Transfer | 76,917 | 0.99 |
| 8. | Veena K Jagwani | 75,000 | 0.97 | 01.04.2016 | No change during the year | | 75,000 | 0.97 |
| | | 75,000 | 0.97 | 31.03.2017 | | | 75,000 | 0.97 |
| 9. | Manoj Tulshan | 68,035 | 0.88 | 01.04.2016 | No change during the year | | 68,035 | 0.88 |
| | | 68,035 | 0.88 | 31.03.2017 | | | 68,035 | 0.88 |
| 10. | Mukul Mahavir Prasad Agrawal | 47,551 | 0.61 | 01.04.2016 | No change during the year | | 47,551 | 0.61 |
| | | 47,551 | 0.61 | 31.03.2017 | | | 47,551 | 0.61 |

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No. | For each of the Directors and KMP | Shareholding | | Increase / (Decrease) in Shareholding | | | Cumulative Shareholding during the year (01.04.2016 to 31.03.2017) | |
|---------|---|--|----------------------------------|---------------------------------------|---------------------------|--------|--|----------------------------------|
| | | No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017) | % of Total Shares of the Company | Date | No. of Shares | Reason | No. of Shares | % of Total Shares of the Company |
| 1. | Mr T T Jagannathan Chairman | 7,30,048* | 9.400 | 01.04.2016 | No change during the year | | 7,30,048* | 9.400 |
| | | 7,30,048* | 9.400 | 31.03.2017 | | | 7,30,048* | 9.400 |
| 2. | Mr T T Raghunathan Executive Vice Chairman / Chief Executive Officer | 9,547* | 0.123 | 01.04.2016 | No change during the year | | 9,547* | 0.123 |
| | | 9,547* | 0.123 | 31.03.2017 | | | 9,547* | 0.123 |
| 3. | Mr R K Tulshan Director | 220 | 0.003 | 01.04.2016 | No change during the year | | 220 | 0.003 |
| | | 220 | 0.003 | 31.03.2017 | | | 220 | 0.003 |
| 4. | Mr K Shankaran Director | 247 | 0.003 | 01.04.2016 | No change during the year | | 247 | 0.003 |
| | | 247 | 0.003 | 31.03.2017 | | | 247 | 0.003 |
| 5. | Mr S Kalyanaraman Director & Wholetime Secretary | 70 | 0.001 | 01.04.2016 | No change during the year | | 70 | 0.001 |
| | | 70 | 0.001 | 31.03.2017 | | | 70 | 0.001 |
| 6. | Mr B V K Durga Prasad Chief Financial Officer | - | - | 01.04.2016 | - | | - | - |
| | | - | - | 31.03.2017 | | | - | - |

*Held in their individual capacity.

Annexure to the Board's Report (Contd.)

| V. INDEBTEDNESS (in Rs.) | | | | |
|---|--|--|----------|---|
| Indebtedness of the Company including interest outstanding / accrued but not due for payment: | | | | |
| Particulars | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year: | | | | |
| (i) Principal Amount | 36,95,31,330 | - | - | 36,95,31,330 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i)+(ii)+(iii) | 36,95,31,330 | - | - | 36,95,31,330 |
| Change in Indebtedness during the financial year: | | | | |
| • Addition | 5,17,752 | - | - | 5,17,752 |
| • Reduction | 15,00,00,000 | - | - | 15,00,00,000 |
| Net Change | | - | - | |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 22,00,49,082 | - | - | 22,00,49,082 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i)+(ii)+(iii) | 22,00,49,082 | - | - | 22,00,49,082 |
| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP): | | | | |
| A. Remuneration to Managing Director, Whole-time Directors and/or Manager: | | | | (in Rs.) |
| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | |
| | | Mr T T Raghunathan (Executive Vice Chairman) (01.04.2016 - 31.03.2017) | | |
| (1) | Gross Salary | | | |
| (a) | Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | | | 52,42,423 |
| (b) | Value of perquisites u/s 17(2) of Income-tax Act, 1961 | | | 7,88,010 |
| (c) | Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961 | | | - |
| (2) | Stock Option | | | - |
| (3) | Sweat Equity | | | - |
| (4) | Commission | | | |
| | • As % of Profit | | | - |
| | • Others, specify [Difference between 5% of the Profit and the amounts paid under (1) and (5)] | | | 37,78,324 |
| (5) | Others, please specify (Productivity Incentive) | | | 60,11,819 |
| | Total (A) | | | 1,58,20,576 |
| Ceiling as per the Act | | | | Rs.3,71,78,982 (Being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013) |

Annexure to the Board's Report (Contd.)

| B. Remuneration to Other Directors: (in Rs.) | | | | | | | |
|---|---|---|--|-----------------------|------------------------------|--------------------------|--------------------|
| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount | |
| (1) | Independent Directors | Mr B N Bhagwat | Dr (Mrs) Vandana R Walvekar | Mr Girish Rao | Mr S Bala-subramanian | Mr N Ramesh Rajan | |
| | • Fee for attending Board / Committee Meetings | 1,80,000 | 1,00,000 | 2,00,000 | 1,00,000 | 80,000 | 6,60,000 |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (1) | 1,80,000 | 1,00,000 | 2,00,000 | 1,00,000 | 80,000 | 6,60,000 |
| (2) | Other Non-Executive Directors | Mr T T Jagannathan | Mr R K Tulshan | Mr K Shankaran | | | |
| | • Fee for attending Board / Committee Meetings | 80,000 | 1,80,000 | 2,80,000 | | | 5,40,000 |
| | • Commission | - | - | - | | | - |
| | • Others, please specify | - | - | - | | | - |
| | Total (2) | 80,000 | 1,80,000 | 2,80,000 | | | 5,40,000 |
| | Total (B) = (1) + (2) | | | | | | 12,00,000* |
| | Total Managerial Remuneration (A) + (B) | | | | | | 1,70,20,576 |
| Overall ceiling as per the Act | | Rs.3,49,56,880 (Being 11% of the Net Profit of the Company calculated as per the Section 198 of the Companies Act, 2013) | | | | | |
| * Exclusive of Service Tax | | | | | | | |
| C. Remuneration to Key Managerial Personnel (KMP) other than MD / WTD / Manager: (in Rs.) | | | | | | | |
| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total | | | |
| | | Mr S Kalyanaraman Company Secretary | Mr B V K Durga Prasad Chief Financial Officer | | | | |
| (1) | Gross Salary | | | | | | |
| (a) | Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 73,41,790 | 57,10,601 | 1,30,52,391 | | | |
| (b) | Value of perquisites u/s 17(2) of Income-tax Act, 1961 | 8,24,120 | 6,32,358 | 14,56,478 | | | |
| (c) | Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961 | - | - | - | | | |
| (2) | Stock Option | - | - | - | | | |
| (3) | Sweat Equity | - | - | - | | | |
| (4) | Commission | - | - | - | | | |
| | • As % of Profit | - | - | - | | | |
| | • Others, specify | - | - | - | | | |
| (5) | Others, please specify | - | - | - | | | |
| | Total | 81,65,910 | 63,42,959 | 1,45,08,869 | | | |

Annexure to the Board's Report (Contd.)

| VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: | | | | | |
|--|------------------------------|-------------------|--|----------------------------|------------------------------------|
| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give details) |
| A. COMPANY | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |

Place: Bengaluru
Date : May 30, 2017

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexure to the Board's Report (Contd.)

ANNEXURE-2

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

CSR PHILOSOPHY AND POLICY:

The Company considers society as an important stakeholder and shall discharge its responsibilities to the society proactively. The activities or projects that will be undertaken by the Company shall include one or more of the following as may be recommended by the CSR Committee and approved by the Board of Directors:

- Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward Groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.
- Slum area development.
- Such other projects as may be notified by the Government from time to time.

The Company shall give preference to various local areas and areas around which the Company is carrying out its activities.

Weblink: www.ttkhealthcare.com.

2. **The Composition of the CSR Committee:**

| Name | Position |
|-----------------------------|----------|
| Mr T T Raghunathan | Chairman |
| Mr K Shankaran | Member |
| Dr (Mrs) Vandana R Walvekar | Member |
| Mr Girish Rao | Member |

3. **Average Net Profit of the Company for the last three financial years:**

Average Net Profit for the last three financial years 2013-14, 2014-15 and 2015-16 – Rs.27.18 crores.

4. **Prescribed CSR Expenditure (2% of the amount as in Item 3 above)**

The Company is required to spend Rs.54.35 lakhs towards CSR activities.

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: **Rs.54.35 lakhs**

(b) Amount unspent, if any: **NIL**

Annexure to the Board's Report (Contd.)

(c) Manner in which the amount spent during the financial year is detailed below:

| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Rs. in lakhs) | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lakhs) | Cumulative expenditure upto the reporting period (Rs. in lakhs) | Amount spent: Direct or through implementing agency (Rs. in lakhs) |
|--------------------------------------|---|--|---|--|--|---|--|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. | Implementation of Projects relating to animal welfare, protection of flora and fauna, ecological balance, etc. | Environment | Bandipur, Chamrajnagar, Karnataka | 5.00 | (1) 5.00 (2) - | 5.00 | 5.00* |
| 2. | Extending education and preventive medical treatment to the under developed sections of the Society | Education & Healthcare | Anaikatti, Coimbatore, Tamil Nadu | 5.00 | (1) 5.00 (2) - | 5.00 | 5.00* |
| 3. | Purchase of Equipment for the Blood Bank | Healthcare | Chennai, Tamil Nadu | 10.00 | (1) 10.00 (2) - | 10.00 | 10.00* |
| 4. | Provision of educational assistance / scholarships to needy and deserving students and also provision of medical relief to poor people. | Education & Healthcare | Chennai, Tamil Nadu | 34.35 | (1) 34.35 (2) - | 34.35 | 34.35* |
| TOTAL AMOUNT = Rs.54.35 lakhs | | | | | | | |

* Through Implementing Agency

Details of Implementing Agency:

- Junglescapes, Bangalore 560 038
- Bhuvana Foundation, Chennai 600 004
- Rotary Central TTK VHS Blood Bank, Chennai 600 113
- Sri Venkateswara Trust, Chennai 600 086

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

Responsibility Statement of the CSR Committee

It is hereby confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

T T Raghunathan
Executive Vice Chairman
&
Chairman, CSR Committee

Annexure to the Board's Report (Contd.)

ANNEXURE-3

Form No.AOC-2

[Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of Contract / Arrangements entered into by the Company with Related Parties referred to under Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

| Sl. No. | Particulars | Details |
|---------|---|----------------|
| (a) | Name(s) of the Related Party and nature of relationship | Not Applicable |
| (b) | Nature of contracts / arrangements / transactions | |
| (c) | Duration of the contracts / arrangements / transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any. | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | Date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any | |
| (h) | Date on which the special resolution was passed in General Meeting as required under first provision to Section 188 | |

2. Details of material contracts or arrangements or transactions at arm's length basis:

| Sl. No. | Particulars | Details | | | | | | | | | | |
|---------|---|--|--|--------------------------|---|--|---|--------------------------|---|--|--|---------------------------------|
| (a) | Name(s) of the Related Party and nature of relationship | TTK Prestige Limited | | | TTK Protective Devices Limited | T T Krishnamachari & Co. | | | Pharma Research & Analytical Laboratories | Packwell Packaging Products Ltd. | ©Mr T T Lakshman General Manager-Projects (Foods Division) | |
| | | Four of the Directors as Directors | | | Three of the Directors as Directors | Two of the Directors as Partners | | | One of the Directors and wife of one of the Directors as Partners | Two of the Directors as Shareholders | Son of the Chairman of the Company | |
| (b) | Nature of contracts/ arrangements / transactions | Sale of Goods | Purchase of Promotional Items / Others | Receipt of Lease Rent | Purchase of Finished Goods | #Payment of Logo Charges | #Payment of Depot Service Charges | Payment of Rent | Receipt of Rent | #Payment of charges for Testing and Analytical Services | Payment of Rent | Employee – Payment of Salary |
| (c) | Duration of the contracts / arrangements / transactions | As and when need arises | | 01.04.1999 to 31.03.2029 | 01.07.2016 to 30.06.2021 | 01.11.2012 to 31.10.2017 | 09.08.2013 to 08.08.2018 | 01.04.2015 to 31.03.2018 | 01.03.2014 to 28.02.2017 & 01.03.2017 to 28.02.2020 | 01.07.2014 to 30.06.2019 | 01.06.2012 to 31.05.2017 | w.e.f. 03.05.2010 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any. | As mutually agreed based on prevailing trade practices | | Rs.100 p.m. | As per Distribution Agreement with 15% Gross Margin & 75 days credit period | ½% of Sales for using their monogram "ttk" | 3% of sales for availing their services as Clearing & Forwarding Agents | As per rental Agreement | As per rental Agreement | Monthly lump sum payment with an appropriate increase every year | As per Rental Agreement | As per the terms of appointment |
| | Value (Rs.) | 24,75,968 | 38,21,572 | 1,381 | 36,04,23,978 | 2,78,88,090 | 4,36,80,021 | 44,47,276 | 2,75,800 | 70,67,900 | 7,58,450 | 4,21,914 |
| (e) | Date(s) of approval by the Board, if any | 03.02.2016 | 03.02.2016 | 03.02.2016 | 30.05.2016 | 22.05.2012 | 01.02.2013 | 03.02.2016 | 03.02.2016 | 05.02.2014 | 03.02.2016 | 30.06.2009 |
| (f) | Amount paid as advance, if any (Rs.) | - | - | - | - | - | - | 20,00,000 | - | - | 5,50,000 | - |

Central Government approval under the earlier Companies Act, 1956 in place.

© Resigned with effect from 16th April, 2016.

For and on behalf of the Board

T T JAGANNATHAN
CHAIRMANPlace: Bengaluru
Date : May 30, 2017

Annexure to the Board's Report (Contd.)

ANNEXURE-4

Form No.MR-3
Secretarial Audit Report

for the financial year ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TTK HEALTHCARE LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TTK HEALTHCARE LIMITED for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company has no Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) With respect to the other laws applicable to the Company as stated in Annexure B, based on the written representations received from the officials / executives of the Company, I state that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

I report that the provisions of the following regulations are not applicable to the Company during the reporting period;

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision was carried through while there were no dissenting members

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the petition filed by the Company before the Hon'ble High Court of Judicature at Madras for the scheme of amalgamation of TTK Protective Devices Limited (TTKPD) (formerly known as TTK-LIG Limited) and its Wholly Owned Subsidiary TSL Techno Services Limited (TSL) with the Company stands transferred to National Company Law Tribunal (NCLT) and is pending for its sanction.

I further report that during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of Shares / Debentures / Sweat Equity, etc.
- (ii) Redemption / Buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 for disposal of undertaking.
- (iv) Foreign technical collaborations.

Place : Chennai
Date : May 09, 2017

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

This report is to be read with my letters of even date which is annexed as Annexure "A" and "B" and both the annexures form an integral part of this report.

Annexure to the Board's Report (Contd.)

ANNEXURE - A

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

My report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- (5) The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : May 09, 2017

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

ANNEXURE - B

To
The Members
TTK Healthcare Limited
No.6, Cathedral Road
Chennai 600 086

My report of even date is to be read along with this letter.

The internal system followed / adopted by the Company ensures the compliance of the provisions of the following acts, rules, regulations and guidelines:

- (a) The Factories Act, 1948.
- (b) Employees State Insurance Act, 1948
- (c) The Employees' Provident Fund and Misc. Provisions Act, 1952 and other labour related laws.
- (d) Drug and Cosmetics Act, 1940 and Rules.
- (e) The Environment (Protection) Act, 1986.
- (f) The Water (Prevention and Control of Pollution) Act, 1974.
- (g) The Air (Prevention and Control of Pollution) Act, 1981.
- (h) Food Safety and Standards Act, 2006, Rules and Regulations, thereunder.
- (i) Legal Metrology Act 2009 along with Packaged Commodities Rules, 2011.
- (j) Indian Boilers Act, 1923 along with amended Act, 2007.
- (k) Chennai City Municipal Corporation Act, 1919.
- (l) Explosive Act, 1884 and the Rules, 2008.
- (m) The Petroleum Act, 1934 with Rules 2002.
- (n) Indian Electricity Act, 2003 and Rules, 2005.

Place : Chennai
Date : May 09, 2017

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Annexure to the Board's Report (Contd.)

ANNEXURE-5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2017:

| (A) Conservation of Energy: | |
|--|--|
| (i) Steps taken or impact on conservation of energy: | Majority of the Company's operations are not power-intensive except the Foods Manufacturing operations. |
| (ii) Steps taken by the Company for utilizing alternate sources of energy: | Further, your Company outsources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation. |
| (iii) Capital Investment on energy conservation equipment: | Your Company has entered into an arrangement with M/s Renew Wind Energy (AP) Private Limited for purchase of wind energy for its Foods Factory at Hosakote. |
| (B) Technology Absorption: | |
| (i) Efforts made towards technology absorption: | The technology relating to manufacture of Heart Valves and Orthopaedic Implants have been fully absorbed over the years. Further, a few new products have also been developed under Orthopaedic Segment. Efforts are also made to improve the various production processes. |
| (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: | <p>The state-of-the-art R&D Centre of the Foods Division at Hosakote is engaged in developing value-added / innovative and differentiated products like Lentil, Dal, Quinoa, Vegetable based Pappads (Pellets), so as to gain volumes and also to improve the overall profitability.</p> <p>The in-house R&D facilities at Foods Division and Pharma Division are duly recognized by DSIR.</p> <p>In pursuit of R&D endeavours, your Company is regularly incurring expenditure on R&D focusing on continuous improvement of existing products for enhanced efficacy and better acceptance by the customers and development and validation of new products using latest technology / processes.</p> <p>As a result of these initiatives, a number of new products / recipes have been developed and launched using the in-house R&D under the Pharma and Foods Divisions.</p> <p>The future plan of action would include developing innovative, differentiated and value added products, utilizing in-house R&D facility / expertise available with the Company, with an enhanced focus.</p> |
| (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | Not Applicable |
| (a) Details of technology imported | |
| (b) Year of import | |
| (c) Whether the technology been fully absorbed | |
| (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof | |

Annexure to the Board's Report (Contd.)

| | | | | |
|--|-----------------------------------|--|--------------------|-------------|
| (iv) Expenditure incurred on Research and Development | Particulars | | 2016 – 17 | 2015 – 16 |
| | | | Rs. | Rs. |
| | (a) | Capital | 92,96,691 | 2,36,94,279 |
| | (b) | Recurring | 2,34,78,756 | 1,27,04,602 |
| | (c) | Total | 3,27,75,447 | 3,63,98,881 |
| (d) | % of R&D expenses to sales | 0.62% | 0.71% | |
| (C) Foreign Exchange Earnings and Outgo: | | | | |
| | (i) Actual Inflows: | | | |
| | Particulars | | 2016 – 17 | 2015 – 16 |
| | | | Rs. | Rs. |
| | Foreign Exchange Earnings: | | | |
| | Exports (FOB) | | 5,27,01,960 | 4,38,30,014 |
| | Total | | 5,27,01,960 | 4,38,30,014 |
| | (ii) Actual Outflows: | | | |
| | Particulars | | 2016 – 17 | 2015 – 16 |
| | | | Rs. | Rs. |
| | Foreign Exchange Outgo: | | | |
| • Imports | | | | |
| - Raw Materials | | 5,20,62,528 | 3,67,66,059 | |
| - Capital Goods | | 23,13,518 | 2,19,21,405 | |
| - Spares | | - | 44,54,715 | |
| • Royalty, Consultancy, Product Registration/ Promotion Expenses, Travelling, etc. | | 1,47,63,815 | 1,02,59,630 | |
| Total | | 6,91,39,861 | 7,34,01,809 | |
| Place: Bengaluru | | For and on behalf of the Board T T JAGANNATHAN CHAIRMAN | | |
| Date : May 30, 2017 | | | | |

Annexure to the Board's Report (Contd.)

