



**TTK Healthcare  
LIMITED**

TTKH:SEC:GJ:134:21

July 23, 2021

**BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001**

**National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex, Bandra East  
Mumbai 400 051**

**Scrip Code: 507747**

**Scrip Code: TTKHLTCARE**

Dear Sirs,

**Re : Annual Report**

We hereby inform you that the 63<sup>rd</sup> Annual General Meeting of the Company is scheduled to be held at 10.15 a.m., on Friday, the 20<sup>th</sup> August, 2021, through Video Conferencing / Other Audio Visual Means (VC / OAVM), in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and also Circular dated 13<sup>th</sup> January, 2021 read with Circular dated 5<sup>th</sup> May, 2020 issued by the Ministry of Corporate Affairs and Circular dated 15<sup>th</sup> January, 2021 read with Circular dated 12<sup>th</sup> May, 2020 issued by SEBI.

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, we enclose the soft copy of the Annual Report for the year 2020-21 and the Notice of the 63<sup>rd</sup> Annual General Meeting, which are self-explanatory.

Kindly take the above document on record.

Thanking you

Yours faithfully  
For TTK Healthcare Limited

**(S KALYANARAMAN)**  
*Wholetime Director & Secretary*

Encl.: a/a

A  Group Company



63<sup>rd</sup>  
ANNUAL  
REPORT

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2020-21

**TTK Healthcare Limited**

Eva<sup>®</sup>  
Deo



# SPECIAL HAPPENS



**NO**  
ALCOHOL  
SKIN FRIENDLY

**24**  
HOURS  
FRESHNESS

# 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 K Shankaran	Director
Dr (Mrs) Vandana R Walvekar	Director
Mr Girish Rao	Director
Mr S Balasubramanian	Director
Mr N Ramesh Rajan	Director
Mr V Ranganathan	Director
Mr S Kalyanaraman	Wholetime Director & 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, 8<sup>th</sup> 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
- No.20 & 21, Perali Road, Virudhunagar 626 001, Tamil Nadu
- No.12, TTN Complex, K P Natham Road, Thiruvandarkoil, Pudhucherry 605 107

### DEPOTS

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

### BANKERS

**Union Bank of India** (formerly Corporation Bank)  
G T Branch  
George Town, Chennai 600 001

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

**HDFC Bank Limited**  
RK Salai Branch  
RK Salai, Chennai 600 004

### STATUTORY AUDITOR

**M/s PKF Sridhar & Santhanam LLP**  
KRD Gee Gee Crystal, 7<sup>th</sup> Floor,  
No.91/92, Dr. Radhakrishnan Salai,  
Mylapore, Chennai 600 004

### COST AUDITOR

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

### SECRETARIAL AUDITOR

**M/s A K Jain & Associates**  
Company Secretaries  
No. 2, Raja Annamalai Road, First Floor,  
Purasawalkam, Chennai 600 084

### 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@dsr-cid.in

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## Financial Highlights

**(Rs. in lakhs)**

	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12
Sales & Other Income	<b>64,652.80</b>	65,454.32	63,563.71	58,512.12	53,353.30	52,445.76	48,949.44	42,230.31	38,903.69	35,844.64
Profit Before Tax	<b>3,705.19<sup>#</sup></b>	1,942.48	3,925.95	3,014.71	2,917.75	3,552.74	2,633.46	1,966.56	2,162.17	2,354.83
Current Tax	<b>1,225.00</b>	585.00	1,495.00	1,125.00	985.94	1,002.00	1,090.00	698.00	710.00	770.00
Deferred Tax	<b>(199.11)</b>	125.54	(6.42)	73.18	57.83	284.22	(72.06)	29.70	31.82	21.91
Tax relating to previous years	<b>(1,964.81)</b>	–	–	–	–	–	–	–	–	–
Profit After Tax	<b>4,644.11<sup>#</sup></b>	1,231.94	2,437.37	1,816.53	1,873.98	2,266.52	1,615.52	1,238.87	1,420.35	1,562.91
Other Comprehensive Income	<b>345.15</b>	(623.90)	259.92	83.43	207.79	–	–	–	–	–
Dividend - Amount	<b>423.91</b>	706.51 <sup>**</sup>	706.51 <sup>**</sup>	388.30	–	388.30	349.47	310.64	310.64	310.64
Rate	<b>30%</b>	50%	50%	50%	–	50%	45%	40%	40%	40%
Dividend Distribution Tax	–	145.23	145.23	79.05	–	79.05	71.14	52.79	52.79	50.39
Retained Earnings	<b>4,565.35</b>	(243.70)	1,845.55	1,432.61	2,081.77	1,799.17	1,194.91	875.44	1,056.92	1,201.88
Earnings Per Share (EPS) of Rs.10/- each (Rs.)	<b>32.87</b>	8.72	17.25	12.86	24.13	29.19	20.80	15.95	18.29	20.13
<b>Sources &amp; Applications of Funds :</b>										
Net Block	<b>8,579.22</b>	9,741.81	9,910.16	11,031.75	9,947.54	10,707.04	9,757.21	5,563.50	4,374.70	3,928.55
Investments	<b>1,316.61</b>	875.33	1,304.63	925.89	882.54	1,013.37	13.37	13.37	76.81	676.81
Net Current Assets	<b>20,370.70</b>	15,432.61	14,252.69	13,448.08	6,885.52	4,544.27	5,920.74	7,019.67	7,528.52	6,251.86
Long Term Loans & Advances	<b>1,399.05</b>	2,316.97	2,707.12	2,754.91	1,004.71	1,189.26	1,152.45	2,143.16	1,123.21	703.02
Deferred Tax Asset	<b>859.47</b>	741.51	1,094.18	1,206.40	590.77	131.99	115.05	106.38	85.43	65.39
Deferred Tax Liability	<b>(214.33)</b>	(325.36)	(606.86)	(751.27)	(832.09)	(638.80)	(337.64)	(401.02)	(350.38)	(298.51)
<b>Total Assets</b>	<b>32,310.72</b>	28,782.87	28,661.92	28,615.76	18,478.99	16,947.13	16,621.18	14,445.06	12,838.29	11,327.12
Share Capital	<b>1,413.03</b>	1,413.03	1,413.03	1,413.03	776.60	776.60	776.60	776.60	776.60	776.60
Reserves	<b>28,051.61</b>	23,486.26	23,729.96	21,884.41	14,970.46	12,844.61	11,050.45	9,916.04	9,045.63	7,993.74
Borrowings	<b>1,759.82</b>	2,812.88	2,821.70	4,704.94	2,287.34	2,195.31	2,230.12	1,324.01	2,155.40	1,754.51
Long Term Liabilities	<b>1,086.26</b>	1,070.70	697.23	613.38	444.59	1,130.61	2,564.01	2,428.41	860.66	802.27
<b>Total Liabilities</b>	<b>32,310.72</b>	28,782.87	28,661.92	28,615.76	18,478.99	16,947.13	16,621.18	14,445.06	12,838.29	11,327.12

\* The presentation is in line with Indian Accounting Standards (Ind AS).

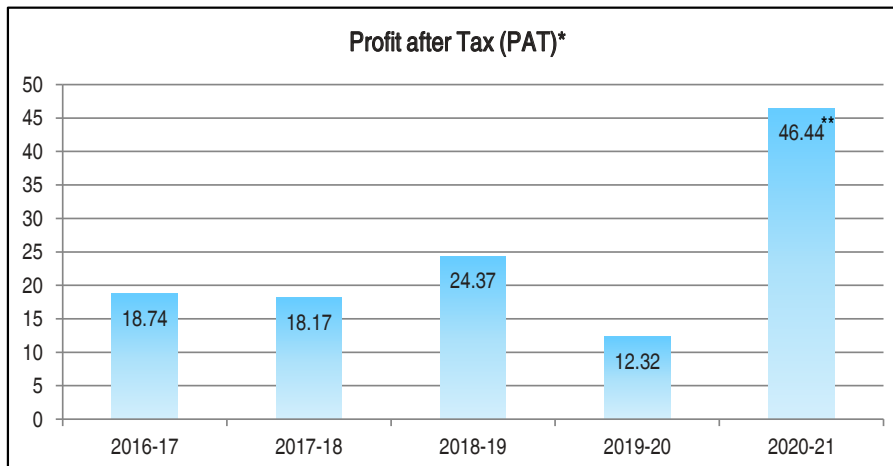
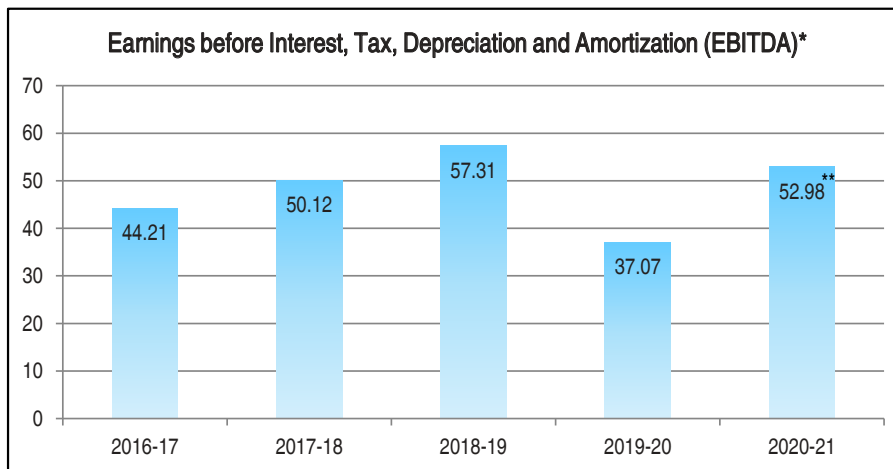
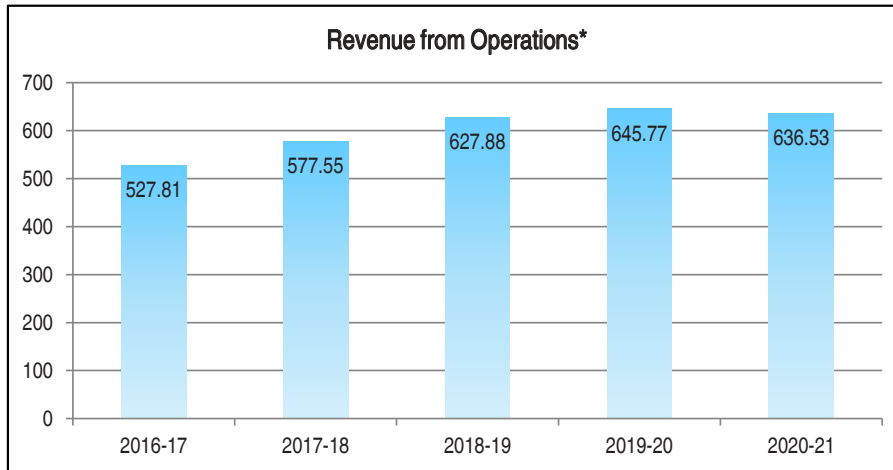
\*\* Dividend for 2016-17, 2017-18, 2018-19 and 2019-20 paid during 2017-18, 2018-19, 2019-20 and 2020-21, respectively.

# Include Exceptional Item(s).



Financial Highlights (Contd.)

(Rs. in Crores)



\* The presentation is in line with Indian Accounting Standards (Ind AS).

\*\* Include Exceptional Item(s).



## Notice to Shareholders

**NOTICE** is hereby given that the **63<sup>rd</sup> Annual General Meeting** of the Company will be held at **10.15 a.m. (IST), on Friday, the 20<sup>th</sup> August, 2021**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 together with the Reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr T T Jagannathan (DIN:00191522) who retires by rotation and being eligible, offers himself for reappointment.

### Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof], approval of the Members be and is hereby accorded to Mr T T Jagannathan (DIN: 00191522) to continue to hold office as Director till his next retirement by rotation, notwithstanding that he would be attaining the age of 75 years during this term”.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, read with Schedule V to the Act [including any statutory modification(s) or re-enactment(s) thereof], the reappointment of Mr T T Raghunathan (DIN: 00043455) as Executive Vice Chairman of the Company, for a further term of 5 years, with effect from 1<sup>st</sup> November, 2021, by the Board of Directors, on such remuneration and terms and conditions as set out in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice and duly recommended by the Nomination and Remuneration Committee, be and is hereby approved”.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Act and the Rules made thereunder, approval of the Members be and is hereby accorded to Mr T T Raghunathan, to continue to hold the office of Executive Vice Chairman till the aforesaid tenure of appointment which ends on 31<sup>st</sup> October, 2026, notwithstanding that he would be attaining the age of 70 years during this term”.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to revise the remuneration package of Mr T T Raghunathan, Executive Vice Chairman, from time to time, within the ceilings prescribed under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Act and the Rules

made thereunder read with Schedule V to the Act or any statutory modification(s) thereof”.

**“RESOLVED FURTHER THAT** during any year of loss or inadequacy of profits, Salary, Productivity Incentive, Allowances, Perquisites, Benefits and subsequent revision(s), if any, fixed by the Board of Directors, shall be paid as minimum remuneration to Mr T T Raghunathan, subject to the ceilings prescribed under Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof”.

6. 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.5,00,000 (Rupees Five lakhs 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 the cost records of the Company, for the financial year ending 31<sup>st</sup> March, 2022, 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**

**Wholtime Director & Secretary**

**Place: Chennai**

**Date : May 27, 2021**

**Registered Office:**

**No.6, Cathedral Road**

**Chennai 600 086**

### NOTES:

1. In view of the outbreak of CoVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular No.02/2021 dated 13<sup>th</sup> January, 2021 read with Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and Circular No.SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 read with Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as “the Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.

**In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and the Circulars, the AGM of the Company is being held through VC / OAVM.**

2. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
3. **Though a Member, pursuant to the provisions of the Act, is entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a Member of the**





## Notice to Shareholders (Contd.)

Company) to attend and vote instead of himself / herself, the facility of appointment of proxies is not available as this AGM is convened through VC / OAVM pursuant to the Circulars.

4. **Since the AGM will be held through VC / OAVM, the Route Map, Attendance Slip and Proxy Form are not attached to this Notice.**
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses as set out in the Notice is annexed hereto.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 16<sup>th</sup> August, 2021 to 20<sup>th</sup> August, 2021 (both days inclusive), for the purpose of payment of Dividend for the financial year ended 31<sup>st</sup> March, 2021, if declared, at the meeting.
8. 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 20<sup>th</sup> August, 2021.
9. Members are requested to keep the Company / RTA / Depository Participants (DPs) informed of any change in their respective mailing addresses immediately.  
 Updation of Members' Details: The format of the Register of Members prescribed by the MCA under the Act requires the Company / RTA to record additional details of Member, including their PAN details, e-mail address, Bank details for payment of dividend, etc. Further, SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to furnish the above details to their respective DPs and the Members holding shares in physical form are requested to furnish the above details to the Company / RTA. Please refer Point Nos.20 & 21 below for the relevant procedures for updating these information.
10. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs, in case the shares are held by them in electronic form and with the Company / RTA, in case the shares are held by them in physical form.
11. Members are requested to note that in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS), they should submit their NECS / ECS details to the RTA. The requisite NECS / ECS application form can be obtained from the RTA.
12. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form may contact the Depository Participant of their choice.

13. In terms of Sections 124(5) and 125 of the Companies Act, 2013 and the Rules made thereunder, the dividend declared by the Company for earlier years, which remained unclaimed / unpaid 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 31.03.2021 (in Rs.)
31.03.2014	22.08.2014	26.09.2021	7,64,012.00
31.03.2015	07.08.2015	11.09.2022	8,33,648.00
31.03.2016	05.08.2016	08.09.2023	9,78,855.00
31.03.2017	04.08.2017	04.09.2024	10,03,940.00
31.03.2018	09.08.2018	14.09.2025	6,82,043.07
31.03.2019	09.08.2019	12.09.2026	6,00,705.52
31.03.2020	11.09.2020	14.10.2027	3,56,187.56

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

Pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company provided / hosted the required details of unclaimed amounts referred to under Section 125 of the Companies Act, 2013, on its website [www.ttkhealthcare.com](http://www.ttkhealthcare.com) under "Investors" Section and also on the website of the Ministry of Corporate Affairs (MCA) in the relevant form, every year.

14. In terms of Section 124(6) and 125 of the Companies Act, 2013 and the Rules made thereunder, the underlying shares in respect of dividends relating to the year 2013-14 that remained unclaimed / unpaid for seven consecutive years or more would be transferred to the Demat Account of the IEPF Authority, within 30 days from the due date of transfer [(i.e.) 26<sup>th</sup> September, 2021], on or before 25<sup>th</sup> October, 2021.

The Members concerned whose shares are liable for transfer were informed individually and an advertisement was also published in leading newspapers both in English and Tamil. The details of the shares to be transferred were also uploaded on the website of the Company.

15. Any unclaimed / unpaid dividends or shares already transferred to the IEPF, may be claimed by the Members concerned from the IEPF Authority by e-Filing Form IEPF-5, which is available under the link <http://www.iepf.gov.in>. The Members may contact the RTA, M/s Data Software Research Co. Pvt. Ltd., or the Company for any assistance, in this regard.
16. In line with the MCA Circulars, the Notice convening the AGM and the Annual Report for the year 2020-21 are made available on the website of the Company at [www.ttkhealthcare.com](http://www.ttkhealthcare.com) and also on the websites of the Stock Exchanges (i.e.) BSE Limited and National

## Notice to Shareholders (Contd.)

Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The Notice and the Annual Report are also made available on the website of CDSL (agency providing the remote e-Voting facility and e-Voting system during the AGM) (i.e.) [www.evotingindia.com](http://www.evotingindia.com).

17. The Register of Directors and Key Managerial Personnel and their shareholdings 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 electronically for inspection by the Members during the AGM.

All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice upto the date of AGM (i.e.) 20<sup>th</sup> August, 2021. Members seeking to inspect such documents can send e-mail to [investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com).

18. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DPs.
19. Effective from 1<sup>st</sup> April, 2020, dividend income will be taxable in the hands of Members. Hence, the Company is required to deduct tax at source from the amount of dividend paid to Members at the prescribed rates. A Resident Individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) on or before 10<sup>th</sup> August, 2021. Further, no tax shall be deducted on the dividend payable to a Resident Individual Shareholder if the total amount of dividend to be received from the Company during the financial year 2020-21 does not exceed Rs.5,000/-. Members may note that in case PAN is not updated with the DPs / RTA, the tax will be deducted at a higher rate of 20%.

Non-resident Members can avail beneficial tax rates under Double Taxation Avoidance Agreement (DTAA) (i.e.) tax treaty between India and their country of residence. Non-resident Members are required to provide details of applicability of beneficial tax rates and provide following documents:

- (i) Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the Members.
- (ii) Copy of Tax Residency Certificate (TRC) for the FY 2021-22 obtained from the revenue authorities of country of tax residence duly attested by the Member.
- (iii) Self-Declaration Form 10-F
- (iv) No-PE (Permanent Establishment) Certificate
- (v) Self-Declaration of Beneficial Ownership by the Non-Resident Shareholder
- (vi) Lower Withholding Tax Certificate, if any, obtained from the Indian Tax Authorities.

The Members / Shareholders are required to provide the above documents / declarations by sending an e-mail to

[ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) on or before 10<sup>th</sup> August, 2021. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the Tax Deducted at Source (TDS) as per the rates mentioned in the Income Tax, 1961.

In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @ 20% plus applicable surcharge and cess.

20. Procedure for registering the e-mail addresses and obtaining the AGM Notice and Annual Report by the Members whose e-mail addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with Company / RTA (in case of Members holding shares in physical form):
- For Physical Shareholders: Please provide necessary details like Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to Company ([investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com)) / RTA ([ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in)).
  - For Demat Shareholders: Please update your e-mail ID and mobile number with your respective Depository Participant (DP).
21. Procedure to be followed by the Members for updation of bank account mandate for receipt of dividend:
- (i) Send a request to RTA by e-mail to [ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) by providing the following details:
    - (a) Folio No., Name of the Member/s;
    - (b) Name and Branch of the Bank in which you wish to receive the dividend;
    - (c) the Bank Account type;
    - (d) Bank Account Number allotted by their bank after implementation of Core Banking Solutions;
    - (e) 9 digit MICR Code Number; and
    - (f) 11 digit IFSC Code
  - (ii) Along with the request, attach the scanned copy of Share Certificate (front and back), PAN (self-attested scanned copy of PAN card) and scanned copy of cancelled cheque bearing the name of the first Shareholder.
22. **Instructions for Members attending the AGM through VC / OAVM:**
- Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting System.
  - The procedure for attending meeting is same as the instructions mentioned below for e-voting.
  - The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned below for e-voting.
  - The facility for joining the meeting shall be kept open from 9.45 a.m. and shall be closed after 15 minutes of the conclusion of the meeting.



## Notice to Shareholders (Contd.)

- Members are encouraged to join the meeting through Laptops / iPads for better experience.
- Further, Members will be required to allow Camera and may use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Members connecting from Mobile Devices or Tablets or through Laptops via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance, on or before 12<sup>th</sup> August, 2021 mentioning their name, demat account number / folio number, e-mail id, mobile number at investorcare@ttkhealthcare.com.

The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance, on or before 16<sup>th</sup> August, 2021 mentioning their name, demat account number / folio number, e-mail id, mobile number at investorcare@ttkhealthcare.com. These queries will be replied to by the Company suitably.

- Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

### 23. Information and other Instructions relating to e-Voting system:

- 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 remote e-Voting as well as e-Voting facility during the AGM to its Members through Central Depository Services (India) Limited (CDSL), in respect of the businesses to be transacted at the 63<sup>rd</sup> Annual General Meeting.
- The Company has appointed Mr Balu Sridhar, failing him Mr Pankaj Mehta, Partners, M/s A K Jain & Associates, Practising Company Secretaries as the Scrutinizer for conducting both the remote e-Voting and e-Voting during the AGM in a fair and transparent manner and they have communicated their willingness for the same.
- The Members who have cast their vote by remote e-Voting may also attend the meeting but shall not be entitled to cast their vote again during the AGM.
- The voting rights of the Members / Beneficial Owners shall be reckoned on the Equity Shares held by them as on 13<sup>th</sup> August, 2021 being the "cut-off" date. Members of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote through remote e-Voting or e-Voting system available during the AGM.

- 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.) 13<sup>th</sup> August, 2021 only shall be entitled to avail the facility of e-Voting.
- The Scrutinizer, after first scrutinizing the votes cast through e-Voting system available during the AGM and thereafter, the votes cast through remote 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.) 20<sup>th</sup> August, 2021.

### Instructions for remote e-Voting:

- The voting period begins at 9.30 a.m. on 16<sup>th</sup> August, 2021 and ends at 5.00 p.m. on 19<sup>th</sup> August, 2021. 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) 13<sup>th</sup> August, 2021 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted through remote e-Voting would not be entitled to vote through e-Voting system available during the AGM.

### Login Method for e-Voting and Joining Virtual Meetings for Physical Shareholders and Shareholders other than individuals holding in Demat form.

- (i) The Shareholders should log on to the e-Voting website www.evotingindia.com.
- (ii) Click on "Shareholders / Members" tab.
- (iii) Now Enter your User ID:
  - For CDSL: 16 digits beneficiary ID;
  - For NSDL: 8 character DP ID followed by 8 digits Client ID;
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.

## Notice to Shareholders (Contd.)

- (vi) If you are a first time user, follow the steps given below:

<b>For Physical Shareholders and Shareholders other than individuals holding shares in Demat form</b>	
<b>PAN</b>	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"> <li>Shareholders who have not updated the PAN details with the Company/Depository Participant are requested to use the "Sequence Number" provided through e-mail. Please refer Point No.20 for registering the e-mail address.</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	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. <ul style="list-style-type: none"> <li>Shareholders who have not updated their DOB or Dividend Bank Details with the Company / Depository Participant are requested to use the User ID, in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for "TTK HEALTHCARE LIMITED" on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take printout of the votes cast by clicking on "Click here to print" option on the Voting page.

### Individual Shareholders holding securities in Demat:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest, user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



**Notice to Shareholders (Contd.)**

**Individual Shareholders holding securities in demat mode with NSDL**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for IDeAS Portal” or click at <https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

**Individual Shareholders (holding securities in demat mode) login through their Depository Participants**

- 1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- **Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.
- **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Instructions for Shareholders for e-Voting during the AGM:**

- (i) The procedure for e-Voting during the AGM is same as the instructions mentioned above for Remote e-Voting.
- (ii) Shareholders who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to cast their vote through e-Voting system available at the AGM.
- (iii) Only those Shareholders, who are present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iv) If any votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.

**Other Instructions:**

- (i) 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](http://www.evotingindia.com) and register themselves in the “Corporates” modules.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to CDSL at [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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

## Notice to Shareholders (Contd.)

Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (ii) Alternatively, Non-individual Shareholders are required to send the relevant Board Resolution / Authority Letter, etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail addresses viz., akjainassociates@gmail.com and investorcare@ttkhealthcare.com, if they have voted from individual tab and not uploaded the same in the CDSL e-Voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-Voting from the e-Voting System, you may refer the

Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under Help Section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr Nitin Kunder (022-23058738) or Mr Mehboob Lakhani (022-23058543) or Mr Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Manager (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai 400 013 or send an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542 / 43.