ANNEXURE-6

Disclosure as per Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:
Mr T T Raghunathan, Executive Vice Chairman 1 : 58
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
- iii. The percentage increase in the median remuneration of employees in the financial year:
Around 11% (Excluding Unionized employees).
- iv. The number of permanent employees on the rolls of the Company:
1853 employees
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average increase in remuneration is around 11% for Employees other than Managerial Personnel and around 10% for Managerial Personnel.
- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:
Yes.

| Name | Designation | Cost-to-Company (CTC) (Rs.) | % Increase / (Decrease) in CTC |
|-----------------------|---------------------------------|-----------------------------|--------------------------------|
| Mr T T Raghunathan | Executive Vice Chairman | 1,58,20,576 | (15.39%) |
| Mr S Kalyanaraman | Director & Wholetime Secretary | 81,65,910 | 7.37% |
| Mr B V K Durga Prasad | Senior Vice President - Finance | 63,42,959 | 10.10% |

Statement showing the details of Employees of the Company as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| S. No. | Name of the Employee | Designation of the employee | Remuneration received | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | Age of the employee | Last employment held by such employee before joining the Company | Percentage of Equity Shares held by the Employee in the Company | Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager | | | | | | | | |
|--|--|--|-----------------------|--|--|------------------------------------|---------------------|---|---|---|--|-----------------|--------------|--|--------------------|--------------------|----------------|---|
| A. Employee(s) in receipt of remuneration, not less than Rs.1.02 crores p.a.: | | | | | | | | | | | | | | | | | | |
| 1. | Mr T T Raghunathan | Executive Vice Chairman | 1,58,20,576 | Contractual | B.Com with 44 years experience | 01.11.2001 | 65 years | Managing Director, TTK Tantex Ltd. | <table border="1"> <thead> <tr> <th>Particulars</th> <th>No. of Shares (% to Total Share Capital)</th> </tr> </thead> <tbody> <tr> <td>In his capacity</td> <td>9547 (0.12%)</td> </tr> <tr> <td>In the capacity as Partner of M/s T T Krishnamachari & Co.</td> <td>41,44,085 (53.36%)</td> </tr> <tr> <td>His wife's Holding</td> <td>56,000 (0.72%)</td> </tr> </tbody> </table> | Particulars | No. of Shares (% to Total Share Capital) | In his capacity | 9547 (0.12%) | In the capacity as Partner of M/s T T Krishnamachari & Co. | 41,44,085 (53.36%) | His wife's Holding | 56,000 (0.72%) | Brother of Mr T T Jagannathan, Chairman |
| Particulars | No. of Shares (% to Total Share Capital) | | | | | | | | | | | | | | | | | |
| In his capacity | 9547 (0.12%) | | | | | | | | | | | | | | | | | |
| In the capacity as Partner of M/s T T Krishnamachari & Co. | 41,44,085 (53.36%) | | | | | | | | | | | | | | | | | |
| His wife's Holding | 56,000 (0.72%) | | | | | | | | | | | | | | | | | |
| B. Top ten employees in terms of remuneration drawn: | | | | | | | | | | | | | | | | | | |
| 1. | Mr S Kalyanaraman | Director & Wholetime Secretary | 81,65,910 | Regular | B.Com., ACS., ACMA with 36 years experience | 05.10.1987 | 54 years | Finance Manager & Company Secretary, T T Maps & Publications Ltd. | 70 (0.001%) | No | | | | | | | | |
| 2. | Mr G Sreenivasan | President – CPD | 68,39,559 | Regular | B.E., MBA with 31 years experience | 14.12.2011 | 54 years | VP – Marketing, EID Parry (India) Ltd. | NIL | No | | | | | | | | |
| 3. | Mr B V K Durga Prasad | Senior Vice President – Finance | 63,42,959 | Regular | B.Com., ACA., Grad. CMA with 31 years experience | 06.03.1986 | 56 years | – | NIL | No | | | | | | | | |
| 4. | Mr S Ranganath Rao | Senior Vice President – Business Development (Foods) | 57,51,697 | Regular | B.Sc., MBA with 34 years experience | 04.03.1992 | 52 years | Sales Executive, BPL India Ltd. | NIL | No | | | | | | | | |
| 5. | Mr Yogesh Yadav | Vice President – National Sales (CPD) | 53,23,316 | Regular | B.A., MBA with 30 years experience | 26.07.1996 | 50 years | Area Sales Manager, Shogun Group of Industries | NIL | No | | | | | | | | |
| 6. | Mr D J Parthasarthy | Senior Vice President – Sales & Marketing (EPD) | 51,51,699 | Regular | M.Sc. MMM with 43 years experience | 10.02.1997 | 64 years | Senior Manager (Exports), Cadilla Pharmaceuticals Ltd. | NIL | No | | | | | | | | |
| 7. | Mr K Sunil | Senior Vice President – Heart Valve | 48,21,548 | Regular | B.Sc., B.E. with 29 years experience | 01.07.1992 | 54 years | Manager – Projects, Peninsula Polymers Ltd. | NIL | No | | | | | | | | |
| 8. | Mr K G Sankar | Vice President – Sales & Marketing (AWD) | 37,52,499 | Regular | B.Sc. with 40 years experience | 01.10.2004 | 61 years | Senior DGM, Nicholas Piramal India Ltd. | NIL | No | | | | | | | | |
| 9. | Mr V Sivakumar | Vice President – Sales & Marketing (EPD) | 37,28,563 | Regular | B.Sc. with 40 years experience | 16.05.2008 | 61 years | Senior General Manager – Sales, Fourrts India Ltd. | NIL | No | | | | | | | | |
| 10. | Dr. Surinder Kumar | Head - Strategy & Business Development/ NPD (EPD) | 35,98,410 | Regular | M.B.B.S. M.D., with 27 years experience | 02.07.1997 | 53 years | Sr. Manager, NEPC Pharmachem | NIL | No | | | | | | | | |

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Place: Bengaluru
Date : May 30, 2017

Report on Corporate Governance

[Pursuant to Schedule V (C) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015)]

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

In line with the tradition of the TTK Group, the Board of Directors of TTK Healthcare Limited view their role as trustees of the various stakeholders and the society at large and it is their endeavour to observe the best corporate governance practices which *inter alia* include transparency, accountability and fairness in all dealings and pursuing a policy of appropriate disclosures and communication.

It is the philosophy of the Board that the Company continues to follow fair business and organizational practices to fulfil the mission of "Quality Products at Affordable Prices" and in the process deliver long term sustainable shareholder value. It is also the Philosophy of the Board that practice of Corporate Governance should travel beyond statutory requirements and further encompass social responsibilities.

The Board of Directors believe that excellence in Corporate Governance Practices can be achieved only if the spirit of Corporate Governance is followed right from the top management to the last level employee of the Company.

BOARD OF DIRECTORS:

Composition and Category of Directors:

The composition of the Board conforms to Section 149(4) of the Companies Act, 2013 and the Rules made thereunder and Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

The Board consists of ten Directors, as detailed below:

| Category | | Name of Director / Position | DIN |
|-----------------|---------------|--|----------|
| Promoter | Non-Executive | Mr T T Jagannathan <i>Chairman</i> | 00191522 |
| | Executive | Mr T T Raghunathan <i>Executive Vice Chairman</i> | 00043455 |
| Non-Independent | Non-Executive | Mr R K Tulshan | 00009876 |
| | | Mr K Shankaran | 00043205 |
| | | Mr S Kalyanaraman <i>Director & Wholetime Secretary</i> | 00119541 |
| Independent | Non-Executive | Mr B N Bhagwat | 00063628 |
| | | Dr (Mrs) Vandana R Walvekar | 00059160 |
| | | Mr Girish Rao | 00073937 |
| | | Mr S Balasubramanian | 02849971 |
| | | Mr N Ramesh Rajan | 01628318 |

Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting (AGM):

| Name of the Director | Date of the Board Meetings and Attendance | | | | Date of the last AGM & Attendance |
|-----------------------------|---|------------|------------|------------|-----------------------------------|
| | 30.05.2016 | 05.08.2016 | 11.11.2016 | 03.02.2017 | 05.08.2016 |
| Mr T T Jagannathan | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr T T Raghunathan | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr R K Tulshan | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr B N Bhagwat | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr K Shankaran | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr (Mrs) Vandana R Walvekar | ✓ | ✓ | LOA | ✓ | ✓ |
| Mr Girish Rao | ✓ | ✓ | LOA | ✓ | ✓ |
| Mr S Balasubramanian | LOA | LOA | ✓ | ✓ | LOA |
| Mr N Ramesh Rajan | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr S Kalyanaraman | ✓ | ✓ | ✓ | ✓ | ✓ |

LOA - Leave of absence

No. of Other Board of Directors or Committees in which the Company Directors are Members / Chairman:

| Name of the Director | No. of Other Directorships & Committee Memberships / Chairmanships | | |
|-----------------------------|--|-----------------------|-------------------------|
| | Other Directorships | Committee Memberships | Committee Chairmanships |
| Mr T T Jagannathan | 4 | - | - |
| Mr T T Raghunathan | 4 | - | - |
| Mr R K Tulshan | 2 | - | - |
| Mr B N Bhagwat | - | - | - |
| Mr K Shankaran | 1 | 1 | - |
| Dr (Mrs) Vandana R Walvekar | 1 | - | - |
| Mr Girish Rao | 1 | - | - |
| Mr S Balasubramanian | 8 | 8 | 2 |
| Mr S Kalyanaraman | 1 | - | - |
| Mr N Ramesh Rajan | 1 | - | 2 |

Notes:

- Other Directorships do not include Private Companies and Overseas Entities.
- Chairmanship / Membership of the Audit Committee and the Stakeholders Relationship Committee alone was considered for the above and also for the purpose of reckoning the limit of Chairmanship / Membership of the Board level Committees.
- None of the Directors is a member of more than 10 Board-level Committees of Public Limited Companies or is a Chairman of more than 5 such Committees.

Board Meetings held during the year 2016-17 and its dates:

During the year under review, the meetings of the Board of Directors were held four times, on the following dates and conform to the Regulation 17(2) of the SEBI (LODR) Regulations, 2015:

- 30th May, 2016
- 5th August, 2016
- 11th November, 2016
- 3rd February, 2017

The Company placed before the Board the Annual Plans and Budget, Capital Budget, Performance of the various Divisions, Unaudited Quarterly Financial Results, Audited Annual Financial Results and various other information / details, as specified under Schedule II Part A of the SEBI (LODR) Regulations, 2015, from time to time.

Disclosure of relationships between Directors *inter se*:

None of the Directors is related to any other Directors / Key Managerial Personnel of the Company except Mr T T Jagannathan and Mr T T Raghunathan who are brothers.

No. of Shares and Convertible Instruments held by Non-Executive Directors:

| Names of the Non-Executive Directors | No. of Equity Shares held |
|--------------------------------------|---------------------------|
| Mr T T Jagannathan | 7,30,048 |
| Mr R K Tulshan | 220 |
| Mr B N Bhagwat | - |
| Mr K Shankaran | 247 |
| Dr (Mrs) Vandana R Walvekar | - |

Report on Corporate Governance (Contd.)

| | |
|----------------------|----|
| Mr Girish Rao | - |
| Mr S Balasubramanian | - |
| Mr N Ramesh Rajan | - |
| Mr S Kalyanaraman | 70 |

Separate Meeting of Independent Directors:

As stipulated under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the Independent Directors met once during the year on 3rd February, 2017. Amongst other matters, they reviewed the performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors; and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The review was carried out, in line with the guidelines provided by SEBI vide its Circular No. SEBI/HO/CFD/CMD/CIR/P/ 2017/004 dated 5th January, 2017.

Familiarization Programmes imparted to Independent Directors:

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, familiarisation programmes to Independent Directors of the Company, on the nature of the industry and the business model of the Company, roles, rights and responsibilities of the Independent Directors and other relevant information were conducted periodically.

Your Company has the following process for induction and training of Board Members:

- Discussing with Independent Directors and ascertaining their further training / updating needs and arranging programmes outside the Company and arranging presentation by experts in the field.
- A detailed induction programme is in place to familiarize the new directors of the entire operations of the Company. The programme includes presentations by various business / functional heads.
- Visit to the manufacturing units of the Company is also arranged based on their request.

Details regarding familiarisation programme are provided in Company's website www.ttkhealthcare.com.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The terms and conditions of the appointment of Independent Director are also available on Company's website www.ttkhealthcare.com.

AUDIT COMMITTEE:

Terms of Reference:

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of & Schedule II – Part C to the SEBI (LODR) Regulations, 2015, the brief terms of reference of the Audit Committee of the Company, *inter alia* include-

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditors' independence and performance and effectiveness of audit process.
- Review with the management the quarterly financial statements and the annual financial statements and the auditors' report thereon, before submission to the Board for approval.

- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

Composition, Name of the Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulations, 2015, as detailed below:

| Name of Director | Position | Category |
|----------------------|-----------|--|
| Mr Girish Rao | Chairman | Non-Promoter / Non-Executive / Independent |
| Mr B N Bhagwat | Member | Non-Promoter / Non-Executive / Independent |
| Mr K Shankaran | Member | Non-Promoter / Non-Executive / Non-Independent |
| Mr S Balasubramanian | Member | Non-Promoter / Non-Executive / Independent |
| Mr S Kalyanaraman | Secretary | - |

Meetings and Attendance during the year 2016-17:

During the year under review, the Committee met four times. The details of the meetings and the attendance of the members are provided below:

| Name of Director | Date of the Meetings and Attendance | | | |
|----------------------|-------------------------------------|------------|------------|------------|
| | 30.05.2016 | 04.08.2016 | 11.11.2016 | 03.02.2017 |
| Mr Girish Rao | ✓ | ✓ | LOA | ✓ |
| Mr B N Bhagwat | ✓ | ✓ | ✓ | ✓ |
| Mr K Shankaran | ✓ | ✓ | ✓ | ✓ |
| Mr S Balasubramanian | LOA | ✓ | ✓ | ✓ |

LOA - Leave of absence

The Audit Committee Meetings were also attended by the Statutory / Cost / Internal Auditors, wherever necessary.

NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference:

The brief terms of reference are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of & Schedule II – Part D to the SEBI (LODR) Regulations, 2015, which *inter alia* include-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Composition, Name of Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(1) of the SEBI (LODR)

Report on Corporate Governance (Contd.)

Regulations, 2015, as detailed below:

| Name of Director | Position | Category |
|-----------------------------|-----------|--|
| Mr B N Bhagwat | Chairman | Non-Promoter / Non-Executive / Independent |
| Mr R K Tulshan | Member | Non-Promoter / Non-Executive / Non-Independent |
| Mr K Shankaran | Member | Non-Promoter / Non-Executive / Non-Independent |
| Dr (Mrs) Vandana R Walvekar | Member | Non-Promoter / Non-Executive / Independent |
| Mr S Kalyanaraman | Secretary | - |

Meeting and Attendance:

During the year under review, the Committee met once, as detailed below, to consider and recommend to the Board the re-appointment of Mr T T Raghunathan as Executive Vice Chairman, for a period of five years, effective 1st November, 2016:

| Name of Director | Date of the Meeting and Attendance |
|-----------------------------|------------------------------------|
| | 30.05.2016 |
| Mr B N Bhagwat | ✓ |
| Mr R K Tulshan | ✓ |
| Mr K Shankaran | ✓ |
| Dr (Mrs) Vandana R Walvekar | ✓ |

Performance Evaluation criteria for Independent Directors:

The performance evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Directors being evaluated.

The criteria for evaluation was formulated in the Remuneration Policy of the Company and for the year 2016-17, the Independent Directors were evaluated, on the basis of a few parameters comprising of attendance at meetings either in person or through video / tele-conferencing, participation in discussions on various items on the agenda, dealing with respect to conflict of interest situation and any specific ideas and contribution to the long term business strategy of the Company.

Further, the evaluation of the Independent Directors also included the additional criteria provided by SEBI in its Guidance Note on Board Evaluation contained in Circular No.SEBI/HO/CFD/CMD/CIR/P/ 2017/004 dated 5th January, 2017.

REMUNERATION OF DIRECTORS:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy was made available on the Company's website www.ttkhealthcare.com.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the year.

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees of Rs.20,000 per meeting, attended by them for the Board Meetings and the Committee Meetings and are entitled for reimbursement of expenses for participation in the Board / Committee Meetings. No other payment viz., Commission is made to the Non-Executive Directors. This information has been posted in the Company's website www.ttkhealthcare.com.

Disclosure with respect to remuneration paid to Mr T T Raghunathan, Executive Vice Chairman (CEO) of the Company for the year 2016-17:

| Particulars of Remuneration | Amount (in Rs.) |
|---|--|
| Salary (Rs.) | 29,00,000 |
| Benefits: | |
| HRA & Other Allowances (Rs.) | 18,03,173 |
| Contribution to PF & Other Funds (Rs.) | 9,70,853 |
| Commission (Rs.) | 37,78,324 |
| Fixed Component | - |
| Performance Linked Incentives along with Performance Criteria (Rs.) | 60,11,819 |
| Performance Criteria | Productivity Linked |
| Others (Rs.) | 3,56,407 |
| Service Contract | 5 years (w.e.f. 01.11.2016) |
| Notice Period | 6 months |
| Severance Fees | Yes. As per Section 202 of the Companies Act, 2013 |
| Pension | - |
| Stock Option | - |
| Total (Rs.) | 1,58,20,576 |

Your Company currently does not have Stock Options Scheme.

The managerial remuneration paid to the Wholtime Director of the Company is in line with the provisions of Section 197 and other applicable provisions, if any, of and Schedule V to the Companies Act, 2013 and the Rules made thereunder.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition, Name of Members and Chairperson:

The composition of the Stakeholders Relationship Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, as detailed below:

| Name of Director | Position | Category |
|-------------------|-----------|--|
| Mr K Shankaran | Chairman | Non-Promoter / Non-Executive / Non-Independent |
| Mr R K Tulshan | Member | Non-Promoter / Non-Executive / Non-Independent |
| Mr Girish Rao | Member | Non-Promoter / Non-Executive / Independent |
| Mr S Kalyanaraman | Secretary | - |

Meetings and Attendance during the year 2016-17:

During the year under review, the Committee met four times. The details of the meetings and the attendance of the members are provided below:

| Name of Director | Date of the Meetings and Attendance | | | |
|------------------|-------------------------------------|------------|------------|------------|
| | 30.05.2016 | 05.08.2016 | 11.11.2016 | 03.02.2017 |
| Mr K Shankaran | ✓ | ✓ | ✓ | ✓ |
| Mr R K Tulshan | ✓ | ✓ | ✓ | ✓ |
| Mr Girish Rao | ✓ | ✓ | LOA | ✓ |

LOA - Leave of absence

Name and Designation of Compliance Officer:

| Name of the Compliance Officer | Designation |
|--------------------------------|-------------------------------|
| Mr S Kalyanaraman | Director & Wholtime Secretary |

Report on Corporate Governance (Contd.)

Details of Shareholders' Complaints received during the year 2016-17:

| Nature of Complaints | Complaints received during the year 2016-17 | Not solved to the satisfaction of the Shareholders | Pending Complaints |
|--|---|--|--------------------|
| Non-receipt of Dividends | 9 | – | – |
| Non-receipt of Shares sent for transfer/transmission | 2 | – | – |
| Non-receipt of Annual Report | – | – | – |
| Others | – | – | – |
| Total | 11 | – | – |

GENERAL BODY MEETINGS:

The location and time of the Annual General Meetings held during the last three years and number of Special Resolutions passed at that meetings:

| Year | Date | Time | Venue | No. of Special Resolutions passed |
|------|-------------------------------|------------|---|-----------------------------------|
| 2014 | 22 nd August, 2014 | 10.15 a.m. | The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014 | 3 |
| 2015 | 7 th August, 2015 | 10.15 a.m. | The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014 | – |
| 2016 | 5 th August, 2016 | 10.15 a.m. | Narada Gana Sabha (Mini Hall) No.314, TTK Road Chennai 600 018 | 1 |

Special Resolutions passed through Postal Ballot and details of Voting Pattern:

No Special Resolutions were passed through Postal Ballot during the year 2016-17.

Passing of Special Resolutions through Postal Ballot during the year 2017-18:

There is no such proposal as of now. In case, any Special Resolution needs to be passed through Postal Ballot during the year 2017-18, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules thereunder will be complied with.

MEANS OF COMMUNICATION:

- The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges.
- The same are published, within 48 hours, in "Business Standard" and "Makkal Kural".
- The Quarterly / Annual Results are also posted on the Company's website www.ttkhealthcare.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the official news releases are disseminated on the Company's website.
- The presentations made to institutional investors or to the analysts are posted on the Company's website.

GENERAL SHAREHOLDERS INFORMATION:

(a) Date, Time and Venue of the Annual General Meeting:

Date : 4th August, 2017
Day : Friday
Time : 10.15 a.m.
Venue : The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014.

(b) Particulars of Financial Calendar:

Financial Year : April – March
Unaudited First Quarter Results : By 14th August
Unaudited Second Quarter Results : By 14th November
Unaudited Third Quarter Results : By 14th February
Audited Annual Results : By 30th May

(c) Dividend Payment Date:

The Dividend for the financial year 2016-17, if declared by the Shareholders in this meeting, would be paid on or before 24th August, 2017.

(d) Name and Address of Stock Exchanges where the Company's shares are listed and confirmation of payment of Annual Listing Fees:

| | | |
|------|--|--|
| (i) | BSE Limited (BSE) | Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street, Mumbai 400 001 |
| (ii) | National Stock Exchange of India Limited (NSE) | Exchange Plaza Bandra Kurla Complex, Bandra East Mumbai 400 051 |

The listing fees have been paid for the financial year 2017-18.

(e) Stock Code:

| | |
|------|--------------|
| BSE | 507747 |
| NSE | TTKHLTCARE |
| ISIN | INE910C01018 |

(f) Market Price Data:

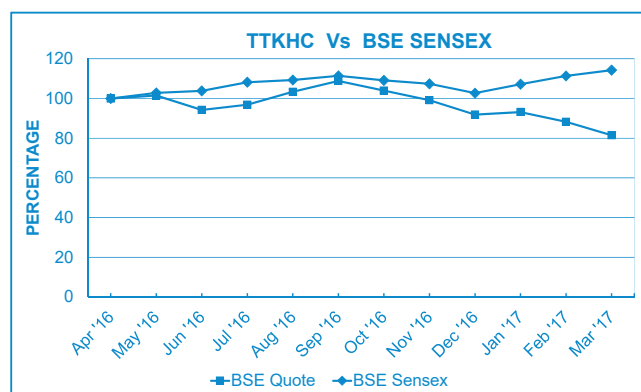
| Month | BSE (2016-17) | | | BSE (2015-16) | | |
|-----------|---------------|--------|---------------|---------------|--------|---------------|
| | High | Low | Volume | High | Low | Volume |
| | Rs. | Rs. | No. of Shares | Rs. | Rs. | No. of Shares |
| April | 1,019.75 | 930.00 | 5,239 | 1,259.00 | 930.00 | 57,451 |
| May | 1,035.00 | 926.05 | 7,682 | 1,190.00 | 974.25 | 24,828 |
| June | 961.00 | 901.00 | 3,624 | 1,105.00 | 850.00 | 15,022 |
| July | 987.65 | 920.00 | 3,579 | 1,051.00 | 860.25 | 34,901 |
| August | 1,054.00 | 913.00 | 14,621 | 1,100.00 | 895.75 | 43,464 |
| September | 1,110.00 | 945.95 | 10,408 | 1,037.00 | 890.25 | 12,014 |
| October | 1,060.00 | 980.00 | 27,819 | 1,118.00 | 880.00 | 30,030 |
| November | 1,011.00 | 870.00 | 2,353 | 1,013.00 | 921.00 | 17,386 |
| December | 937.00 | 839.95 | 1,630 | 1,118.25 | 928.00 | 38,358 |
| January | 950.00 | 859.00 | 2,414 | 1,060.00 | 871.00 | 8,984 |
| February | 900.00 | 799.00 | 8,550 | 1,074.00 | 838.00 | 15,263 |
| March | 831.00 | 770.00 | 28,416 | 964.75 | 875.00 | 8,874 |

Report on Corporate Governance (Contd.)

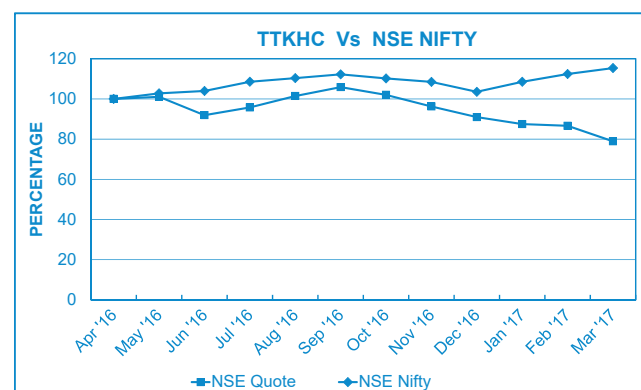
| Month | NSE (2016-17) | | | NSE (2015-16) | | |
|-----------|---------------|--------|---------------|---------------|--------|---------------|
| | High | Low | Volume | High | Low | Volume |
| | Rs. | Rs. | No. of Shares | Rs. | Rs. | No. of Shares |
| April | 1,039.00 | 888.00 | 13,786 | - | - | - |
| May | 1,050.00 | 930.00 | 20,867 | - | - | - |
| June | 954.95 | 900.00 | 12,831 | - | - | - |
| July | 994.90 | 898.00 | 7,939 | - | - | - |
| August | 1,054.00 | 929.00 | 25,288 | - | - | - |
| September | 1,100.00 | 927.00 | 28,457 | - | - | - |
| October | 1,060.00 | 980.00 | 33,101 | - | - | - |
| November | 1,000.00 | 860.00 | 6,601 | - | - | - |
| December | 945.00 | 845.05 | 2,942 | 1,124.00 | 889.00 | 51,280 |
| January | 908.95 | 857.40 | 3,40,420 | 1,069.00 | 856.60 | 72,031 |
| February | 900.00 | 798.15 | 21,220 | 1,029.00 | 805.50 | 30,372 |
| March | 819.80 | 771.05 | 39,340 | 974.00 | 861.10 | 7,883 |

(g) Performance comparison to BSE Sensex and Nifty:

| STOCK PERFORMANCE Vs BSE SENSEX | | | | |
|---------------------------------|-----------|-----------|------------|-----------|
| APRIL 2016 - MARCH 2017 | | | | |
| Month | BSE Quote | % to Base | BSE Sensex | % to Base |
| | (High) | | (High) | |
| Apr 2016 | 1,019.75 | 100 | 26,100.54 | 100 |
| May 2016 | 1,035.00 | 101 | 26,837.20 | 103 |
| Jun 2016 | 961.00 | 94 | 27,105.41 | 104 |
| Jul 2016 | 987.65 | 97 | 28,240.20 | 108 |
| Aug 2016 | 1,054.00 | 103 | 28,532.25 | 109 |
| Sep 2016 | 1,110.00 | 109 | 29,077.28 | 111 |
| Oct 2016 | 1,060.00 | 104 | 28,477.65 | 109 |
| Nov 2016 | 1,011.00 | 99 | 28,029.80 | 107 |
| Dec 2016 | 937.00 | 92 | 26,803.76 | 103 |
| Jan 2017 | 950.00 | 93 | 27,980.39 | 107 |
| Feb 2017 | 900.00 | 88 | 29,065.31 | 111 |
| Mar 2017 | 831.00 | 81 | 29,824.62 | 114 |



| STOCK PERFORMANCE Vs NSE NIFTY | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|
| APRIL 2016 - MARCH 2017 | | | | |
| Month | NSE Quote | % to Base | NSE Nifty | % to Base |
| | (High) | | (High) | |
| Apr 2016 | 1,039.00 | 100 | 7,992.00 | 100 |
| May 2016 | 1,050.00 | 101 | 8,213.60 | 103 |
| Jun 2016 | 954.95 | 92 | 8,308.15 | 104 |
| Jul 2016 | 994.90 | 96 | 8,674.70 | 109 |
| Aug 2016 | 1,054.00 | 101 | 8,819.20 | 110 |
| Sep 2016 | 1,100.00 | 106 | 8,968.70 | 112 |
| Oct 2016 | 1,060.00 | 102 | 8,806.95 | 110 |
| Nov 2016 | 1,000.00 | 96 | 8,669.60 | 108 |
| Dec 2016 | 945.00 | 91 | 8,274.95 | 104 |
| Jan 2017 | 908.95 | 87 | 8,672.70 | 109 |
| Feb 2017 | 900.00 | 87 | 8,982.15 | 112 |
| Mar 2017 | 819.80 | 79 | 9,218.40 | 115 |



(h) Suspension of Securities from trading by Directors - Not applicable

(i) Registrars & Share Transfer Agents:

M/s Data Software Research Co. Pvt. Ltd.
No.19, Pycrofts Garden Road,
Off. Haddows Road, Nungambakkam
Chennai 600 006
Tel : 044-28213738 / 044-28214487
Fax: 044-28214636
E-mail: ttk.healthcare@dsrc-cid.in

(j) Share Transfer System:

In compliance of SEBI requirement, Share Transfers are entertained, both under Demat Form and Physical Form.

Share Transfers in respect of physical shares are normally effected within a maximum of 15 days from the date of receipt, if all the required documentation is complete in all respects.

Also the Company has made arrangements for simultaneous dematerialization of Share Certificate(s) lodged for transfer, subject to the regulations specified by SEBI in this regard.

As at 31st March, 2017, no Equity Shares were pending for transfer.

Report on Corporate Governance (Contd.)

(k) Distribution of Shareholding as on 31st March, 2017:

| Shareholding of Nominal Value of (Rs.) | Number of Shareholders | | % to Number of Shareholders | | Share Amount (Rs.) | | % to Total | |
|--|------------------------|--------------|-----------------------------|--------------|--------------------|--------------------|---------------|--------------|
| | Physical | Electronic | Physical | Electronic | Physical (Rs.) | Electronic (Rs.) | Physical | Electronic |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Upto 5000 | 5,356 | 7,382 | 41.05 | 56.58 | 35,20,370 | 50,97,090 | 4.53 | 6.56 |
| 5001 - 10000 | 17 | 147 | 0.13 | 1.13 | 1,19,450 | 10,78,890 | 0.15 | 1.39 |
| 10001 - 20000 | 9 | 57 | 0.07 | 0.44 | 1,22,920 | 8,09,810 | 0.16 | 1.04 |
| 20001 - 30000 | 1 | 14 | 0.01 | 0.11 | 24,000 | 3,42,740 | 0.03 | 0.44 |
| 30001 - 40000 | 1 | 10 | 0.01 | 0.08 | 33,600 | 3,62,020 | 0.04 | 0.47 |
| 40001 - 50000 | 1 | 5 | 0.01 | 0.04 | 43,000 | 2,39,520 | 0.06 | 0.31 |
| 50001 - 100000 | 2 | 10 | 0.02 | 0.08 | 1,91,000 | 7,74,340 | 0.25 | 1.00 |
| 100001 & Above | 1 | 33 | 0.01 | 0.25 | 2,50,000 | 6,46,51,080 | 0.32 | 83.25 |
| Total | 5,388 | 7,658 | 41.30 | 58.70 | 43,04,340 | 7,33,55,490 | 5.54 | 94.46 |
| Grand Total | 13,046 | | 100.00 | | 7,76,59,830 | | 100.00 | |

Categories of Equity Shareholders as on 31st March, 2017:

| Category | Category of Shareholder | No. of Shareholders | No. of Shares held | Shareholding as a % of total number of shares | No. of Equity Shares held in Dematerialized Form |
|--|--|---------------------|--------------------|---|--|
| (A) Promoter & Promoter Group | | | | | |
| (1) Indian | | | | | |
| (a) | Individuals / Hindu Undivided Family | 9 | 9,26,835 | 11.93 | 9,26,835 |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Financial Institutions / Banks | - | - | - | - |
| (d) | Any other (specify) | | | | |
| (i) | Partnership Firms | 1 | 41,44,085 | 53.36 | 41,44,085 |
| (ii) | Bodies Corporate | 2 | 10,080 | 0.13 | 10,080 |
| | Sub-Total (A)(1) | 12 | 50,81,000 | 65.43 | 50,81,000 |
| (2) Foreign | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | - | - | - | - |
| (b) | Government | - | - | - | - |
| (c) | Institutions | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - |
| (e) | Any other (specify) | - | - | - | - |
| | Sub-Total (A)(2) | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 12 | 50,81,000 | 65.43 | 50,81,000 |

| | | | | | |
|--|---|---------------|------------------|---------------|------------------|
| (B) Public | | | | | |
| (1) Institutions | | | | | |
| (a) | Mutual Funds | 7 | 3,30,075 | 4.25 | 3,24,803 |
| (b) | Venture Capital Funds | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - |
| (d) | Foreign Venture Capital Investors | - | - | - | - |
| (e) | Foreign Portfolio Investors | - | - | - | - |
| (f) | Financial Institutions / Banks | 6 | 716 | 0.01 | 200 |
| (g) | Insurance Companies | 1 | 5,503 | 0.07 | 5,503 |
| (h) | Provident Funds / Pension Funds | - | - | - | - |
| (i) | Any other (specify) | | | | |
| | Foreign Institutional Investors | 10 | 4,62,750 | 5.96 | 4,61,814 |
| | Sub Total (B)(1) | 24 | 7,99,044 | 10.29 | 7,92,320 |
| (2) Central Government / State Government(s) / President of India | | | | | |
| | Sub Total (B)(2) | - | - | - | - |
| (3) Non-Institutions | | | | | |
| (a) | Individuals - | | | | |
| (i) | Individual Shareholders holding nominal share capital upto Rs.2 lakhs. | 12,371 | 11,56,121 | 14.89 | 7,70,742 |
| (ii) | Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs | 9 | 5,80,283 | 7.47 | 5,55,283 |
| (b) | NBFCs registered with RBI | - | - | - | - |
| (c) | Employee Trusts | - | - | - | - |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | - | - |
| (e) | Any other (specify) | | | | |
| | Bodies Corporate | 251 | 66,816 | 0.86 | 57,737 |
| | Non-Resident Indians | 379 | 82,719 | 1.07 | 78,467 |
| | Sub-Total (B)(3) | 13,010 | 18,85,939 | 24.28 | 14,62,229 |
| | Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3) | 13,034 | 26,84,983 | 34.57 | 22,54,549 |
| | Total (A+B) | 13,046 | 77,65,983 | 100.00 | 73,35,549 |

Note:

Indian Promoters include M/s T T Krishnamachari & Co., represented by its Partners and constituents of TTK Group. The constituents of TTK Group include T T Krishnamachari & Co., TTK Prestige Limited, TTK Tantex Limited and Partners & Relatives of the Partners of M/s T T Krishnamachari & Co.

Report on Corporate Governance (Contd.)

Dematerialization of Shares and Liquidity as on 31st March, 2017:

| Particulars | No. of Shareholders | No. of Shares | % of Shares |
|--|---------------------|------------------|---------------|
| No. of Shareholders in Physical Mode | 5,388 | 4,30,434 | 5.54 |
| No. of Shareholders in Electronic Mode | 7,658 | 73,35,549 | 94.46 |
| Total | 13,046 | 77,65,983 | 100.00 |

| Days taken for Dematerialization | No. of Requests | No. of Shares | % of Shares |
|----------------------------------|-----------------|---------------|-------------|
| 15 days | 201 | 30,340 | 0.39 |

| Particulars | National Securities Depository Limited (NSDL) | | Central Depository Services (I) Limited (CDSL) | |
|------------------------------|---|---------|--|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| No. of Shares Dematerialized | 18,788 | 11,831 | 11,552 | 7,285 |
| No. of Shares Rematerialized | – | – | – | – |

(l) **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:**

The Company has not issued any GDRs / ADRs / Warrants or Convertible Instruments.