### 24. Additional Information of Directors [relating to Item No(s): 3, 4 & 5] relating to appointment / reappointment, as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) by ICSI:

Nature of Appointment	Retirement by rotation and seeking reappointment	Reappointment as Executive Vice Chairman
<b>Name of the Director</b>	Mr T T Jagannathan	Mr T T Raghunathan
<b>Director Identification Number (DIN)</b>	00191522	00043455
<b>Date of Birth and Age</b>	13-05-1948 / 73 years	08-07-1952 / 69 years
<b>Date of first appointment on the Board</b>	30-11-1984	31-12-1998
<b>Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas</b>	<ul style="list-style-type: none"> <li>• He is a Gold Medalist from the Indian Institute of Technology, Madras.</li> <li>• He did his Masters in Operations Research in Cornell University, USA.</li> <li>• He is the Chairman of the TTK Group of Companies.</li> <li>• He has been on the Board of the Company since 1984.</li> <li>• He has vast Industrial experience spanning over more than four decades.</li> <li>• His areas of expertise include Innovation &amp; Technology, Manufacturing, Marketing &amp; Distribution, Business Promotion &amp; Strategy, Managing Joint Ventures &amp; Business Partnerships and General Management.</li> </ul>	<ul style="list-style-type: none"> <li>• He is a Commerce Graduate.</li> <li>• He is the Vice Chairman of the TTK Group of Companies.</li> <li>• He has been on the Board of the Company since 1998.</li> <li>• He has vast Industrial experience spanning over more than four decades.</li> <li>• His areas of expertise include Sales, Marketing &amp; Distribution, Consumer Behaviour, Business Promotion &amp; Strategy, Joint Venture Relations and General Management.</li> </ul>
<b>No. of Board Meetings attended during the year as a Director</b>	All the four meetings held during the year 2020-21.	All the four meetings held during the year 2020-21.
<b>Memberships / Chairmanships of Committees of the Board of the Company</b>	He does not hold any Membership / Chairmanship of Committees of the Board of the Company.	He is the Chairman of the Corporate Social Responsibility (CSR) Committee of the Company.
<b>Directorships held in other Companies</b>	<ul style="list-style-type: none"> <li>• TTK Prestige Limited</li> <li>• TTK Tantex Limited</li> <li>• ManipalCigna Health Insurance Company Limited</li> <li>• TTK British Holdings Limited</li> <li>• TTK Services Private Limited</li> <li>• TTK Property Services Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• TTK Prestige Limited</li> <li>• TTK Tantex Limited</li> <li>• TTK Services Private Limited</li> <li>• TTK Property Services Private Limited</li> </ul>
<b>Memberships / Chairmanships of Committees of other Boards</b>	He is a the Member of Nomination and Remuneration Committee and Risk Management Committee and the Chairman of Corporate Social Responsibility Committee of M/s TTK Prestige Limited.	He does not hold any Membership / Chairmanship of Committees of the Board of other Companies.
<b>Remuneration last drawn</b>	Sitting Fees of Rs.20,000/- per meeting of the Board.	Rs.2,03,90,696/- for the year 2020-21



## Notice to Shareholders (Contd.)

<b>Remuneration sought to be paid</b>	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.		Managerial Remuneration, as approved by the Board of Directors and the Members of the Company, in line with Schedule V to the Companies Act, 2013.	
<b>Shareholding in the Company</b>	<b>Particulars</b>	<b>No. of Equity Shares of Rs.10/- each</b>	<b>Particulars</b>	<b>No. of Equity Shares of Rs.10/- each</b>
	Held in his capacity as a Partner of M/s T T Krishnamachari & Co. (As First Holder)	95,32,610	Held in his capacity as a Partner of M/s T T Krishnamachari & Co. (As Joint Holder)	95,32,610
	Held in his personal capacity	7,59,298	Held in his personal capacity	38,797
<b>Relationship with other Directors and Key Managerial Personnel of the Company</b>	He is the brother of Mr T T Raghunathan.		He is the brother of Mr T T Jagannathan.	

Place: Chennai  
Date : May 27, 2021

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

**BY ORDER OF THE BOARD**  
**S KALYANARAMAN**  
Wholtime Director & Secretary

### STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

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

#### Item No.4

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), with effect from 1<sup>st</sup> April, 2019, "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person".

Mr T T Jagannathan who is liable to retire by rotation and being eligible, offers himself for reappointment at the 63<sup>rd</sup> Annual General Meeting and he would be attaining the age of 75 years during the proposed term.

The Board and the Nomination and Remuneration Committee have recommended the continuation of Directorship of Mr T T Jagannathan as a Director of the Company, considering his valuable contribution at the Board deliberations as the Chairman and in the growth of the Company since his induction on the Board and were of the view that his continued association would be of immense benefit to the Company considering his vast experience across the Industrial Sectors, leadership qualities, business acumen / expertise, etc.

In order to comply with Regulation 17(1A) of the SEBI LODR and applicable provisions, if any, of the Companies Act, 2013 and the

Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof], approval of the Members is sought for the continuation of Directorship of Mr T T Jagannathan till his next retirement by rotation, notwithstanding that he would be attaining the age of 75 years during this term, by means of a Special Resolution.

The Board recommends the Special Resolution at Item No.4 for the approval of the Members.

Except Mr T T Jagannathan and Mr T T Raghunathan, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

#### Item No.5

The Members of the Company at the 58<sup>th</sup> Annual General Meeting held on 5<sup>th</sup> August, 2016 reappointed Mr T T Raghunathan (DIN: 00043455) as Executive Vice Chairman of the Company, for a term of 5 years, effective 1<sup>st</sup> November, 2016 and his current term expires on 31<sup>st</sup> October, 2021.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, in their meeting held on 27<sup>th</sup> May, 2021, reappointed Mr T T Raghunathan as Executive Vice Chairman of the Company, for a further term of 5 years, with effect from 1<sup>st</sup> November, 2021, on the following terms and conditions, subject to the approval of Members:



## Notice to Shareholders (Contd.)

A.	Salary	: Rs.5,00,000/- (Rupees Five lakhs only) per month.
B.	Productivity Incentive	: 2% of the pre-tax profit of the Company, as declared in the Audited Annual Accounts.
C.	Perquisites :	:
	(1) Housing	: House Rent Allowance @ 60% of the Salary.
	(2) Gas, Electricity, Water, Furnishings, etc.	: The expenditure incurred on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the Salary.
	(3) Medical Benefits	: One month's Salary in a year or three months' salary over a period of three years for self, wife, children and dependents. In addition, in case of major diseases and hospitalization, 100% for self and 50% for wife, dependent children and parents would be reimbursed towards expenses incurred.
	(4) Leave Travel Allowance	: For self and family, to and fro Air Fare and other related expenses to any place in India or abroad once a year.
	(5) Club Fees	: Fees for two clubs not including Admission and Life Membership Fees.
	(6) Personal Accident Insurance	: Personal Accident cover, as per the rules of the Company.
D.	Benefits:	:
	(1) Other Perquisites viz., Provident Fund, Superannuation and Gratuity will be allowed, as per the rules of the Company.	
	(2) Mr Raghunathan will be provided Car with driver for use and will also be entitled for reimbursement of expenses relating to residential and mobile phones, as per the rules of the Company.	
	(3) Mr Raghunathan will be allowed Leave and Encashment thereof, as per the rules of the Company.	
E.	Commission: During the year in which adequate profits have been made, the difference between 5% of such profits and the Salary, Productivity Incentive, Allowances, Perquisites and Benefits as referred to above in items A, B, C & D(1) shall be paid as Commission and such Commission shall become due and payable on approval of the Audited Accounts by the Board of Directors of the Company for such financial year. Such profits shall be computed in accordance with Section 198 of the Companies Act, 2013.	
F.	Other Terms and Conditions :	
	(1)	During any financial year in which the Company has incurred losses or has inadequate Profits, Salary, Productivity Incentive, Allowances, Perquisites and Benefits as mentioned above and subsequent revision(s), if any, shall be paid as minimum remuneration to the appointee, in accordance with Schedule V to the Companies Act, 2013, or any statutory modification(s) thereof.
	(2)	In the event of the Appointee ceasing in the midst of any financial year of the Company to be the Executive Vice Chairman of the Company for any cause whatsoever, he shall be entitled to receive from the Company such part of the remuneration as is payable to him in accordance with this appointment as is proportionate to his period of service in that financial year of the Company and for this clause, the profits of the Company shall be deemed to accrue day-to-day.
	(3)	The Appointee shall, subject to the provisions of Section 202 of the Companies Act, 2013, be entitled to compensation for loss of office, amounting to remuneration together with the value of benefits and perquisites which he would have earned for the unexpired term of his office or three years, whichever is shorter, computed in the manner laid down under Section 202 of the Companies Act, 2013.
	(4)	This appointment may be terminated by either party by giving to the other party six months' notice of such termination.
	(5)	If at any time the Appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Vice Chairman in terms of this Appointment and the same shall forthwith terminate.

The above package is in line with the industry practice and commensurate with the qualification, experience and performance of the appointee.

The resolution also provides for revision in the packages of Mr T T Raghunathan, from time to time, by the Board of Directors, within the ceilings prescribed under the Companies Act, 2013 and the Rules made thereunder read with Schedule V to the Act, [including any statutory modification(s) or re-enactment(s) thereof].

Since Mr T T Raghunathan would be attaining the age of 70 years during the proposed term, his reappointment requires the approval of the Members, by means of a Special Resolution, in accordance with the provisions of Section 196 and other applicable provisions, if any, of the Act and the Rules made thereunder.

He is not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.5 for approval by the Members.

Except Mr T T Raghunathan and Mr T T Jagannathan, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.





## Notice to Shareholders (Contd.)

### 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 Cost Auditors, to conduct audit of the cost accounting records maintained by the Company, for the following product categories, for the financial year ending 31<sup>st</sup> March, 2022:

- Drugs and Pharmaceuticals under the Regulated Sector; and
- Rubber and its Allied Products viz., Male Contraceptives and Medical Devices viz., Heart Valves and Orthopaedic Implants under Non-Regulated Sector.

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.5,00,000/- (Rupees Five lakhs 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 31<sup>st</sup> March, 2022, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Members of the Company.

The Board recommends the Ordinary Resolution at Item No.6 for ratification 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.

Place: Chennai  
Date : May 27, 2021

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

**BY ORDER OF THE BOARD**  
**S KALYANARAMAN**  
Wholetime Director & Secretary

## Board's Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the 63<sup>rd</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021.

### Financial Results:

	(Rs. in lakhs)	
	2020-21	2019-20
Profit before Depreciation, Exceptional Item(s) & Tax	4,266.53	3,380.15
<b>Less:</b> Depreciation	1,371.13	1,437.67
<b>Add :</b> Exceptional Item - Interest on Tax Refund	809.79	–
<b>Profit before Tax</b>	<b>3,705.19</b>	1,942.48
<b>Less:</b> Tax expense:		
Current Tax	1,225.00	585.00
Tax relating to earlier years	(1,964.81)	–
Deferred Tax	(199.11)	125.54
<b>Profit after Tax</b>	<b>4,644.11</b>	1,231.94
<b>Surplus Account:</b>		
Balance as per last Balance Sheet	12,645.18	12,459.65
<b>Add:</b> Profit for the year	4,644.11	1,231.94
Other Comprehensive Income for the year (Net of Tax)	(94.29)	1,037.27
<b>Total</b>	<b>17,195.00</b>	13,496.92
<b>Less:</b> Dividend Paid	423.91	706.51
Dividend Distribution Tax	–	145.23
<b>Net Surplus</b>	<b>16,771.09</b>	12,645.18

### Review of Performance:

During the year under review, the Revenue from Operations amounted to Rs.636.53 crores as against the previous year's figure of Rs.645.77 crores, marginally lower than that of the previous year.

Pre-Tax Profit for the year (including Interest on Tax Refund – Rs.809.79 lakhs) stood at Rs.37.05 crores as against the previous year's figure of Rs.19.42 crores.

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

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

### Dividend:

Your Directors are pleased to recommend a dividend of Rs.6/- (60%) per Equity Share of Rs.10/- each for the year ended 31<sup>st</sup> March, 2021. [Previous Year - Rs.3.00 (30%) per Equity Share].

As per SEBI Notification, the Company has formulated Dividend Distribution Policy, which was approved by the Board of Directors and was uploaded on Company's website at the following link <https://ttkhealthcare.com/investorlist/policies/>.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

### Share Capital:

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 was Rs.1,413.03 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:

##### Impact of CoVID-19:

The outbreak of the CoVID-19 pandemic since March 2020 and the ensuing lockdowns imposed across the country, though helped flatten the outbreak curve, affected the business operations. The health of the employees and workers became a priority; stoppage of operations and lower sales performance across businesses seriously impacted the First Quarter performance. However, from the Second Quarter, due to the opening of the economic activities across the nation, most businesses of your Company staged a smart recovery, resulting in a decent performance for the year as a whole. The second wave of CoVID-19 which started in March 2021 in some regions of the country, did not have a material impact on the performance during the year under review. However, its impact on the operations during the current year is not very clear as of now.

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,56,796.80 crores [Source: IQVIA MAT March 2021] grew by around 4%.

The growth was driven by price revisions (4.3%) and new introductions (3.6%). However, the existing brands reported a negative growth of 3.6%, in volumes. Market growth is primarily driven by Vitamins / Minerals (10%), Anti-diabetics (8.7%), Neuro / CNS (9.7%) and Immunomodulators (7.6%).

#### (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 / Medical Devices Businesses further.
- Your Company has the unique advantage of an exclusive network for distribution of FMCG / OTC products. This can be leveraged for launch of new products 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" and the "Atmanirbhar Bharat Abhiyaan" (Self-reliant India) initiatives by the Government of India would further enhance the growth prospects for this Segment and provide further fillip to the indigenous manufacture of medical devices. These products also have export potential.



## Board's Report (Contd.)

- Due to the outbreak of CoVID-19 pandemic, there would be emerging categories of hygiene products such as Sanitizer, Hand wash liquids, Disinfectants, etc., and also formulations /supplements focusing on building immunity. Your Company, being well positioned with its distribution network, would take advantage of these emerging categories by launching appropriate products. Few such products have already been launched.
- The Government of India is extending its price control policy to cover medical devices in a phased manner. While this may be seen as a threat, there is also an opportunity for domestic manufacturers like your Company as these products are likely to witness higher demand due to competitive pricing.
- The Central Government's Medical Insurance Scheme - Ayushman Bharat being implemented to cover poor families is also likely to increase the number of treatment procedures which would, in turn, improve the demand for medical implants viz., Heart Valves and Ortho Implants manufactured by your Company.
- 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. Further, the increase in home cooking / frying due to CoVID-19 is also likely to generate more demand for ready to cook / fry food products.

### 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.
- Stringent regulatory requirements with reference to Fixed Dose Combinations (FDCs) restricted launch of new combinations which is likely to impact the overall size / growth of the market.
- Considering the commodity nature of the current Foods Business, there is pressure on price realizations. Nevertheless, this is mitigated through enhanced focus on export markets and also launch of innovative and differentiated products. Further, efforts are also being made to convert part of the B2B business into branded / retail business.

### (C) SEGMENTWISE PERFORMANCE:

Your Company is engaged in Pharmaceuticals, Consumer Products, Medical Devices, Protective 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 and Food Supplements.

#### **Ethical Products Division (EPD) & Ventura Division**

Though the year 2020-21 started on a very challenging note due to the CoVID-19 pandemic, there has been smart recovery from the Second Quarter. This has resulted in a decent performance from the Pharma Business, for the year as a whole.

During the year under review, EPD and Ventura Divisions registered a revenue from operations of Rs.160.47 crores, with a growth of around 1%.

During the year under review, the newly launched products such as Bilbay M (Antihistamine) and Ossopan Active (Immunity booster) strengthened your Company's position in Respiratory and GP/CP segments, respectively.

The strategy for the year 2021-22 for Pharma Business is to - (i) further strengthen the position amongst Gynaecologists and Infertility specialists; (ii) focus on flagship brands such as Ossopan (Calcium supplements) and Lactare (Galactagogue) and key brands under the Infertility (CCQ, Evaserve and Carni Q) and Respiratory (Levokast) Segments; and (iii) establish new brands namely Sensipreg (Progesterone), Erafos (Urinary antibiotic) and Jessica QF (Folate supplement). Also constantly focus on improving the people productivity through training and developmental initiatives.

#### **Animal Welfare Division (AWD)**

During the year under review, the Animal Welfare Division registered a revenue from operations of Rs.77.97 crores, with a growth of around 9%. AWD too had a challenging First Quarter due to the CoVID-19 pandemic.

While the Divisions under Animal Welfare Business viz., Bovianim (Livestock) and Companim (Pet) reported robust growth, Gallus (Poultry) had a setback throughout the year due to the impact of the pandemic followed by bird flu outbreak in few areas. The new Division Aquanim had surpassed a sale of Rs.1 crore during the first year of its operation.

Major focus for the year 2021-22 is to relentlessly work on achieving a healthy growth in sales. As part of this initiative, the field strength has been expanded to improve the coverage and reach. The strategic drivers for the year would be to significantly grow the flagship brands viz. Ossomin, Tefroli and Orcal-P (the OTO Group) and to take the Companim and Aquanim Divisions to the next level in sales. New product launches are also planned to supplement these efforts.

#### **Consumer Products Business:**

The Consumer Products Division reported a revenue from operations of Rs.174.85 crores, marginally lower than that of the previous year.

#### **Woodward's Gripewater (WGW)**

During the year under review, the Woodward's Gripewater (WGW) crossed the milestone of Rs.100 crores in sales with a healthy growth. Despite the pandemic and loss of sales in seasonal markets in the First Quarter, WGW bounced back and registered

## Board's Report (Contd.)

an annual volume growth of around 2%, due to optimal brand investments and allied marketing activities.

To stay relevant to New Age Moms and to recruit them into this category, it is planned to continue and scale-up the key consumer-centric marketing activities such as Media, Digital Engagement and Consumer activation.

The strategy for the year 2021-22 would be to focus on consumption increase in well penetrated markets of South and build the Non-South markets via trial generation activities.

### **EVA**

During the year under review, the performance of EVA as a brand was significantly impacted due to the pandemic and the consequent closure of cosmetic stores etc., in the first-half of the year. The 'Deodorants', as a category itself, was going through a challenging time.

On the positive side, the original single colour packs reintroduced based on trade and consumer feedback, received encouraging response and the overall consumers' / retailers' acceptance has been good. There has been a decent improvement in the performance of EVA Deodorants in the second-half of the year. The performance of talc and winter-care products too was in line with expectations.

The strategy for the year 2021-22 is to - (i) gain share of voice by aggressive digital presence, TV commercials and media; (ii) rationalize and build robust product portfolio; (iii) build strong hold in MT Channels and e-Comm platforms; and (iv) plan limited edition launches to keep the excitement and buzz amongst the consumers.

### **Skore**

During the year under review, the performance of Skore brand was significantly impacted due to CoVID-19 pandemic. Though there was a significant drop in sales in top 15 towns, there was a decent increase in sales through e-Commerce Channels for the brand, thus reducing the overall negative impact.

The strategy for the year 2021-22 would be to - (i) increase the shelf space in the top towns; (ii) strong retail activation plan for "Skore Cool" during the summer season; (iii) expand thin condom portfolio by launching a few more variants; (iv) do brand campaign to generate and get momentum for the brand; and (v) focus on strengthening the e-Commerce Channel with exclusive launches and pleasure products.

### **Good Home**

During the year under review, Good Home as a brand reported a moderate growth, driven by good performance from Eastern markets.

Launch of Germ Protection Range has been a positive initiative for the brand. Scrubbers, Aroma and Drain Cleaner too performed well.

The focus for the year 2021-22 would be to further strengthen

the distribution and build visibility for the existing products and to launch differentiated and innovative products to grow the brand.

### **Medical Devices Business:**

#### **Heart Valve Division**

During the year under review, Heart Valve Division recorded a revenue from operations of Rs.13.20 crores, significantly lower than the previous year. The performance of this Division was severely impacted due to the pandemic.

Heart Valve Replacement Surgery, being an elective one, the patients and the hospitals were postponing the procedure considering the safety of both the patients and the hospital employees. Most of the Government Hospitals were converted into CoVID Centres and regular surgeries were suspended except emergency cases. This has affected the overall performance of the Division for the year as a whole, though there has been some improvement in the second-half of the year.

Your Company has signed an agreement with an Overseas Manufacturer for direct import and distribution of Bi-Leaflet Valves and has recently received the regulatory clearance for the import.

Your Company is in the final stages of signing an agreement for the manufacture and supply of cardiology products like PTCA Catheters and Coronary Stents. These products are expected to be launched during the first-half of the financial year 2021-22.

Your Company has received the required regulatory clearances for the Single Centric Clinical Trials relating to new model TTK Chitra TC2 Titanium Valve and the first lot of Valves has been handed over to the clinical site. The first human trial is expected during the first-half of 2021-22.

The focus for the year 2021-22 would be to - (i) grow the volumes of TTK Chitra Valves; (ii) gain further volumes through Bi-Leaflet Valves; and (iii) venture into the cardiology market.

#### **Ortho Division**

During the year under review, Ortho Division recorded a revenue from operations of Rs.13.53 crores, significantly lower than the previous year.

The CoVID-19 pandemic seriously impacted the Joint Replacement business across the country, due to reluctance of the patients to get admitted, Joint Replacement being an elective procedure. All markets except North declined over the previous year.

However, February and March, 2021 saw some revival in business as patient confidence returned. Since the surgeries are only postponed, it is hoped, that the pent-up demand would materialize into business in the coming months.

Hip Replacement Products (Uncemented and Cemented implants) were launched in the second-half of the year, in select markets. The response is encouraging and since launch, your Company has performed more than 100 surgeries.

Line extensions in the Hinge Knee Range is gaining traction and helping penetration in more markets.



## Board's Report (Contd.)

Regulatory clearances were obtained for the manufacture of additional sizes of Cementless Hip Implants, CoCr Hinge Knee with Wedges and Bipolar implants. Implementation of 5S activities under TPM initiative just started.

The strategy for 2021-22 would be to - (i) continue the expansion into new geographies; (ii) grow revenues from new products such as Hip range and Knee portfolio extensions; and (iii) explore export opportunities.

### Protective Devices Business:

During the year under review, the performance of Protective Devices Division has been satisfactory, with a revenue from operations of Rs.94.57 crores (including Skore), marginally lower than the previous year's figure. This would have been better but for the closure of the facility / limited operations with restricted manpower during the month of April and May 2020 due to the outbreak of CoVID-19 pandemic.

Your Company was able to extend the arrangement with the International Aid Agency for another 3 years and have also signed a new contract with another reputed International Aid Agency to supply products from July 2020 to June 2023.

As in the past many years, your Company successfully went through the Quality Audits conducted by the British Standards Institution (BSI) for ISO Standards and CE Mark, South African Bureau of Standards for SABS Certification and SGS Global Services for Forest Stewardship Council Certification, as part of the continual assessment. Your Company is also being successfully audited for SEDEX and BSCI Standards by various agencies which are social compliance requirements.

Your Company successfully retained all the certifications without any major or critical non-conformances and is also one of the pre-qualified supplier under WHO-UNFPA Pre-Qualification Scheme for Male Latex Condoms which is a requirement to supply products to the reputed International Aid Agencies.

During the year under review, your Company had launched a few value added, innovative and differentiated products developed by your Company's R&D Team. Some more products are under development and a few of this will be launched during 2021-22.

Your Company has seen a steady increase in productivity due to the improved order situation and has maintained its quality as a result of which regular orders are received from International Aid Agencies.

Your Company during the year has exported branded products to various countries and with new registrations being arranged by the Third Party customers, your Company would be able to export to a few more countries during the year 2021-22.

The focus for 2021-22 would be to - (i) grow the branded Condom business through differentiated and innovative products; (ii) develop and strengthen relationships with third party contract manufacturing customers for increasing the volumes; (iii) work

on cost optimization to be more competitive in the domestic and international bid businesses; and (iv) increase the production output by further strengthening the existing infrastructure and through addition of high-speed machines at the designated places in the production process.

### Foods Business:

During the year under review, the Foods Division reported a revenue from operations of Rs.101.62 crores, with a robust growth.

Your Company's R&D Centre at Hosakote developed five new product extensions and launched them commercially. The R&D team is continuously working on tweaking recipes and shapes of the existing products for better marketing appeal, customer satisfaction and cost optimization. It is also working on developing products for different applications considering the evolving trend of healthy snacks.

The production capacity at your Company's facility at Jaipur stands enhanced with the commissioning of the new high capacity cooker (HTE 210) and now this factory has become more versatile and can produce a number of new products.

In spite of the challenges faced due to CoVID-19 pandemic, the initiatives undertaken relating to (a) reduction in expenses; (b) improvement in operational efficiencies; and (c) improved net realizations brought down the losses of the Division and generated a decent cash profit.

The strategy for the year 2021-22 would be to further increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses and also to work on developing and launching innovative and differentiated products to improve volumes / margins.

### (D) OUTLOOK:

Given the unrelenting spread of the second wave of pandemic and the large-scale impact on the lives of the people, the near-term outlook for the Indian economy is uncertain impacting the growth prospects. There are many unknowns today and hence, the near-term outlook is extremely uncertain. The immediate focus remains on safety of people, protecting supply lines, serving demand and optimizing cost and cash.

Despite the near-term ambiguity, the Company remains confident of the medium to long-term growth prospects considering the various categories of products your Company deals in. Although the current situation is much more uncertain than normal, the Company is confident about its ability to manage the immediate crisis and come out of it successfully.

### (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.

## Board's Report (Contd.)

### (F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company developed necessary Manuals/ Standard Operating Procedures (SOPs) for effectively implementing the Internal Financial Control System with the help of an external consultant. Accordingly, various Accounting and Reporting Policies have also been developed and implemented.

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.

#### Frauds:

During the year under review, no fraud was reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors.

### (G) FINANCIAL PERFORMANCE:

	(Rs. in lakhs)	
	2020-21	2019-20
Revenue from Operations (Net)	63,652.79	64,576.78
Other Income	1,000.01	877.54
<b>Total Income</b>	<b>64,652.80</b>	65,454.32
Cost of Materials Consumed	25,173.77	26,002.12
Employee Benefits Expense	16,007.53	14,394.10
Other Expenses	18,982.59	21,351.10
<b>Profit before Finance Cost, Depreciation and Exceptional Item(s)</b>	<b>4,488.91</b>	3,707.00
Finance Cost	222.38	326.85
Depreciation	1,371.13	1,437.67
Exceptional Item - Interest on Tax Refund	809.79	-
<b>Profit before Tax</b>	<b>3,705.19</b>	1,942.48
<b>Less:</b> Tax expense		
Current Tax	1,225.00	585.00
Tax relating to earlier years	(1,964.81)	-
Deferred Tax	(199.11)	125.54
<b>Profit after Tax</b>	<b>4,644.11</b>	1,231.94

#### ANALYSIS OF PERFORMANCE:

- The Revenue from Operations amounted to Rs.636.53 crores, marginally lower than that of the previous year.
- Despite the serious disruption across businesses during the First Quarter due to the outbreak of CoVID-19 pandemic and the consequent lockdowns, most of the businesses have performed well during the remaining part of the year, resulting in a decent performance for the year as a whole.
- The increase in Profit before Tax was partly on account of interest of Rs.8.09 crores received on Tax Refund.