(m) **Commodity price risk or foreign exchange risk and hedging activities:**

Not Applicable

(n) **Plant Locations:**

Pharma Division:

No.5, Old Trunk Road
Pallavaram
Chennai 600 043
Tamil Nadu

Heart Valve Division:

Site No.A28,
KINFRA International Apparel Parks Ltd.
St. Xavier's College P.O., Thumba
Trivandrum 695 586, Kerala

Ortho Division:

(a) No.290, SIDCO Industrial Estate
Ambattur
Chennai 600 098
Tamil Nadu

Foods Division:

(a) No.2-B, Hosakote Industrial Area
8th Kilometre, Hosakote
Chinthamani Road, Hosakote Taluk,
Bengaluru 562 114, Karnataka

(b) No.3, Thiruneermalai Main Road
Chromepet
Chennai 600 044
Tamil Nadu

(b) Plot No.DTA-005-005
Mahindra World City
Tehsil Sanganer, Jaipur 302 037
Rajasthan

(o) **Address for Correspondence:**

Registered Office:

No.6, Cathedral Road,
Chennai 600 086
Tel: 044-28116106
Fax: 044-28116387
E-mail: info@ttkhealthcare.com

Administrative Office & Investor

Correspondence Address:
Secretarial Department
No.6, Cathedral Road, Chennai 600 086
Tel: 044-28116106 Fax: 044-28116387
E-mail: investorcare@ttkhealthcare.com

OTHER DISCLOSURES:

Related Party Disclosure:

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the key managerial personnel or their relatives, etc., that may have a potential conflict with the interests of the Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. A statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval / ratification on a quarterly basis.

The Register of Contracts containing the details of the transactions, in which the directors are interested, is placed before the Audit Committee / Board regularly.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Policy as approved by the Board is uploaded on the Company's website www.ttkhealthcare.com.

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure 3** to the Board's Report. (Please refer Page No.25 of this Annual Report).

The particulars of transactions between the Company and its related parties as per Accounting Standard 18 (AS-18) are set out in Page No.67 of this Annual Report.

Non-Compliances by the Company:

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years and hence no penalties or strictures were imposed by SEBI, the Stock Exchanges or any statutory authorities.

Establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations, 2015, your Company established a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Corporate Governance Officer / Chairman of the Audit Committee / Executive Vice Chairman in exceptional cases.

The Whistle Blower mechanism is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy is available on the Company's website www.ttkhealthcare.com.

Compliance with Mandatory Requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (LODR) Regulations, 2015 and the disclosure relating to adoption of Non-mandatory / Discretionary requirements are provided in this Report.

Report on Corporate Governance (Contd.)

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The Company has complied with all the mandatory requirements of Corporate Governance Report.

DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS:

(a) **The Board:**

No reimbursement of expenses is made to the Non-Executive Chairman in connection with the maintenance of his office.

(b) **Shareholders Right:**

The Company does not mail the Unaudited Half-yearly Financial Results individually to its shareholders. However, these are published in "Business Standard" & "Makkal Kural" and are also posted on the Company's website www.ttkhealthcare.com and also on the website of BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com).

(c) **Modified Opinion(s) in Audit Report:**

The Audit Report for the year 2016-17 is an unmodified one and does not contain any qualifications.

(d) **Separate posts of Chairperson and Chief Executive Officer (CEO):**

The posts of Chairman and Chief Executive Officer (CEO) are held separately.

(e) **Reporting of Internal Auditor:**

The Internal Auditors report to the Audit Committee.

DISCLOSURE OF COMPLIANCE:

Regulation 17 – Board of Directors:

- (i) The composition and meetings of Board of Directors are complied with.
- (ii) Periodical review of Statutory Compliance Report, Quarterly / Half-yearly / Annual Corporate Governance Report, Quarterly Investor Grievance Report, etc. are carried out by the Board of Directors.
- (iii) **Code of Conduct for the Directors (incorporating the duties of Independent Directors) and Senior Management of the Company:**

The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Management of the Company. The said Code of Conduct had also been posted on the Company's website www.ttkhealthcare.com. A report on the compliance aspect of the Code of Conduct given by the Executive Vice Chairman (CEO) has been given at Page No.40 of this Annual Report.

Code of Conduct for prevention of Insider Trading: Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of your Company has adopted a Code of Conduct for prevention of Insider Trading. This Code of Conduct is applicable to all designated persons as defined in the said policy who are expected to have access to unpublished price sensitive information relating to the Company. The said Code of Conduct has also been posted on the Company's website www.ttkhealthcare.com. Further, the Board of Directors of your Company also formulated and published on its website a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and formulated Code of Conduct to regulate, monitor and report trading by Insiders and administered by the Compliance Officer.

- (iv) **Board Disclosure – Risk Management:** Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

Your Company has a risk identification and management framework appropriate to the size of your Company and the environment in which it operates.

Your Company constituted a Risk Management Group (RMG) with due representations from each of the Businesses / Functions of your Company to effectively implement the Risk Management Framework and to address the key risks.

The meetings of the RMG were convened periodically, in order to have detailed interactions / discussions with the Members / Risk Owners on the various risks identified and the status of the mitigation plans.

The detailed Report of the RMG incorporating the update on the various risks identified and the mitigation plans in respect thereof are periodically placed before the Audit Committee and the Board, for their discussions and record.

- (v) The details relating to the performance evaluation of Independent Directors by the entire Board of Directors is given in Page No.33 of this Annual Report.

Regulation 18 – Audit Committee:

Compliance to this Regulation is given in Page No.32 of this Annual Report.

Regulation 19 – Nomination & Remuneration Committee:

Compliance to this Regulation is given in Page No.32 of this Annual Report.

Regulation 20 – Stakeholders Relationship Committee:

Compliance to this Regulation is given in Page No.33 of this Annual Report.

Regulation 21 – Risk Management Committee:

Not applicable to your Company. However, your Company has formulated a Risk Management Policy and a reference to this is given in Page No.12 & 13 of this Annual Report.

Regulation 22 – Vigil Mechanism:

Compliance to this Regulation is given in Page No.14 & 37 of this Annual Report.

Regulation 23 – Related Party Transactions:

Compliance to this Regulation is given in Page No.12 of this Annual Report.

Regulation 24 – Corporate Governance Requirements with respect to subsidiary:

Not applicable to your Company.

Regulation 25 – Obligations with respect to Independent Directors:

Compliance to this Regulation is given in Page No.32 & 33 of this Annual Report.

Regulation 26 – Obligations with respect to Directors & Senior Management:

Disclosures relating to compliance to the directorships in other listed entities, Board level Committee Memberships and Chairmanships are annually provided by the Directors of your Company. Further, notification of the changes in the other directorships, Committee Memberships and Chairmanships are also provided by the Directors. Compliance to this Regulation is given in Page No.31 of this Annual Report.

Report on Corporate Governance (Contd.)

All the Directors and Senior Management had affirmed compliance as on 31st March, 2017 to the Code of Conduct applicable to them.

Regulation 27 – Other Corporate Governance Requirements:

Disclosure relating to adoption of discretionary requirements under this Regulation is given in Page No.38 of this Annual Report.

Regulation 46(2)(b)-(i) – Website:

Pursuant to the above Regulation, prescribed information / details are available on the Company's website www.ttkhealthcare.com.

OTHER ADDITIONAL DISCLOSURES [As per Schedule V to the SEBI (LODR) Regulations, 2015]:

Related Party Disclosure: Please refer Page No.12 of this Annual Report.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Board's Report. (Please refer Page No.9 of this Annual Report).

Disclosure on Accounting Treatment:

In the preparation of financial statements, generally accepted accounting principles and policies were followed. The mandatory Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 were followed in the preparation of financial statements.

Declaration by the Chief Executive Officer relating to the affirmation of compliance with the Code of Conduct by the Board of Directors and Senior Management: Please refer Page No.40 of this Annual Report.

Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance: Please refer Page No.41 of this Annual Report.

Disclosure with respect to demat suspense account / unclaimed suspense account:

Your Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include:

- M/s T T Krishnamachari & Co., and its Partners & Relatives of the Partners
- M/s TTK Prestige Limited
- M/s TTK Protective Devices Limited
- M/s TTK Services (P) Limited
- M/s TTK Tantex Limited
- M/s Cables & Wireless Networks India (P) Limited
- M/s Cigna TTK Health Insurance Co. Limited
- M/s TTK British Holdings Limited
- M/s TTK Property Services Private Limited
- M/s TTK Partners LLP
- M/s Immidart Technologies LLP
- M/s Packwell Packaging Products Limited
- M/s Pharma Research & Analytical Laboratories
- M/s Peenya Packaging Products
- M/s Horwood Homewares Limited
- M/s Horwood Homewares Holdings Limited

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Terms of reference:

The brief terms of reference are as per the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, include-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- Recommendation of the amount of expenditure to be incurred on the activities referred to above.
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

Composition, Name of Members and Chairperson:

The composition of the Committee is in line with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, as detailed below:

| Name of Director | Position | Category |
|-----------------------------|-----------|--|
| Mr T T Raghunathan | Chairman | Promoter / Executive / Non-Independent |
| Mr K Shankaran | Member | Non-Promoter / Non-Executive / Non-Independent |
| Dr (Mrs) Vandana R Walvekar | Member | Non-Promoter / Non-Executive / Independent |
| Mr Girish Rao | Member | Non-Promoter / Non-Executive / Independent |
| Mr S Kalyanaraman | Secretary | - |

Meeting and Attendance:

During the year under review, the Committee met once to determine the amount to be spent towards CSR activities and to approve the various proposals / projects eligible for contribution under the CSR Policy of the Company, for the financial year 2016-17 and also to review and record the status report of the CSR Activities undertaken during the year 2015-16:

| Name of Director | Date of the Meeting and Attendance |
|-----------------------------|------------------------------------|
| | 03.02.2017 |
| Mr T T Raghunathan | ✓ |
| Mr K Shankaran | ✓ |
| Dr (Mrs) Vandana R Walvekar | ✓ |
| Mr Girish Rao | ✓ |

Corporate Social Responsibility (CSR) Policy:

Your Company adopted a Policy relating to Corporate Social Responsibility in accordance with the provisions of Section 135 of and Schedule VII to the Companies Act, 2013 and the Rules made thereunder. The said Policy was made available on the Company's website www.ttkhealthcare.com.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

(a) Mr R K Tulshan:

Mr R K Tulshan retires by rotation and is eligible for re-appointment.

Mr Tulshan is a Commerce Graduate. He has an experience of over three decades in Business and has been a Director of the Company for the last over 30 years.

Report on Corporate Governance (Contd.)

He is also a Director on the Board of the following Companies:

- Lotus Cine Private Ltd.
- Kanishka Enterprises Ltd.
- Rajiv Investments (India) Pvt. Ltd.
- ISO-Therm Cargo Products Pvt. Ltd.
- Varun Eximp Pvt. Ltd.
- Grand Slam Overseas Pvt. Ltd.
- Microgenetics Systems Pvt. Ltd.

He does not hold any Committee Membership in these Companies.

He is actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.

He is the Member of the Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

He holds 220 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

(b) Mr S Kalyanaraman

Mr S Kalyanaraman retires by rotation and is eligible for re-appointment.

Mr Kalyanaraman holds a Bachelor Degree in Commerce from Pune University and is a Gold Medalist.

He is an Associate Member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.

He has nearly three decades of experience in the areas of Finance, Accounts, Costing, Internal Audit, Corporate Law and Commercial.

He joined the TTK Group in the year 1987 and has been serving the Company as Wholtime Secretary since 1993.

He is also a Director on the Board of Packwell Packaging Products Limited and does not hold any Committee Membership in that Company.

He does not hold any Committee Chairmanship / Membership of the Company also.

He holds 70 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

RECONCILIATION OF SHARE CAPITAL AUDIT:

Audits were conducted on a quarterly basis by M/s Mahesh Associates, Practising Company Secretary, Chennai, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the Depositories and relevant certificates were submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time limit.

As on 31st March, 2017, there was no difference between the issued and listed capital and the aggregate of shares held by investors both in physical form and in electronic form with the Depositories. 73,35,549 Equity Shares representing 94.46% of the Paid-up Equity Capital have been dematerialized as on 31st March, 2017.

CEO / CFO CERTIFICATION:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015, the Executive Vice Chairman (CEO) and Senior Vice President – Finance (CFO) have furnished necessary Certificate to the Board of Directors with respect to Financial Statements and Cash Flow Statement for the year ended 31st March, 2017.

ADOPTION OF VARIOUS POLICIES:

Your Company formulated, adopted and disseminated in its website www.ttkhealthcare.com, the following policies, as required under the SEBI (LODR) Regulations, 2015:

- **Policy for Preservation of Documents** pursuant to the provisions of Regulation 9 - Chapter III; and
- **Policy for Disclosure of Events or Information** pursuant to the provisions of Regulation 30 - Chapter IV.

DECLARATION ON CODE OF CONDUCT

As required under Schedule V(D) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board Members and Senior Management personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the Company's website.

Place : Chennai
Date : May 18, 2017

T T RAGHUNATHAN
Executive Vice Chairman

Report on Corporate Governance (Contd.)

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with TTK Healthcare Limited ("the Company").
2. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes preparation and maintenance of all relevant supporting records and documents, the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2017.
6. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate

Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations during the year ended 31st March, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTION OF USE

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the aforesaid Regulations and may not be suitable for any other purpose.

Place : Bengaluru
Date : May 30, 2017

M/s. AIYAR & CO.,
Chartered Accountants
Regn.No.000063S

N SRIDHARAN
Proprietor
Membership No.20503

M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Independent Auditors' Report

TO THE MEMBERS OF TTK HEALTHCARE LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of TTK Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

5. Emphasis of Matters

We draw attention to Note No.15 on Financial Statements regarding the following:

The Board of Directors at their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of M/s TTK Protective Devices Limited (TTKPD) (formerly TTK-LIG Limited) and its Wholly Owned Subsidiary M/s TSL Techno Services Limited (TSL) with TTK Healthcare Limited, the appointed date being 1st April, 2012. Under the Scheme, the Shareholders of TTKPD would be allotted 9 Equity shares of Rs.10 each fully paid-up of the Company for every 2 Equity Shares of Rs.10 each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

The said Scheme has been duly approved by the Shareholders and the Company has filed necessary petition before the Hon'ble High Court of Judicature at Madras for obtaining its sanction. Consequent to the constitution of the National Company Law Tribunal (NCLT), petitions relating to compromises, arrangements and amalgamations, etc., would henceforth be dealt with by this Tribunal. Accordingly, the Company's petition relating to Scheme of Amalgamation stands transferred to NCLT.

The Scheme would be effective after the sanction of the same by the NCLT. The Board of Directors of the Company extended the time limit of the Scheme upto 31st March 2018. Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

II. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board

Independent Auditors' Report (Contd.)

of Directors, none of the Directors is disqualified, as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer Note No.22 to the Financial Statements;

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in its financial statements as to the holding as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.24 on Financial Statements.

**For M/s. AIYAR & CO.,
Chartered Accountants
Regn.No.000063S**

**For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025**

**Place : Bengaluru
Date : May 30, 2017**

**N SRIDHARAN
Proprietor
Membership No.20503**

**C N SRINIVASAN
Partner
Membership No.18205**

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TTK HEALTHCARE LIMITED

(Referred to in paragraph 6(l) of our report of even date)

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to information and explanation given to us, the title deeds of all the immovable properties of the Company shown under the Fixed Assets schedule are held in the name of the Company.
- ii According to information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable and no discrepancies were noticed at the time of verification.
- iii According to information and explanation given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv In our opinion and according to the information and explanation given to us, in respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Act have been complied with.
- v The Company has not accepted any deposit to which provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and the directions issued by RBI are applicable. Hence paragraph 3(v) of CARO is not applicable to the Company.
- vi On the basis of records produced to us, we are of the opinion that, *prima facie*, the cost records prescribed by Central Government under Section 148(1) of the Act, have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.

- vii (a) According to information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and other material statutory dues, with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as mentioned above as at 31st of March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, details of Statutory dues which have not been deposited as on 31st March 2017, on account of any dispute are given below:

| Name of the Statute | Nature of the Dues | Amount (Rs. In Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|--|---|-----------------------|---------------------------------------|---|
| Local Sales Tax Acts and Central Sales Tax Act | Sales Tax with Interest and Penalty, as applicable | 344.46 | Various years from 1986-87 to 2013-14 | Before ACIT / DCIT of Sales Tax Department |
| Central Excise | Excise Duty with Interest and penalty, as applicable. | 0.75 | 1995-96 to 2007-08 | The Customs, Excise and Service Tax Appellate Tribunal, Chennai |
| | | 115.20 | 1988-89 to 2000-01 | The Customs, Excise and Service Tax Appellate Tribunal, Chennai |
| | | 0.42 | 2002-03 | The Commissioner of Central, Excise (Appeals), Chennai |
| | | 0.74 | 1994-95 and 1995-96 | The Deputy Commissioner of Central Excise, Aurangabad |

Independent Auditors' Report (Contd.)

| | | | | |
|----------------------|-------------------------|-------|--------------------|--|
| Customs Duty | Customs Duty & Interest | 20.30 | 1992-93 to 2005-06 | Settlement Commission, Chennai |
| Service Tax | Service Tax | 3.05 | 2005-06 to 2007-08 | The Commissioner of Central Excise (Appeals), Bangalore & CESTAT, Bangalore. |
| Income-Tax Act, 1961 | Income-Tax | 56.28 | A.Y.2013-14 | The Commissioner of Income-Tax (Appeals), Chennai. |

- viii In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans and borrowings to Financial Institutions, Banks and Government.
- ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- x To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by Section 197 read with Schedule V to the Act.

- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii To the best of our knowledge and belief and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- xiv To the best of our knowledge and belief and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- xv To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- xvi To the best of our knowledge and belief, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M/s. AIYAR & CO.,
Chartered Accountants
Regn.No.000063S

For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

Place : Bengaluru
Date : May 30, 2017

N SRIDHARAN
Proprietor
Membership No.20503

C N SRINIVASAN
Partner
Membership No.18205

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TTK HEALTHCARE LIMITED

(Referred to in paragraph 6(II)(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of TTK Healthcare Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Independent Auditors' Report (Contd.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India".