- The increase in Employee Benefits Expense was mainly due to- (i) payment of one-time ex-gratia to the employees; (ii) higher outflow towards Gratuity; (iii) provision made for the increase in packages of Pharma Field Staff covered under Long Term Wage Settlement; and (iv) the provision made for the Gratuity liability that may accrue upon implementation of the Code on Social Security, 2020.
- Due to the disruption caused by the CoVID-19 pandemic, most of the expenses were lower as compared to the previous year:
  - ❖ There has been reduction in Power and Fuel expenses due to lower production, particularly at Heart Valve and Ortho factories.
  - ❖ Due to the restrictions relating to travel / field work, the Travelling and Conveyance Expenses were lower.
  - ❖ Though your Company has incurred adequate Advertisement and Sales Promotion Expenses for its consumer brands, the Sales Promotion expenses relating to Pharma Business such as samples, gifts, etc., were lower due to the reduction in doctor visits by the field force.
- The increase in Repairs and Maintenance expenses was mainly on account of the major maintenance work undertaken at the Foods Division's factories at Hosakote and Jaipur.
- Bad Debts Written Off during the year under review, amounted to Rs.27.59 lakhs, comprising-
  - Pharma Division (including AWD) - Rs.9.64 lakhs;
  - Consumer Products Division - Rs.3.63 lakhs;
  - Ortho Division - Rs.8.09 lakhs; and
  - Foods Division - Rs.6.23 lakhs.
- As per the Provisioning Policy relating to Bad and Doubtful Debts approved by the Audit Committee and the Board, a sum of Rs.111.60 lakhs was provided for Bad & Doubtful Debts.
- The reduction in Capital Work-in-progress was due to the capitalization of the Cooker Extruder (HTE 210) at Foods Factory at Jaipur upon commissioning (Rs.858.26 lakhs).
- The additions to Fixed Assets mainly include the following:

(Rs. in lakhs)

(i)	Construction of Building at-	
	Foods Division – Hosakote	2.36
	Protective Devices Division	1.64
(ii)	Purchase of Plant and Machinery relating to-	
	Foods Division, Jaipur (Including Capitalization of HTE 210 Cooker)	872.31
	Protective Devices Division	42.10
	Pharma Division	16.32
	Foods Division, Hosakote	1.50
(iii)	Purchase of Computers relating to-	
	Pharma Division	26.52
	Protective Devices Division	6.21
	Foods Division, R&D	1.10
	Foods Division, Hosakote	0.60



## Board's Report (Contd.)

(iv)	Purchase of Patterns & Dies relating to-	
	Pharma Division	29.19
(v)	Motor Car – Lease relating to-	
	Pharma Division	17.55
	Protective Devices Division	13.37

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

#### Human Resources:

During the year 2020-21, your Company laid great emphasis on the safety and health of employees in view of the CoVID-19 pandemic, with a constant focus on the safety protocols, in line with the regulations announced by the various Government Agencies.

In order to ensure business continuity, arrangements were made to enable employees to work from home, while safe transport arrangements were made to employees whose physical presence was necessary for handling the essential operations. Regular and periodic communications were made by the Management to ensure everyone is updated and engaged with the ongoing situation and the plans of your Company. The crisis also brought forth the commitment and camaraderie amongst the staff to keep the operations going and customer service against all odds. Several exceptional efforts by staff were actively identified and rewarded through the internal Reward & Recognition programs.

Your Company has also initiated the Excellence Award Programs and identified and rewarded the teams that had demonstrated pursuit of excellence in the arena of marketing, customer focus, innovation and business process transformation.

The crisis also provided a window of opportunity to upgrade the employees and several online trainings were conducted with regard to product knowledge, customer management, etc.

During the year, your Company also rolled out the Leadership Advancement Program (LEAP) to train key second-level managers on advanced leadership and managerial skills and prepare them to take up higher responsibilities in the future.

As on 31<sup>st</sup> March, 2021, the employee strength was 2485 (Previous Year - 2515).

#### 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:

Your Company has implemented Automation processes at depots with respect to Oracle E-Business Suite to increase the transaction efficiency and to reduce the manual interventions. Your Company is in the process of automating key HR processes such as Recruitment, Onboarding and Performance Management System. Your Company has migrated the Open KM, a Document Management Software in Protective Devices Division from On-premise to Cloud.

During the year under review, your Company has upgraded the Oracle Data Base successfully from 11.2.0.4 to 12.1.0.2. Your Company has also availed the services of an external consulting firm to develop a comprehensive Digitalization Roadmap, to be implemented in phases over the next three years.

### (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.

### (K) KEY FINANCIAL RATIOS:

Particulars	2020-21	2019-20	Change %	
Debtors Turnover Ratio	9.28	8.21	13.03	F
Inventory Turnover Ratio	3.55	4.10	(13.41)	A
Interest Coverage Ratio	15.65	6.94	125.50	F
Current Ratio	1.99	1.74	14.37	F
Debt Equity Ratio (%)	6.90	12.63	(45.37)	F
Operating Profit Margin (%)	5.48	4.38	25.11	F
Net Profit Margin (%)	7.30	1.91	282.20	F
Return on Net Worth (%)	16.74	5.22	220.69	F

F - Favourable; A - Adverse

- The lower Inventory Turnover Ratio was mainly on account of the higher inventory holding as at the beginning and end of the year, considering the CoVID-19 uncertainties.
- The other ratios viz., Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth have shown improvement due to better operational performance / profitability.

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

#### (a) Annual Return:

Annual Return (Form MGT-7) was made available on the Company's website at the following link <https://ttkhealthcare.com/investorlist/annual-return/>.

#### (b) Number of Meetings of the Board:

The Board of Directors met 4 (four) times during the year 2020-21. 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.

## Board's Report (Contd.)

Mr S Kalyanaraman is the Secretary to 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 at the following link <https://ttkhealthcare.com/investorlist/policies/>.

The Annual Report under CSR Activities is annexed to this Report as **Annexure-1**.

The details relating to the meeting(s) 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 K Shankaran, Mr S Balasubramanian and Mr V Ranganathan as Members. Mr S Kalyanaraman is the Secretary to 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 at the following link <https://ttkhealthcare.com/investorlist/policies/>.

Form AOC-2 containing the details of Related Party Transactions is annexed as **Annexure-2** 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) Business Responsibility Report:

In accordance with the provisions of SEBI (LODR) Regulations, 2015 and on the basis of market capitalization as on 31<sup>st</sup> March, 2021, the Business Responsibility Report forms part of this Annual Report. (Page No.38)

### (h) Risk Management:

Your Company has developed and implemented a Risk Management Framework 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.

In order to further sharpen / strengthen the Risk Identification and Management Framework which was originally developed and implemented in 2015 and also to identify new risks and the mitigation plans, the services of M/s Deloitte Haskins and Sells LLP were retained for this purpose. Based on their Report, an updated Risk Register has been developed.

The Members / Risk Owners at the meetings of the RMG discussed in detail the updated Risk Register and arrived at the preliminary mitigation plans in January 2021 and recently fine-tuned and updated the same.

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.

Further, as per the SEBI (LODR) (Second Amendment) Regulations, 2021, notified on 5<sup>th</sup> May, 2021, the top 1,000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year, is mandatorily required to constitute the Risk Management Committee.

Since your Company falls in the list of top 1,000 listed entities, based on market capitalization as on 31<sup>st</sup> March, 2021, the Board of Directors in their meeting held on 27<sup>th</sup> May, 2021 constituted the Risk Management Committee, in accordance with the provisions of SEBI (LODR) Regulations, 2015.

### (i) Directors and Key Managerial Personnel:

There are no changes in the composition of the Board of Directors during the year.





## Board's Report (Contd.)

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

Certificate of Non-disqualifications of Directors from the Practicing Company Secretary is furnished under Report on Corporate Governance. (Page No.55)

### (i) Appointment / Reappointment of Directors:

- Mr T T Jagannathan, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

Since Mr T T Jagannathan would be attaining the age of 75 years during this term, it is also proposed to obtain the approval of the Shareholders by means of a Special Resolution, in accordance with the Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

- The current contractual term of appointment of Mr T T Raghunathan as Executive Vice Chairman of the Company expires on 31<sup>st</sup> October, 2021. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, in their meeting held on 27<sup>th</sup> May, 2021 reappointed him for a further term of five years, effective 1<sup>st</sup> November, 2021, subject to the approval of the Members.

Consequent to his reappointment as Executive Vice Chairman, effective 1<sup>st</sup> November, 2021, he would continue to occupy the position of the Chief Executive Officer (CEO) (Key Managerial Personnel) of the Company.

Further, since Mr T T Raghunathan, would be attaining the age of 70 years during his proposed term, approval of the Members is sought by means of a Special Resolution for him to continue to hold the office till the expiry of the said term (i.e.) till 31<sup>st</sup> October, 2026, in accordance with the provisions of Section 196 of the Companies Act, 2013 and the Rules made thereunder read with Schedule V to the Companies Act, 2013.

### (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 Rules made thereunder and also Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.
- Confirmation of compliance with the Code for Independent Directors prescribed under Schedule IV to the Act and the Company's Code of Conduct for Directors and Senior Management Personnel.

Further, they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge the duties with an objective independent judgement and without any external influence.

The terms and conditions of appointment of the Independent Directors are posted on the Company's website at the following link <https://ttkhealthcare.com/wp-content/uploads/2019/09/Terms-and-Conditions-of-Appointment-of-Independent-Directors-2.pdf>.

### (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, Wholetime Director & Secretary [Company Secretary]; and
- Mr B V K Durga Prasad, President – Finance [Chief Financial Officer (CFO)].

### (iv) Performance Evaluation of the Board, its Committees, Chairperson, Non-Independent Directors and Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the performance evaluation of the Board as a whole, its Committees, Chairperson and Non-Independent Directors were carried out during the year under review by the Independent Directors and the evaluation of the Independent Directors were carried out by the entire Board of Directors excluding the Director being evaluated during the year under review. More details on the same are given in the Report on Corporate Governance.

### (v) Policy on Directors' Appointment and Remuneration:

Your Company adopted a Policy relating to selection, appointment, remuneration and evaluation of Directors and Senior Management Personnel. The said Policy is posted on the Company's website at the following link <https://ttkhealthcare.com/investorlist/policies/>.

### (j) Auditors:

#### (i) Statutory Auditor's and their Report:

- M/s PKF Sridhar & Santhanam LLP, the Statutory Auditors of your Company have carried out the Audit for the year ended 31<sup>st</sup> March, 2021.
- The Auditor's Report to the Shareholders for the year under review does not contain any qualifications.

#### (ii) Cost Auditors and Cost Audit Report:

##### • Appointment for the year 2021-22:

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the Cost Records of your Company

## Board's Report (Contd.)

shall be audited for the following product categories, for the financial year 2021-22:

- ❖ Under Regulated Sectors:
  - Drugs and Pharmaceuticals.
- ❖ Under Non-Regulated Sectors:
  - Male Contraceptives under Rubber and Allied Products;
  - Heart Valves and Orthopaedic Implants under Production, Import and Supply or Trading of Medical Devices.

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 2021-22 and fixed their remuneration at Rs.5 lakhs plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit. Necessary intimation of the said appointment would be given to the Central Government vide Form CRA-2.

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.5 lakhs 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 31<sup>st</sup> March, 2021 would be filed on or before the due date (i.e.) 27<sup>th</sup> September, 2021 or within 30 days from the date of submission of the said Report to the Board, whichever is earlier.

- **Cost Audit Report for the year 2019-20:**

The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2020 was filed in Form CRA-4 vide SRN R52962552 dated 3<sup>rd</sup> September, 2020 with the Central Government.

- (iii) **Secretarial Auditor and Secretarial Audit Report:**

The Board had appointed M/s A K Jain & Associates, Practising Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2020-21. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-3**. The Report does not contain any qualification or reservation or adverse remarks.

- (k) **Investor Education and Protection Fund (IEPF):**

- **Transfer of Unclaimed Dividends to IEPF, during the year under review:**

Your Company has transferred a sum of Rs.8.08 lakhs during the financial year 2020-21 to the Investor Education and Protection Fund established by the Central Government, in compliance with Sections 123 – 125 of the Companies Act, 2013. The said amount represents the unclaimed dividends for the year ended 31<sup>st</sup> March, 2013, which were lying unclaimed with your Company for a period of seven years from the due date of payment.

- **Transfer of Shares to the Demat Account of the IEPF Authority:**

In accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, your Company transferred 22,389 Equity Shares of Rs.10/- each fully paid-up, in respect of which the dividends relating to the year 2012-13, remained unclaimed / unpaid for a period of seven consecutive years or more, to the Demat Account of the IEPF Authority held with CDSL on 25<sup>th</sup> September, 2020.

- **Year wise amount of Unpaid / Unclaimed Dividends lying in the Unpaid Account as on 31<sup>st</sup> March, 2021 and the due dates of transfer:**

Financial Year ended	Dividend Declared on	Due date of Transfer	Unpaid / Unclaimed Amount as on 31.03.2021 (in Rs.)
31.03.2014	22.08.2014	26.09.2021	7,64,012.00
31.03.2015	07.08.2015	11.09.2022	8,33,648.00
31.03.2016	05.08.2016	08.09.2023	9,78,855.00
31.03.2017	04.08.2017	04.09.2024	10,03,940.00
31.03.2018	09.08.2018	14.09.2025	6,82,043.07
31.03.2019	09.08.2019	12.09.2026	6,00,705.52
31.03.2020	11.09.2020	14.10.2027	3,56,187.56

- **Details of the Nodal Officer**

Name of the Nodal Officer	:	Mr S Kalyanaraman
Designation	:	Wholetime Director & Secretary
Address	:	TTK Healthcare Limited No.6, Cathedral Road Chennai 600 086
Telephone	:	044 – 28116106 / 24671022
E-mail ID	:	skr@ttkhealthcare.com

- (l) **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.



## Board's Report (Contd.)

**(m) 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-4** to this Report.

**(n) 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-5**.

**(o) Subsidiary Company:**

Your Company does not have any Subsidiary.

**(p) Deposits:**

As on 31<sup>st</sup> March, 2021, your Company was not holding any amount under Fixed Deposit Account.

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

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

**(r) Material changes and commitments affecting the financial position:**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate viz., 31<sup>st</sup> March, 2021 and the date of this Report.

**(s) Significant & material orders passed by the Regulators/ 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.

**(t) 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 and the Executive Vice Chairman, in exceptional cases.

The Whistle Blower Policy was also hosted on the Company's website at the following link <https://ttkhealthcare.com/investorlist/policies/>.

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

**(u) Compliance Certificate:**

Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is furnished as **Annexure-6** to this Report.

**(v) Secretarial Standards:**

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**(w) Finance:**

Your Company has banking arrangements with Union Bank of India (formerly Corporation Bank), Bank of Baroda and HDFC Bank Limited and availed various working capital facilities amounting to Rs.17.60 crores as on 31<sup>st</sup> March, 2021. (Previous Year - Rs.28.13 crores).

**(x) Listing of Equity Shares:**

- ❖ Your Company's shares are listed with-
  - BSE Limited (BSE), Mumbai; and
  - National Stock Exchange of India Limited (NSE), Mumbai.
- ❖ Your Company has paid the Listing Fees for the financial year 2021-22.

**(y) 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 9<sup>th</sup> 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 constituted an Internal Complaints Committee (ICC) with an NGO as one of its Members. During the year 2020-21, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of your Company.

**(z) 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 end of the financial year 31<sup>st</sup> March, 2021 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



## Board's Report (Contd.)

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

Place : Chennai  
Date : May 27, 2021

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

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.

For and on behalf of the Board  
T T JAGANNATHAN  
CHAIRMAN



## Annexures to the Board's Report

ANNEXURE-1

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES As on 31<sup>st</sup> March, 2021

#### 1. Brief outline on CSR Policy of the Company:

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:

- (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- (viii) 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.
- (xi) Slum area development.
- (xii) 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](http://www.ttkhealthcare.com).

#### 2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr T T Raghunathan	Executive Vice Chairman / Non-Independent Director	1	1
2.	Mr K Shankaran	Non-Executive Non-Independent Director	1	1
3.	Dr (Mrs) Vandana R Walvekar	Independent Director	1	1
4.	Mr Girish Rao	Independent Director	1	1

3.	Provide the web-link where (i) Composition of CSR Committee, (ii) CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company	(i) <a href="https://ttkhealthcare.com/wp-content/uploads/2019/09/Committee-Composition.pdf">https://ttkhealthcare.com/wp-content/uploads/2019/09/Committee-Composition.pdf</a> (ii) <a href="https://ttkhealthcare.com/investorlist/policies/">https://ttkhealthcare.com/investorlist/policies/</a>
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (Attach the Report)	Not Applicable
5.	Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	Not Applicable
6.	Average Net Profit of the Company as per Section 135(5)	Rs.2961.04 lakhs

## Annexures to the Board's Report (Contd.)

7.	a.	Two percent of average Net Profit of the Company as per Section 135(5)	Rs.59.22 lakhs (Rounded off to Rs.60 lakhs)
	b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	c.	Amount required to be set off for the financial year, if any	NIL
	d.	Total CSR Obligation for the financial year (7a+7b-7c)	Rs.60 lakhs

8.	a.	CSR amount spent or unspent for the financial year				
	Total Amount Spent for the Financial year (in Rs.) (in lakhs)	Amount Unspent (in Rs.)				
		Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	60.00	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer

b. Details of CSR amount spent against ongoing projects for the financial year: NIL						
(1)	(2)	(3)	(4)	(5)		(6)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project duration
				State	District	
(7)	(8)	(9)	(10)	(11)		
Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes / No)	Mode of implementation – Through Implementing Agency		
				Name	CSR Registration Number	

c. Details of CSR amount spent against other than ongoing projects for the financial year									
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the project		Amount spent for the project (in Rs.) (in lakhs)	Mode of Implementation – Direct (Yes / No)	Mode of implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	For improving the infrastructural facilities and also upkeep of the buildings at the school.	(ii)	No	Tamil Nadu	Tiruvarur	25.00	No	Swamy Dayananda Saraswati Educational Society	CSR00002288
2.	For providing education and medical assistance.	(i) & (ii)	Yes	Tamil Nadu	Chennai	27.00	No	Sri Venkateswara Trust	-
3.	For an elaborate project for collecting all available epigraphs in the Sanskrit and Indian Culture, religion-cum-philosophy and proclamations and grants for rulers with the idea of getting them published in a series of volumes .	(v)	No	Tamil Nadu	Kanchipuram	3.00	No	Uttankita Vidya Aranya Trust	-
4.	For providing treatment to the children born with cleft lip and palate, maxillofacial and craniofacial disorders.	(i)	No	Karnataka	Bengaluru	5.00	No	Inga Health Foundation	CSR00001727
Total						60.00			



## Annexures to the Board's Report (Contd.)

	d.	Amount spent in Administrative Overheads		-					
	e.	Amount spent on Impact Assessment, if applicable		-					
	f.	Total amount spent for the financial year (8b+8c+8d+8e)		Rs. 60 lakhs					
	g.	Excess amount for set off, if any							
		Sl. No.	Particulars	Amount (in Rs.)					
		(i)	Two percent of average net profit of the Company as per Section 135(5)	-					
		(ii)	Total amount spent for the financial year	-					
		(iii)	Excess amount spent for the financial year [(ii)-(i)]	-					
		(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-					
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-						
9.	a.	Details of Unspent CSR amount for the preceding three financial years: NIL							
	Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
	1.								
	2.								
	3.								
		Total							
	b.	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed / Ongoing
	1.								
	2.								
	3.								
		Total							
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)								
	(a)	Date of creation or acquisition of the capital asset(s)						-	
	(b)	Amount of CSR spent for creation or acquisition of capital asset						-	
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.						-	
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).						-	
11.	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable								

T T RAGHUNATHAN  
Executive Vice Chairman (CEO)  
&  
Chairman, CSR Committee

## Annexures to the Board's Report (Contd.)

ANNEXURE-2

## 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 arm's 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:

Particulars							
Name(s) of the Related Party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts/ arrangements/transactions including the value, if any.	Value (Rs.) (2020-21)	Date(s) of approval by the Board, if any	Amount paid as advance, if any (Rs.)
TTK Prestige Limited	Four of the Directors are interested as Directors	Sale of Goods	As and when need arises	As mutually agreed based on prevailing trade practices	(8,98,454)	28.01.2020	-
		Purchase of Promotional Items / Others	As and when need arises	As mutually agreed based on prevailing trade practices	33,32,500	28.01.2020	-
		Receipt of Lease Rent	01.04.2020 to 31.03.2021	Rs.100 p.m.	1,416	28.01.2020	-
T T Krishnamachari & Co.	Two of the Directors are interested as Partners	Payment of Logo Charges	01.11.2017 to 31.10.2022	½ % of Sales for using their monogram "ttk"	3,81,89,499	30.05.2017	-
		Payment of C&FA Charges	01.04.2020 to 31.03.2021	3% of sales for availing their services as Clearing & Forwarding Agents	4,69,34,166	29.05.2018	-
		Payment of Rent	01.04.2020 to 31.03.2021	As per rental Agreement	73,98,600	28.01.2020	40,00,000
Pharma Research & Analytical Laboratories	One of the Directors and wife of one of the Directors are interested as Partners	Receipt of Rent	01.04.2020 to 31.03.2021	As per rental Agreement	2,83,200	28.01.2020	60,000
		Payment of charges for Testing and Analytical Services	01.07.2019 to 30.06.2024	Monthly lump sum payment with an appropriate increase every year	1,33,90,050	30.05.2019	-
Packwell Packaging Products Limited	Two of the Directors are interested as Shareholders and one of the Directors is interested as Director	Packing Charges	01.01.2020 to 31.12.2025	As per the agreement 01.01.2020	52,78,458	07.11.2019	-
		Payment of Rent	01.06.2019 to 31.05.2020 & 01.06.2020 to 31.05.2021	As per Rental Agreement	14,86,800	28.01.2020	23,50,000
Mr T T Sriram	Two of the Directors are interested as relatives	Payment of Salary	W.e.f.01.06.2019	As per Appointment Order	14,19,003	30.05.2019	-

For and on behalf of the Board

T T JAGANNATHAN  
CHAIRMANPlace : Chennai  
Date : May 27, 2021





## Annexures to the Board's Report (Contd.)

ANNEXURE-3

### Form No.MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TTK HEALTHCARE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TTK HEALTHCARE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2021, 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 regarding the Companies Act and dealing with client;
  - (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, we 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.

**We 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.

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

- (i) Secretarial Standards 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).

**We further report that** the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our 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.

**We 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



## Annexures to the Board's Report (Contd.)

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.

**We 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.

**We further report that** during the year under review the Company had transferred an amount of Rs.8,07,828 lying unclaimed/unpaid for seven consecutive years, pertaining to the financial year 2012-13 to the Investor Education and Protection Fund.

**We further report that** during the year under review the Company had transferred 22,389 Equity Shares of Rs.10/- each lying unclaimed / unpaid for

seven consecutive years or more, pertaining to the financial year 2012-13 to the Demat account of the Investor Education and Protection Fund Authority.

**We 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.

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

Place : Chennai  
Date : May 15, 2021

For A K Jain & Associates  
Company Secretaries

Balu Sridhar  
Partner  
M.No. F5869 / C.P.No. 3550  
UDIN: F005869C000314100

### ANNEXURE-A

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on the audit.
- (2) We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, we 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. Our 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 15, 2021

For A K Jain & Associates  
Company Secretaries

Balu Sridhar  
Partner  
M.No. F5869 / C.P.No. 3550  
UDIN: F005869C000314100

**Annexures to the Board's Report (Contd.)****ANNEXURE-B**

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

Our 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.  | (d) Drug and Cosmetics Act, 1940 and Rules.                                |
| (b) Employees State Insurance Act, 1948   | (e) Food Safety and Standards Act, 2006, rules and regulations thereunder. |
| (c) The Employees' Provident Fund and Misc. Provisions Act, 1952 and other labour related laws. | (f) Legal Metrology Act 2009 along with Packaged Commodities Rules, 2011.  |
|   | (g) The Water (Prevention and Control of Pollution) Act, 1974.             |
|   | (h) The Air (Prevention and Control of Pollution) Act, 1981.               |

For **A K Jain & Associates**  
**Company Secretaries**

**Balu Sridhar**  
**Partner**

**M.No. F5869 / C.P.No. 3550**  
**UDIN: F005869C000314100**

Place : Chennai  
Date : May 15, 2021



## Annexures to the Board's Report (Contd.)

ANNEXURE-4

**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 31<sup>st</sup> March, 2021**

<b>(A) Conservation of Energy:</b>	
(i) Steps taken or impact on conservation of energy:	<ul style="list-style-type: none"> <li>Majority of the Company's operations are not power-intensive except the Foods / Condoms Manufacturing operations.</li> </ul>
(ii) Steps taken by the Company for utilizing alternate sources of energy:	<ul style="list-style-type: none"> <li>Further, your Company out-sources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation.</li> </ul>
(iii) Capital Investment on energy conservation equipment:	<ul style="list-style-type: none"> <li>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.</li> <li>Further, the Foods Division's factory at Hosakote and Jaipur also use alternate fuel, (i.e.) waste wood, in addition to briquette as fuel for boilers, resulting in savings.</li> <li>At the Condom Manufacturing Facility at Puducherry, reduction in water consumption was achieved through recycling and adopting more efficient ways of washing during the production process.</li> <li>Solar energy is also being utilized for some of the drying operations in production during the day shift.</li> </ul>
<b>(B) Technology Absorption:</b>	
(i) Efforts made towards technology absorption:	<ul style="list-style-type: none"> <li>Received the "Institutional Ethics Committee" clearance from Sree Chitra Tirunal Institute of Medical Sciences and Technology (SCTIMST) for the Single Centric Clinical Trial of the Improved Heart Valve.</li> <li>Necessary approvals have been obtained from Central Drugs Standard Control Organization (CDSCO) for-               <ul style="list-style-type: none"> <li>(i) manufacturing Valves for use in clinical trial; and</li> <li>(ii) conducting the Clinical Trial.</li> </ul> </li> <li>The first human trial is expected during the first half of 2021-22.</li> </ul>
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	<ul style="list-style-type: none"> <li>Adoption of Hydroxyapatite (HA) coating and Titanium Plasma Sprayed (TPS) coating technology for the Cementless Hip Implants.</li> <li>The state-of-the-art R&amp;D Centre of the Foods Division at Hosakote-               <ul style="list-style-type: none"> <li>❖ Developed five new variants and same was launched commercially</li> <li>❖ Successfully developed Pappad that can be salt roasted which does not involve any oil frying.</li> <li>❖ Worked on tweaking recipes in order to improve customer satisfaction, product appeal and cost reduction.</li> </ul> </li> <li>The Jaipur team has successfully modified the cereal rotary unit into MIS for HTE 210 line and developed 1600 mm sheet die mask, sheet conveying system with In-house design and software (Import substitution) in order to manufacture PP Pappad in HTE 210.</li> <li>The Hosakote factory team introduced additional shearing ring at the end of screw and installed premixer unit for improving the strength of the pellet in order to avoid breakage complaints.</li> <li>The Engineering Team has developed In-house strength tester which can give quantitative data on pellet strength. Also they developed a tool to do deburring / micro grinding of cutting edge of stamping roller which has increased the life of stamping roller by around 25 %.</li> <li>Similarly, a number of products have been developed and launched utilizing the in-house R&amp;D facilities under Pharma Division.</li> <li>The R&amp;D team at Protective Devices Division (PDD) develops, on an average, two new product variants every year, which are being launched in the market after complying with the regulatory requirements. In addition, PDD also undertakes validation process in respect of products for its customers.</li> </ul>



## Annexures to the Board's Report (Contd.)

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (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	Not Applicable				
(iv) Expenditure incurred on Research and Development	<b>Particulars</b>		<b>2020-21</b>	2019-20	
			<b>Rs.</b>	Rs.	
	(a)	Capital	-	-	
	(b)	Recurring	2,65,38,274	4,07,53,254	
	(c)	Total	2,65,38,274	4,07,53,254	
(d)	% of R&D Expenses to Sales	0.42%	0.63%		
<b>(C) Foreign Exchange Earnings and Outgo:</b>					
<b>Actual Inflows:</b>					
		<b>Particulars</b>		<b>2020-21</b>	2019-20
				<b>Rs.</b>	Rs.
		Foreign Exchange Earnings:			
		Exports (FOB)		31,76,12,450	17,32,97,941
		<b>Total</b>		<b>31,76,12,450</b>	<b>17,32,97,941</b>
<b>Actual Outflows:</b>					
		<b>Particulars</b>		<b>2020-21</b>	2019-20
				<b>Rs.</b>	Rs.
		Foreign Exchange Outgo:			
		• Imports			
		Raw Materials		1,93,34,182	3,40,12,276
		Finished Goods		7,49,610	57,39,525
		Capital Goods		6,66,530	6,17,32,398
		Spares		31,75,417	32,76,073
		• Royalty, Consultancy, Product Registration / Promotion Expenses, Travelling, etc.		1,68,40,534	2,74,32,533
		<b>Total</b>		<b>4,07,66,273</b>	<b>13,21,92,805</b>

Place : Chennai  
Date : May 27, 2021

For and on behalf of the Board  
**T T JAGANNATHAN**  
CHAIRMAN

## Annexures to the Board's Report (Contd.)

## ANNEXURE-5

**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 1:69

Mr S Kalyanaraman, Wholetime Director & Secretary 1:53

(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:

Name	Designation	Cost-to-Company (CTC) (Rs.)	% Increase / (Decrease) in CTC
Mr T T Raghunathan	Executive Vice Chairman	2,03,90,696	88.99
Mr S Kalyanaraman	Wholetime Director & Secretary	1,54,84,579	30.97
Mr B V K Durga Prasad	President - Finance	89,88,015	4.75

The percentage increase in the median remuneration of employees in the financial year:

Due to the CoVID-19 pandemic, no increment was given in the FY 2020-21. However, eligible employees were paid one-time ex-gratia which amounted to approx. 5.5% of the cost-to-company packages of these employees.

(iii) The number of permanent employees on the rolls of the Company:

2485 Employees.

(iv) 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:

N.A.

(v) Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes.

**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 (Rs.)	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
<b>A. Top ten employees in terms of remuneration drawn:</b>										
1.	Mr B V K Durga Prasad	President – Finance	89,88,015	Regular	B.Com., ACA., Grad. CMA with 35 years' experience	06.03.1986	60 years	–	NIL	No
2.	Mr S Ranganath Rao	President – Foods Division	80,23,514	Regular	B.Sc., MBA with 34 years' experience	04.03.1992	56 years	Sales Executive, BPL India Ltd.	NIL	No
3.	Mr Yogesh Yadav	President - CPD	77,83,450	Regular	B.A., MBA with 34 years' experience	26.07.1996	54 years	Area Sales Manager, Shogun Group of Industries	NIL	No
4.	Mr K Sunil	President – Heart Valve Division	68,60,532	Regular	B.Sc., B.E. with 33 years' experience	01.07.1992	58 years	Manager – Projects, Peninsula Polymers Ltd.	NIL	No



**Annexures to the Board's Report (Contd.)**

5.	Mr Brijj Balaji Singh	Sr. VP - Operations (PDD)	60,58,606	Regular	B.E with 32 years' experience	18.01.2013	52 years	Managing Director, Latex Medical Products (Pte) Ltd., Botswana	NIL	No	
6.	Mr K Ramaprasad	VP - Supply Chain	57,28,781	Regular	M.Com., Diploma in Software Engineering with 28 years' experience	08.03.2017	51 years	General Manager – GDSO, Zydus Wellness	NIL	No	
7.	Dr Surender Kumar Sarma	Sr. VP - Strategy & Business Development (Pharma)	57,11,284	Regular	M.B.B.S., M.D., with 31 years' experience	02.07.1997	58 years	Senior Manager – NEPC Pharmachem	NIL	No	
8.	Dr V Senthil Kumar	VP – Sales & Mktg. (AWD)	52,07,729	Regular	M.VSc., with 18 years' experience	05.02.2014	44 years	Marketing Manager, Varsha Multitech	NIL	No	
9.	Mr P A Venkateswaran	Business Head – Ortho	51,78,602	Regular	B.Sc., MBA with 28 years' experience	01.02.2018	52 years	Business Head, Stryker India Pvt. Ltd.	NIL	No	
10.	Mr V K Srinivasan	VP - Finance	49,34,547	Regular	B.Com., ACA., with 33 years' experience	21.08.1997	54 years	Senior Internal Auditor, Ashok Leyland Limited	NIL	No	
<b>B. Employee(s) in receipt of remuneration, not less than Rs.1.02 crores p.a.:</b>											
1.	Mr T T Raghunathan	Executive Vice Chairman	2,03,90,696	Contractual	B.Com with 47 years' experience	01.11.2001	68 years	Managing Director, TTK Tantex Ltd.	Particulars	No. of Shares (% to Total Share Capital)	Brother of Mr T T Jagannathan Chairman
									In his personal capacity	38,797 (0.27%)	
									His wife's Holding	56,000 (0.40%)	
2.	Mr S Kalyanaraman	Wholetime Director & Secretary	1,54,84,579*	Contractual	B.Com., ACS., ACMA with 40 years' experience	05.10.1987	58 years	Finance Manager & Company Secretary, T T Maps & Publications Ltd.	432 (0.003%)	No	

\* Does not include Variable Pay of Rs.5 lakhs paid relating to FY 2019-20 (April & May).

Place : Chennai  
Date : May 27, 2021

**For and on behalf of the Board**  
**T T JAGANNATHAN**  
**CHAIRMAN**

**Annexures to the Board's Report (Contd.)**

ANNEXURE-6

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of TTK Healthcare Limited**

1. We have examined the compliance of conditions of corporate governance by M/s. TTK Healthcare Limited ("the Company") for the year ended 31<sup>st</sup> March 2021, as prescribed in Regulations 17 to 27, Clauses of Regulation 46 and Paras C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the Management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further 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.

For **A K Jain & Associates**  
**Company Secretaries**

**Balu Sridhar**  
**Partner**

**M.No. F5869 / C.P.No. 3550**  
**UDIN: F005869C000347529**

**Place : Chennai**  
**Date : May 20, 2021**





## Business Responsibility Report



### TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086  
CIN: L24231TN1958PLC003647 Website: www.ttkhealthcare.com

#### BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company														
1.	Corporate Identity Number (CIN) of the Company	L24231TN1958PLC003647												
2.	Name of the Company	TTK Healthcare Limited												
3.	Registered address	No.6, Cathedral Road, Chennai 600 086												
4.	Website	www.ttkhealthcare.com												
5.	E-mail id	info@ttkhealthcare.com												
6.	Financial Year reported	2020-21												
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Sector(s)</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Pharmaceuticals</td> <td>2100</td> </tr> <tr> <td>Consumer Products</td> <td>2023</td> </tr> <tr> <td>Medical Devices</td> <td>3311 &amp; 3250</td> </tr> <tr> <td>Rubber Contraceptives</td> <td>2219</td> </tr> <tr> <td>Foods</td> <td>1079</td> </tr> </tbody> </table>	Sector(s)	NIC Code	Pharmaceuticals	2100	Consumer Products	2023	Medical Devices	3311 & 3250	Rubber Contraceptives	2219	Foods	1079
Sector(s)	NIC Code													
Pharmaceuticals	2100													
Consumer Products	2023													
Medical Devices	3311 & 3250													
Rubber Contraceptives	2219													
Foods	1079													
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	<table border="1"> <tbody> <tr> <td>1.</td> <td>Allopathic / Ayurvedic Medicines</td> </tr> <tr> <td>2.</td> <td>Male Contraceptives - Condoms</td> </tr> <tr> <td>3.</td> <td>Foods - Pappads</td> </tr> </tbody> </table>	1.	Allopathic / Ayurvedic Medicines	2.	Male Contraceptives - Condoms	3.	Foods - Pappads						
1.	Allopathic / Ayurvedic Medicines													
2.	Male Contraceptives - Condoms													
3.	Foods - Pappads													
9.	Total number of locations where business activity is undertaken by the Company													
	(a) Number of International Locations (Provide details of major 5)	Nil												
	(b) Number of National Locations													
	▶▶ Factories	8												
	▶▶ Corporate Office	1												
	▶▶ Branches	29												
10.	Markets served by the Company – Local / State / National / International	Serves National and International markets												

Section B: Financial Details of the Company		
1.	Paid up Capital (INR)	Rs.1,413.03 lakhs
2.	Total Turnover (INR)	Rs.63,652.79 lakhs
3.	Total profit after taxes and OCI (INR)	Rs.4,989.26 lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.29%
5.	List of activities in which expenditure in 4 above has been incurred	(a) Education; (b) Healthcare; and (c) Protection of National Heritage. [For details, please refer Page No.27 of Annual Report – 2020-21].



## Business Responsibility Report (Contd.)

<b>Section C: Other Details</b>			
Does the Company have any Subsidiary Company / Companies		No	
Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).		NA	
Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]		Yes. Less than 30%.	
<b>Section D: BR Information</b>			
1.	Details of Director / Directors responsible for BR		
(a)	Details of the Director / Directors responsible for implementation of the BR policy / policies:		
I	(i)	DIN	00043455
	(ii)	Name	T T Raghunathan
	(iii)	Designation	Executive Vice Chairman (CEO)
II	(i)	DIN Number	00119541
	(ii)	Name	S Kalyanaraman
	(iii)	Designation	Wholetime Director & Secretary
(b)	Details of the BR head		
	<b>No.</b>	<b>Particulars</b>	<b>Details</b>
	1.	DIN (if applicable)	00119541
	2.	Name	S Kalyanaraman
	3.	Designation	Wholetime Director & Secretary
	4.	Telephone Number	044 – 28116106
	5.	e-mail id	skr@ttkhealthcare.com
2.	Principle-wise (as per NVGs) BR Policy / Policies		
	The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:		
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.		
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.		
P3	Businesses should promote the wellbeing of all employees.		
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
P5	Businesses should respect and promote human rights.		
P6	Business should respect, protect and make efforts to restore the environment.		
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
P8	Businesses should support inclusive growth and equitable development.		
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.		



**Business Responsibility Report(Contd.)**

(a) Details of Compliance (Reply in Y / N)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	<i>All the policies of the Company conform to national / international standards, wherever applicable.</i>								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<i>www.ttkhealthcare.com</i>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	<i>The whistle blower mechanism provides a platform to report any concerns / grievances pertaining to any potential or actual violation of the Company's Code of Conduct.</i>								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	<i>The internal audit team reviews various aspects of the policies, from time to time. The Quality, Safety, Health and Environmental policies are subject to internal and external audits as part of the certification process and continuous assessments.</i>								
(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									
3.	Governance related to BR									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year <i>Annual Review</i>									
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? <i>No</i>									

**Section E: Principle-wise performance**

**Principle 1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? <i>Largely applies to the Company</i>
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. <i>During the year, the Company did not receive any complaint under the whistle blower mechanism.</i>

## Business Responsibility Report (Contd.)

Principle 2		Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities		
	(a)	<i>Male Contraceptives - Condoms</i>	
	(b)	<i>Medical Devices - Heart Valves / Orthopaedic Implants</i>	
	(c)	<i>Foods - Pappads</i>	
2.	For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):		
	(a)	Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	
		<p>▶ <i>Most of the products of the Company are neither energy intensive nor water intensive and most of the raw materials are sourced locally.</i></p> <p>▶ <i>As regards Condoms, major portion of the water used for manufacturing are reprocessed for gardening and cleaning purposes, as part of conservation efforts.</i></p> <p><i>Solar system is installed at Site to ensure clean energy.</i></p> <p><i>Rejected Condoms are shredded / melted and used to produce either rubber mats or foam mattresses.</i></p> <p><i>Condoms factory is accredited with ISO 14001:2015 – Environmental Management Systems and ISO 45001:2018 - Occupational Health and Safety Management Systems.</i></p> <p>▶ <i>As regards Medical Devices, both the Heart Valves and Orthopaedic Implants, being critical devices, have been designed keeping the highest safety standards as per the applicable international requirements.</i></p> <p><i>Further, these products have an excellent clinical outcome over nearly three decades for its safety / efficacy.</i></p>	
		<p>▶ <i>As regards Foods, where the energy consumption is relatively high, efforts have been made to source non-conventional energies like wind power. Similarly, in addition to briquette as fuel for boilers, alternate fuel (i.e.) waste woods are used.</i></p> <p><i>Further, the materials generated in the manufacturing process are recycled and also reprocessed so as to minimize wastages and issues relating to disposal.</i></p> <p>▶ <i>Since the Company is engaged in the manufacturing and marketing of healthcare / lifesaving products, highest level of safety protocols are in place.</i></p> <p>▶ <i>Further, these products / factories are also accredited with several national and international certifications matching international quality standards.</i></p>	
	(b)	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
		<i>Not applicable.</i>	
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?		
	(a)	If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	
		<i>Majority of the Company's inputs are sourced from established vendors, on a sustainable basis, both within and outside India. A back-up list of vendors are also available in case of inability of any of the existing suppliers.</i>	
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?		
	(a)	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	
		<i>The Company encourages procurement of raw and packing materials and also finished goods from small and medium enterprises. The Company constantly provides technical and other services to these units for improving their efficiencies / quality standards.</i>	
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.		
		<i>Most of the products of the Company do not generate any recycled products and wastes and the overall wastages would be less than 5%. Wherever possible, recycling is also resorted so as to reduce wastages (e.g.) Foods.</i>	
Principle 3		Businesses should promote the wellbeing of all employees	
1.	Please indicate the Total number of employees		2485
2.	Please indicate the Total number of employees hired on temporary / Contractual / Casual basis		1793
3.	Please indicate the Number of permanent women employees		86
4.	Please indicate the Number of permanent employees with disabilities		2
5.	Do you have an employee association that is recognized by management?		Yes
6.	What percentage of your permanent employees is Members of this recognized employee association?		21.90%



**Business Responsibility Report (Contd.)**

7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
	<b>S. No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>
	1.	Child labour / forced labour / involuntary labour	N.A.
	2.	Sexual harassment	N.A.
	3.	Discriminatory employment	N.A.
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
	(a)	Permanent Employees	49%
	(b)	Permanent Women Employees	35%
	(c)	Casual / Temporary / Contractual Employees	7%
	(d)	Employees with Disabilities	100%
<b>Principle 4</b>	<b>Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</b>		
1.	Has the Company mapped its internal and external stakeholders? Yes / No Yes		
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? <i>The Company is an Equal Opportunity employer, none of the categories is marginalized. As regards other stakeholders, the Company has a policy of non-discrimination.</i>		
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. <i>Not applicable</i>		
<b>Principle 5</b>	<b>Businesses should respect and promote human rights</b>		
1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? <i>The policy covers only the Company</i>		
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? <i>The Company did not receive any complaints from the stakeholders during the financial year 2020-21 under this principle. Further, complaints, if any, received are attended to within 48 hours.</i>		
<b>Principle 6</b>	<b>Business should respect, protect and make efforts to restore the environment</b>		
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others. <i>Largely covers the Company only</i>		
2.	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for web page etc. <i>No</i>		
3.	Does the Company identify and assess potential environmental risks? Yes / No Yes		
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? <i>No</i>		
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y / N. If yes, please give hyperlink for web page etc. <i>The Company constantly is endeavouring to engage in energy savings / renewal energy projects.</i>		
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? Yes		
7.	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. <i>Nil</i>		

**Business Responsibility Report (Contd.)**

<b>Principle 7</b>		<b>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>
1.	Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	
	(i)	<i>Confederation of Indian Industry (CII)</i>
	(ii)	<i>The Southern India Chamber of Commerce &amp; Industry (SICCI)</i>
	(iii)	<i>Indo German Chamber of Commerce (IGCC)</i>
	(iv)	<i>Indian Drug Manufacturers' Association (IDMA)</i>
2.	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	
		<i>The Company express its views on economic and other policy matters; but not lobbied for any matter.</i>
<b>Principle 8</b>		<b>Businesses should support inclusive growth and equitable development</b>
1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	
		<i>The Company has a well-defined CSR Policy and spends on various projects / activities as listed in the CSR Report forming part of the Board's Report for the year ended 31<sup>st</sup> March, 2021.</i>
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?	
		<i>The projects funded by the Company are undertaken by reputed NGOs, Educational Institutions and Public Charitable Trusts having track record.</i>
3.	Have you done any impact assessment of your initiative?	
		<i>Yes</i>
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	
		<i>All the CSR projects undertaken by the Company are for the benefit of the community at large. For details of the CSR projects / activities, please refer Page No.27 of the Annual Report – 2020-21.</i>
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	
		<i>Not Applicable</i>
<b>Principle 9</b>		<b>Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>
1.	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	
		<i>Insignificant</i>
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	
		<i>Yes</i>
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	
		<i>Nil</i>
4.	Did your Company carry out any consumer survey / consumer satisfaction trends?	
		<i>The Company conducts formal and informal surveys so as to assess consumers' feedback on the products of the Company.</i>

Place : Chennai  
Date : May 27, 2021

For and on behalf of the Board  
T T JAGANNATHAN  
CHAIRMAN



## 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
	Executive	Mr S Kalyanaraman <i>Wholetime Director &amp; Secretary</i>	00119541
Independent	Non-Executive	Dr (Mrs) Vandana R Walvekar	00059160
		Mr Girish Rao	00073937
		Mr S Balasubramanian	02849971
		Mr N Ramesh Rajan	01628318
		Mr V Ranganathan	00550121

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
	22.07.2020	13.08.2020	11.11.2020	04.02.2021	
Mr T T Jagannathan	✓	✓	✓	✓	✓
Mr T T Raghunathan	✓	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓	✓
Mr K Shankaran	✓	✓	✓	✓	✓
Dr (Mrs) Vandana R Walvekar	✓	✓	✓	✓	✓

Mr Girish Rao	✓	✓	✓	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓	✓
Mr N Ramesh Rajan	✓	✓	✓	✓	✓
Mr S Kalyanaraman	✓	✓	✓	✓	✓
Mr V Ranganathan	✓	✓	✓	✓	✓

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

Name of the Director	Name of the Listed Entity	Category of Directorship	No. of Other Directorships & Committee Memberships/ Chairmanships		
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr T T Jagannathan	TTK Prestige Limited	P & NED	3	-	-
Mr T T Raghunathan	TTK Prestige Limited	P & NED	2	-	-
Mr R K Tulshan	-	-	2	-	-
Mr K Shankaran	TTK Prestige Limited	ED	1	1	-
Dr (Mrs) Vandana R Walvekar	TTK Prestige Limited	NEID	1	-	-
Mr Girish Rao	-	-	-	-	-
Mr S Balasubramanian	Sanghi Industries Limited	NEID	6	4	1
	Emami Paper Mills Limited	NEID			
	Ucal Fuel Systems Limited	NEID			
	GVK Power & Infrastructure Limited	NEID			
Mr N Ramesh Rajan	Indo-National Limited	NEID	3	1	3
	Cholamandalam Investment and Finance Co. Limited	NEID			
Mr V Ranganathan	The India Cements Limited	NEID	2	2	-
Mr S Kalyanaraman	-	-	1	-	-

P - Promoter; NED - Non-Executive Director; ED - Executive Director; NEID - Non-Executive Independent Director

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 2020-21 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:

## Report on Corporate Governance (Contd.)

22 <sup>nd</sup> July, 2020	11 <sup>th</sup> November, 2020
13 <sup>th</sup> August, 2020	4 <sup>th</sup> February, 2021

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 of Rs.10/- each held
Mr T T Jagannathan	7,59,298*
Mr R K Tulshan	31,487
Mr K Shankaran	247
Dr (Mrs) Vandana R Walvekar	-
Mr Girish Rao	-
Mr S Balasubramanian	-
Mr N Ramesh Rajan	-
Mr V Ranganathan	-

\*Shares held in his personal capacity

### 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 3<sup>rd</sup> February, 2021. 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 Directors 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.

### Familiarization Programmes imparted to Independent Directors:

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

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 familiarization programme are provided in Company's website at the following link <https://ttkhealthcare.com/investorlist/familiarisation-programme-for-indepen/>.

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](http://www.ttkhealthcare.com).

### Key Board qualifications, expertise and attributes:

The role of Board of Directors is one of providing guidance and direction to the operating management of the Company and laying down the framework for maintenance of high standards of governance and accountability. Since a Member of the Board, not being a Member with wholetime responsibility, is not required to involve in the day-to-day operations and / or running of the business, no strict specific domain qualification or domain expertise can be prescribed. What is required is the ability to grasp the general aspects of business of the Company, principles of governance and ability to articulate on matters brought to the Board etc.

Apart from a formal educational qualification, exposure to one or more fields of relevance to the Company namely innovation, manufacturing operations, sales & marketing, consumer behaviour, finance, legal, people management, governance, risk management, general management, social responsibility, inorganic expansion, information technology etc., is required to qualify to become a Member of the Board.

The skill matrix is divided into five broad baskets –

- Innovation and Manufacturing;
- Business Strategy, Business Process, Sales & Marketing and Consumer Behaviour;
- Governance, Risk Management and Social Responsibility;
- Finance, Legal, Mergers & Acquisitions; and
- People Development.

The composition of the Board will be such that there will be adequate representation of these skills on the Board. While each Member of the current Board has the basic understanding and exposure to above mentioned skill matrix, the special expertise and strength that they bring to the table are as follows:

Mr T T Jagannathan	Innovation, Manufacturing, Business Strategy, Managing Joint Ventures and Business Partnerships and General Management.
Mr T T Raghunathan	Business Strategy, Sales, Distribution, Marketing & Consumer Behaviour, JV relations and General Management.
Mr R K Tulshan	Business, Consumer Behaviour, Social Responsibility, General Management and People Development.





## Report on Corporate Governance (Contd.)

Mr K Shankaran	Finance, Legal, Governance, Risk Management, Corporate Strategy, Mergers & Acquisitions, JV relations, Social Responsibility and People Development.
Dr (Mrs) Vandana Walveker	Consumer Behaviour, Medical Expertise and Social Responsibility
Mr Girish Rao	Product Management, Sales Management, General Management, Health Insurance Management and Corporate Strategy.
Mr S Balasubramanian	Finance, Legal, Governance, Risk Management, Corporate Strategy and Mergers & Acquisitions.
Mr N Ramesh Rajan	Finance, Audit, Taxation, Corporate Laws / Legal and Corporate Governance.
Mr V Ranganathan	Finance, Legal, Secretarial, Corporate Governance and Tax Management.
Mr S Kalyanaraman	Finance, Legal, Governance, Risk Management, Corporate Strategy, Business Development, General Management and People Development.

### 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-

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- Review with the Management the quarterly Financial Statements and the annual Financial Statements and the Auditor's Report thereon, before submission to the Board for approval, with particular reference to:
  - ♦ matters required to be included in the director's responsibility statement to be included in the board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - ♦ disclosure of any related party transactions.
  - ♦ modified opinion(s) in the draft audit report.
- 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.
- To review the functioning of the whistle blower mechanism.

### 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 K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Mr S Balasubramanian	Member	Non-Promoter / Non-Executive / Independent
Mr V Ranganathan	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	-

### Meetings and Attendance during the year 2020-21:

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			
	22.07.2020	13.08.2020	10.11.2020	03.02.2021
Mr Girish Rao	✓	✓	✓	✓
Mr K Shankaran	✓	✓	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓
Mr V Ranganathan	✓	✓	✓	✓

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.
- Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

### 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) Regulations, 2015, as detailed below:

## Report on Corporate Governance (Contd.)

Name of Director	Position	Category
Dr (Mrs) Vandana R Walvekar	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
Mr N Ramesh Rajan	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

### Meeting and Attendance:

During the year under review, the Committee met twice. The details of the meetings and the attendance of the Members are provided below:

Name of Director	Date of Meetings and Attendance	
	22.07.2020	03.02.2021
Dr (Mrs) Vandana R Walvekar	✓	✓
Mr R K Tulshan	✓	✓
Mr K Shankaran	✓	✓
Mr N Ramesh Rajan	✓	✓

### Performance Evaluation criteria for Independent Directors:

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

The criteria for evaluation was formulated in the Remuneration Policy of the Company and for the year 2020-21, the Independent Directors were evaluated, on the basis of a few parameters comprising of attendance at meetings either in person or through video / teleconferencing, 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.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the Management.

### 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](http://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](http://www.ttkhealthcare.com).

Disclosure with respect to Managerial Remuneration paid for the year 2020-21:

Particulars of Remuneration	Mr T T Raghunathan Executive Vice Chairman (CEO)	Mr S Kalyanaraman Wholetime Director & Secretary (CS)
Salary (Rs.)	36,00,000	48,00,000
Benefits:		
HRA & Other Allowances (Rs.)	22,07,733	32,80,000
Contribution to PF & Other Funds (Rs.)	12,05,196	16,06,930
Commission (Rs.)	54,99,327	40,78,139
Fixed Component	–	–
Performance Linked Incentives along with Performance Criteria (Rs.)	74,10,372	–
Performance Criteria	Productivity Linked	Performance based Variable Pay/ Commission
Others (Rs.)	4,68,068	17,19,510
Service Contract	5 years (w.e.f. 01.11.2016)	5 years (w.e.f. 01.06.2019)
Notice Period	6 months	3 months
Severance Fees	Yes. As per Section 202 of the Companies Act, 2013	–
Pension	–	–
Stock Option	–	–
<b>Total (Rs.)</b>	<b>2,03,90,696</b>	<b>1,54,84,579</b>

Your Company currently does not have Stock Options Scheme.