Place : Bengaluru
Date : May 30, 2017

For M/s. AIYAR & CO.,
Chartered Accountants
Regn.No.000063S

N SRIDHARAN
Proprietor
Membership No.20503

For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Balance Sheet

as at 31st March, 2017

| Particulars | Note No. | As at the end of 31.03.2017 | | As at the end of 31.03.2016 | |
|--|----------|-----------------------------|----------------------|-----------------------------|----------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' Funds | | | | | |
| (a) Share Capital | 1 | 7,76,59,830 | | 7,76,59,830 | |
| (b) Reserves and Surplus | 2 | 143,06,65,687 | | 128,44,60,632 | |
| (c) Money received against share warrants | | — | 150,83,25,517 | — | 136,21,20,462 |
| (2) Share application money pending allotment | | | — | | — |
| (3) Non-current Liabilities | | | | | |
| (a) Long-term borrowings | 3 | 86,84,789 | | 1,06,09,632 | |
| (b) Deferred tax liabilities (Net) | 4 | 5,97,34,334 | | 5,06,80,409 | |
| (c) Other long-term liabilities | 5 | 12,12,62,506 | | 10,24,51,721 | |
| (d) Long-term provisions | 6 | — | 18,96,81,629 | — | 16,37,41,762 |
| (4) Current Liabilities | | | | | |
| (a) Short-term borrowings | 7 | 22,00,49,082 | | 21,95,31,330 | |
| (b) Trade payables | 8 | 30,19,17,897 | | 33,37,40,251 | |
| (c) Other current liabilities | 9 | 59,82,84,095 | | 89,93,02,473 | |
| (d) Short-term provisions | 10 | 4,67,34,773 | 116,69,85,847 | 4,68,39,759 | 149,94,13,813 |
| TOTAL | | | 286,49,92,993 | | 302,52,76,037 |
| II. ASSETS | | | | | |
| (1) Non-Current Assets | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible Assets | 11 | 98,88,58,052 | | 105,99,32,612 | |
| (ii) Intangible Assets | 12 | 33,71,127 | | 23,12,303 | |
| (iii) Capital Work-in-progress | | 25,25,096 | | 84,59,192 | |
| (iv) Intangible assets under development | | — | | — | |
| (b) Non-current investments | 13 | — | | — | |
| (c) Deferred tax assets (Net) | | — | | — | |
| (d) Long-term loans and advances | 14 | 10,07,26,391 | | 11,89,26,017 | |
| (e) Other non-current assets | 15 | — | 109,54,80,666 | — | 118,96,30,124 |
| (2) Current Assets | | | | | |
| (a) Current Investments | 16 | 14,27,000 | | 10,13,37,000 | |
| (b) Inventories | 17 | 43,63,07,148 | | 41,45,26,066 | |
| (c) Trade Receivables | 18 | 44,54,26,452 | | 46,62,02,804 | |
| (d) Cash and Bank Balances | 19 | 82,03,11,159 | | 77,16,29,009 | |
| (e) Short-term loans and advances | 20 | 6,60,40,568 | | 8,19,51,034 | |
| (f) Other current assets | 21 | — | 176,95,12,327 | — | 183,56,45,913 |
| TOTAL | | | 286,49,92,993 | | 302,52,76,037 |
| See accompanying notes to the financial statements | | | | | |

Annexure to our Report of date.

For M/s. AIYAR & CO.
Chartered Accountants
Regn.No.000063S

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No. 18205

Place : Bengaluru
Date : May 30, 2017

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Girish Rao, Director
S Balasubramanian, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholtime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Profit and Loss Statement

for the year ended 31st March, 2017

| | Particulars | Note No. | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|-------|---|----------|-------------------------------|----------------------|-------------------------------|----------------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| I. | Revenue from Operations (Gross) | 22 | | 532,92,42,899 | | 519,09,51,543 |
| | Less: Excise Duty | | | 19,32,637 | | 22,96,298 |
| | Revenue from Operations (Net) | | | 532,73,10,262 | | 518,86,55,245 |
| II. | Other Income | 23 | | 5,72,74,911 | | 5,59,20,537 |
| III. | Total Revenue (I + II) | | | 538,45,85,173 | | 524,45,75,782 |
| IV. | Expenses: | | | | | |
| | Cost of materials consumed | | | 46,62,04,276 | | 35,47,31,967 |
| | Purchases of Stock-in-trade | | | 197,50,00,592 | | 195,25,47,614 |
| | Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade | | | (87,42,188) | | (1,45,66,015) |
| | | | | 243,24,62,680 | | 229,27,13,566 |
| | Employee benefits expense | 24 | | 88,10,84,750 | | 81,41,85,196 |
| | Finance costs | 25 | | 3,11,49,176 | | 3,32,73,070 |
| | Depreciation and amortization expense | 26 | | 11,86,57,385 | | 7,20,70,614 |
| | Other expenses | 27 | | 162,06,40,238 | | 167,70,59,203 |
| | Total expenses | | | 508,39,94,229 | | 488,93,01,649 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | | 30,05,90,944 | | 35,52,74,133 |
| VI. | Exceptional items | | | - | | - |
| VII. | Profit before extraordinary items and tax (V - VI) | | | 30,05,90,944 | | 35,52,74,133 |
| VIII. | Extraordinary Items | | | - | | - |
| IX. | Profit before tax (VII - VIII) | | | 30,05,90,944 | | 35,52,74,133 |
| X. | Tax expense: | | | | | |
| | (1) Current tax | | 9,82,00,000 | | 10,02,00,000 | |
| | (2) Deferred tax | | 90,53,925 | 10,72,53,925 | 2,84,21,630 | 12,86,21,630 |
| XI. | Profit / (Loss) for the period from continuing operations (IX-X) | | | 19,33,37,019 | | 22,66,52,503 |
| XII. | Profit / (Loss) from discontinuing operations | | | - | | - |
| XIII. | Tax expense of discontinuing operations | | | - | | - |
| XIV. | Profit / (Loss) from Discontinuing operations (after tax) (XII - XIII) | | | - | | - |
| XV. | Profit / (Loss) for the period (XI + XIV) | | | 19,33,37,019 | | 22,66,52,503 |
| XVI. | Earnings per Equity Share of Rs.10 each: | | | | | |
| | (1) Basic | | | 24.90 | | 29.19 |
| | (2) Diluted | | | 24.90 | | 29.19 |
| | See accompanying notes to the financial statements | | | | | |

Annexure to our Report of date.

For M/s. AIYAR & CO.
Chartered Accountants
Regn.No.000063S

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No. 18205

Place : Bengaluru
Date : May 30, 2017

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Girish Rao, Director
S Balasubramanian, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Cash Flow Statement

for the year ended 31st March, 2017

| Particulars | 2016-17 | | 2015-16 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| Net Profit Before Tax | | 30,05,90,944 | | 35,52,74,133 |
| Adjustments for: | | | | |
| Depreciation | 11,86,57,385 | | 7,20,70,614 | |
| (Profit)/Loss on Sale / Obsolescence of Assets | (1,95,760) | | 30,766 | |
| (Profit)/Loss on Sale of Investments | (83,70,000) | | - | |
| Interest Paid | 3,11,49,176 | | 3,23,73,070 | |
| Dividend Received | (4,05,600) | 14,08,35,201 | (3,31,350) | 10,41,43,100 |
| Operating Profit before Working Capital Changes | | 44,14,26,145 | | 45,94,17,233 |
| Adjustments for: | | | | |
| Trade and Other Receivables | 3,79,83,287 | | (1,74,14,586) | |
| Inventories | (2,17,81,082) | | (4,07,51,691) | |
| Trade Payables | (16,63,49,021) | (15,01,46,816) | 9,40,13,496 | 3,58,47,219 |
| Cash generated from operations | | 29,12,79,329 | | 49,52,64,452 |
| Direct Taxes Paid | | (8,12,96,844) | | (12,17,31,889) |
| Cash Flow before Extraordinary Items & Deferred Revenue Expenditure | | 20,99,82,485 | | 37,35,32,563 |
| Extraordinary Items | | - | | - |
| Net Cash from Operating Activities | | 20,99,82,485 | | 37,35,32,563 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES: | | | | |
| Purchase of Fixed Assets | (4,32,26,136) | | (16,84,00,231) | |
| Sale of Fixed Assets | 2,12,166 | | 8,13,357 | |
| Interest / Dividend Received | 4,05,600 | | 3,31,350 | |
| Investments in Debentures | 10,82,80,000 | 6,56,71,630 | (10,00,00,000) | (26,72,55,524) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Bank Borrowings - Short Term | (14,94,82,248) | | (3,34,80,871) | |
| Interest Paid | (3,11,49,176) | | (3,23,73,070) | |
| Dividend Paid | (4,67,34,773) | | (4,20,61,279) | |
| Net Cash used in Financing Activities | | (22,73,66,197) | | (10,79,15,220) |
| Net Increase in Cash and Cash Equivalents | | 4,82,87,918 | | (16,38,181) |
| Cash and Cash Equivalents as at the beginning of the year | 76,64,59,765 | | 76,80,97,946 | |
| Cash and Cash Equivalents as at the end of the year | 81,47,47,683 | (4,82,87,918) | 76,64,59,765 | 16,38,181 |

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) notified under the Companies (Accounting Standards) Rule, 2006.
- The previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

Annexure to our Report of date.

For M/s. AIYAR & CO.
Chartered Accountants
Regn.No.000063S

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No. 18205

Place : Bengaluru
Date : May 30, 2017

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Girish Rao, Director
S Balasubramanian, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Notes to Balance Sheet

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------------|---|
| | Rs. | Rs. |
| Shareholders' Funds: | | |
| Note No.1 | | |
| A. Share Capital | | |
| Equity Shares | | |
| (a) the number and amount of shares authorised: 1,00,00,000 Equity Shares of Rs.10 each (previous period 1,00,00,000 Equity Shares of Rs.10 each) | <u>10,00,00,000</u> | <u>10,00,00,000</u> |
| (b) Issued Share Capital: 77,65,983 Equity Shares of Rs.10 each (previous period 77,65,983 Equity Shares of Rs.10 each) | <u>7,76,59,830</u> | <u>7,76,59,830</u> |
| Subscribed and Fully paid-up Share Capital: 77,65,983 Equity Shares of Rs.10 each (previous period 77,65,983 Equity Shares of Rs.10 each) | <u>7,76,59,830</u> | <u>7,76,59,830</u> |
| Total | <u>7,76,59,830</u> | <u>7,76,59,830</u> |
| (c) par value per share: | Rs.10 | Rs.10 |
| (d) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period Equity shares: | | |
| (i) No. of shares outstanding at the beginning of the period | 77,65,983 | 77,65,983 |
| (ii) No. of shares issued during the period | - | - |
| (iii) No. of shares bought back / forfeited during the period | - | - |
| (iv) No. of shares outstanding at the end of the period | 77,65,983 | 77,65,983 |
| (e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital | | The Company presently has only one class of Equity Shares. Each Shareholder is entitled to one vote per share and also to dividend as proposed and approved by the Directors and Members, respectively. |
| (f) shares in respect of each class in the Company held by its Holding Company or its ultimate Holding Company including shares held by Subsidiaries or associates of the Holding Company or the ultimate Holding Company in aggregate | - | - |
| (g) shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held : | | |
| (i) Mr T T Jagannathan (9.40%) | 7,30,048 | 7,30,048 |
| (ii) M/s T T Krishnamachari & Co. represented by its Partners (53.36%) | 41,44,085 | 41,44,085 |
| (h) shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts | - | - |
| (i) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared: | | |
| • Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. | - | - |
| • Aggregate number and class of shares allotted as fully paid up by way of bonus shares. | - | - |
| • Aggregate number and class of shares bought back: | | |
| (j) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date. | - | - |
| (k) Calls unpaid | - | - |
| (l) Forfeited shares (amount originally paid up) | - | - |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | | As at 31.03.2016 | |
|---|---------------------|----------------------|---------------------|----------------------|
| | Rs. | | Rs. | |
| Note No.2 | | | | |
| B. Reserves and Surplus | | | | |
| Reserves and Surplus: | | | | |
| (a) Capital Reserves | | | | |
| Balance as per last Balance Sheet | 6,81,32,507 | | 6,81,32,507 | |
| Addition during the year | — | 6,81,32,507 | — | 6,81,32,507 |
| (b) Capital Redemption Reserve | | | | |
| Balance as per last Balance Sheet | 34,44,310 | | 34,44,310 | |
| Addition during the year | — | 34,44,310 | — | 34,44,310 |
| (c) Securities Premium Reserve | | | | |
| Balance as per last Balance Sheet | 9,82,49,128 | | 9,82,49,128 | |
| Addition / Deduction during the year | — | 9,82,49,128 | — | 9,82,49,128 |
| (d) Debenture Redemption Reserve | | | | |
| (e) Revaluation Reserve | | | | |
| Balance as per last Balance Sheet | 4,41,42,926 | | 4,46,45,103 | |
| Deduction during the year - Transfer to Depreciation Account in Profit and Loss Statement | 5,02,177 | | 5,02,177 | |
| | | 4,36,40,749 | | 4,41,42,926 |
| (f) Share Options Outstanding Account | | — | | — |
| (g) Other Reserves : | | | | |
| General Reserve | | | | |
| Balance as per last Balance Sheet | 29,27,91,671 | | 25,27,91,671 | |
| Addition during the year - Transfer from Surplus | 2,00,00,000 | | 4,00,00,000 | |
| Addition during the year - Reversal of excess provision relating to Tax on Dividend | 1,04,986 | 31,28,96,657 | — | 29,27,91,671 |
| (h) Surplus: | | | | |
| Balance as per last Balance Sheet | 77,77,00,090 | | 63,77,82,360 | |
| Balance in Statement of Profit and Loss (Current Year) | 19,33,37,019 | | 22,66,52,503 | |
| Total (A) | 97,10,37,109 | | 86,44,34,863 | |
| Less: Proposed Dividend | 3,88,29,915 | | 3,88,29,915 | |
| Provision for Tax on Dividend | 79,04,858 | | 79,04,858 | |
| Transfer to General Reserve | 2,00,00,000 | | 4,00,00,000 | |
| Total (B) | 6,67,34,773 | | 8,67,34,773 | |
| Net Surplus (A-B) | | 90,43,02,336 | | 77,77,00,090 |
| Total | | 143,06,65,687 | | 128,44,60,632 |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 Rs. | As at 31.03.2016 Rs. |
|--|----------------------------|----------------------------|
| Non-current Liabilities: | | |
| Note No.3 | | |
| A. Long-term Borrowings | | |
| (i) Secured Long-term borrowings: | | |
| (a) Bonds/Debentures | - | - |
| (b) Term loans | - | - |
| (c) Deferred payment liabilities | - | - |
| (d) Deposits | - | - |
| (e) Loans and advances from related parties | - | - |
| (f) Long term maturities of finance lease obligations (Secured by ownership of the vehicles / equipments) | 86,84,789 | 1,06,09,632 |
| (g) Other loans and advances | - | - |
| (ii) Unsecured Long-term borrowings: | | |
| | - | - |
| Total | <u>86,84,789</u> | <u>1,06,09,632</u> |
| Note No.4 | | |
| B. Deferred tax liabilities (Net) | | |
| (a) Deferred tax liability | 7,73,44,127 | 6,38,79,873 |
| (b) Less: Deferred tax asset | 1,76,09,793 | 1,31,99,464 |
| Total | <u>5,97,34,334</u> | <u>5,06,80,409</u> |
| Note No.5 | | |
| C. Other long-term liabilities | | |
| (a) Trade payables | - | - |
| (b) Others | 12,12,62,506 | 10,24,51,721 |
| Total | <u>12,12,62,506</u> | <u>10,24,51,721</u> |
| Note No.6 | | |
| D. Long-term provisions | | |
| (a) Provision for employee benefits | - | - |
| (b) Others | - | - |
| Total | <u>-</u> | <u>-</u> |
| Current Liabilities: | | |
| Note No.7 | | |
| A. Short-term borrowings | | |
| (i) Secured Short-term borrowings: | | |
| (a) Loans repayable on demand | | |
| • from banks | 22,00,49,082 | 21,95,31,330 |
| (Hypothecation of stocks and book debts) | | |
| • from other parties | - | - |
| (b) Loans and advances from related parties | - | - |
| (c) Deposits | - | - |
| (d) Other loans and advances | - | - |
| | <u>22,00,49,082</u> | <u>21,95,31,330</u> |
| (ii) Unsecured Short-term borrowings: | | |
| (a) Loans repayable on demand | | |
| • from banks | - | - |
| • from other parties | - | - |
| (b) Loans and advances from related parties | - | - |
| (c) Deposits | - | - |
| (d) Other loans and advances | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u>22,00,49,082</u> | <u>21,95,31,330</u> |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| | Rs. | Rs. |
| Note No.8 | | |
| B. Trade Payables | 30,19,17,897 | 33,37,40,251 |
| (The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts together with interest unpaid, at the year end have not been given.) | | |
| Note No.9 | | |
| C. Other current liabilities | | |
| (a) Current maturities of long-term debt (Secured by the first charge on the Plant & Machinery of the Foods Factory at Jaipur) | - | 15,00,00,000 |
| (b) Current maturities of finance lease obligations (Secured by ownership of the Vehicles / Equipments) | 45,04,319 | 46,79,617 |
| (c) Interest accrued but not due on borrowings | - | - |
| (d) Interest accrued and due on borrowings | - | - |
| (e) Income received in advance | - | - |
| (f) Unpaid dividends (No amount is due to be credited to the Investor Education and Protection Fund) | 55,63,476 | 51,69,244 |
| (g) Application money received for allotment of securities and due for refund and interest accrued thereon. | - | - |
| (h) Unpaid matured deposits and interest accrued thereon | - | - |
| (i) Unpaid matured debentures and interest accrued thereon | - | - |
| (j) Other payables | | |
| i. Employee benefit expense | 15,14,97,256 | 15,66,24,198 |
| ii. Interest | 75,44,770 | 73,05,904 |
| iii. Taxes, Duties & Levies | 2,11,59,290 | 2,07,03,702 |
| iv. Expenses payable relating to operations | 37,33,76,918 | 50,40,22,149 |
| v. PF & ESIC Contributions | 1,39,44,644 | 1,21,10,285 |
| vi. TDS & TCS | 53,15,094 | 1,01,15,823 |
| vii. Creditors for Capital Goods | 1,29,35,828 | 2,62,88,191 |
| viii. Audit and other Fees | 23,82,500 | 22,23,360 |
| ix. Security deposits | 60,000 | 60,000 |
| Total | 58,82,16,300 | 73,94,53,612 |
| | 59,82,84,095 | 89,93,02,473 |
| Note No.10 | | |
| D. Short-term provisions | | |
| (a) Provision for employee benefits | - | - |
| (b) Others : | | |
| Provision for Dividend (Rs.5.00 per share of Rs.10 each) | 3,88,29,915 | 3,88,29,915 |
| Provision for Dividend Tax | 79,04,858 | 80,09,844 |
| Total | 4,67,34,773 | 4,68,39,759 |
| | 4,67,34,773 | 4,68,39,759 |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | | As at 31.03.2016 | |
|--|---------------------|--------------------------------|---------------------|----------------------|
| | Rs. | | Rs. | |
| Non-current Assets: | | | | |
| A. Fixed Assets | | | | |
| Note No.11 | | | | |
| Tangible Assets | | | | |
| (i) Freehold Assets: | | | | |
| (a) Land | 5,51,07,766 | | 5,51,07,766 | |
| (b) Buildings | 19,73,38,611 | | 20,05,97,972 | |
| (c) Plant and Equipments | 60,02,30,644 | | 66,41,48,805 | |
| (d) Furniture and Fixtures | 98,25,985 | | 92,14,543 | |
| (e) Vehicles | 90,86,180 | | 74,76,023 | |
| (f) Office Equipments | 41,28,556 | | 47,05,143 | |
| (g) Others: | | | | |
| Computers | 41,22,196 | 87,98,39,938 | 53,06,634 | 94,65,56,886 |
| (ii) Assets under lease: | | | | |
| (a) Leasehold Land | 8,74,71,370 | | 8,84,69,242 | |
| (b) Leasehold Building | 99,12,503 | | 1,10,45,475 | |
| (c) Leasehold Plant and Equipments | - | | 3,71,830 | |
| (d) Vehicles | 1,16,34,241 | 10,90,18,114 | 1,34,89,179 | 11,33,75,726 |
| Total | | 98,88,58,052 | | 105,99,32,612 |
| (iii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses/reversals are disclosed separately. | | As per Annexure I - A | | |
| (iv) Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase. | | Nil during the last five years | | |
| Note No. 12 | | | | |
| Intangible Assets | | | | |
| (i) (a) Goodwill | | - | | - |
| (b) Brands / Trademarks | | - | | - |
| (c) Computer Softwares | | 33,71,127 | | 23,12,303 |
| (d) Mastheads and Publishing Titles | | - | | - |
| (e) Mining Rights | | - | | - |
| (f) Copyrights & Patents and other Intellectual Property Rights, Services and Operating Rights | | - | | - |
| (g) Recipes, Formulae, Models, Designs and Prototypes | | - | | - |
| (h) Licences and Franchise | | - | | - |
| (i) Others | | - | | - |
| Total | | 33,71,127 | | 23,12,303 |
| (ii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related amortization and impairment losses / reversals are disclosed separately. | | As per Annexure I - B | | |
| (iii) Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase. | | Nil during the last five years | | |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| Note No.13 | | |
| B. Non-current investments | | |
| (i) Trade Investments | - | - |
| (ii) Non-Trade Investments | - | - |
| (iii) Investments carried at other than at cost | - | - |
| Total | <u>-</u> | <u>-</u> |
| Aggregate book value of quoted investments | - | - |
| Aggregate market value of quoted investments | - | - |
| Aggregate book value of unquoted investments | - | - |
| Aggregate Provision for diminution in value of investments | - | - |
| C. Deferred tax assets (Net) | - | - |
| Note No. 14 | | |
| D. Long-term loans and advances | | |
| (i) Secured Long-term loans and advances | - | - |
| (ii) Unsecured Long-term loans and advances, considered good | | |
| (a) Capital Advances | 2,63,64,117 | 2,88,27,392 |
| (b) Security Deposits | 86,55,843 | 73,65,725 |
| (c) Loans and advances to related parties | - | - |
| (d) Other loans and advances: Lease Deposit | | |
| with related parties | 25,50,000 | 25,50,000 |
| with others | 47,85,268 | 49,08,580 |
| (e) Advance Income-tax and Fringe Benefit Tax (net of provisions) | 5,83,71,163 | 7,52,74,320 |
| (iii) Doubtful Long-term loans and advances | - | - |
| (iv) Loans & Advances due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| Total | <u>10,07,26,391</u> | <u>11,89,26,017</u> |
| Note No.15 | | |
| E. Other non-current assets | | |
| (i) Long Term Trade Receivables (including trade receivables on deferred credit terms) | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | - | - |
| (c) Doubtful | - | - |
| (ii) Others | - | - |
| (iii) Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member | - | - |
| Total | <u>-</u> | <u>-</u> |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | As at 31.03.2016 |
|---|--|--|
| | Rs. | Rs. |
| Current Assets: | | |
| Note No.16 | | |
| A. Current Investments | | |
| (i) Trade Investments | - | - |
| (ii) Non-Trade Investments | | |
| (a) Investments in Equity Instruments: | | |
| Quoted (Fully paid) | | |
| (1) 14,800 Equity Shares of Rs.10 each of TTK Prestige Ltd. (a Group Company) | 13,32,000 | 13,32,000 |
| - Market Value Rs.5,884.40 each | | |
| (2) 1,000 Equity Shares of Rs.5 each of Apollo Hospitals Enterprise Ltd. | 5,000 | 5,000 |
| - Market Value Rs.1,165.15 each | | |
| Unquoted (Fully paid) | | |
| 900 Equity Shares of Rs.10 each of Renew Wind Energy (AP) Pvt. Ltd. | 90,000 | - |
| (b) Investments in Preference Shares | - | - |
| (c) Investments in Government or Trust Securities | - | - |
| (d) Investments in Debentures or Bonds | | |
| Quoted (Fully paid) | | |
| 1,000 Listed, Rated, Secured, Redeemable, Index Linked, Non-Convertible Debentures of face value of Rs.1,00,000 each, having a maturity of 25 Months, of Citicorp Finance (India) Limited | - | 10,00,00,000 |
| (e) Investments in Mutual Funds | - | - |
| (f) Investments in Partnership Firms | - | - |
| (g) Other non-current investments | - | - |
| Total | 14,27,000 | 10,13,37,000 |
| Basis of valuation of individual investments | At cost or market value whichever is lower | At cost or market value whichever is lower |
| Aggregate book value of quoted investments | 13,37,000 | 10,13,37,000 |
| Aggregate market value of quoted investments | 8,82,54,270 | 16,75,36,840 |
| Aggregate book value of unquoted investments | 90,000 | - |
| Aggregate provision for diminution in value of investments | - | - |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| Note No. 17 | | |
| B. Inventories | | |
| (a) Raw Materials [#] | 7,80,11,370 | 6,63,65,146 |
| (b) Work-in-progress | 3,35,05,778 | 3,34,08,762 |
| (c) Finished goods* (comprise of own manufactured & outsourced goods) | 27,66,19,119 | 26,44,23,514 |
| (d) Stock-in-trade (in respect of goods acquired for trading) | 4,17,43,248 | 4,52,93,681 |
| (e) Stores and spares | 64,27,633 | 50,34,963 |
| (f) Loose tools | - | - |
| (g) Others | - | - |
| Total | <u>43,63,07,148</u> | <u>41,45,26,066</u> |
| # Include Packing Materials | | |
| * Include Goods-in-Transit - Rs.57,61,918 | | |
| Mode of valuation: | | |
| Raw & Packing Materials and Consumables are valued at lower of cost on FIFO basis or net realizable value, wherever applicable. | | |
| Finished Goods are valued at lower of cost on FIFO basis or net realizable value. | | |
| Work-in-progress is valued at Works cost. | | |
| Note No.18 | | |
| C. Trade Receivables | | |
| (i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment: | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 1,02,52,588 | 44,01,677 |
| (c) Doubtful | - | 44,01,677 |
| (ii) Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment: | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 43,51,73,864 | 46,18,01,127 |
| (c) Doubtful | - | 46,18,01,127 |
| (iii) Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any Director is a Partner or a Director or a Member. | - | - |
| Total | <u>44,54,26,452</u> | <u>46,62,02,804</u> |
| Note No. 19 | | |
| D. Cash and Banks Balances | | |
| (a) Cash and cash equivalents | | |
| (i) Cash on hand | 21,74,614 | 40,87,973 |
| (ii) Balance with banks: | | |
| Balance in Current Account | 11,72,10,537 | 14,99,66,988 |
| In Deposit Account held as margin money | 10,45,047 | 20,85,047 |
| In Deposit Account held as security against guarantees | 44,67,239 | 33,89,840 |
| Deposit Account with more than 12 months maturity | - | - |
| Deposit Account with 12 months and less than 12 months maturity | 68,98,50,246 | 60,69,29,917 |
| | <u>81,25,73,069</u> | <u>76,23,71,792</u> |
| | 81,47,47,683 | 76,64,59,765 |
| (b) Other Bank Balance | | |
| In Interest Warrant Account | - | - |
| In Dividend Warrant Account | 55,63,476 | 51,69,244 |
| (c) Cheques, drafts on hand | - | - |
| (d) Others | - | - |
| Total | <u>82,03,11,159</u> | <u>77,16,29,009</u> |

Notes to Balance Sheet (Contd.)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| | Rs. | Rs. |
| Note No.20 | | |
| E. Short-term Loans and Advances | | |
| (i) Secured Short-term Loans and Advances | - | - |
| (ii) Unsecured Short-term Loans and Advances, considered good | | |
| (a) Loans and Advances to related parties | - | - |
| (b) Others : | | |
| i. Lease Deposits | 11,30,000 | 10,32,750 |
| ii. Deposit with Government Departments | 72,04,899 | 75,25,231 |
| iii. Earnest Money Deposits | 42,58,246 | 35,44,460 |
| iv. Advances others | <u>5,34,47,423</u> | <u>6,96,88,593</u> |
| (iii) Doubtful Short-term Loans and Advances | - | - |
| (iv) Loans & Advances due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any director is a partner or a director or a member. | - | 1,60,000 |
| Total | <u>6,60,40,568</u> | <u>8,19,51,034</u> |
| Note No. 21 | | |
| F. Other current assets | - | - |

Notes to Balance Sheet (Contd.)

Annexure 1 - A

| FIXED ASSET DETAILS | | | | | | | | | | |
|----------------------------|----------------------|--------------------|--------------------|----------------------|---|--------------------|---------------------|---------------------|---------------------|----------------------|
| Description of Assets | Gross Block | | | | Accumulated Depreciation, Amortisation & Impairment | | | | Net Block | |
| | As on 31.03.2016 | Additions | Deletions | As on 31.03.2017 | Up to 31.03.2016 | Deletions | For the Year | Up to 31.03.2017 | As on 31.03.2017 | As on 31.03.2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (A) TANGIBLE ASSETS | | | | | | | | | | |
| 1. Freehold Assets: | | | | | | | | | | |
| (a) Land | 5,51,07,766 | - | - | 5,51,07,766 | - | - | - | - | 5,51,07,766 | 5,51,07,766 |
| (b) Buildings | 25,24,06,439 | 48,91,688 | - | 25,72,98,127 | 5,18,08,467 | - | 81,51,049 | 5,99,59,516 | 19,73,38,611 | 20,05,97,972 |
| (c) Plant & Machinery | 76,55,83,959 | 1,99,94,847 | 2,17,668 | 78,53,61,138 | 16,53,43,996 | 2,17,668 | 8,29,96,704 | 24,81,23,032 | 53,72,38,106 | 60,02,39,963 |
| Electrical Installation | 3,75,62,939 | 11,71,135 | - | 3,87,34,074 | 1,46,53,070 | - | 39,75,045 | 1,86,28,115 | 2,01,05,959 | 2,29,09,869 |
| Fire Fighting Equipments | 95,82,781 | 1,94,282 | - | 97,77,063 | 3,45,098 | - | 6,46,847 | 9,91,945 | 87,85,118 | 92,37,683 |
| Air-conditioners | 2,23,17,236 | 32,77,710 | 2,93,430 | 2,53,01,516 | 93,79,225 | 2,93,430 | 22,56,325 | 1,13,42,120 | 1,39,59,396 | 1,29,38,011 |
| Lift | 42,40,271 | - | - | 42,40,271 | 7,51,536 | - | 5,17,713 | 12,69,249 | 29,71,022 | 34,88,735 |
| Patterns, Dies & Templates | 2,07,39,228 | 4,85,912 | - | 2,12,25,140 | 91,14,877 | - | 21,86,027 | 1,13,00,904 | 99,24,236 | 1,16,24,351 |
| Lab Equipments | 1,04,11,927 | 45,42,447 | - | 1,49,54,374 | 67,01,734 | - | 10,05,833 | 77,07,567 | 72,46,807 | 37,10,193 |
| Sub-Total | 87,04,38,341 | 2,96,66,333 | 5,11,098 | 89,95,93,576 | 20,62,89,536 | 5,11,098 | 9,35,84,494 | 29,93,62,932 | 60,02,30,644 | 66,41,48,805 |
| (d) Furniture & Fittings | 2,30,19,928 | 23,88,479 | - | 2,54,08,407 | 1,38,05,385 | - | 17,77,037 | 1,55,82,422 | 98,25,985 | 92,14,543 |
| (e) Vehicles | 1,45,07,870 | 32,75,666 | - | 1,77,83,536 | 70,31,847 | - | 16,65,509 | 86,97,356 | 90,86,180 | 74,76,023 |
| (f) Office Equipments | 1,12,86,238 | 8,44,104 | 4,45,309 | 1,16,85,033 | 65,81,095 | 4,45,309 | 14,20,691 | 75,56,477 | 41,28,556 | 47,05,143 |
| (g) Computers | 5,51,81,679 | 30,43,004 | 1,09,37,099 | 4,72,87,584 | 4,98,75,045 | 1,09,20,693 | 42,11,036 | 4,31,65,388 | 41,22,196 | 53,06,634 |
| Total | 128,19,48,261 | 4,41,09,274 | 1,18,93,506 | 131,41,64,029 | 33,53,91,375 | 1,18,77,100 | 11,08,09,816 | 43,43,24,091 | 87,98,39,938 | 94,65,56,886 |
| 2. Leased Assets : | | | | | | | | | | |
| (a) Land | 9,26,95,291 | - | - | 9,26,95,291 | 42,26,049 | - | 9,97,872 | 52,23,921 | 8,74,71,370 | 8,84,69,242 |
| (b) Buildings | 2,64,21,450 | - | - | 2,64,21,450 | 1,53,75,975 | - | 11,32,972 | 1,65,08,947 | 99,12,503 | 1,10,45,475 |
| (c) Plant & Machinery | 21,99,750 | - | - | 21,99,750 | 18,27,920 | - | 3,71,830 | 21,99,750 | - | 3,71,830 |
| (d) Vehicles | 2,62,24,488 | 30,65,194 | 14,08,043 | 2,78,81,639 | 1,27,35,309 | 14,08,043 | 49,20,132 | 1,62,47,398 | 1,16,34,241 | 1,34,89,179 |
| Total | 14,75,40,979 | 30,65,194 | 14,08,043 | 14,91,98,130 | 3,41,65,253 | 14,08,043 | 74,22,806 | 4,01,80,016 | 10,90,18,114 | 11,33,75,726 |
| Grand Total | 142,94,89,240 | 4,71,74,468 | 1,33,01,549 | 146,33,62,159 | 36,95,56,628 | 1,32,85,143 | 11,82,32,622 | 47,45,04,107 | 98,88,58,052 | 105,99,32,612 |
| Previous year | 83,17,10,447 | 61,63,41,219 | 1,85,62,426 | 142,94,89,240 | 31,59,34,029 | 1,77,18,303 | 7,13,40,902 | 36,95,56,628 | 105,99,32,612 | 51,57,76,418 |
| Capital Work-in-progress | 84,59,192 | 25,25,096 | 84,59,192 | 25,25,096 | - | - | - | - | 25,25,096 | 84,59,192 |
| Previous year | 45,69,58,690 | 7,17,51,450 | 52,02,50,948 | 84,59,192 | - | - | - | - | 84,59,192 | 45,69,58,690 |

Annexure 1 - B

| (B) INTANGIBLE ASSETS | | | | | | | | | | |
|-----------------------------------|--------------------|------------------|-----------------|--------------------|--------------------|-----------------|-----------------|--------------------|------------------|------------------|
| (a) Goodwill | - | - | - | - | - | - | - | - | - | - |
| (b) Brand / Trade Mark | 1,12,49,800 | - | - | 1,12,49,800 | 1,12,49,800 | - | - | 1,12,49,800 | - | - |
| (c) Computer Softwares | 2,13,57,063 | 19,85,764 | 1,03,220 | 2,32,39,607 | 1,90,44,760 | 1,03,220 | 9,26,940 | 1,98,68,480 | 33,71,127 | 23,12,303 |
| (d) Mastheads & Publishing Titles | - | - | - | - | - | - | - | - | - | - |
| (e) Mining Rights | - | - | - | - | - | - | - | - | - | - |
| (f) Copyright, Patents, etc. | - | - | - | - | - | - | - | - | - | - |
| (g) Recipes, Formulae, Designs | - | - | - | - | - | - | - | - | - | - |
| (h) Licenses and Franchise | - | - | - | - | - | - | - | - | - | - |
| Total | 3,26,06,863 | 19,85,764 | 1,03,220 | 3,44,89,407 | 3,02,94,560 | 1,03,220 | 9,26,940 | 3,11,18,280 | 33,71,127 | 23,12,303 |
| Previous year | 3,20,48,353 | 5,58,510 | - | 3,26,06,863 | 2,90,62,671 | - | 12,31,889 | 3,02,94,560 | 23,12,303 | 29,85,682 |
| Under development | - | - | - | - | - | - | - | - | - | - |
| Previous year | - | - | - | - | - | - | - | - | - | - |

Note : Depreciation for the year amounting to Rs.5,02,177 (Previous Year - Rs.5,02,177) in respect of increased value of Fixed Assets on account of revaluation has been directly debited to Revaluation Reserve and deducted from the total depreciation of Rs.11,91,59,562 for the year (Previous Year - Rs.7,25,72,791)

Notes to Profit and Loss Statement

| | Units | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|---|----------|-------------------------------|----------------------|-------------------------------|----------------------|
| | | Quantity | Value (Rs.) | Quantity | Value (Rs.) |
| Note No.22 | | | | | |
| Revenue from Operations: | | | | | |
| (a) Sale of products: | | | | | |
| Orals | Lakhs | 363.700 | 129,92,19,706 | 353.788 | 123,51,56,584 |
| Tablets | Lakhs | 988.818 | 81,46,67,928 | 1,058.687 | 82,63,33,899 |
| Injectables | Lakhs | 101.810 | 17,77,61,094 | 112.242 | 17,56,77,277 |
| Capsules | Lakhs | 358.884 | 18,48,78,571 | 381.159 | 20,21,14,689 |
| Granules | M.T. | 1,311.598 | 30,87,77,796 | 1,479.522 | 31,59,95,633 |
| Ointment | M.T. | 4.704 | 76,03,444 | 5.495 | 1,13,27,996 |
| Cosmetics | M.T. | 469.185 | 17,91,01,227 | 495.320 | 19,13,26,463 |
| Cosmetics | K.Ltrs. | 1,007.355 | 62,93,09,374 | 1,073.500 | 70,29,44,527 |
| Home Care Products | – | – | 31,20,06,990 | – | 28,13,34,238 |
| Condoms | Millions | 83.087 | 42,85,63,986 | 81.850 | 36,50,50,819 |
| Hospital Care Products | – | – | 25,61,82,092 | – | 22,51,05,495 |
| Food Products | M.T. | 9,904.984 | 69,55,91,629 | 8,788.311 | 60,69,32,250 |
| Maps & Atlases | – | – | 77,64,485 | – | 87,63,405 |
| Others | – | – | 28,65,934 | – | 22,33,991 |
| | | | 530,42,94,256 | | 515,02,97,266 |
| (b) Sale of services | | | – | | – |
| (c) Other operating revenues | | | 2,49,48,643 | | 4,06,54,277 |
| Total Revenue from Operations | | | 532,92,42,899 | | 519,09,51,543 |
| Less: Excise duty | | | 19,32,637 | | 22,96,298 |
| Total Revenue from Operations (Net) | | | 532,73,10,262 | | 518,86,55,245 |
| Note No.23 | | | | | |
| Other Income: | | | | | |
| | | Rs. | | Rs. | |
| (a) Interest Income (i) On Fixed Deposits | | 4,50,42,621 | | 5,44,66,354 | |
| (ii) Others | | 3,13,373 | 4,53,55,994 | 2,58,081 | 5,47,24,435 |
| (b) Dividend Income | | | 4,05,600 | | 3,31,350 |
| (c) Net gain on sale of investments | | | 83,70,000 | | – |
| (d) Other non-operating income (net of expenses directly attributable to such income) | | | 29,72,095 | | 4,96,030 |
| (e) Net foreign exchange gain | | | 1,71,222 | | 3,68,722 |
| Total | | | 5,72,74,911 | | 5,59,20,537 |
| Note No.24 | | | | | |
| Employee benefits expense: | | | | | |
| (a) Salaries, Wages and Bonus | | | 74,02,30,655 | | 67,81,40,925 |
| (b) Contribution to Provident and Other Funds | | | 5,14,06,716 | | 4,69,64,966 |
| (c) Gratuity and Superannuation | | | 3,98,53,192 | | 4,28,40,882 |
| (d) Contribution to E.S.I. | | | 81,58,247 | | 82,03,284 |
| (e) Expenses on Employee Stock Option Scheme | | | – | | – |
| (f) Expenses on Employee Stock Purchase Plan | | | – | | – |
| (g) Welfare Expenses | | | 4,14,35,940 | | 3,80,35,139 |
| Total | | | 88,10,84,750 | | 81,41,85,196 |
| Note No.25 | | | | | |
| Finance costs: | | | | | |
| (a) Interest expense | | | 2,99,49,176 | | 3,23,73,070 |
| (b) Other borrowing costs | | | 12,00,000 | | 9,00,000 |
| (c) Applicable net gain / loss on foreign currency transactions and translation | | | – | | – |
| Total | | | 3,11,49,176 | | 3,32,73,070 |