The managerial remuneration paid to the Wholetime Directors 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 2020-21:

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



**Report on Corporate Governance (Contd.)**

Name of Director	Date of the Meetings and Attendance			
	22.07.2020	13.08.2020	10.11.2020	03.02.2021
Mr K Shankaran	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓
Mr Girish Rao	✓	✓	✓	✓

**Name and Designation of Compliance Officer:**

Name of the Compliance Officer	Designation
Mr S Kalyanaraman	Wholetime Director & Secretary

**Details of Shareholders' Complaints received during the year 2020-21:**

Nature of Complaints	Complaints received during the year 2020-21	Not solved to the satisfaction of the Shareholders	Pending Complaints
Non-receipt of Dividends	8	–	–
Non-receipt of Shares sent for transfer / transmission	–	–	–
Others (Non-receipt of Annual Report)	–	–	–
<b>Total</b>	<b>8</b>	<b>–</b>	<b>–</b>

**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
2018	9 <sup>th</sup> August, 2018	10.30 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	3
2019	9 <sup>th</sup> August, 2019	10.15 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	3
2020	11 <sup>th</sup> September, 2020	10.15 a.m.	Through Video Conferencing and Other Audio Visual Means (VC/ OAVM)	2

No Special Resolutions were passed through Postal Ballot during the year 2020-21.

**Proposal for Passing of Special Resolutions through Postal Ballot during the year 2021-22 and procedure for Postal Ballot:**

There is no such proposal as of now. In case, any Special Resolution needs to be passed through Postal Ballot during the year 2021-22, 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 format, 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 at the following link <https://ttkhealthcare.com/investorlist/financial-results/> 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 : 20<sup>th</sup> August, 2021  
 Day : Friday  
 Time : 10.15 a.m.  
 Mode : Through Video Conferencing and Other Audio Visual Means (VC / OAVM)

**(b) Particulars of Financial Calendar:**

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

**(c) Dividend Payment Date:**

The Dividend for the financial year 2020-21, if declared by the Shareholders, would be paid on or before 7<sup>th</sup> September, 2021.

**(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 <sup>th</sup> 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 2021-22.

**(e) Stock Code:**

BSE	507747
NSE	TTKHLTCARE
ISIN	INE910C01018

## Report on Corporate Governance (Contd.)

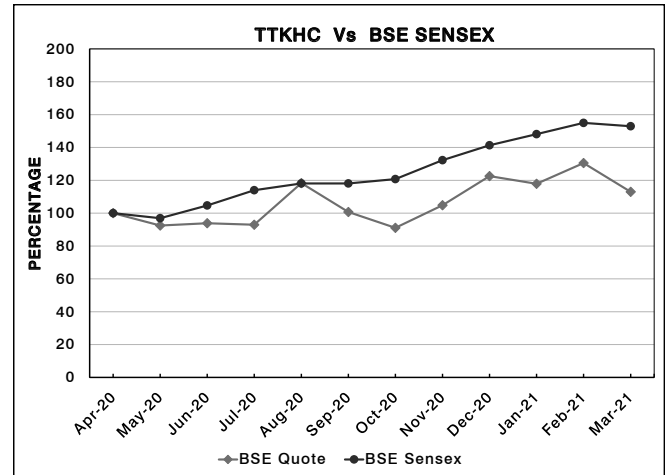
## (f) Market Price Data:

Month	BSE (2020-21)			BSE (2019-20)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	513.25	313.20	9,548	709.95	651.00	5,633
May	474.65	388.00	2,602	727.55	606.30	14,213
June	481.70	407.00	8,908	699.00	587.85	2,819
July	477.00	401.00	13,763	620.00	489.00	3,161
August	607.00	417.80	44,731	555.80	425.00	2,873
September	516.95	442.00	17,816	557.00	423.00	4,263
October	467.40	416.20	4,734	504.95	420.00	2,539
November	538.00	415.95	19,422	580.00	423.35	6,439
December	629.00	467.05	28,745	514.80	465.60	1,185
January	604.95	524.55	11,083	615.90	487.60	11,290
February	669.80	551.00	17,096	549.00	457.00	8,458
March	580.00	456.80	18,842	470.65	262.05	4,269

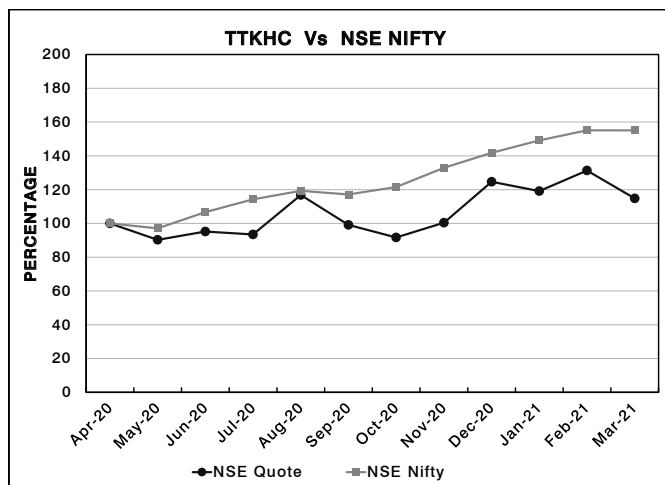
Month	NSE (2020-21)			NSE (2019-20)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	509.45	313.05	79,555	705.00	650.10	13,411
May	459.90	385.65	32,415	730.85	605.70	1,43,825
June	485.00	405.40	80,428	689.00	594.05	27,733
July	476.30	403.00	73,498	611.90	477.45	61,293
August	595.00	420.00	2,49,059	559.30	420.00	36,630
September	505.00	430.00	67,421	560.00	448.00	63,092
October	466.95	416.20	27,795	514.80	430.10	28,387
November	511.70	421.60	1,05,154	573.85	470.00	84,794
December	635.00	471.60	1,79,178	518.45	465.60	22,645
January	606.90	525.00	64,526	618.85	476.50	1,15,506
February	668.90	544.95	1,30,694	541.90	453.00	65,918
March	585.00	457.90	43,236	485.00	260.00	46,506

## (g) Performance comparison to BSE Sensex and Nifty:

STOCK PERFORMANCE Vs BSE SENSEX				
Month	BSE Quote	% to Base	BSE Sensex	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2020	513.25	100	33,887.25	100
May 2020	474.65	92	32,845.48	97
Jun 2020	481.70	94	35,482.16	105
Jul 2020	477.00	93	38,617.03	114
Aug 2020	607.00	118	40,010.17	118
Sep 2020	516.95	101	40,010.70	118
Oct 2020	467.40	91	40,905.49	121
Nov 2020	538.00	105	44,825.37	132
Dec 2020	629.00	123	47,896.97	141
Jan 2021	604.95	118	50,184.01	148
Feb 2021	669.80	131	52,516.76	155
Mar 2021	580.00	113	51,821.84	153



STOCK PERFORMANCE Vs NSE NIFTY				
Month	NSE Quote	% to Base	NSE Nifty	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2020	509.45	100	9,889.05	100
May 2020	459.90	90	9,598.85	97
Jun 2020	485.00	95	10,553.15	107
Jul 2020	476.30	93	11,299.95	114
Aug 2020	595.00	117	11,794.25	119
Sep 2020	505.00	99	11,587.20	117
Oct 2020	466.95	92	12,022.05	122
Nov 2020	511.70	100	13,145.85	133
Dec 2020	635.00	125	14,024.85	142
Jan 2021	606.90	119	14,753.55	149
Feb 2021	668.90	131	15,340.15	155
Mar 2021	585.00	115	15,336.30	155





Report on Corporate Governance (Contd.)

(h) Suspension of Securities from trading - 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 line with the amended SEBI (LODR) Regulations, 2015, the Share Transfers are entertained only in dematerialized form, with effect from 1<sup>st</sup> April, 2019.

As at 31<sup>st</sup> March, 2021, no Equity Shares were pending for transfer.

(k) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

Shareholding of Nominal Value of (Rs.)	Number of Shareholders		% to Number of Shareholders		Share Amount (Rs.)		% to Total	
	Physical	Electronic	Physical	Electronic	Physical	Electronic	Physical	Electronic
1	2	3	4	5	6	7	8	9
Upto 5000	2,667	9,817	20.74	76.33	16,82,340	61,12,100	1.19	4.33
5001 - 10000	5	203	0.04	1.58	35,500	14,65,200	0.03	1.04
10001 - 20000	4	78	0.03	0.61	57,500	11,07,870	0.04	0.78
20001 - 30000	-	15	0.00	0.12	-	3,59,960	-	0.25
30001 - 40000	1	15	0.01	0.12	33,600	5,28,510	0.02	0.37
40001 - 50000	1	10	0.01	0.08	43,000	4,43,110	0.03	0.31
50001 - 100000	-	13	0.00	0.10	-	9,78,070	-	0.69
100001 & Above	-	32	0.00	0.25	-	12,84,56,570	-	90.91
<b>Total</b>	<b>2,678</b>	<b>10,183</b>	<b>20.82</b>	<b>79.18</b>	<b>18,51,940</b>	<b>13,94,51,390</b>	<b>1.31</b>	<b>98.69</b>
<b>Grand Total</b>	<b>12,861</b>	<b>10,183</b>	<b>100.00</b>	<b>79.18</b>	<b>1,41,30,333</b>	<b>1,41,30,333</b>	<b>100.00</b>	<b>98.69</b>

Categories of Equity Shareholders as on 31<sup>st</sup> March, 2021:

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
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>				
<b>(1)</b>	<b>Indian</b>				
(a)	Individuals / Hindu Undivided Family	8	9,84,375	6.97	9,84,375
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-
(d)	Any other (specify)				
(i)	Partnership Firm	1	95,32,610	67.46	95,32,610
(ii)	Bodies Corporate	3	18,855	0.13	18,855
	<b>Sub-Total (A)(1)</b>	<b>12</b>	<b>1,05,35,840</b>	<b>74.56</b>	<b>1,05,35,840</b>

<b>(2)</b>	<b>Foreign</b>				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any other (specify)	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>12</b>	<b>1,05,35,840</b>	<b>74.56</b>	<b>1,05,35,840</b>
<b>(B)</b>	<b>Public</b>				
(1)	<b>Institutions</b>				
(a)	Mutual Funds	4	3,23,013	2.29	3,18,477
(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	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other (specify)				
	Foreign Institutional Investors	2	2,80,694	1.99	2,80,694
	<b>Sub Total (B)(1)</b>	<b>12</b>	<b>6,04,423</b>	<b>4.28</b>	<b>5,99,371</b>
<b>(2)</b>	<b>Central Government / State Government(s) / President of India</b>	-	-	-	-
	<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3)</b>	<b>Non-Institutions</b>				
(a)	<b>Individuals -</b>				
(i)	Individual Shareholders holding nominal share capital upto Rs.2 lakhs.	12,401	12,07,367	8.54	10,32,825
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs	10	6,22,692	4.41	6,22,692
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Any other (specify)	-	-	-	-

## Report on Corporate Governance (Contd.)

(i)	Bodies Corporate	164	9,42,851	6.67	9,41,007
(ii)	Non-Resident Indians	261	94,941	0.67	91,185
(iii)	IEPF	1	1,22,219	0.86	1,22,219
	<b>Sub-Total (B)(3)</b>	<b>12,837</b>	<b>29,90,070</b>	<b>21.16</b>	<b>28,09,928</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>12,849</b>	<b>35,94,493</b>	<b>25.44</b>	<b>34,09,299</b>
	<b>Total (A+B)</b>	<b>12,861</b>	<b>1,41,30,333</b>	<b>100.00</b>	<b>1,39,45,139</b>

## 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, Packwell Packaging Products Limited and Partners & Relatives of the Partners of M/s T T Krishnamachari & Co.

Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2021:

Particulars	No. of Shareholders	No. of Shares	% of Shares
In Physical Mode	2,678	1,85,194	1.31
In Electronic Mode	10,183	1,39,45,139	98.69
<b>Total</b>	<b>12,861</b>	<b>1,41,30,333</b>	<b>100.00</b>

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	44	26,686	0.19

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2020-21	2019-20	2020-21	2019-20
No. of Shares Dematerialized	3,012	9,372	23,674	20,424
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: Please refer Page No.88.

## (n) Plant Locations:

(i)	Pharma Division	No.5, Old Trunk Road, Pallavaram, Chennai 600 043, Tamil Nadu
(ii)	Heart Valve Division	Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Trivandrum 695 586, Kerala
(iii)	Ortho Division	<ul style="list-style-type: none"> <li>No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu</li> <li>No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu</li> </ul>

(iv)	Foods Division	<ul style="list-style-type: none"> <li>No.2-B, Hosakote Industrial Area, 8<sup>th</sup> Kilometre, Hosakote, Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka</li> <li>Plot No.DTA-005-005, Mahindra World City, Tehsil Sanganer, Jaipur 302 037, Rajasthan</li> </ul>
(v)	Protective Devices Division	<ul style="list-style-type: none"> <li>No.3, Thiruneermalai Road, Chromepet, Chennai 600 044, Tamil Nadu</li> <li>No.20 &amp; 21, Perali Road, Virudhunagar 626 001, Tamil Nadu</li> <li>No.12, TTN Complex, K P Natham Road, Thiruvandarkoil, Pudhucherry 605 107</li> </ul>

## (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 &amp; 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 at the following link <https://ttkhealthcare.com/investorlist/policies/>.

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure-2** to the Board's Report. (Please refer Page No.29 of this Annual Report).

The particulars of transactions between the Company and its related parties as per Indian Accounting Standard 24 (Ind AS 24) are set out in Page No.97 of this Annual Report.



## Report on Corporate Governance (Contd.)

### 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 and the 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 and no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at the following link <https://ttkhealthcare.com/investorlist/policies/>. Further, the Company has a designated e-mail ID (i.e.) [whistleblow@ttkhealthcare.com](mailto:whistleblow@ttkhealthcare.com) for forwarding the complaints to the Corporate Governance Officer (Vigil) by the employees. The Company has not received any complaints during the year under review.

### Certification from Company Secretary in Practice:

Mr Balu Sridhar, Partner, M/s A K Jain & Associates, Practising Company Secretaries has issued a certificate as required under Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by the Ministry of Corporate Affairs / SEBI or such other Statutory Authorities, if any. The certificate is annexed to this Report. (Page No.55)

### Fees paid to the Statutory Auditors:

The Statutory Auditors M/s. PKF Sridhar & Santhanam LLP were paid statutory audit fees amounting to Rs.37.64 lakhs and fees for other services amounting to Rs.11.62 lakhs for the year 2020-21.

### Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	NA
c.	Number of complaints pending as at end of the financial year	Nil

### Non-Compliance 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.

### 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.

### 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](http://www.ttkhealthcare.com) and also on the website of BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com)).

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

The Audit Report for the year 2020-21 is an unmodified one and does not contain any qualifications.

#### (d) Reporting of Internal Auditor:

The Internal Auditors report to the Audit Committee.

### DISCLOSURE OF COMPLIANCE:

#### Regulation 17 – Board of Directors:

- The composition and meetings of Board of Directors are complied with.
- 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.
- 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](http://www.ttkhealthcare.com). A report on the compliance aspect of the Code of Conduct by the Executive Vice Chairman (CEO) has been given at Page No.55 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 adopted a Code of Conduct for prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as amended



## Report on Corporate Governance (Contd.)

from time to time, in line with the amendment of the said Regulation, to regulate, monitor and report trading by Insiders. Further, your Company also formulated a Policy and Procedure for inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information and Policy on determination of Legitimate Purpose for sharing Unpublished Price Sensitive Information. The said Codes and the Policies are posted on the website of the Company [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

These Codes of Conduct are applicable to all designated persons as defined in the said Regulation who are expected to have access to unpublished price sensitive information relating to the Company and administered by the Compliance Officer.

The compliance to the Code and the Regulations are periodically ensured by the Board of Directors and the Audit Committee.

(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.

In order to further sharpen / strengthen the Risk Identification and Management Framework which was originally developed and implemented in 2015 and also to identify new risks and the mitigation plans, the services of M/s Deloitte Haskins & Sells LLP were retained for this purpose. Based on their Report, the updated Risk Register has been developed.

The Members / Risk Owners at the meetings of the RMG discussed in detail the updated Risk Register and arrived at the preliminary mitigation plans in January 2021 and recently fine-tuned and updated the same.

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 excluding the Director being evaluated is given in Page No.47 of this Annual Report.

**Regulation 18 – Audit Committee:**

Compliance to this Regulation is given in Page No.46 of this Annual Report.

**Regulation 19 – Nomination and Remuneration Committee:**

Compliance to this Regulation is given in Page No.46 of this Annual Report.

**Regulation 20 – Stakeholders Relationship Committee:**

Compliance to this Regulation is given in Page No.47 of this Annual Report.

**Regulation 21 – Risk Management Committee:**

Not applicable to your Company for the year 2020-21.

Further, as per the SEBI (LODR) (Second Amendment) Regulations, 2021, notified on 5<sup>th</sup> May, 2021, the top 1,000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year, is mandatorily required to constitute the Risk Management Committee.

Since your Company falls in the list of top 1,000 listed entities, based on market capitalization as on 31<sup>st</sup> March, 2021, the Board of Directors in their meeting held on 27<sup>th</sup> May, 2021 constituted the Risk Management Committee, in accordance with the provisions of SEBI (LODR) Regulations, 2015.

**Regulation 22 – Vigil Mechanism:**

Compliance to this Regulation is given in Page No.52 of this Annual Report.

**Regulation 23 – Related Party Transactions:**

Compliance to this Regulation is given in Page No.21 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.45 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.44 of this Annual Report.

All the Directors and Senior Management had affirmed compliance as on 31<sup>st</sup> March, 2021 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.52 of this Annual Report.

**Regulation 46 – Website:**

Pursuant to the above Regulation, prescribed information / details are available on the Company's website [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

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

**Related Party Disclosure:** Please refer Page No.21 & 29 of this Annual Report.





## Report on Corporate Governance (Contd.)

### Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Board's Report. (Please refer Page No.15 of this Annual Report).

### Disclosure on Accounting Treatment:

In the preparation of financial statements, generally accepted accounting principles and policies and the mandatory Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder were followed.

### 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.55 of this Annual Report.

### Compliance Certificate from the Practicing Company Secretaries regarding compliance of conditions of Corporate Governance:

Please refer Page No.37 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, 2011 include:

- M/s T T Krishnamachari & Co., and its Partners & Relatives of the Partners
- M/s TTK Prestige Limited
- M/s TTK Tantex Limited
- M/s Packwell Packaging Products Limited
- M/s ManipalCigna Health Insurance Co. Limited (upto 24.12.2020)
- M/s TTK Property Services (P) Limited
- M/s TTK Services (P) Limited
- M/s Triveni Bialelli Industries (P) Limited
- M/s TTK Partners LLP
- M/s Immidart Technologies LLP
- M/s Pharma Research & Analytical Laboratories
- M/s Peenya Packaging Products
- M/s TTK British Holdings Limited
- M/s Horwood Homewares Limited
- M/s Horwood Life Limited (upto 07.12.2020)

### 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 2020-21 and also to review and record the status report of the CSR Activities undertaken during the year 2019-20:

Name of Director	Date of the Meeting and Attendance
	04.02.2021
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 at the following link <https://ttkhealthcare.com/investorlist/policies/>.

### PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT:

The particulars of the Directors seeking appointment / reappointment are given under S.No.24 of the Notes forming part of the Notice to Shareholders. (Please refer Page No.11 of this Annual Report).

### RECONCILIATION OF SHARE CAPITAL AUDIT:

Audits were conducted on a quarterly basis by M/s A K Jain & Associates, Practising Company Secretaries, 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 electronic form with the Depositories and relevant certificates were submitted to

## Report on Corporate Governance (Contd.)

BSE Limited and National Stock Exchange of India Limited within the prescribed time limit.

As on 31<sup>st</sup> March, 2021, 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.

As on 31<sup>st</sup> March, 2021, 1,39,45,139 Equity Shares representing 98.69% of the Paid-up Equity Capital were in dematerialized form.

### CEO / CFO CERTIFICATION:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015, the Executive Vice Chairman (CEO) and 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 31<sup>st</sup> March, 2021.

### 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, 2021

**T T RAGHUNATHAN**  
Executive Vice Chairman

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015)

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

In pursuance of sub-clause (i) of Clause 10 of Para C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **M/s. TTK HEALTHCARE LIMITED** (CIN: L24231TN1958PLC003647), we hereby certify that:

On the basis of the written representation / declaration received from the Directors, as on March 31, 2021 none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by the Securities Exchange Board of India / Ministry of Corporate Affairs or any other Statutory Authority.

For **A K Jain & Associates**  
Company Secretaries

**Balu Sridhar**  
Partner

M.No. F5869 / C.P.No. 3550  
UDIN: F005869C000314311

Place : Chennai  
Date : May 15, 2021



## Independent Auditor’s Report

**To the Members of TTK Healthcare Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of TTK Healthcare Limited (“the Company”), which comprise the balance sheet as at 31<sup>st</sup> March 2021, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“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 31<sup>st</sup> March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition under Ind AS 115 “Revenue from Contracts entered with Customers” <i>Refer Note 2 A.5.(c) and Note 2 B.(g) of Financial Statements</i>	Audit Response
Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration expected to be received in exchange for those goods.	Our audit included but was not limited to the following procedures:  Our procedures included, among others, obtaining an understanding of the processes and relevant controls relating to the accounting for customer contracts.

Revenue is measured net of expected defective stock returns, volume based discounts, turnover based discounts and other pricing incentives.

The cost of these activities (which are reduced from revenue) are generally recognized at the time the related revenue is recorded, which normally precedes their actual discharge.

The estimate of returns, discounts and incentives recognized based on sales made during the year, is material and considered to involve judgements.

Therefore, there is a risk of estimation errors or errors in stating revenues arising on account of returns, discounts and incentives.

**Accounting Policies** – Assessing the appropriateness of the Company’s Revenue Recognition Policy and the significant accounting judgements, estimates and assumptions relating to Promotional Expenditure.

**Control Testing** – Testing the effectiveness of Company’s Controls over the calculation of returns, discounts and incentives.

**Test of Details** – Obtaining supporting documentation for credit notes issued in connection with achievement of sales targets by dealers for sample promotional schemes. Critically assessing manual journals posted to revenue to identify unusual or irregular items

**Analytical Procedures** - Comparing current year accruals to the prior year and evaluating the reasonableness of techniques of estimation including historical data on performance of similar promotional programs and trends of actual returns.

**Information Other than the Financial Statements and Auditors’ Report Thereon**

The Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management and Those Charged with Governance for Financial Statements**

The Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance profit and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes

## Independent Auditor's Report (Contd.)

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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) 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 including other comprehensive income, the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.



## Independent Auditor's Report (Contd.)

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 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 with reference to the financial statements 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 as at 31<sup>st</sup> March 2021 on its financial position in its financial statements – Refer Note 5.3 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 during the year ended 31<sup>st</sup> March 2021; and
- (3) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**M/s. PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Regn. No.003990S/S200018

**S Rajeshwari**  
Partner  
Membership No.024105  
UDIN No.21024105AAAABK7369

Place : Chennai  
Date : May 27, 2021

## Independent Auditor's Report (Contd.)

### Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of TTK Healthcare Limited ("the Company") on the financial statements as of and for the year ended 31<sup>st</sup> March 2021.

- (I) In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of one year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company / merged companies as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as leasehold lands / buildings under property, plant & equipment / right of use assets in the financial statements, the lease agreements are in the name of the Company.
- (II) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit, subsequent receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.
- (III) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.
- (IV) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.
- (V) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(VI) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(VII) (a) According to the information and explanations given to us and the records of the Company examined by us, *except for few delays*, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at 31<sup>st</sup> March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of statute	Nature of dues	Amount (Rs.in lakhs)	Period to which amounts relate	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty with interest and penalty, as applicable	115.95	1988-1989 to 2000-01 and 1995-1996 to 2007-2008	CESTAT, Chennai.
		0.74	1994 to 1996	The Dy. Commissioner of Central Excise, Aurangabad.
		0.42	2002-03	The Commissioner of Central Excise, (Appeals), Chennai.
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	301.90	2010-11 & 2011-12	CESTAT, Chennai.
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	20.30	1992-93 to 2005-06	Settlement Commission, Hyderabad.
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	9.45	2019-20	Assistant Commissioner (AIR), Chennai.



## Independent Auditor's Report (Contd.)

Finance Act	Service Tax	3.58	2005-06 to 2007-08	CESTAT, Bangalore.
State VAT Acts of various States.	Sales Tax	50.45	Various Years between 1986-87 to 2019-20	Before various Sales Tax Authorities of various regions.
Income Tax Act, 1961	Income-Tax	162.93	2017-18	Commissioner of Income Tax (Appeals), Chennai.

- (VIII) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- (IX) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.
- (X) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (XI) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance

with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (XII) The Company is not a Nidhi Company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.
- (XIII) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (XIV) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares allotment or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.
- (XV) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (XVI) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

Place : Chennai  
Date : May 27, 2021

**M/s. PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Regn. No.003990S/S200018

**S Rajeshwari**  
Partner  
Membership No.024105  
UDIN No.21024105AAAABK7369

## Independent Auditor's Report (Contd.)

### Annexure B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

#### Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of TTK Healthcare Limited ("the Company") as of 31<sup>st</sup> March 2021 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. 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 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to financial statements.

Place : Chennai  
Date : May 27, 2021

#### Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 maintained, in all material respects, an adequate internal financial controls system over financial reporting with certain changes done for remote work environment, and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, 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.

M/s. PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Regn. No.003990S/S200018

S Rajeshwari - Partner  
Membership No.024105  
UDIN No.21024105AAAABK7369





**Balance Sheet**

as at 31<sup>st</sup> March, 2021

		(Rs. in lakhs)		
	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	3.1A	7,457.08	7,747.20
	(b) Right of Use Asset	3.1B	1,062.29	1,093.62
	(c) Capital Work-in-progress	3.1C	44.50	877.29
	(d) Other Intangible Assets	3.1D	15.35	23.70
	(e) Financial Assets			
	(i) Investments	3.2	1,316.61	875.33
	(ii) Other Financial Assets	3.3	231.88	227.17
	(f) Non-Current Tax Assets (Net)		1,081.67	2,039.96
	(g) Deferred Tax Asset (Net)	3.4	645.14	416.15
	(h) Other Non-current Assets	3.5	85.50	49.84
	<b>Total Non-current Assets</b>		<u>11,940.02</u>	<u>13,350.26</u>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	3.6	7,030.39	7,164.48
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	3.7	5,977.69	7,676.97
	(iii) Cash and Cash Equivalents	3.8	955.48	752.89
	(iv) Bank balances other than (iii) above	3.9	21,813.65	12,452.94
	(v) Loans		-	-
	(vi) Other Financial Assets	3.10	641.59	610.39
	(c) Current Tax Assets (Net)		-	193.33
	(d) Other Current Assets	3.11	1,068.34	919.20
	<b>Total Current Assets</b>		<u>37,487.14</u>	<u>29,770.20</u>
	<b>TOTAL ASSETS</b>		<u>49,427.16</u>	<u>43,120.46</u>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	3.12	1,413.03	1,413.03
	(b) Other Equity	3.13	28,051.61	23,486.26
	<b>Equity attributable to owners of the Company</b>		<u>29,464.64</u>	<u>24,899.29</u>
	<b>Total Equity</b>		<u>29,464.64</u>	<u>24,899.29</u>
<b>2</b>	<b>Liabilities</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Lease Liabilities	3.14	115.77	125.71
	(b) Provisions	3.18	789.78	774.63
	(c) Deferred Tax Liabilities (Net)	3.4	-	-
	(d) Deferred Revenue Income		180.71	170.36
	(e) Other Non-current Liabilities		-	-
	<b>Total Non-current Liabilities</b>		<u>1,086.26</u>	<u>1,070.70</u>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	3.15	1,759.82	2,812.88
	(ii) Lease Liabilities	3.14	38.79	45.12
	(iii) Trade Payables			
	(A) Due to Micro and Small Enterprises	3.16A	1,940.79	1,580.42
	(B) Due to other than Micro and Small Enterprises	3.16B	7,819.83	7,070.57
	(iv) Other Financial Liabilities	3.17	6,216.73	5,002.07
	(b) Provisions	3.18	490.06	238.63
	(c) Current Tax Liabilities (Net)		140.55	-
	(d) Other Current Liabilities	3.19	469.69	400.78
	<b>Total Current Liabilities</b>		<u>18,876.26</u>	<u>17,150.47</u>
	<b>Total Liabilities</b>		<u>19,962.52</u>	<u>18,221.17</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<u>49,427.16</u>	<u>43,120.46</u>

Significant Accounting Policies and Notes forming part of Financial Statements 2 to 5. The notes referred to above form an integral part of the Financial Statements.

For M/s. PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Regn.No.003990S/S200018

S. Rajeshwari, Partner  
Membership No.024105  
Place : Chennai  
Date : May 27, 2021

For and on behalf of the Board

T T Jagannathan, Chairman  
DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)  
DIN: 00043455

K Shankaran, Director  
DIN: 00043205

Girish Rao, Director  
DIN: 00073937

S Kalyanaraman, Wholetime Director & Secretary  
DIN: 00119541

B V K Durga Prasad, President - Finance (CFO)  
PAN: AAFPD4104K

## Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2021

		(Rs. in lakhs)		
	Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
I	Revenue from Operations	4.1	63,652.79	64,576.78
II	Other Income	4.2	1,000.01	877.54
III	<b>Total Income (I+II)</b>		<b>64,652.80</b>	<b>65,454.32</b>
IV	<b>Expenses</b>			
	(a) Cost of materials consumed	4.3	9,891.54	10,413.09
	(b) Purchases of Stock-in-Trade		14,876.91	16,971.40
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	4.4	405.32	(1,382.37)
	(d) Employee benefits expense	4.5	16,007.53	14,394.10
	(e) Finance costs	4.6	222.38	326.85
	(f) Depreciation and amortization expense	4.7	1,371.13	1,437.67
	(g) Other expenses	4.8	18,982.59	21,351.10
	<b>Total expenses (IV)</b>		<b>61,757.40</b>	<b>63,511.84</b>
V	Profit before exceptional items and tax (III- IV)		2,895.40	1,942.48
VI	Exceptional Items	5.5B	809.79	-
VII	<b>Profit before tax (V+VI)</b>		<b>3,705.19</b>	<b>1,942.48</b>
VIII	<b>Tax expense</b>			
	(a) Current tax		1,225.00	585.00
	(b) Tax relating to earlier years (Net)	5.5B	(1,964.81)	-
	(c) Deferred tax		(199.11)	125.54
			<u>(938.92)</u>	<u>710.54</u>
IX	<b>Profit for the year (VII-VIII)</b>		<b>4,644.11</b>	<b>1,231.94</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		(126.00)	(248.98)
	(b) Equity instruments through Other Comprehensive Income		441.27	(429.30)
			<u>315.27</u>	<u>(678.28)</u>
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		31.71	54.31
	(b) Equity instruments through Other Comprehensive Income		(1.83)	0.07
			<u>29.88</u>	<u>54.38</u>
	B (i) Items that may be reclassified subsequently to profit or loss when specific conditions are met			
	(a) Debt instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that may be reclassified to profit or loss		-	-
	<b>Other Comprehensive Income</b>		<u>345.15</u>	<u>(623.90)</u>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>4,989.26</b>	<b>608.04</b>
	Earnings per Equity Share (Face Value of Rs.10/- each) :			
	(1) Basic (in Rs.)	5.8	32.87	8.72
	(2) Diluted (in Rs.)	5.8	32.87	8.72

### Significant Accounting Policies and Notes forming part of Financial Statements 2 to 5.

The notes referred to above form an integral part of the Financial Statements.

For M/s. PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Regn.No.003990S/S200018  
S. Rajeshwari, Partner  
Membership No.024105  
Place : Chennai  
Date : May 27, 2021

For and on behalf of the Board

T T Jagannathan, Chairman  
DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)  
DIN: 00043455

K Shankaran, Director  
DIN: 00043205

Girish Rao, Director  
DIN: 00073937

S Kalyanaraman, Wholetime Director & Secretary  
DIN: 00119541

B V K Durga Prasad, President - Finance (CFO)  
PAN: AAFPD4104K



## Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2021

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Cash Flow from Operating activities</b>		
Profit before tax	3,705.19	1,942.48
Adjustments for:		
Remeasurements of defined benefit plans	(126.00)	(248.98)
Depreciation and amortization expenses	1,371.13	1,437.67
Provision for Doubtful Debts	111.60	-
Interest paid	222.38	326.85
Interest received	(1,796.49)	(825.01)
(Profit) / Loss on Sale / Impairment of Assets	10.93	32.56
Dividend Income	(7.13)	(5.42)
<b>Operating Profit before Working Capital Changes:</b>	<b>3,491.61</b>	<b>2,660.15</b>
Adjustments for working capital changes		
Inventories	134.09	(1,633.57)
Trade Receivables	1,587.68	347.54
Other Receivables	(189.90)	(436.55)
Trade Payables	1,109.63	1,379.16
Other Liabilities	1,466.67	575.77
Deferred Revenue Income	10.35	170.36
<b>Cash generated from Operations</b>	<b>7,610.13</b>	<b>3,062.86</b>
Less: Direct Taxes Paid	1,091.14	1,079.03
Add : Direct Taxes Received	3,123.12	-
<b>Net Cash generated from (used in) Operating Activities</b>	<b>9,642.11</b>	<b>1,983.83</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Advances	(173.27)	(1,223.47)
Sale of Fixed Assets	6.46	69.83
Investments in Bank deposits (net)	(9,360.71)	(1,006.60)
Interest Received	1,796.49	825.01
Dividend Received	7.13	5.42
<b>Net Cash generated from (used in) Investing Activities</b>	<b>(7,723.90)</b>	<b>(1,329.81)</b>
<b>Cash Flow from Financing Activities</b>		
Borrowings (net of repayment)	(1,069.33)	162.01
Interest Paid	(222.38)	(326.85)
Dividend Paid	(423.91)	(851.74)
<b>Net Cash generated from (used in) Financing Activities</b>	<b>(1,715.62)</b>	<b>(1,016.58)</b>
Net Increase (Decrease) in Cash and Cash equivalents	202.59	(362.56)
Cash and Cash equivalents as at the beginning of the year	752.89	1,115.45
<b>Total</b>	<b>955.48</b>	<b>752.89</b>
Cash and Cash equivalents as at the end of the year (as per Balance Sheet)	955.48	752.89

- Notes:
- The above Statement of Cash Flows has been prepared under the 'Indirect Method' set out in Indian Accounting Standard 7 notified under the Companies (Accounting Standards) Rules, 2014.
  - Refer Note No.3.15 - Net Debt Reconciliation

For M/s. PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Regn.No.003990S/S200018  
**S. Rajeshwari**, Partner  
Membership No.024105  
Place : Chennai  
Date : May 27, 2021

For and on behalf of the Board

**T T Jagannathan**, Chairman  
DIN: 00191522

**T T Raghunathan**, Executive Vice Chairman (CEO)  
DIN: 00043455

**K Shankaran**, Director  
DIN: 00043205

**Girish Rao**, Director  
DIN: 00073937

**S Kalyanaraman**, Wholetime Director & Secretary  
DIN: 00119541

**B V K Durga Prasad**, President - Finance (CFO)  
PAN: AAFPD4104K

## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

### A. Equity Share Capital

(Rs. in lakhs)

<b>Balance as at March 31, 2019</b>	<b>1,413.03</b>
Changes in equity share capital during the year	–
<b>Balance as at March 31, 2020</b>	<b>1,413.03</b>
Changes in equity share capital during the year	–
<b>Balance as at March 31, 2021</b>	<b>1,413.03</b>

### B. Other Equity

(Rs. in lakhs)

Particulars	Reserves							Equity Instruments through OCI	TOTAL
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Special Contingency Reserve	Re-valuation Reserve	Retained Earnings		
<b>Balance at March 31, 2019</b>	<b>681.33</b>	<b>50.57</b>	<b>982.49</b>	<b>6,436.23</b>	<b>1,411.77</b>	<b>441.43</b>	<b>12,459.65</b>	<b>1,266.49</b>	<b>23,729.96</b>
Profit for the year	–	–	–	–	–	–	1,231.94	–	1,231.94
Payment of dividend	–	–	–	–	–	–	(851.74)	–	(851.74)
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	(248.98)	(429.30)	(678.28)
Deferred Tax Liability	–	–	–	–	–	–	54.31	0.07	54.38
Deferred Tax Asset	–	–	–	–	–	–	–	–	–
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>185.53</b>	<b>(429.23)</b>	<b>(243.70)</b>
<b>Balance as at March 31, 2020</b>	<b>681.33</b>	<b>50.57</b>	<b>982.49</b>	<b>6,436.23</b>	<b>1,411.77</b>	<b>441.43</b>	<b>12,645.18</b>	<b>837.26</b>	<b>23,486.26</b>
Profit for the year	–	–	–	–	–	–	4,644.11	–	4,644.11
Payment of dividend	–	–	–	–	–	–	(423.91)	–	(423.91)
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	(126.00)	441.27	315.27
Deferred Tax Liability	–	–	–	–	–	–	–	(1.83)	(1.83)
Deferred Tax Asset	–	–	–	–	–	–	<b>31.71</b>	–	<b>31.71</b>
Transferred from Special Contingency Reserve	–	–	–	1,411.77	(1,411.77)	–	–	–	–
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,411.77</b>	<b>(1,411.77)</b>	<b>–</b>	<b>4,125.91</b>	<b>439.44</b>	<b>4,565.35</b>
<b>Balance as at March 31, 2021</b>	<b>681.33</b>	<b>50.57</b>	<b>982.49</b>	<b>7,848.00</b>	<b>–</b>	<b>441.43</b>	<b>16,771.09</b>	<b>1,276.70</b>	<b>28,051.61</b>

- a. **Capital Reserve:** Represents the amounts accrued pursuant to the merger of TT Maps & Publications Ltd., TTK Biomed Ltd. & TTK Medical Devices Ltd. and also the subsidies received from Central / State Governments.
- b. **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- c. **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium.
- d. **General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.



## Statement of Changes in Equity (Contd.)

for the year ended 31<sup>st</sup> March, 2021

- e. **Special Contingency Reserve:** The Company created Special Contingency Reserve out of General Reserves as per the approved Scheme of Amalgamation of M/s TTK Protective Devices Limited and its Wholly Owned Subsidiary M/s TSL Techno Services Limited with the Company, pursuant to National Company Law Tribunal (NCLT) Order dated 15.12.2017, with appointed date being 01.04.2012. This Special Contingency Reserve was required to be maintained for three years and if it was not fully utilised within that period, the unutilized portion would be transferred to General Reserve at the end of the three year period. Accordingly, the unutilized portion of the Special Contingency Reserve has been transferred to the General Reserve during the year ended 31<sup>st</sup> March, 2021.
- f. **Revaluation Reserve:** The Company has transferred revaluation surplus on revaluation of its immovable properties and this is not available for distribution to Shareholders.
- g. **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Dividends or other distributions to Shareholders.

For M/s. PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Regn.No.003990S/S200018  
**S. Rajeshwari**, Partner  
Membership No.024105  
**Place : Chennai**  
**Date : May 27, 2021**

For and on behalf of the Board

**T T Jagannathan**, Chairman  
DIN: 00191522

**T T Raghunathan**, Executive Vice Chairman (CEO)  
DIN: 00043455

**K Shankaran**, Director  
DIN: 00043205

**Girish Rao**, Director  
DIN: 00073937

**S Kalyanaraman**, Wholetime Director & Secretary  
DIN: 00119541

**B V K Durga Prasad**, President - Finance (CFO)  
PAN: AAFPD4104K

## Notes forming part of Financial Statements

### TTK Healthcare Limited

#### Notes forming part of financial statements

##### 1. Corporate Information

TTK Healthcare Limited (The Company), a part of the TTK Group is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office at No 6, Cathedral Road, Chennai - 600 086, Tamil Nadu, India. The Company's shares are listed and traded in the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India. TTK Healthcare Limited has five main Strategic Business Units namely, Pharmaceuticals, Consumer Products, Medical Devices, Foods and Protective Devices divisions.

##### 2.A Significant Accounting Policies

###### A.1 Statement of Compliance

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

###### (i) Recent Accounting Pronouncements

The Company has applied the following amendments for the first time for the annual report period commencing from 1 April 2020:

- Ind AS 1 .Presentation of Financial Statements - Substitution of the definition of term 'Material'
- Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors - In order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.
- Ind AS 10 Events after the Reporting Period - Clarification on the disclosures requirements to be made in case of a material non- adjusting event.
- Ind AS 34 Interim Financial Reporting - In order to maintain consistency with the amendments made in other Ind AS, respective changes have been made to Ind AS 34.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - Clarification on the accounting treatment for restructuring plans.
- Ind AS 103-Business combination-Detailed guidance on term 'Business' and 'business combinations' along with providing an optional test to identify concentration of fair value.

- Ind AS 107 Financial Instruments: Disclosures - Clarification on certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.
  - Ind AS 109 Financial Instruments - Clarification on temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.
  - Ind AS 116 Leases - Clarification on whether rent concessions as a direct consequence of CoVID- 19 pandemic can be accounted as lease modification or not.
- None of these amendments has any material effect on the Company's financial statements.

###### (ii) New Standards notified but not effective

None

###### A.2 Basis of Preparation and Presentation

The Financial statements have been prepared on historical cost convention on accrual basis of accounting except for certain financial instruments and deferred benefit plans that are measured at fair value. GAAP comprises of Indian Accounting Standards as specified in section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

###### A.3 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non - current.

The Financial Statements are presented in Indian Rupees Lakhs, and all values are rounded off to the nearest two decimals except when otherwise stated.

###### A.4 Functional and Presentation Currency

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.



## Notes forming part of Financial Statements (Contd.)

### A.5 Summary of Significant Accounting Policies

#### (a) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### (b) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's

functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

#### (c) Revenue recognition

Revenue is measured at the fair value of the Consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise Duty and net of returns, trade allowances, rebates, volume discounts, Value Added Tax and Goods and Service Tax (GST). Accumulated experience is used to estimate and provide for the sales returns.

##### • Sale of Goods

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration expected to be received in exchange for those goods. The arrangements with the customers generally creates a single performance obligation which is satisfied at a point of time when the obligation is discharged i.e. on sale of goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties.

Expected defective stock returns, volume based discounts, turnover based discounts and other pricing incentives are accounted as reduction of revenue basis the estimate of customers' future purchases / customers' future sales to downstream customers in the value-chain. Any changes in the estimated amount of obligations for discounts / incentives are recognized prospectively in the period in which the change occurs.

"Refund Liabilities" in the case of expected defective stock returns are recognized under other financial liabilities in Balance Sheet at sale value.

## Notes forming part of Financial Statements (Contd.)

- **Dividend Income**

Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

- **Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**(d) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs that are not directly attributable to a qualifying asset are recognized in the Statement of Profit or Loss using the effective interest method. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(e) Taxation**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

- **Current Tax**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering

tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

- **Deferred Tax**

Deferred Tax is recognized on temporary differences between the carrying amounts of assets and a liability in the financial statements and the corresponding tax base used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

- **Tax Relating to earlier years**

Refund received of Rs.2964 lakhs (after adjusting for advance tax Rs.127 lakhs in books) is adjusted in tax expense as tax relating to earlier years. This has been netted off against provision of Rs.999 lakhs made in the current year towards certain appeals relating to earlier years that were pending before the High courts and included under contingent liabilities. Hence, a net amount of Rs.1964 lakhs has been





## Notes forming part of Financial Statements (Contd.)

credited to tax expense as tax relating to earlier years.

### (f) Property, Plant and Equipment

Property, Plant and Equipment is stated at cost net of accumulated depreciation and accumulated impairment loss if any

Cost comprises the purchase price and any attributable cost of bringing the asset for its intended use. It includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs for acquisition of fixed assets are capitalized till such assets are ready to be put to use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The Company capitalizes the import duty waived in respect of capital equipment imported under the Export Promotion Capital Goods Scheme

The import duty waived on capital assets which are purchased under the Export Promotion Capital Goods (EPCG) schemes and which are capitalized are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

Improvements to Leasehold premises are amortized over the remaining primary lease period.

For transition to Ind AS, the Company had elected to continue with carrying value of all of its tangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

PPE which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work in Progress".

The Company follows the useful lives set out under Schedule II of the Companies Act, 2013 for the purpose of determining the useful lives of respective blocks of property plant and equipment.

#### • De-recognition of assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuous use of the asset. Any gain or loss arising

from such disposal, retirement or de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item. Such gain or loss is recognized in the statement of profit and loss.

In case of de-recognition of a revalued asset, the corresponding portion of the revaluation surplus as is attributable to that asset is transferred to retained earnings on such de-recognition. Such transfers to retained earnings are made through Other Comprehensive Income and not routed through profit or loss.

### (g) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Class of Asset	Estimated Useful Life
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company had elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

### (h) Impairment of Property, Plant and Equipment and Intangible Assets

The carrying values of assets/cash generating units are assessed for impairment at the end of every reporting period. If the carrying amount of an asset exceeds the estimated recoverable amount, an impairment is recognized as expense in the statement of profit and loss. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the estimated future cash flows to their

## Notes forming part of Financial Statements (Contd.)

present value based on an appropriate present value factor.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### (i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis.

Cost of raw materials and traded goods comprises cost of purchase.

Cost of finished goods and WIP includes all costs of purchases, conversion costs and other costs incurred in bringing the inventories to the present location and condition including an appropriate proportion of variable and fixed overhead expenditures.

Net Realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated costs necessary to make the sale.

### (j) Employee Benefits

Employee Benefits include salaries, wages, provident fund, Employee state insurance, Superannuation gratuity, leave encashment towards un-availed leave, compensated absences, sick leave and other terminal benefits.

#### • Defined Contribution Plan

The Company's contribution to provident fund, Superannuation fund and employee state insurance are considered as defined contribution plan and are recognized as and when the employees have rendered services entitling them to contributions under relevant statute / scheme and charged to Statement of Profit and Loss during the period of incurrence .

#### • Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an actuarial valuation carried out by an independent Actuary

using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Re-measurement comprising actuarial gains and losses are reflected immediately in the balance sheet with a charge or credit recognized in the Other Comprehensive Income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### • Long Term Employee Benefits

Provision for Compensated Absences and its classification between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

#### • Short Term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related services are rendered, at the undiscounted amount of benefits expected to be paid in exchange for that service.

### (k) Financial instruments

#### Financial assets

#### • Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### • Initial Recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



## Notes forming part of Financial Statements (Contd.)

- **De-recognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

- **Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

- **Investments in Debt Instruments at FVTPL**

On initial recognition, Company classifies its investments in debt instruments as measured subsequently at fair value through Profit and Loss, based on its business model for managing the financial assets and the contractual item of the cash flows.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristic of the asset.

- **Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on

that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company follows 'simplified approach' and measures the loss allowance at an amount equal to lifetime expected credit losses. This expected credit loss allowance is computed based on historical credit loss experience.

### Financial Liabilities and Equity Instruments

- **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

- **Financial Liabilities**

All financial liabilities are recognized initially at fair value. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- (I) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of

## Notes forming part of Financial Statements (Contd.)

past event, and it is probable that the Company will be required to settle the obligation, in respect of which, a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### (m) Assets taken on lease

#### Company as Lessee

On inception of a contract, the Company assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.



## Notes forming part of Financial Statements (Contd.)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognized lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognized lease liabilities are presented within cash flows from financing activities

### Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### (n) Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### (o) Segment Reporting

Segments have been identified in line with the Indian Accounting Standard on Segment Reporting (Ind AS-108) considering the organization structure and the differential risks and returns of these segments.

Details of products included in each of the segments are as below:

- Pharmaceuticals include products for both Human and Veterinary use.
- Consumer Products comprise marketing and distribution of Woodward's Gripewater, EVA Range of Cosmetics, Good Home Range of Scrubbers, Air Freshners, etc.
- Medical Devices include Artificial Heart Valves, Orthopedic Implants, etc.
- Foods comprise manufacturing and marketing of Food Products.
- Protective Devices – Manufacturing and Marketing of Condoms.
- "Others" include Printing and Publishing of Maps and Atlases.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. 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.

### (p) Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

### (q) Share Capital

Ordinary shares are classified as equity. Incremental Costs directly attributable to the issue of share options are recognized as deduction from equity, net of any tax effects. Such Issue expenses are set off against reserves.

### (r) Government grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognised in the Statement of Profit and

## Notes forming part of Financial Statements (Contd.)

Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants in the form of import duty waivers for capital assets purchased under Export Promotion Capital Goods (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled.

### (s) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### (t) Exceptional Items

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, gains and losses arising out of business mergers, impairment charges and exchange gain/(loss) on long term borrowings/ assets .

## 2.B Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

**a. Defined benefit obligations (gratuity and long term compensated absences)** – The cost of the defined benefit gratuity plan/Long term Compensated absences and the present value of the gratuity obligation/Long term compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term

nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note No-5.5

- b. Income Taxes** – The calculations of income taxes required judgement in interpreting tax rules and regulations. Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.
- c. Recognition of deferred tax** – The Company estimates the possible utilization of unabsorbed losses while recognizing deferred tax asset considering the future business plan and economic environment.
- d. Useful lives of property, plant and equipment and intangible assets** – The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- e. Impairment testing** – Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- f. Litigation** – From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- g. Promotional Expenditure (including revenue reductions)** – The Company conducts promotional activities which include discounts and other pricing allowances,



## Notes forming part of Financial Statements (Contd.)

visibility schemes, performance linked incentives and promotional gifts. Discounts and other pricing allowances given by the Company to consumers include turnover based discounts, volume-based discounts and pricing incentives. These discounts are given to dealers on achievement of sales targets in consideration of the redistribution sale made by them.

Based on the Company's promotional strategies, the estimate applied to derive the incentives on volume purchase is determined by factoring in the total purchases made by the customers, their down line, and the existing information system catering to this requirement.

The costs of these activities are generally recognized at the time the related revenue is recorded, which normally precedes their actual discharge. The recognition of these costs therefore requires management judgment regarding the volume of promotional offers that will be redeemed by the customer. These estimates are made using various techniques including historical data on performance of similar promotional programs. Differences between estimated expense and actual redemptions are normally immaterial and recognized as a change in management estimate in a subsequent period.

- h. Leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-

lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- i. Estimation of uncertainties relating to the global health pandemic from CoVID-19** – The Company has considered the possible effects that may result from the pandemic relating to CoVID-19 on the carrying amounts of inventory, receivables, property, plant and equipment, right to use assets, intangible assets and investments. The Company, as at the date of the approval of these financial statements, has performed evaluation of available information, considered sensitivity on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The impact of CoVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## Notes forming part of Financial Statements (Contd.)