Notes to Profit and Loss Statement (Contd.)

| | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|--|-------------------------------|----------------------|-------------------------------|----------------------|
| | Rs. | Rs. | Rs . | Rs . |
| Note No.26 | | | | |
| Depreciation and amortisation expenses: | | | | |
| (a) Depreciation | 11,91,59,562 | | 7,25,72,791 | |
| Less: Transfer from revaluation reserve | <u>5,02,177</u> | 11,86,57,385 | <u>5,02,177</u> | 7,20,70,614 |
| (b) Amortisation expenses | | - | | - |
| Total | | <u>11,86,57,385</u> | | <u>7,20,70,614</u> |
| Note No.27 | | | | |
| Other Expenses: | | | | |
| Power & Fuel | | 6,61,56,332 | | 5,64,41,988 |
| Repairs & Maintenance: | | | | |
| • Repairs to Building | 66,42,556 | | 48,92,642 | |
| • Repairs to Plant & Machinery | 5,78,31,727 | | 5,20,85,868 | |
| • Factory / Office Upkeep | <u>2,08,82,729</u> | 8,53,57,012 | <u>1,98,29,375</u> | 7,68,07,885 |
| Consumable Stores | | 67,78,092 | | 63,49,052 |
| General Insurance | | 27,35,159 | | 25,46,459 |
| Rates & Taxes | | 20,23,021 | | 43,68,365 |
| Rent | | 2,07,04,086 | | 2,13,53,640 |
| Electricity | | 74,91,543 | | 90,00,345 |
| Printing & Stationery | | 1,43,43,128 | | 1,47,36,130 |
| Postage & Telephones | | 2,46,98,232 | | 2,61,60,760 |
| Carriage Outwards | | 19,95,10,033 | | 19,49,26,806 |
| Transit Insurance | | 45,16,253 | | 50,20,844 |
| Advertisement & Sales Promotion | | 68,16,60,482 | | 76,85,66,856 |
| Travelling & Conveyance | | 28,84,40,975 | | 29,00,51,918 |
| Audit & Other Fees: | | | | |
| • Audit Fees | 19,04,725 | | 16,54,525 | |
| • Tax Audit Fees | 1,73,150 | | 1,48,850 | |
| • Cost Audit Fees | 4,04,250 | | 4,06,490 | |
| • Reimbursement of expenses | 1,39,752 | | 45,547 | |
| • Other matters | <u>80,500</u> | 27,02,377 | <u>1,92,298</u> | 24,47,710 |
| Donation | | 2,29,001 | | 4,56,031 |
| Contribution towards CSR Activities | | 54,35,000 | | 45,08,000 |
| Depot Service Charges | | 10,55,26,926 | | 10,13,89,001 |
| Directors' Sitting Fees | | 13,78,300 | | 6,43,586 |
| Loss on Sale of Assets | | 1,258 | | 20,200 |
| Loss on obsolescence of Assets | | - | | 4,15,153 |
| Conversion Charges | | 4,19,802 | | 2,68,241 |
| Bad debts written off | | 26,58,554 | | 23,34,069 |
| Legal and consultancy charges | | 3,49,05,489 | | 4,14,80,837 |
| Research and Development | | 2,34,78,756 | | 1,27,04,602 |
| Miscellaneous Expenses | | <u>3,94,90,427</u> | | <u>3,40,60,725</u> |
| Total | | <u>162,06,40,238</u> | | <u>167,70,59,203</u> |

Notes on Financial Statements (Contd.)

(7) Contingent Liabilities and Commitments not provided for:

| As at 31.03.2017 (Rs. in lakhs) | As at 31.03.2016 (Rs. in lakhs) |
|---------------------------------------|---------------------------------------|
|---------------------------------------|---------------------------------------|

(A) Contingent Liabilities:

| | | |
|--|-----------------|-----------------|
| Guarantees against letters of credit opened | – | 51.76 |
| Other Guarantees | 226.26 | 205.10 |
| Disputed Taxes/Claims, not acknowledged as debts | 1,535.86 | 1,490.95 |
| | <u>1,762.12</u> | <u>1,747.81</u> |

(B) Commitments:

| | | |
|--|--------|--------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 588.70 | 657.84 |
|--|--------|--------|

- (8) The Company has created a Trust which has taken a Group Gratuity Policy with the Life Insurance Corporation of India for future payment of gratuity to the retired/resigned employees. Based on the actuarial valuation, provision has been made for full value of the gratuity benefits as per the requirements of Accounting Standard 15 (AS-15).
- (9) The Company contributes to a Superannuation Fund covering specified employees. The contributions are by way of annual premia payable in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired/resigned employees based on policy norms. No other liabilities are incurred by the Company in this regard.
- (10) Leave Encashment benefit has been charged to Profit and Loss Statement on the basis of actuarial valuation as at the year end in line with the Accounting Standard 15 (AS-15).

As per Accounting Standard 15 (AS -15) (Revised) for Employee Benefits, the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plan:

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:

| | 2016-17 Rs. | 2015-16 Rs. |
|--|----------------|----------------|
| Employer's Contribution to Provident Fund | 5,16,27,715 | 4,70,72,978 |
| Employer's Contribution to Superannuation Fund | 2,53,98,978 | 2,44,25,854 |

Defined Benefit Plan :

The Employees' Gratuity Fund Scheme managed by a Trust is a Defined Benefit Plan.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation as per para 65 of the Accounting Standard 15 (AS-15).

Reconciliation of the opening and closing balances of Defined Benefit Obligation:

| | Gratuity Funded (Existing Scheme) | | | | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2016-17 Rs. | 2015-16 Rs. | 2014-15 Rs. | 2013-14 Rs. | 2012-13 Rs. |
| Defined Benefit obligation at the beginning of the year | 10,96,80,885 | 9,21,05,858 | 8,03,41,990 | 6,76,46,666 | 6,01,67,673 |
| Current Service Cost | 82,41,853 | 89,11,670 | 83,29,710 | 71,57,174 | 62,34,526 |
| Interest Cost | 87,74,471 | 73,68,469 | 64,27,359 | 54,11,733 | 48,13,414 |
| Actuarial (gains) and losses on obligation | 15,44,163 | 46,95,814 | 45,21,767 | 66,62,303 | 28,592 |
| Benefits paid | 65,01,291 | 34,00,926 | 75,14,968 | 65,35,886 | 35,97,539 |
| Defined Benefit obligation at the end of the year | 12,17,40,081 | 10,96,80,885 | 9,21,05,858 | 8,03,41,990 | 6,76,46,666 |

Notes on Financial Statements (Contd.)

Gratuity Funded (New Scheme)

| | 2016-17 | 2015-16 |
|---|-----------|-----------|
| | Rs. | Rs. |
| Defined Benefit obligation at the beginning of the year | 15,55,238 | 6,89,310 |
| Current Service Cost | 15,66,879 | 12,14,555 |
| Interest Cost | 1,24,419 | 55,145 |
| Actuarial (gains) and losses on obligation | 4,06,386 | 4,03,772 |
| Benefits paid | 7,535 | - |
| Defined Benefit obligation at the end of the year | 28,32,615 | 15,55,238 |

Leave Encashment Unfunded

| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|-------------|-------------|-------------|-------------|-------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Defined Benefit obligation at the beginning of the year | 2,91,99,674 | 2,61,33,763 | 2,03,12,528 | 1,87,79,066 | 1,53,10,660 |
| Current Service Cost | 27,57,319 | 26,09,281 | 24,97,783 | 23,86,285 | 27,25,980 |
| Interest Cost | 19,84,194 | 17,57,107 | 15,51,854 | 13,04,444 | 11,15,516 |
| Actuarial (gains) and losses on obligation | 1,41,51,914 | 59,13,022 | 82,89,978 | 35,85,166 | 43,05,995 |
| Benefits paid | 87,94,510 | 72,13,499 | 65,18,380 | 57,42,433 | 46,79,085 |
| Defined Benefit obligation at the end of the year | 3,92,98,591 | 2,91,99,674 | 2,61,33,763 | 2,03,12,528 | 1,87,79,066 |

Reconciliation of the opening and closing balances of fair value of plan assets:**Gratuity Funded (Existing Scheme)**

| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|--|--------------|--------------|-------------|-------------|-------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Fair value of plan assets at the beginning of the year | 10,71,43,176 | 9,00,40,114 | 7,48,93,117 | 6,65,26,614 | 5,78,21,861 |
| Expected return on plan assets | 93,01,582 | 78,92,969 | 70,93,469 | 59,00,847 | 55,44,432 |
| Actuarial loss on plan assets | - | - | - | - | - |
| Contribution by the employer | 1,36,14,019 | 1,26,11,019 | 1,55,68,496 | 90,01,542 | 67,57,860 |
| Benefits paid | 65,01,291 | 34,00,926 | 75,14,968 | 65,35,886 | 35,97,539 |
| Fair value of plan assets at the end of the year | 12,35,57,486 | 10,71,43,176 | 9,00,40,114 | 7,48,93,117 | 6,65,26,614 |

Gratuity Funded (New Scheme)

| | 2016-17 | 2015-16 |
|--|-----------|-----------|
| | Rs. | Rs. |
| Fair value of plan assets at the beginning of the year | 16,21,946 | 75,011 |
| Expected return on plan assets | 3,12,227 | 58,852 |
| Actuarial loss on plan assets | - | - |
| Contribution by the employer | 55,00,873 | 14,88,083 |
| Benefits paid | 7,535 | - |
| Fair value of plan assets at the end of the year | 74,27,511 | 16,21,946 |

Notes on Financial Statements (Contd.)

Reconciliation of the fair value of assets and obligations:

| | Gratuity Funded (Existing Scheme) | | | | |
|------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Fair value of plan assets | 12,35,57,486 | 10,71,43,176 | 9,00,40,114 | 7,48,93,117 | 6,65,26,614 |
| Present value of obligation | 12,17,40,081 | 10,96,80,885 | 9,21,05,858 | 8,03,41,990 | 6,76,46,666 |
| Amount recognized in Balance Sheet | (18,17,405) | 25,37,709 | 20,65,744 | 54,48,873 | 11,20,052 |

Expenses recognized during the year :

| | | | | | |
|--------------------------------|-----------|-------------|-------------|-------------|-----------|
| Current Service Cost | 82,41,853 | 89,11,670 | 83,29,710 | 71,57,174 | 62,34,526 |
| Interest Cost | 87,74,471 | 73,68,469 | 64,27,359 | 54,11,733 | 48,13,414 |
| Expected return on plan assets | 93,01,582 | 78,92,969 | 70,93,469 | 59,00,847 | 55,44,432 |
| Actuarial loss (gain) | 15,44,163 | 46,95,814 | 45,21,767 | 66,62,303 | 28,592 |
| Net Cost | 92,58,905 | 1,30,82,984 | 1,21,85,367 | 1,33,30,363 | 55,32,100 |

Gratuity Funded (New Scheme)

| | 2016-17 | 2015-16 |
|------------------------------------|----------------|----------------|
| | Rs. | Rs. |
| Fair value of plan assets | 74,27,511 | 16,21,946 |
| Present value of obligation | 28,32,615 | 15,55,238 |
| Amount recognized in Balance Sheet | 45,94,896 | 66,708 |

Expenses recognized during the year :

| | | |
|--------------------------------|-----------|-----------|
| Current Service Cost | 15,66,879 | 12,14,555 |
| Interest Cost | 1,24,419 | 55,145 |
| Expected return on plan assets | 3,12,227 | 58,852 |
| Actuarial loss (gain) | 4,06,386 | 4,03,772 |
| Net Cost | 9,72,685 | 8,07,076 |

Leave Encashment Unfunded

| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Fair value of plan assets | - | - | - | - | - |
| Present value of obligation | - | - | - | - | - |
| Amount recognized in Balance Sheet | 3,92,98,591 | 2,91,99,674 | 2,61,33,763 | 2,03,12,528 | 1,87,79,066 |

Expenses recognized during the year :

| | | | | | |
|--------------------------------|-------------|-------------|-------------|-----------|-----------|
| Current Service Cost | 27,57,319 | 26,09,281 | 24,97,783 | 23,86,285 | 27,25,980 |
| Interest Cost | 19,84,194 | 17,57,107 | 15,51,854 | 13,04,444 | 11,15,516 |
| Expected return on plan assets | - | - | - | - | - |
| Actuarial loss (gain) | 1,41,51,914 | 59,13,022 | 82,89,978 | 35,85,166 | 43,05,995 |
| Net Cost | 1,88,93,427 | 1,02,79,410 | 1,23,39,615 | 72,75,895 | 81,47,491 |

Notes on Financial Statements (Contd.)

Actuarial Assumptions:

| Mortality Table (LIC) | Gratuity Funded (Existing Scheme) | | | | |
|---|--|----------|----------|----------|----------|
| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| | 1994-96 | 1994-96 | 1994-96 | 1994-96 | 1994-96 |
| | Ultimate | Ultimate | Ultimate | Ultimate | Ultimate |
| Discount Rate (p.a.) | 8% | 8% | 8% | 8% | 8% |
| Expected rate of return on plan assets (p.a.) | 8% | 8% | 8% | 8% | 8% |
| Rate of Escalation in Salary (p.a.) | 5% | 5% | 5% | 5% | 5% |

Actuarial Assumptions:

| Mortality Table (LIC) | Gratuity Funded (New Scheme) | |
|---|-------------------------------------|----------|
| | 2016-17 | 2015-16 |
| | 1994-96 | 1994-96 |
| | Ultimate | Ultimate |
| Discount Rate (p.a.) | 8% | 8% |
| Expected rate of return on plan assets (p.a.) | 8% | 8% |
| Rate of Escalation in Salary (p.a.) | 5% | 5% |

| Mortality Table (LIC) | Leave Encashment Unfunded | | | | |
|---|----------------------------------|----------|----------|----------|----------|
| | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| | 1994-96 | 1994-96 | 1994-96 | 1994-96 | 1994-96 |
| | Ultimate | Ultimate | Ultimate | Ultimate | Ultimate |
| Discount Rate (p.a.) | 7.30% | 8% | 7.80% | 9.10% | 8.20% |
| Expected rate of return on plan assets (p.a.) | 0% | 0% | 0% | 0% | 0% |
| Rate of Escalation in Salary (p.a.) | 5% | 4% | 4% | 4% | 4% |

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

- (11) During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard 22 (AS-22) "Accounting for Tax on Income". As a result of the adoption of this Standard, the Profit is less by Rs.90.54 lakhs for the year 2016-17 as detailed below:-

| | 2016-17 | 2015-16 |
|---|-----------------------|----------------|
| | (Rs. in lakhs) | (Rs. in lakhs) |
| Deferred Tax Asset: | | |
| Unabsorbed Losses / Tax Credit / Depreciation | - | - |
| Others | 176.10 | 131.99 |
| Total | 176.10 | 131.99 |
| Deferred Tax Liability: | | |
| Depreciation Difference & Others | 773.44 | 638.80 |
| Net Deferred Tax Asset / (Liability) | (597.34) | (506.81) |

Deferred Tax Asset on account of unabsorbed depreciation and others have been recognized, as the Company is of the opinion that there is virtual certainty of realization of the same in view of the future profits of the Company.

Notes on Financial Statements (Contd.)

- (12) The Company availed certain Carry Forward benefits u/s.72A of the Income-Tax Act, 1961 relating to TTK Biomed Ltd., consequent to its merger with the Company.

For availing these benefits, certain conditions have to be fulfilled under Rule 9C of the Income-Tax Rules, 1962.

The Company could not fulfill one of the conditions and hence an application was made to CBDT for relaxation of the condition under the said Rule 9C.

The CBDT while disposing of the application had advised the Company to refer the matter to the Specified Authority. Subsequently, the Company has filed necessary application with the Specified Authority. Upon receipt of the decision from the Specified Authority, the matter will be suitably dealt with.

- (13) The Company availed certain Carry Forward benefits u/s.72A of the Income-Tax Act, 1961, relating to TTK Medical Devices Ltd., consequent to its merger with the Company.

For availing these benefits, certain conditions have to be fulfilled under Rule 9C of the Income Tax Rules, 1962.

The Company could not fulfill certain conditions and hence an Application / Review Petition was filed with CBDT for relaxation of these conditions. The said Application / Review Petition for relaxation of the conditions was rejected by CBDT. Against this, the Company filed a Writ Petition in the Hon'ble High Court of Judicature at Madras in February 2012. Upon receipt of the decision from the Hon'ble High Court, the matter will be suitably dealt with.

- (14) During the year, the Company has written off non-recoverable debts to the extent of Rs.26,58,554 (Previous Year - Rs.23,34,069).

- (15) The Board of Directors at their meeting held on 30.04.2013 approved the Scheme of Amalgamation of TTK Protective Devices Ltd. (TTKPD) (formerly TTK-LIG Ltd.) and its Wholly Owned Subsidiary TSL Techno Services Ltd. (TSL) with the Company, the appointed date being 01.04.2012. Under the Scheme, the Shareholders of TTKPD would be allotted 9 Equity shares of Rs.10 each fully paid-up of the Company for every 2 Equity shares of Rs.10 each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

The said Scheme has been duly approved by the Shareholders and the Company has filed necessary petition before the Hon'ble High Court of Judicature at Madras for obtaining its sanction.