Note No. 3.1A: Property, Plant and Equipment														(Rs. in lakhs)	
Summary															
Particulars									As at March 31, 2021		As at March 31, 2020				
<b>Carrying amount of</b>															
<b>Freehold Assets:</b>															
Land									902.44		902.44				
Buildings									2,423.29		2,563.61				
Plant & Equipments									3,902.95		3,988.76				
Furniture & Fixtures									69.37		83.97				
Vehicles									59.10		85.31				
Office Equipments									35.50		55.68				
Computers									64.43		67.43				
<b>Total - Freehold Assets</b>									<b>7,457.08</b>		<b>7,747.20</b>				
Capital Work-in-progress									44.50		877.29				
<b>Total Tangible assets</b>									<b>7,501.58</b>		<b>8,624.49</b>				
(Rs. in lakhs)															
Description		Freehold Assets							Leasehold Assets					Grand Total	
Carrying amount of		Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total	Land	Buildings	Plant & Equipments	Vehicles		Total
<b>Cost or deemed cost</b>															
<b>Balance at March 31, 2019</b>		902.44	3,061.13	8,532.46	196.06	138.91	174.56	159.78	13,165.34	884.69	110.46	3.72	171.44	1,170.31	14,335.65
Additions		-	45.98	211.40	8.52	24.79	2.08	22.25	315.02	-	-	-	-	-	315.02
Transfer to Right of Use Asset as at 1 <sup>st</sup> April 2019		-	-	-	-	-	-	-	-	884.69	110.46	3.72	171.44	1,170.31	1,170.31
Deletions		-	-	104.00	1.81	0.31	4.51	1.39	112.02	-	-	-	-	-	112.02
Transfer from Capital Work-in-progress		-	-	118.97	9.39	-	2.82	12.95	144.13	-	-	-	-	-	144.13
<b>Balance at March 31, 2020</b>		902.44	3,107.11	8,758.83	212.16	163.39	174.95	193.59	13,512.47	-	-	-	-	-	13,512.47
Additions		-	4.00	105.56	4.25	-	2.27	34.43	150.51	-	-	-	-	-	150.51
Deletions		-	-	14.22	-	9.49	2.49	1.62	27.82	-	-	-	-	-	27.82
Transfer from Capital Work-in-progress		-	-	867.38	-	-	-	-	867.38	-	-	-	-	-	867.38
<b>Balance at March 31, 2021</b>		902.44	3,111.11	9,717.55	216.41	153.90	174.73	226.40	14,502.54	-	-	-	-	-	14,502.54
<b>Accumulated depreciation and impairment</b>															
<b>Balance at March 31, 2019</b>		-	402.84	3,690.65	103.31	56.59	97.74	91.43	4,442.56	29.94	19.35	3.72	117.10	170.11	4,612.67
Transfer to Right of Use Asset as at 1 <sup>st</sup> April 2019		-	-	-	-	-	-	-	-	29.94	19.35	3.72	117.10	170.11	170.11
Depreciation for the year		-	140.66	1,124.62	26.49	21.54	24.70	35.52	1,373.53	-	-	-	-	-	1,373.53
Deletions		-	-	58.38	1.61	0.05	3.17	0.79	64.00	-	-	-	-	-	64.00
Impairment		-	-	13.18	-	-	-	-	13.18	-	-	-	-	-	13.18
<b>Balance at March 31, 2020</b>		-	543.50	4,770.07	128.19	78.08	119.27	126.16	5,765.27	-	-	-	-	-	5,765.27
Depreciation for the year		-	144.32	1,055.03	18.85	22.69	22.45	37.18	1,300.52	-	-	-	-	-	1,300.52
Deletions		-	-	10.50	-	5.97	2.49	1.37	20.33	-	-	-	-	-	20.33
Impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>		-	687.82	5,814.60	147.04	94.80	139.23	161.97	7,045.46	-	-	-	-	-	7,045.46
<b>Net book value</b>															
Balance at March 31, 2019		902.44	2,658.29	4,841.81	92.75	82.32	76.82	68.35	8,722.78	854.75	91.11	-	54.34	1,000.20	9,722.98
Balance at March 31, 2020		902.44	2,563.61	3,988.76	83.97	85.31	55.68	67.43	7,747.20	-	-	-	-	-	7,747.20
<b>Balance at March 31, 2021</b>		902.44	2,423.29	3,902.95	69.37	59.10	35.50	64.43	7,457.08	-	-	-	-	-	7,457.08





## Notes forming part of Financial Statements (Contd.)

## Note No. 3.1 B - Right of Use Assets

(Rs. in lakhs)

Net carrying amount	Land	Buildings	Plant and Equipments	Vehicles	Total
<b>Gross Block at Cost</b>					
<b>At April 01, 2019</b>	884.69	110.46	3.72	171.44	1,170.31
Additions	–	–	–	147.71	147.71
Reversals (less)	–	–	–	33.74	33.74
<b>At March 31, 2020</b>	884.69	110.46	3.72	285.41	1,284.28
Additions	–	–	–	30.93	30.93
Reversals (less)	–	–	–	23.59	23.59
<b>At March 31, 2021</b>	884.69	110.46	3.72	292.75	1,291.62
<b>Amortizations</b>					
<b>At April 01, 2019</b>	29.94	19.35	3.72	117.10	170.11
Charge for the year	9.98	1.61	–	42.69	54.28
Deductions for the year	–	–	–	33.73	33.73
Currency translation and others	–	–	–	–	–
<b>At March 31, 2020</b>	39.92	20.96	3.72	126.06	190.66
Charge for the year	9.98	1.62	–	50.66	62.26
Deductions for the year	–	–	–	23.59	23.59
Currency translation and others	–	–	–	–	–
<b>At March 31, 2021</b>	49.90	22.58	3.72	153.13	229.33
<b>Balance as at March 31, 2020</b>	844.77	89.50	–	159.35	1,093.62
<b>Balance as at March 31, 2021</b>	834.79	87.88	–	139.62	1,062.29

## Note No.3.1C: Capital Work-in-progress

(Rs. in lakhs)

Carrying amount of	Plant & Equipments	Total
<b>Cost or Deemed Cost</b>		
<b>Balance at March 31, 2019</b>	153.62	153.62
Additions	1,101.42	1,101.42
Transfer to P&L (R&D and Others)	192.43	192.43
Transfer to P&L (Impairment)	41.19	41.19
Transfer to Property, Plant & Equipments	144.13	144.13
<b>Balance at March 31, 2020</b>	877.29	877.29
Additions	44.49	44.49
Transfer to P&L (Impairment)	9.90	9.90
Transfer to Property, Plant & Equipments	867.38	867.38
<b>Balance at March 31, 2021</b>	44.50	44.50
<b>Accumulated impairment</b>		
<b>Balance at March 31, 2019</b>	–	–
Additions	–	–
Deletions	–	–
<b>Balance at March 31, 2020</b>	–	–
Additions	–	–
Deletions	–	–
<b>Balance at March 31, 2021</b>	–	–
Net book value		
Balance at March 31, 2019	153.62	153.62
Balance at March 31, 2020	877.29	877.29
<b>Balance at March 31, 2021</b>	44.50	44.50



Notes forming part of Financial Statements (Contd.)

<b>Note No.3.1D: Other Intangible Assets</b>		<b>(Rs. in lakhs)</b>	
<b>Carrying amount of</b>	<b>Computer Software</b>	<b>Total</b>	
<b>Cost or deemed cost</b>			
<b>Balance at March 31, 2019</b>	84.02	84.02	
Additions	-	-	
Transfer from Capital Work-in-progress	-	-	
<b>Balance at March 31, 2020</b>	84.02	84.02	
Additions	-	-	
Transfer from Capital Work-in-progress	-	-	
<b>Balance at March 31, 2021</b>	<b>84.02</b>	<b>84.02</b>	
<b>Accumulated amortization and impairment</b>			
<b>Balance at March 31, 2019</b>	50.46	50.46	
Amortization for the year	9.86	9.86	
Deletions	-	-	
<b>Balance at March 31, 2020</b>	60.32	60.32	
Amortization for the year	8.35	8.35	
Deletions	-	-	
<b>Balance at March 31, 2021</b>	68.67	68.67	
<b>Net book value</b>			
Balance at March 31, 2019	33.56	33.56	
Balance at March 31, 2020	23.70	23.70	
<b>Balance at March 31, 2021</b>	<b>15.35</b>	<b>15.35</b>	

<b>Note No.3.2 Investments</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Non-Current:</b>			
<b>Quoted Investments:</b>			
<b>Investment in Equity Instruments - Carried at Fair Value Through OCI</b>			
17,760 Equity Shares of Rs.10/- each of TTK Prestige Ltd. (As at 31 <sup>st</sup> March 2020 17,760 Equity Shares of Rs.10/- each)	<b>1,287.58</b>	863.94	
1000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprises Limited (As at 31 <sup>st</sup> March 2020 1,000 Equity Shares of Rs.5/- each)	<b>29.03</b>	11.39	
<b>Non-Current Investments Total</b>	<b>1,316.61</b>	875.33	
Aggregate cost of quoted instruments	<b>13.37</b>	13.37	
Aggregate market value of quoted instruments	<b>1,316.61</b>	875.33	

<b>Note No.3.3 Other Financial Assets - Non-Current</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Unsecured, considered good</b>			
Security Deposits	<b>231.88</b>	227.17	
	<b>231.88</b>	227.17	



## Notes forming part of Financial Statements (Contd.)

**Note No.3.4 Deferred Tax Assets (Net)****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Assets:</b>		
Provision for post retirement benefits and other employee benefits - Compensated Absence	190.48	164.60
Provision for post retirement benefits and other employee benefits - Gratuity	203.42	83.62
Water Charges Provision	31.64	31.64
Stock Returns and Expected Credit Loss	388.65	351.50
Voluntary Retirement Scheme	45.28	110.15
<b>Less: Deferred Tax Liabilities:</b>		
Property, Plant and Equipment and Intangible assets	187.79	300.65
Revaluation of Equity Instrument	26.54	24.71
	<b>645.14</b>	<b>416.15</b>

**Note No.3.5 Other Non-Current Assets****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Capital Advances	47.98	17.17
Deposits with Government Departments	37.52	32.67
	<b>85.50</b>	<b>49.84</b>

**Note No.3.6 Inventories****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Raw Materials	1,380.63	1,126.57
(b) Work-in-progress	730.48	889.54
(c) Finished and Semi-finished goods*	4,739.34	4,886.74
(d) Stock-in-trade (in respect of goods acquired for trading)	54.03	152.89
(e) Stores and Spares	125.91	108.74
	<b>7,030.39</b>	<b>7,164.48</b>

\* Include Goods-in-transit in Current Year Rs.177.35 lakhs (Previous Year Rs.571.90 lakhs).

The above assets are subject to charge with the banks as security for the loan facilities availed by the Company.

**Mode of Valuation:** Inventories are valued at lower of cost (computed on a weighted average basis) and estimated Net Realisable Value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished Goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**Note No.3.7 Trade Receivables****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Considered good - Secured</b>	–	–
<b>Considered good - Unsecured</b>		
Due from Related Parties (Refer Note No.5.7)	–	0.47
Others	5,977.69	7,676.50
Trade Receivables which have significant increase in Credit Risk	–	–
Trade Receivables - Credit Impaired	157.38	45.78
	<b>6,135.07</b>	<b>7,722.75</b>
<b>Less: Loss allowance</b>	<b>(157.38)</b>	<b>(45.78)</b>
	<b>5,977.69</b>	<b>7,676.97</b>

The above assets are subject to charge with the banks as security for the loan facilities availed by the Company.



Notes forming part of Financial Statements (Contd.)

<b>Note No.3.7A Age of Receivables</b>			<b>(Rs. in lakhs)</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
Within the credit period:	<b>2,989.37</b>	1,619.52	
01 - 30 days past due	<b>1,887.78</b>	3,054.89	
31 - 90 days past due	<b>747.99</b>	1,835.83	
More than 90 days past due	<b>509.93</b>	1,212.51	
	<b>6,135.07</b>	7,722.75	
<b>Less: Loss Allowance</b>	<b>(157.38)</b>	(45.78)	
<b>Total</b>	<b>5,977.69</b>	7,676.97	

<b>Note No.3.7B Reconciliation of Provision for Credit Impaired Trade Receivables</b>			<b>(Rs. in lakhs)</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
Balance at the beginning of the year	<b>45.78</b>	39.63	
<b>Add:</b> Allowance for bad and doubtful debts during the year	<b>111.60</b>	6.15	
Balance at the end of the year	<b>157.38</b>	45.78	

<b>Note No.3.8 Cash and Cash Equivalents</b>			<b>(Rs. in lakhs)</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>(a) Balance with banks:</b>			
Balance in Current Account	<b>944.02</b>	733.34	
Bank Deposit with original maturity of 3 months or less than 3 months	-	-	
<b>(b) Cash-on-hand</b>	<b>11.46</b>	19.55	
<b>Total</b>	<b>955.48</b>	752.89	

<b>Note No.3.9 Bank balance other than Cash and Cash Equivalents</b>			<b>(Rs. in lakhs)</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Other Bank Balances</b>			
In Deposit Account held as margin money	<b>2.26</b>	2.26	
In Deposit Account held as security against Guarantees	<b>15.00</b>	106.63	
In Dividend Warrant Account	<b>52.19</b>	57.66	
In Deposit Account with more than 3 months maturity	<b>21,744.20</b>	12,286.39	
<b>Total</b>	<b>21,813.65</b>	12,452.94	

<b>Note No.3.10 Other Financial Assets - Current</b>			<b>(Rs. in lakhs)</b>
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Unsecured, considered good</b>			
Lease Deposit			
With Related Parties (Refer Note No.5.7)	<b>63.50</b>	63.50	
With Others	<b>52.79</b>	52.84	
Earnest Money Deposits	<b>98.67</b>	144.96	
Interest accrued on Fixed Deposits	<b>420.98</b>	345.69	
Security Deposit	<b>5.65</b>	3.40	
<b>Total</b>	<b>641.59</b>	610.39	



## Notes forming part of Financial Statements (Contd.)

<b>Note No.3.11 Other Current Assets</b>		<b>(Rs. in lakhs)</b>	
Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Unsecured, considered good</b>			
Prepaid expenses / Insurance	246.23	207.44	
Advance to Suppliers	296.30	268.35	
Advance others*	323.65	223.18	
Taxes available for set-off	202.16	220.23	
<b>Total</b>	<b>1,068.34</b>	<b>919.20</b>	

\* (Refer Note 5.7 for Related Party Transactions)

<b>Note No.3.12 Equity Share Capital</b>		<b>(Rs. in lakhs)</b>	
Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Authorized Share Capital:</b>			
2,00,00,000 Equity Shares of Rs.10/- each (31 <sup>st</sup> March 2020 - 2,00,00,000 Equity Shares of Rs.10 each)	<u>2,000.00</u>	<u>2,000.00</u>	
<b>Issued, Subscribed and Paid-up Share Capital:</b>			
1,41,30,333 Equity Shares of Rs.10/- each (31 <sup>st</sup> March 2020 - 1,41,30,333 Equity Shares of Rs.10 each)	1,413.03	1,413.03	
<b>Total</b>	<b>1,413.03</b>	<b>1,413.03</b>	

<b>Note No.3.12A Movement in respect of Equity Share Capital is given below:</b>					<b>(Rs. in lakhs)</b>	
Particulars	As at March 31, 2021		As at March 31, 2020		Nos.	Amount
	Nos.	Amount	Nos.	Amount		
<b>At the beginning of the year</b>	1,41,30,333	1,413.03	1,41,30,333	1,413.03		
(+) Issued during the year	-	-	-	-		
(-) Redeemed during the year	-	-	-	-		
<b>Outstanding at the end of the year</b>	<b>1,41,30,333</b>	<b>1,413.03</b>	<b>1,41,30,333</b>	<b>1,413.03</b>		

**Note No.3.12B Rights, Preferences and Restrictions Attached to Shares**

**Equity Shares:** The Company has one class of Equity Shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

**Note No.3.12C Details of Shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% of Holding	Nos.	% of Holding
(i) T T Krishnamachari & Co. represented by its Partners	95,32,610	67.46	95,32,610	67.46
(ii) MCap India Fund Limited	9,00,000	6.37	9,00,000	6.37
(iii) Mr T T Jagannathan	7,59,298	5.37	7,59,298	5.37

<b>Note No.3.12D Dividend on Equity Shares</b>		<b>(Rs. in lakhs)</b>	
Particulars	2020-21	2019-20	
Final Dividend paid during the year (pertaining to previous year)	423.91	706.51	
Dividend Distribution Tax on Final Dividend	-	145.23	



Notes forming part of Financial Statements (Contd.)

<b>Note No.3.13 Other Equity</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
Capital Reserve	681.33	681.33	
Capital Redemption Reserve	50.57	50.57	
Security Premium	982.49	982.49	
General Reserve	7,848.00	6,436.23	
Special Contingency Reserve	-	1,411.77	
Revaluation Reserve	441.43	441.43	
Retained earnings	16,771.09	12,645.18	
Equity through OCI	1,276.70	837.26	
<b>Total</b>	<b>28,051.61</b>	<b>23,486.26</b>	

<b>Note No.3.14 Financial Liabilities – Lease Liabilities</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Secured - at amortised cost:</b>			
Non - Current	115.77	125.71	
Current	38.79	45.12	
<b>Total</b>	<b>154.56</b>	<b>170.83</b>	

Finance Lease is secured by Hypothecation of the leased assets. IRR for the same is 14.42% to 16.88% and these are repayable in equal monthly instalments till January 2023. Refer Note 5.11

<b>Note No.3.15 Other Financial Liabilities - Current Borrowings</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Secured Short Term borrowings:</b>			
Loan Repayable on demand from banks	1,759.82	2,812.88	
<b>Total</b>	<b>1,759.82</b>	<b>2,812.88</b>	

<b>Nature of Security and Term of Repayment for Secured Loans availed from banks.</b>		
1. Cash Credit facility from Union Bank (formerly Corporation Bank) - Secured by hypothecation of stocks, book debts. Repayable on demand @ 9.0% interest.	1,165.69	1,749.06
2. Cash Credit facility from Bank of Baroda - Secured by hypothecation of stocks, book debts. Repayable on demand @ 9.0% interest.	100.98	435.90
3. Cash Credit facility from HDFC Bank Ltd - Secured by hypothecation of stocks, book debts. Repayable on demand @ 7.5% interest.	493.15	627.92
<b>Total</b>	<b>1,759.82</b>	<b>2,812.88</b>

<b>Net Debt Reconciliation</b>		
1. Cash and Cash Equivalents	955.48	752.89
2. Current Borrowings	(1,759.82)	(2,812.88)
3. Lease Borrowings - Non-Current	(115.77)	(125.71)
4. Lease Borrowings - Current	(38.79)	(45.12)
<b>Net Debt</b>	<b>(958.90)</b>	<b>(2,230.82)</b>



## Notes forming part of Financial Statements (Contd.)

Particulars	Cash and Cash Equivalents	Current Borrowings	Lease Borrowings	Total
<b>Net Debts as at 1<sup>st</sup> April 2019</b>	<b>1,115.45</b>	<b>(2,788.31)</b>	<b>(65.92)</b>	<b>(1,738.78)</b>
Cash Flows	(362.56)	–	–	(362.56)
Proceeds from availments	–	(24.57)	(147.71)	(172.28)
Repayments	–	–	60.16	60.16
Interest Expenses	–	326.85	–	326.85
Interest Paid	–	(326.85)	(17.36)	(344.21)
<b>Net Debt as at 1<sup>st</sup> April 2020</b>	<b>752.89</b>	<b>(2,812.88)</b>	<b>(170.83)</b>	<b>(2,230.82)</b>
Cash Flows	202.59	–	–	202.59
Proceeds from availments	–	–	(30.92)	(30.92)
Repayments	–	1,053.06	71.45	1,124.51
Interest Expenses	–	199.22	–	199.22
Interest Paid	–	(199.22)	(24.26)	(223.48)
<b>Net Debt as at 31<sup>st</sup> March 2021</b>	<b>955.48</b>	<b>(1,759.82)</b>	<b>(154.56)</b>	<b>(958.90)</b>

**Note No.3.16 Trade Payables****(Rs. in lakhs)****Note No.3.16A Due to Micro and Small Enterprises**

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount payable (but not due) to suppliers as at year end	<b>1,940.38</b>	1,580.01
Interest accrued and due to suppliers on the above amount as at year end	–	–
Payment made to suppliers (other than interest) beyond the appointed day, during the year	–	–
Interest paid to suppliers (other than Section 16)	–	–
Interest paid to suppliers (Section 16)	–	–
Interest due and payable to suppliers for payments already made	<b>0.41</b>	0.41
Interest accrued and remaining unpaid to suppliers as at year end	–	–
<b>Total</b>	<b>1,940.79</b>	1,580.42

During the year, certain suppliers have communicated to the Company that they are registered as Micro and Small enterprises. The information provided above is based on those communications.

**Note No.3.16B Due to other than Micro and Small Enterprises****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Related Parties (Refer Note No.5.7)	<b>138.85</b>	85.94
Others	<b>7,680.98</b>	6,984.63
<b>Total</b>	<b>7,819.83</b>	7,070.57

**Note No.3.17 Other Financial Liabilities****(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Refund Liabilities	<b>1,364.63</b>	1,328.60
Unpaid Dividends	<b>52.19</b>	57.66
Other Payables	<b>1,112.27</b>	1,016.76
Liability for Capital Goods	<b>141.89</b>	225.35
Employee Related Liabilities (Refer Note No.5.7 for KMP related payables)	<b>3,545.75</b>	2,373.70
<b>Total</b>	<b>6,216.73</b>	5,002.07



Notes forming part of Financial Statements (Contd.)

<b>Note No.3.18 Provisions</b>		<b>(Rs. in lakhs)</b>	
Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Non-Current:</b>			
Provision for Employee Benefits	789.78	774.63	
<b>Total (A)</b>	<b>789.78</b>	<b>774.63</b>	
<b>Current*:</b>			
Provision for Employee Benefits	490.06	238.63	
<b>Total (B)</b>	<b>490.06</b>	<b>238.63</b>	
<b>Total (A + B)</b>	<b>1,279.84</b>	<b>1,013.26</b>	

\*Includes provision made for impending Code on Social Security, 2020 - Refer Note No.5.4

<b>Note No.3.19 Other Current Liabilities</b>		<b>(Rs. in lakhs)</b>	
Particulars	As at March 31, 2021	As at March 31, 2020	
Statutory dues payable	394.35	328.51	
Advance from Customers	75.34	72.27	
<b>Total</b>	<b>469.69</b>	<b>400.78</b>	

<b>Note No.4.1 Revenue from Operations</b>		<b>(Rs. in lakhs)</b>	
Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020	
Sale of Products (Net of Sales Returns)	63,342.43	64,464.63	
Other Operating Revenues	310.36	112.15	
<b>Total Revenue from operations</b>	<b>63,652.79</b>	<b>64,576.78</b>	

<b>Note No.4.2 Other Income</b>		<b>(Rs. in lakhs)</b>	
Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020	
(a) Interest Income - Fixed Deposits	978.55	815.97	
- Others	8.15	9.04	
(b) Dividend Income from equity investments at FVTOCI	7.13	5.42	
(c) Other non-operating income (net of expenses directly attributable to such income)	2.77	28.67	
(d) Net foreign exchange gain	3.41	18.44	
<b>Total</b>	<b>1,000.01</b>	<b>877.54</b>	

<b>Note No.4.3 Cost of Materials Consumed</b>		<b>(Rs. in lakhs)</b>	
Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020	
Opening Stock of Raw Material & Packing Material	1,126.57	904.08	
Purchase of Raw Material & Packing Material	10,145.60	10,635.58	
	11,272.17	11,539.66	
<b>Less:</b> Closing Stock of Raw Material & Packing Material	<b>1,380.63</b>	<b>1,126.57</b>	
<b>Consumption</b>	<b>9,891.54</b>	<b>10,413.09</b>	





## Notes forming part of Financial Statements (Contd.)

## Note No.4.4 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress

(Rs. in lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
<b>Opening Inventories:</b>		
Finished goods	5,039.63	3,738.57
Work-in-progress	889.54	808.23
	5,929.17	4,546.80
<b>Closing Inventories:</b>		
Finished goods	4,793.37	5,039.63
Work-in-progress	730.48	889.54
	5,523.85	5,929.17
<b>Changes in Inventories</b>	<b>405.32</b>	<b>(1,382.37)</b>

## Note No.4.5 Employee Benefits Expense

(Rs. in lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Salaries, Wages and Bonus*	13,926.46	12,573.14
(b) Contribution to Provident and Other Funds	729.92	712.72
(c) Gratuity and Superannuation	782.06	435.78
(d) Contribution to E.S.I.	97.78	111.02
(e) Welfare Expenses	471.31	561.44
<b>Total</b>	<b>16,007.53</b>	<b>14,394.10</b>

\* includes payment made to Contractors

## Note No.4.6 Finance Costs

(Rs. in lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Interest expense	210.38	314.85
(b) Other borrowing costs	12.00	12.00
<b>Total</b>	<b>222.38</b>	<b>326.85</b>

## Note No.4.7 Depreciation and Amortization Expenses

(Rs. in lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Depreciation	1,362.78	1,427.81
(b) Amortization Expenses	8.35	9.86
<b>Total</b>	<b>1,371.13</b>	<b>1,437.67</b>

## Notes forming part of Financial Statements (Contd.)

Note No.4.8 Other Expenses		(Rs. in lakhs)		
Particulars	For the year ended 31-03-2021		For the year ended 31-03-2020	
	Power & Fuel		1,242.18	
Repairs & Maintenance:				
Repairs to Building	62.45		40.55	
Repairs to Machinery	823.15		783.67	
Factory / Office Upkeep	347.05	1,232.65	330.54	1,154.76
Consumable Stores		226.03		166.11
General Insurance		69.45		66.54
Rates & Taxes		54.48		93.67
Rent		274.78		221.40
Electricity		156.94		185.56
Printing & Stationery		111.12		174.35
Postage & Telephones		219.80		251.68
Carriage Outwards		2,580.26		2,572.02
Transit Insurance		22.94		28.03
Advertisement & Sales Promotion		7,893.23		8,885.77
Travelling & Conveyance		2,096.53		3,296.73
Payment to Auditors :				
Fees for Statutory Audit	37.64		33.74	
Fees for other services	11.62		3.95	
Reimbursement of expenses	—	49.26	1.16	38.85
Donation		0.69		2.22
Expenditure on Corporate Social Responsibility		60.00		56.00
Depot Service Charges		1,083.59		1,078.29
Directors' Sitting Fees		14.20		13.00
Loss on Sale of Assets		11.93		5.28
Loss on Impairment		1.69		54.37
Conversion Charges		54.00		51.28
Provision for Doubtful Debts		111.60		6.15
Bad Debts written off		27.59		51.34
Legal and Consultancy Charges		549.79		592.22
Research and Development Expenses		265.38		407.53
Miscellaneous Expenses		572.48		583.80
<b>Total</b>		<b>18,982.59</b>		<b>21,351.10</b>



## Notes forming part of Financial Statements (Contd.)

### 5.1 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

#### 5.1.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity risk.

##### (a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the Company's profit would be impacted by Rs.3.77 lakhs in FY 2020-21 (FY 2019-20 - Rs.8.89 lakhs).

##### (b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities which is very minimal.

The details of foreign currency exposures not hedged by Derivative Instruments are as under :

Particulars	Currency	As at March 31, 2021 (amount in lakhs)		As at March 31, 2020 (amount in lakhs)	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Receivables	USD	4.9129	361.12	2.2501	169.63
Trade Payables	USD	0.2183	16.05	0.0811	6.11
Trade Payables	GBP	–	–	0.1276	11.87
Trade Payables	EURO	–	–	0.0106	0.88
Liability for Capital Goods	EURO	1.0000	86.10	2.0000	166.10

##### Foreign Currency Sensitivity Analysis

The Company is principally exposed to foreign currency risk against USD, Euro & GBP. Sensitivity of profit or loss arising mainly from USD, Euro & GBP denominated receivables and payables is given below:

As per management's assessment of reasonable possible changes in the exchange rate of + / – 5% between USD-INR, Euro-INR & GBP-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	March 31, 2021			March 31, 2020		
	USD	EURO	GBP	USD	EURO	GBP
<b>Receivables:</b>						
Weakening of INR by 5%	18.06	–	–	8.48	–	–
Strengthening of INR by 5%	(18.06)	–	–	(8.48)	–	–
<b>Payables:</b>						
Weakening of INR by 5%	(0.80)	(4.30)	–	(0.31)	(8.35)	(0.59)
Strengthening of INR by 5%	0.80	4.30	–	0.31	8.35	0.59

##### (c) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of raw materials. Therefore the Company monitors its purchases closely to optimise the price.

## Notes forming part of Financial Statements (Contd.)

### 5.1.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables, trade receivables, loans and advances, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The Company does not have significant credit exposure to any single customer. Concentration of credit risk to a single customer exceeding 10% of receivables in the FY 2020-21 is Rs.957.24 Lakhs (FY 2019-20 - Nil).