Consequent to the constitution of the National Company Law Tribunal (NCLT), petitions relating to compromises, arrangements and amalgamations, etc., would henceforth be dealt with by this Tribunal.

Accordingly, the Company's petition relating to Scheme of Amalgamation stands transferred to NCLT and its sanction is awaited.

The Directors have also extended the time limit of the Scheme upto 31st March, 2018.

- (16) In accordance with the provisions of Sec.135 of the Companies Act, 2013 and the Rules made thereunder, the Company is required to spend Rs.54.35 lakhs being 2% of the average net profit of the Company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy. The Company has contributed a sum of Rs.54.35 lakhs towards the CSR activities for the eligible projects during the year.

- (17) During the year 2015-16, the Company had invested Rs.10 crores in 25 months Listed, Rated, Secured, Redeemable, Index-Linked, Non-Convertible Debentures (NCDs) (100% Principal protected) of Citi Corp Finance (India) Ltd. During the year, these Debentures have been sold to Trust Capital Services Pvt. Ltd. for a consideration of Rs.1083.70 lakhs and the gain on sale of these debentures amounting to Rs.83.70 lakhs has been included in Other Income.

- (18) The Public Works Department increased the Water Charges for the water drawn by the Paper Division from the river Bhavani from Rs.60 per 1000 Cu. Mtr. to Rs.500 per 1000 Cu. Mtr. on the contracted quantity of water, with effect from 09.05.1991. The Company filed a writ petition in the Hon'ble High Court of Judicature at Madras and as per the interim order dated 09.07.1991, passed by the Hon'ble Court, the Company was paying water charges @ Rs.200 per 1000 Cu. Mtr. of water on the actual quantity of water drawn and with effect from 01.04.1993 on the contracted quantity. The Writ was disposed off by the Hon'ble Court by remanding the matter to the Public Works Department.

After series of litigations, the Public Works Department confirmed the water charges at the rate of Rs.500 per 1000 Cu. Mtr. on the contracted quantity. The Company moved the Hon'ble High Court challenging the validity of payment on the contracted quantity instead of actual quantity of water drawn and this matter is pending before the Hon'ble High Court of Judicature at Madras.

As against the demand of Rs.175.39 lakhs consisting of Rs.49.66 lakhs towards the arrear water charges and Rs.125.73 lakhs towards interest upto the period 31.12.2008, the Company had fully paid the principal amount of Rs.49.66 lakhs.

Further, the Company has also made a request for waiver of the interest charges to PWD and the request is pending before them.

Notes on Financial Statements (Contd.)

Since the Paper Division has been disposed off, the liability, if any, on this account upto the date of sale (i.e. 14.11.1999), will have to be borne by the Company. As a matter of prudence, the Company has made a provision of Rs.12 lakhs during the year and the cumulative provision available on this account as on 31.03.2017 is Rs.115.85 lakhs (Previous Year - Rs.103.85 lakhs).

(19) Earnings per Share as per Accounting Standard 20 (AS-20):

| | 2016-17 | 2015-16 |
|--|----------|----------|
| Profit after Tax (Current/Deferred Tax) & Extraordinary item(s) (Rs. in lakhs) | 1,933.37 | 2,266.52 |
| Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares) | 77.66 | 77.66 |
| Earnings per share of Rs.10 each | 24.90 | 29.19 |

(20) The Company has acquired certain assets on Finance Lease on or after 1st April, 2001, amounting to Rs.3,00,81,389 (previous year Rs.,2,84,24,238) The minimum Lease rental outstandings as of 31st March, 2017 in respect of these assets were as follows:

| Particulars | Total Minimum Lease payments outstanding as on | | Future Interest on Outstanding of Lease payments as on | | Present value of Minimum Lease Payments as on | |
|--|--|--------------------|--|------------------|---|--------------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Within one year | 62,01,680 | 67,09,385 | 16,97,361 | 20,29,768 | 45,04,319 | 46,79,617 |
| Later than one year and not later than 5 years | 1,03,25,270 | 1,30,61,185 | 16,40,481 | 24,51,553 | 86,84,789 | 1,06,09,632 |
| Later than 5 years | - | - | - | - | - | - |
| Total | 1,65,26,950 | 1,97,70,570 | 33,37,842 | 44,81,321 | 1,31,89,108 | 1,52,89,249 |

(21) Related Party disclosures as per Accounting Standard 18 (AS-18):

(a) The Company had transactions with the following related parties:

Associates/ Others:

T T Krishnamachari & Co., Pharma Research & Analytical Laboratories, TTK Prestige Ltd., TTK Protective Devices Ltd., Packwell Packaging Products Ltd.

Key Management Personnel:

Mr T T Raghunathan

Relatives of Key Management Personnel:

Mr T T Lakshman - General Manager-Projects (Foods Division) [upto 15th April, 2016]

(b) Summary of the transactions with the above related parties is as follows:

(figures in brackets are in respect of the previous year)

(Rs. in lakhs)

| Particulars | Associates/ Others | Key Management Personnel | Relatives of Key Management Personnel | Total |
|----------------|--------------------|--------------------------|---------------------------------------|------------|
| Sales | 24.75 | - | - | 24.75 |
| | (3.98) | - | - | (3.98) |
| Other Receipts | 2.77 | - | - | 2.77 |
| | (2.75) | - | - | (2.75) |
| Purchases | 3,642.46 | - | - | 3,642.46 |
| | (3,349.27) | - | - | (3,349.27) |
| Salary | - | 158.21 | 4.22 | 162.43 |
| | - | (186.99) | (26.25) | (213.24) |
| Other Payments | 838.42 | - | - | 838.42 |
| | (825.41) | - | - | (825.41) |

Notes on Financial Statements (Contd.)

(c) Balances outstanding as on 31.03.2017

(figures in brackets are in respect of the previous year)

(Rs. in lakhs)

| Particulars | Associates / Others | Key Management Personnel | Relatives of Key Management Personnel | Total |
|--|---------------------|--------------------------|---------------------------------------|----------|
| Amount due to the Company against supplies | 5.30 | – | – | 5.30 |
| | (6.16) | – | – | (6.16) |
| Other Current Assets | 25.50 | – | – | 25.50 |
| | (25.50) | – | – | (25.50) |
| Amount owed by the Company against purchases | 690.15 | – | – | 690.15 |
| | (640.64) | – | – | (640.64) |
| Other Current Liabilities | 83.21 | 97.90 | 0.10 | 181.21 |
| | (82.07) | (136.92) | (2.40) | (221.39) |

(22) Disclosure as required by Accounting Standard 29 (AS-29) - Provisions, Contingent Liabilities and Contingent Assets:

Movement in Provisions (figures in brackets are in respect of previous year)

(Rs. in lakhs)

| Particulars | As at 31.03.2016 | Additions | Amount used / reversed | As at 31.03.2017 |
|-------------|------------------|------------|------------------------|------------------|
| Income-Tax | 5,535.00 | 982.00 | 2693.00 | 3,824.00 |
| | (4,533.00) | (1,002.00) | – | (5535.00) |

Movement in Contingent Liabilities (figures in brackets are in respect of previous year):

(Rs. in lakhs)

| Particulars | As at 31.03.2016 | Additions | Amount used / reversed | As at 31.03.2017 |
|--|------------------|-----------|------------------------|------------------|
| Income-Tax & Fringe Benefit Tax | 1,063.00 | – | 104.71 | 958.29 |
| | (1,297.53) | (112.56) | (347.09) | (1,063.00) |
| Central Excise, Customs, Sales Tax, etc. | 369.22 | 327.59 | 119.24 | 577.57 |
| | (394.65) | (31.12) | (56.55) | (369.22) |
| Other Contingent Liabilities | 315.59 | 1.20 | 90.53 | 226.26 |
| | (252.20) | (80.00) | (16.61) | (315.59) |

Notes:

The disputed Income Tax/ Fringe Benefit Tax liabilities amounting to Rs.958.29 lakhs have not been acknowledged as debts and have been classified under Contingent Liabilities.

Similarly, Rs.577.57 lakhs being the disputed Central Excise/Customs/Sales Tax liabilities have not been acknowledged as debts and have been classified under contingent liabilities.

Other Contingent Liabilities include disputed liability towards water charges amounting to Rs.9.88 lakhs as per the details given in Note No.18 to the Financial Statements.

Necessary Appeals have been filed with the authorities concerned against the disputed liabilities.

Notes on Financial Statements (Contd.)

- (23) The Company has In-House Research and Development facilities at Pharma and Foods Divisions, recognized by the Ministry of Science & Technology, Government of India, under Section 35(2AB) of the Income Tax Act, involved in developmental activities for new products, improvement in existing products and processes. Details of Capital and Revenue Expenditure incurred are as below:

| Expenditure | | 2016-17 | 2015-16 |
|-------------------|---|--------------------|--------------------|
| | | Rs. | Rs. |
| A. Revenue | | | |
| | Employees Cost | 1,74,48,532 | 76,58,514 |
| | Material Cost | 22,82,338 | 15,78,562 |
| | Travelling & Conveyance Expense | 7,37,000 | 3,21,250 |
| | Telephone Expense | 18,770 | – |
| | Any other expenditure directly related to R&D | 29,92,116 | 31,46,276 |
| | TOTAL | 2,34,78,756 | 1,27,04,602 |
| B. Capital | | 92,96,691 | 2,36,94,279 |
| | Total Research & Development Expenditure (A+B) | 3,27,75,447 | 3,63,98,881 |

- (24) As required by the Notification dated 30th March, 2017, issued by Ministry of Corporate Affairs and amendment to Schedule III to the Companies Act, 2013, the details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is furnished as below:

| | SBNs (i.e.Rs.500 & Rs.1,000 Notes) | Other Deomination Notes | Total |
|---------------------------------------|---------------------------------------|----------------------------|-----------|
| | Rs. | Rs. | Rs. |
| Closing cash in hand as on 08.11.2016 | 12,47,500 | 10,37,213 | 22,84,713 |
| (+) Permitted receipts | – | 60,87,749 | 60,87,749 |
| (-) Permitted payments | 69,500 | 57,84,715 | 58,54,215 |
| (-) Amount deposited in Banks | 11,78,000 | 37,222 | 12,15,222 |
| Closing cash in hand as on 30.12.2016 | – | 13,03,025 | 13,03,025 |

- (25) Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation. Figures have been rounded off to the nearest rupee.

Notes on Financial Statements (Contd.)

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

Basis for preparation of accounts:

The Accounts have been prepared to comply in all material aspects with applicable Accounting Principles in India, the applicable Accounting Standards as prescribed u/s 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. Financial Statements are prepared based on historical cost and on the basis of a going concern. The Company follows the mercantile system of Accounting and recognizes income and expenditure on an accrual basis.

Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes, insurance, etc., relating to the acquisition including installation/erection charges up to the date the asset is put to use, as applicable. In the case of Revaluation of any Fixed Assets, the same are stated at revalued amounts.

Depreciation

Depreciation is being charged considering the life of the asset and also considering the Para 4 requirements as prescribed in Schedule II to the Companies Act, 2013. In respect of the Capital expenditure incurred on Leasehold Assets, the same is amortized over the duration of the lease.

The cost of acquisition of Trade Marks is being amortized over a period of 5 years in line with the opinion of the Expert Advisory Committee of The Institute of Chartered Accountants of India.

Investments

Current investments are carried at the lower of cost or quoted / fair value, categorywise. Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Foreign Currency Transactions

Monetary liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

The resultant gain/ loss, if any, is recognized in Profit & Loss Statement except exchange differences on liabilities incurred for acquisition of fixed assets which are adjusted to the carrying amounts of the respective assets.

Non Monetary Assets/ Liabilities related to foreign currency transactions are reported at the rates on the date of transaction.

Value of Inventories

- Raw and Packing Materials and Consumables are valued at lower of cost on FIFO basis or net realizable value, wherever applicable.
- Finished Goods are valued at lower of cost or net realizable value.
- Work-in-Progress is valued at works cost.

Revenue Recognition:

Sales are stated at net of returns and sales tax. The Excise Duty relating to sales is separately disclosed and deducted from Sales. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

Dividend income from investments is accounted for when the right to receive the payment is established.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Borrowing Costs

Borrowing costs are expensed as and when incurred. However, Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity share holders and weighted average number of shares outstanding during the year are adjusted for the effects of dilutive part of equity shares, if any.

Treatment of Retirement Benefits

Based on the actuarial valuation provisions have been made for the differential amounts in Gratuity / Leave Encashment Obligations as per the requirements of Accounting Standard 15 (AS 15).

Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Provisions & Contingencies

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

Contingent Liabilities are clearly disclosed while Contingent Assets, if any, are neither recognized nor disclosed.

Annexure to our Report of date

For M/s. AIYAR & CO.
Chartered Accountants
Regn.No.000063S

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

N. SRIDHARAN
Proprietor
Membership No. 20503

C N SRINIVASAN
Partner
Membership No. 18205

Place : Bengaluru
Date : May 30, 2017

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Girish Rao, Director
S Balasubramanian, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Segmentwise Revenue, Results & Capital Employed

| Segmentwise Revenue & Results: | | | | | | |
|--|------------------|-------------------------------|---------------------|------------------|-------------------------------|---------------------|
| (Rs. in lakhs) | | | | | | |
| Particulars | 2016-17 | | | 2015-16 | | |
| | Segment Revenue | Excise Duty relating to Sales | Net Segment Revenue | Segment Revenue | Excise Duty relating to Sales | Net Segment Revenue |
| Segment Revenue: | | | | | | |
| Pharmaceuticals | 27,957.76 | 19.33 | 27,938.43 | 27,688.50 | 22.96 | 27,665.54 |
| Medical Devices | 2,561.82 | – | 2,561.82 | 2,251.06 | – | 2,251.06 |
| Consumer Products | 15,489.82 | – | 15,489.82 | 15,406.46 | – | 15,406.46 |
| Foods | 6,955.90 | – | 6,955.90 | 6,069.32 | – | 6,069.32 |
| Others | 77.64 | – | 77.64 | 87.63 | – | 87.63 |
| Total Segment Revenue | 53,042.94 | 19.33 | 53,023.61 | 51,502.97 | 22.96 | 51,480.01 |
| Less: Inter Segment Revenue | – | – | – | – | – | – |
| Net Sales | 53,042.94 | 19.33 | 53,023.61 | 51,502.97 | 22.96 | 51,480.01 |
| Segment Results: | | | | | | |
| [Profit / (Loss) before Interest & Tax] | | | | | | |
| Pharmaceuticals | | | 3,711.86 | | | 3,117.82 |
| Medical Devices | | | 529.42 | | | 393.43 |
| Consumer Products | | | 206.22 | | | 115.64 |
| Foods | | | (240.81) | | | 915.63 |
| Others | | | 29.47 | | | 31.89 |
| Total Segment Results | | | 4,236.16 | | | 4,574.41 |
| Less: Interest Expenses | | | 311.49 | | | 332.73 |
| Less: Unallocable Expenses (Net of Unallocable Income) | | | 918.76 | | | 688.94 |
| Total Profit/(Loss) before Tax | | | 3,005.91 | | | 3,552.74 |

Segmentwise Revenue, Results & Capital Employed (Contd.)

| Capital Employed (Segment Assets less Segment Liabilities): | | | |
|--|---|-----------------------------|-----------------------------|
| | | (Rs. In lakhs) | |
| | Particulars | As on 31.03.2017 | As on 31.03.2016 |
| Pharmaceuticals | | 327.32 | (84.67) |
| Medical Devices | | 1,736.24 | 1,457.55 |
| Consumer Products | | (194.98) | (380.24) |
| Foods | | 9,483.15 | 9,634.58 |
| Others | | (48.93) | (39.08) |
| Total Capital Employed in Segments | | 11,302.80 | 10,588.14 |
| Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities | | 6,564.02 | 6,221.81 |
| Total Capital Employed in Company | | 17,866.82 | 16,809.95 |
| Total Assets Exclude: | | | |
| Investments | | 14.27 | 1,013.37 |
| Deferred Tax Asset | | 176.10 | 131.99 |
| Total Liabilities Exclude: | | | |
| Secured Loans | | 2,200.49 | 3,695.31 |
| Unsecured Loans | | - | - |
| Deferred Tax Liability | | 773.44 | 638.80 |
| Notes: | | | |
| 1. | Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) considering the organization structure and the differential risks and returns of these segments. | | |
| 2. | Details of products included in each of the segments are as below: | | |
| | <ul style="list-style-type: none"> • Pharmaceuticals include products for both Human and Veterinary use. It also includes OTC Brands like Woodward's Gripewater distributed by the Consumer Products Division. • Medical Devices include Artificial Heart Valves, Orthopaedic Implants, etc. • Consumer Products comprise of marketing and distribution of EVA Range of Cosmetics, Good Home Range of Scrubbers, Air Freshners, etc. (Own Brands) and also trading of Branded Condoms. • Foods comprise of manufacturing and marketing of Food Products. • "Others" include Printing and Publishing of Maps and Atlases. | | |
| 3. | The segment-wise revenue, results and capital employed figures relate to respective amounts directly identifiable to each of the segments. The unallocable expenditure includes expenses incurred on common services at the corporate level and also those expenses not identifiable to any specific segment. | | |
| 4. | The previous period's / year's figures have been regrouped and reclassified, wherever necessary to conform to the current period's / year's presentation. | | |



TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086

CIN : L24231TN1958PLC003647, Web: www.ttkhealthcare.com, Email : investorcare@ttkhealthcare.com, Tel : 044-28116106

FORM NO. MGT 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered Address : _____

Email ID : _____ Folio No. / DP ID and Client ID: _____

I/We, being the Member(s), holding shares of the above named Company, hereby appoint:

- | | | |
|---------------------------------|---------------------------------|-----------------|
| 1. Name : | 2. Name : | 3. Name : |
| Address : | Address : | Address : |
| | | |
| | | |
| Email ID:..... | Email ID:..... | Email ID:..... |
| Signature:....., or failing him | Signature:....., or failing him | Signature:..... |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **59th Annual General Meeting** of the Company, to be held on **Friday, the 4th August, 2017**, at **10.15 a.m.**, at **The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014.** and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description | Type of Resolution | Optional* | | |
|----------------|---|--------------------|--------------------------|--------------------------|--------------------------|
| | | | For | Against | Abstain |
| 1. | Adoption of the Audited Financial Statements for the year ended 31 st March, 2017 together with the Reports of Directors and Auditors thereon. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Declaration of Dividend. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | Re-appointment of Mr R K Tulshan as a Director of the Company. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Re-appointment of Mr S Kalyanaraman as a Director of the Company. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | Appointment of Auditors and to fix their remuneration. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | Ratification for the remuneration payable to the Cost Auditors of the Company for the year 2017-18 | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signed thisday of, 2017

Signature of Shareholder:.....

Signature of Proxy holder(s):.....

Affix Re.1
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Please refer to the Notice of the 59th Annual General Meeting for the Resolutions, Explanatory Statements and Notes.
- * This is only optional. Please put 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) before submission.



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