### 5.1.3 Financial assets that are neither past due nor impaired

Cash and cash equivalents, financial assets carried at fair value are neither past due nor impaired. Cash and cash equivalents with banks has high credit-rating assigned by international and domestic credit-rating agencies. Financial assets carried at fair value are investments in equity shares. With respect to Trade Receivables and other financial assets that are past due but not impaired, there are no indications as of 31<sup>st</sup> March, 2021, that defaults in payment obligations will occur except as described in Note 3.7 on allowances for impairment of trade receivables. The Company does not hold any collateral for trade receivables and other financial assets. Trade receivables and other financial assets that are neither past due nor impaired relate to new and existing customers and counter parties with no significant defaults in past.

### 5.1.4 Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed assessment and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

### 5.1.5 Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The cash surpluses of the Company are short term in nature and are invested in Fixed Deposit with Nationalized / Scheduled Commercial Banks. Hence, the assessed credit risk is low.

### 5.1.6 Liquidity Risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders and trade creditors.

During the year, the Company has made repayment of principal and interest on borrowings on or before due dates. The Company did not have any defaults of principal and interest as on the reporting date.

The table below summarises the maturity profile of the Company's financial liability based on contractual undiscounted payment and financial assets based on contractual undiscounted receipts.

Liabilities						(Rs. in lakhs)
Particulars	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total	
<b>As at 31<sup>st</sup> March 2021</b>						
Lease Liabilities	154.56	58.78	137.88	–	196.66*	
Borrowings	1,759.82	1,759.82	–	–	1,759.82	
Trade Payables	9,760.62	9,760.62	–	–	9,760.62	
Other financial liabilities	6,216.73	6,216.73	–	–	6,216.73	
<b>As at 31<sup>st</sup> March 2020</b>						
Lease Liabilities	170.83	67.47	157.17	–	224.65*	
Borrowings	2,812.88	2,812.88	–	–	2,812.88	
Trade Payables	8,650.99	8,650.99	–	–	8,650.99	
Other financial liabilities	5,002.07	5,002.07	–	–	5,002.07	

\* includes interest dues



## Notes forming part of Financial Statements (Contd.)

<b>Assets</b>						(Rs. in lakhs)
Particulars	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total	
<b>As at 31<sup>st</sup> March, 2021</b>						
Investments	1,316.61	–	1,316.61	–	1,316.61	
Cash and Cash Equivalents	955.48	955.48	–	–	955.48	
Bank balances other than above	21,813.65	21,813.65	–	–	21,813.65	
Trade Receivables	5,977.69	5,977.69	–	–	5,977.69	
Other Financial Assets	873.47	641.59	231.88	–	873.47	
<b>As at 31<sup>st</sup> March, 2020</b>						
Investments	875.33	–	875.33	–	875.33	
Cash and Cash Equivalents	752.89	752.89	–	–	752.89	
Bank balances other than above	12,452.94	12,452.94	–	–	12,452.94	
Trade Receivables	7,676.97	7,676.97	–	–	7,676.97	
Other Financial Assets	837.56	610.39	227.17	–	837.56	

### 5.1.7 Financial Risk Management - Other Risk - Impact of CoVID-19

- Financial Assets measured at fair value amounting to Rs.1,316.61 lakhs and measured at amortised cost amounting to Rs.29,620.29 lakhs have been considered for the likelihood of increased credit risk and consequential default considering emerging situations due to CoVID-19.
- The financial assets carried at fair value by the Company are mainly investments in Equity Instruments and accordingly, any material volatility is not expected.
- Financial assets of Rs. 22,769.13 lakhs as at 31<sup>st</sup> March, 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk.
- Trade receivables of Rs. 5,977.69 lakhs as at 31<sup>st</sup> March, 2021 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method.
- The Company has specifically evaluated the potential impact with respect to certainty of collections from its customers.
- Since the Company closely monitors the financial strength of its customers & investments on a continuing basis and assesses actions such as changes in payment terms, no provision is deemed necessary.

### 5.1.8 Financing Facilities

The Company has access to committed credit facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Rs. in lakhs)		
<b>Sanctioned</b>	<b>2020-21</b>	2019-20
Funded Limit	<b>3,250.00</b>	3,250.00
Non-Funded Limit	<b>775.00</b>	775.00
<b>Utilized</b>		
Amount Utilized (Funded)	<b>1,759.82</b>	2,812.88
Amount Utilized (Non-Funded)	<b>193.39</b>	218.33
<b>Unutilized</b>		
Amount Unutilized (Funded)	<b>1,490.18</b>	437.12
Amount Unutilized (Non-Funded)	<b>581.61</b>	556.67

## Notes forming part of Financial Statements (Contd.)

## 5.1.9 Financial Instruments

## Financial Assets and Liabilities

## (a) Fair Value Measurement:

(Rs. in lakhs)

Particulars	FVTOCI	FVTPL	Amortized Cost	Total
<b>As at 31<sup>st</sup> March, 2021</b>				
<b>A. Financial assets</b>				
(i) Non-Current investments	1,316.61	–	–	1,316.61
(ii) Trade Receivables	–	–	5,977.69	5,977.69
(iii) Cash and Cash Equivalents	–	–	955.48	955.48
(iv) Bank balances other than (iii) above	–	–	21,813.65	21,813.65
(v) Other Financial Assets	–	–	873.47	873.47
<b>Total</b>	<b>1,316.61</b>	<b>–</b>	<b>29,620.29</b>	<b>30,936.90</b>
<b>B. Financial Liabilities</b>				
(i) Borrowings	–	–	1,759.82	1,759.82
(ii) Lease Liabilities	–	–	154.56	154.56
(iii) Trade Payables	–	–	9,760.62	9,760.62
(iv) Other Current Financial Liabilities	–	–	6,216.73	6,216.73
<b>Total</b>	<b>–</b>	<b>–</b>	<b>17,891.73</b>	<b>17,891.73</b>

(Rs. in lakhs)

Particulars	FVTOCI	FVTPL	Amortized Cost	Total
<b>As at 31<sup>st</sup> March, 2020</b>				
<b>A. Financial assets</b>				
(i) Non-Current Investments	875.33	–	–	875.33
(ii) Trade Receivables	–	–	7,676.97	7,676.97
(iii) Cash and Cash Equivalents	–	–	752.89	752.89
(iv) Bank balances other than (iii) above	–	–	12,452.94	12,452.94
(v) Other Financial Assets	–	–	837.56	837.56
<b>Total</b>	<b>875.33</b>	<b>–</b>	<b>21,720.36</b>	<b>22,595.69</b>
<b>B. Financial Liabilities</b>				
(i) Borrowings	–	–	2,812.88	2,812.88
(ii) Finance Lease	–	–	170.83	170.83
(iii) Trade Payables	–	–	8,650.99	8,650.99
(iv) Other Current Financial Liabilities	–	–	5,002.07	5,002.07
<b>Total</b>	<b>–</b>	<b>–</b>	<b>16,636.77</b>	<b>16,636.77</b>

## (b) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



## Notes forming part of Financial Statements (Contd.)

### (c) Fair value of the Company's financial assets that are measured at fair value on a recurring basis

(Rs. in lakhs)

As at March 31, 2021				
Particulars	Level 1	Level 2	Level 3	Total
A. Financial Assets				
(i) Non-Current Investments	1,316.61	–	–	1,316.61

As at March 31, 2020				
Particulars	Level 1	Level 2	Level 3	Total
A. Financial Assets				
(i) Non-Current Investments	875.33	–	–	875.33

### (d) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the Financial Statements except as per note (a) above approximate their fair values.

### (e) Interest income / (expenses), gain/(losses) recognized on financial assets and liabilities

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Financial assets at amortized cost</b>		
Interest income on Bank Deposits	978.55	815.97
Interest income on other Financial Assets	8.15	9.04
Impairment of Trade Receivables	(27.59)	(51.34)
Provisions for Bad and doubtful debts	(111.60)	(6.15)
Bad Debts written off recovered	15.62	22.54
<b>(b) Financial asset at FVTOCI</b>		
Change in fair value of equity instruments designated irrevocably as FVTOCI	441.27	(429.30)
Dividend Income	7.13	5.42
<b>(c) Financial liabilities at amortized cost</b>		
Interest expenses on borrowings from banks, others and overdrafts	199.22	326.85
Sundry Creditors written back	66.68	–

#### 5.1.10 Capital Management:

The Company's capital comprises Equity Share Capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize Shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to Shareholders. The total Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 is Rs.1413.03 lakhs (Previous Year: Rs. 1413.03 lakhs).

The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short term borrowings.

The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of debt to equity ratio and its gearing ratio is as below:

	(Rs. in lakhs)	
	2020-21	2019-20
<b>Borrowings</b>		
Loan Repayable on demand from banks	1,759.82	2,812.88
Long term maturities of Lease obligation	115.77	125.71
Current maturities of Lease obligation	38.79	45.12
<b>Total Debt</b>	<b>1,914.38</b>	<b>2,983.71</b>
<b>Equity</b>		
Equity Share Capital	1,413.03	1,413.03
Other Equity	28,051.61	23,486.26
<b>Total Equity</b>	<b>29,464.64</b>	<b>24,899.29</b>
<b>Capital Gearing Ratio</b>	<b>6.50%</b>	<b>11.98%</b>

## Notes forming part of Financial Statements (Contd.)

- 5.2 The R & D facilities at Foods and Pharma Divisions of the Company have been recognized by the Ministry of Science & Technology, Government of India, under Section 35(2AB) of the Income Tax Act. The expenditure incurred in respect of these R & D Centres is as below:

Nature of Expenditure	(Rs. in lakhs)	
	2020-21	2019-20
a. Capital	–	–
b. Recurring	265.38	407.53
c. Total	265.38	407.53
d. % of R&D expenses to Sales	0.42%	0.63%

Recurring Expenditure details are as follows:	2020-21	2019-20
Cost of Materials consumed	33.31	16.62
Salaries and Wages	208.50	215.41
Repairs and Maintenance	14.24	5.25
Others	9.33	170.25
<b>Total</b>	<b>265.38</b>	<b>407.53</b>

- 5.3 Contingent Liabilities and Commitments not provided for:

Particulars	(Rs. in lakhs)	
	2020-21	2019-20
<b>A) Contingent Liabilities</b>		
<b>Claims against the Company not acknowledged as debt</b>		
Income tax matters	468.69	1,485.98
Indirect Tax Matters - (Sales tax / Service tax / Customs Duty / Excise Duty)	542.92	530.06
Bank Guarantees / Bonds executed by the Company	393.94	429.89
Others Matters including Claims related to Employees / Ex-Employees	42.59	41.50
	<b>1,448.14</b>	<b>2,487.43</b>
<b>B) Commitments:</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	138.92	13.15

**C) Other Legal Cases:**

- (i) There are Certain pending matters / litigations including labour matters before certain forums in relation to the acquired business and the likely impact of these are not ascertainable or quantifiable at this stage.
- (ii) Condoms were included for the first time under Drugs (Prices Control) Order, 2013 (DPCO 2013). National Pharmaceuticals Pricing Authority (NPPA) under Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India had by way of Notification No.SO 3348 dated 5<sup>th</sup> November 2013, issued ceiling prices for sale of Condoms. The Company had challenged inclusion of Condoms under DPCO 2013 and also the methodology for arriving at the Ceiling Prices for the Condoms by a writ petition in the Hon'ble High Court of Madras. During 2015-16, Hon'ble High Court of Delhi and Madras have ruled that Condoms are drugs but fixation of ceiling prices for Condoms is impermissible under law as the strengths and dosage for Condoms are not specified in the first schedule of DPCO 2013. The Government of India has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. The Company has also filed SLP before Hon'ble Supreme Court against some points of the order of the Hon'ble High Court of Madras. Financial impact, if any, based on the outcome of the pending case is not quantifiable and hence not provided for in the books.

- 5.4 As per Ind AS 19 "Employee Benefits", the disclosures are given below:

**(A) Defined Contribution Plan:**

Contributions to Defined Contribution Plan, recognized as expense for the year are as under:	(Rs. in lakhs)	
	2020-21	2019-20
Employer's Contribution to Provident Fund	732.52	715.73
Employer's Contribution to Superannuation Fund	252.05	263.98





## Notes forming part of Financial Statements (Contd.)

### (B) Defined Benefit Plan:

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

The Company operates a Defined Benefit Plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

### Reconciliation of the opening and closing balances of defined benefit obligation

The status of Gratuity and Compensated Absence Plan as required under Ind AS 19:			(Rs. in lakhs)	
Particulars	Gratuity		Compensated Absence*	
	2020-21	2019-20	2020-21	2019-20
<b>Changes in the present value of defined benefit obligation</b>				
Opening defined benefit obligation	2,321.04	1,860.38	654.01	573.75
Interest Cost	153.85	143.55	40.42	43.76
Current service cost	168.27	166.84	112.65	112.77
Past service cost	–	–	–	–
Benefits paid	(156.56)	(95.08)	(136.09)	(146.51)
Actuarial Losses/(Gains)	78.99	245.35	83.12	70.22
Closing defined benefit obligation	2,565.59	2,321.04	754.11	654.01
<b>Changes in the fair value of plan assets</b>				
Opening fair value of plan assets	2,194.84	1,791.78	–	–
Expected return on plan assets	145.12	138.26	–	–
Contributions	508.25	363.50	–	–
Benefits paid	(156.56)	(95.08)	(136.09)	(146.51)
Actuarial gains/(losses)	(47.02)	(3.63)	83.12	70.22
Closing fair value of plan assets	2,644.63	2,194.84	–	–
Amount to be recognized in the Statement of Profit and Loss				
Current Service Cost	168.27	166.84	112.65	112.77
Net Interest cost	8.73	5.29	40.42	43.76
Actuarial losses/(gains)	126.00	–	83.12	70.22
Total	303.00	172.14	236.19	226.76
<b>Amount to be recognized in OCI - Actuarial loss/(gain)</b>	126.00	248.98	–	–

\* Excludes Compensated Absence - Sick leave - Rs.140.56 Lakhs (FY 2019-20 - Rs.118.10 Lakhs)

### Sensitivity Analysis

#### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference of market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in gratuity fund maintained by the Life Insurance Corporation of India.

#### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

#### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salary of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

## Notes forming part of Financial Statements (Contd.)

The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Particulars	Impact	Gratuity			Compensated Absence		
		Change in assumption (%)	Change in plan obligation (%)	Change in plan obligation (Rs. in lakhs)	Change in assumption (%)	Change in plan obligation (%)	Change in plan obligation (Rs. in lakhs)
Discount rate (per annum)	Increase	1.00	(6.07)	155.76	0.50	(3.05)	(23.03)
	Decrease	(1.00)	6.90	(177.09)	(0.50)	3.26	24.58
Salary escalation rate (per annum)	Increase	1.00	6.93	(177.80)	0.50	3.28	24.75
	Decrease	(1.00)	(6.20)	159.11	(0.50)	(3.10)	(23.40)
Attrition Rate	Increase	0.50	(0.58)	14.88	0.50	0.79	5.93
	Decrease	(0.50)	1.29	(33.13)	(0.50)	(1.03)	(7.74)
Mortality Rate	Increase	1.00	0.02	(0.58)	0.50	0.02	0.13
	Decrease	(1.00)	(0.02)	0.58	(0.50)	(0.02)	(0.13)

The Company's expected cash flows over the next few years are as follows:

Particulars	Gratuity		Compensated Absence	
	2020-21	2019-20	2020-21	2019-20
1 year	612.20	528.85	173.81	139.42
2 to 5 years	991.70	865.05	324.77	247.82
6 to 10 years	924.53	828.45	231.74	201.43
More than 10 years	1,766.73	2,125.20	511.02	631.19

#### Assumptions

Particulars	Gratuity (in %)		Compensated Absence (in %)	
	2020-21	2019-20	2020-21	2019-20
Discount rate	5.25 – 6.75	5.55 – 6.85	5.25 – 6.75	5.55 – 6.85
Escalation Rate	5.00	5.00	5.00	5.00
Attrition Rate	3% for employees in Management Cadre and employees in Protective Devices Division 25% for Field Staff	3% for employees in Management cadre and employees in Protective Devices Division 25% for Field Staff	3% for employees in Management Cadre and employees in Protective Devices Division 25% for Field Staff	3% for employees in Management cadre and employees in Protective Devices Division 25% for Field Staff

Implementation of the Code on Social Security, 2020 which is likely to impact the contributions by the Company towards Provident Fund, Gratuity and other related areas has been deferred by the Government beyond 1<sup>st</sup> April, 2021. However, the Company has made an initial assessment based on the draft rules and has provided a sum of Rs.350 lakhs in the current year towards the expected impact to its Employee Benefit Expenses. The Company intends to do an actuarial valuation towards this liability at the appropriate time and provide for the balance, if any. Expecting the Code to be enacted in the coming financial year, the amount provided in the current year is included under 'Provision for Employee Benefits'. Refer Note 3.18.



## Notes forming part of Financial Statements (Contd.)

### 5.5 Reconciliation of effective tax rates

#### 5.5.A Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

Particulars	(in Rs. lakhs)	
	March 31, 2021	March 31, 2020
Profit before tax from continuing operations (a)	3,705.19	1,942.48
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	932.52	488.88
<b>Permanent tax differences due to:</b>		
Effect of income that is exempt from taxation (dividend income & standard deduction on rental income)	(0.19)	(1.56)
Effect of expenses that are not deductible in determining taxable profit	76.73	74.80
Effect on Deferred Tax balances due to change in Income Tax rate on opening Deferred Tax Assets.	-	127.38
Other Adjustments	16.83	21.04
<b>Income tax expense recognized in profit or loss (relating to continuing operations)</b>	<b>1,025.89</b>	<b>710.54</b>
Comprising :		
Current Tax	1,225.00	585.00
Deferred tax	(199.11)	125.54
<b>Income tax recognized directly in equity</b>	<b>-</b>	<b>-</b>
<b>Income tax recognized in other comprehensive income</b>	<b>(29.88)</b>	<b>(54.38)</b>

#### 5.5.B Reconciliation of effective tax rates

The Company's claim of Rs.3,600 lakhs in respect of tax benefits due to adjustment of unabsorbed losses and depreciation of TTK Protective Devices Limited and TSL Techno Services Limited which merged with the Company with effect from 1<sup>st</sup> April, 2012 (shown as Contingent Asset in earlier years), has been allowed. The Company has received a sum of Rs.3,091 lakhs (excluding Rs.31 lakhs of unreconciled amount) towards principal tax amount and Rs.809 lakhs towards interest. The aforesaid amounts have been accounted as follows:

- Rs.809 lakhs of interest on tax refund is treated as Exceptional Income; and
- Refund received Rs.2,964 lakhs (after adjusting for advance tax Rs.127 lakhs in books) is adjusted in tax expense as tax relating to earlier years. This has been netted off against provision of Rs.999 lakhs made in the current year towards certain appeals relating to earlier years that were pending before the High Court and included under Contingent Liabilities. Hence, a net amount of Rs.1,964 lakhs has been credited to tax expense as tax relating to earlier years.

#### 5.6 During the year, the Company has accounted for Deferred Tax Asset in accordance with the Ind AS 12 and the movement of the Deferred Tax Assets and Liabilities are given below:

Particulars	(in Rs. lakhs)				
	Property, Plant & Equipment and Intangibles	Defined Benefit Obligation	Provisions	Other Items	Total
<b>At 31<sup>st</sup> March, 2019</b>	(582.09)	279.84	449.53	340.03	487.31
(Charged)/credited:					
- to profit or loss	281.44	(85.94)	(98.03)	(223.01)	(125.54)
- to other comprehensive income	-	54.32	-	0.06	54.38
<b>At 31<sup>st</sup> March, 2020</b>	(300.65)	248.22	351.50	117.08	416.15
(Charged)/credited:					
- to profit or loss	112.86	113.97	37.15	(64.87)	199.11
- to other comprehensive income	-	31.71	-	(1.83)	29.88
<b>At 31<sup>st</sup> March, 2021</b>	<b>(187.79)</b>	<b>393.90</b>	<b>388.65</b>	<b>50.38</b>	<b>645.14</b>

## Notes forming part of Financial Statements (Contd.)

## 5.7 Related Party Transactions:

## a) The Company had transactions with the following Related Parties:

Description of Relationship	Party
Enterprise with Significant Control	T T Krishnamachari & Co
Enterprises over which Key Managerial Personnel (KMP) have significant control	TTK Prestige Limited
	Packwell Packaging Products Limited
	Pharma Research & Analytical Laboratories
	TTK Tantex Limited
Directors	Mr T T Jagannathan
	Mr T T Raghunathan (KMP)
	Mr S Kalyanaraman (KMP)
	Mr R K Tulshan
	Mr B N Bhagwat (Retired w e f 22.08.2019)
	Mr K Shankaran
	Dr (Mrs) Vandana R Walvekar
	Mr Girish Rao
	Mr S Balasubramanian
	Mr N Ramesh Rajan
Other Key Managerial Personnel	Mr V Ranganathan
Relatives of KMP (with whom transactions have taken place during the period)	Mr B V K Durga Prasad
	Mr T T Jagannathan
	Mrs Latha Jagannathan
	Mrs Bhanu Raghunathan
	Mrs Shanthi Ranganathan
	Mr T T Mukund
	Mr T T Lakshman
	Mr T T Venkatesh
Mr T T Sriram	

## b) Summary of the transactions with the above related parties is as follows: (Transactions are inclusive of taxes wherever applicable)

Party	Nature	(Rs. in lakhs)	
		Amount	
		2020-21	2019-20
T.T. Krishnamachari & Co.	Rent Expense	73.99	73.99
	Logo Charges Paid	381.89	387.93
	Depot Service Charges Paid	469.34	461.45
	Reimbursement of Electricity Charges paid	33.03	48.25
	Reimbursement of Stay Expenses	2.52	8.37
	Dividend Paid	285.98	476.63



Notes forming part of Financial Statements (Contd.)

TTK Prestige Limited	Purchase of Promotional Items	33.33	66.78
	Rent Receipt	0.01	0.01
	Reimbursement of Expenses Receivable	0.08	18.49
	Dividend Received	7.10	5.33
	Sale of Goods	(8.98)	(0.25)
	Dividend Paid	0.04	0.07
Packwell Packaging Products Limited	Packing Charges Paid	52.78	50.33
	Dividend Paid	0.26	0.44
	Rent Expense	14.87	14.87
Pharma Research & Analytical Laboratories	Analytical Charges paid	133.90	115.05
	Rent Receipts	2.83	2.83
TTK Tantex Limited	Dividend Paid	0.26	0.43
Mr T T Raghunathan	Salary	74.81	74.51
	Commission & Incentive	129.10	33.38
	Dividend Paid	1.16	1.94
Mr T T Jagannathan	Dividend Paid	22.78	37.96
Mr S Kalyanaraman	Salary	119.06	118.23
	Commission	40.78	-
	Dividend Paid	0.01	0.02
Mr B V K Durga Prasad	Salary	89.88	85.80
Mr T T Lakshman	Dividend Paid	0.42	0.70
Mr T T Sriram	Salary	14.19	9.49
Mrs Shanthi Ranganathan	Dividend Paid	1.75	2.92
Mrs Latha Jagannathan	Dividend Paid	0.89	1.49
Mrs Bhanu Raghunathan	Dividend Paid	1.68	2.80
Mr T T Mukund	Dividend Paid	0.42	0.70
Mr T T Venkatesh	Dividend Paid	0.42	0.70

Variable Pay of KMPs which is included in Salary is disclosed on payment basis.

Directors' Sitting Fees\*

(Rs. in lakhs)

Name of Director	Sitting Fees	
	2020-21	2019-20
Mr T T Jagannathan	0.80	0.80
Mr R K Tulshan	2.00	1.40
Mr B N Bhagwat	-	1.00
Mr K Shankaran	3.00	3.00
Dr (Mrs) Vandana R Walvekar	1.40	1.00
Mr Girish Rao	2.60	2.60
Mr S Balasubramanian	1.60	1.20
Mr N Ramesh Rajan	1.20	1.00
Mr V Ranganathan	1.60	1.00
<b>Total</b>	<b>14.20</b>	<b>13.00</b>

\* Exclusive of GST

## Notes forming part of Financial Statements (Contd.)

## Closing Balance:

(Rs. in lakhs)

Party	As at March 31, 2021		As at March 31, 2020	
	Receivable	Payable	Receivable	Payable
T T Krishnamachari & Co.	40.00	84.31	40.00	57.91
TTK Prestige Limited	–	5.08	17.75	6.85
Packwell Packaging Products Limited	23.50	5.43	23.50	17.05
Pharma Research & Analytical Laboratories	–	44.03	0.47	18.96
Mr T T Raghunathan	–	129.10	–	33.38
Mr T T Lakshman	–	0.10	–	0.10
Mr S Kalyanaraman	–	40.78	–	–
<b>Total</b>	<b>63.50</b>	<b>308.83</b>	81.72	134.26

## Note:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31<sup>st</sup> March 2020 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 5.8 Earnings per Share:

Particulars	2020-21	2019-20
Profit attributable to equity Shareholders (Rs. in lakhs)	4,644.11	1,231.94
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	141.30	141.30
Earnings per share of Rs.10/- each (Rs.)	32.87	8.72

## 5.9 Corporate Social Responsibility (CSR):

In accordance with Section 135 of the Companies Act, 2013 and the Rules made thereunder, the Company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years towards Corporate Social Responsibility activities. During the year under review, a sum of Rs. 59.22 lakhs has to be spent, in compliance with this requirement. Accordingly, a sum of Rs.60 lakhs has been spent during the year under review towards CSR activities as detailed below and the unspent amount is Rs. Nil:

(Rs. in lakhs)

CSR Expenditure	Year ended 31 <sup>st</sup> March, 2021			Year ended 31 <sup>st</sup> March, 2020		
	In cash	Yet to be paid in cash	Total In cash	In cash	Yet to be paid in cash	Total In cash
i) Construction/acquisition of an asset	–	–	–	–	–	–
ii) Purposes other than (i) above						
Health & wellness	32.00	–	32.00	10.00	–	10.00
Building livelihood	–	–	–	–	–	–
Educational assistance for children	25.00	–	25.00	36.00	–	36.00
Environmental Sustainability, Ecological balance, etc.	–	–	–	10.00	–	10.00
Heritage conservation and promotion	3.00	–	3.00	–	–	–
<b>Total (ii)</b>	<b>60.00</b>	–	<b>60.00</b>	56.00	–	56.00
<b>Amount unspent</b>	–	–	–	–	–	–

## 5.10 Segment Reporting:

For Management purpose, the Company is organized into the following major business segments:

- Pharmaceuticals
- Consumer Products
- Medical Devices
- Protective Devices
- Foods
- Others



## Notes forming part of Financial Statements (Contd.)

The Company monitors the operating results of its business as stipulated above for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Certain expenses like CSR expenses, are not specifically allocable to specific segment. Management believes that it is not feasible to provide segment disclosure of these expenses and, accordingly, they are separately disclosed as "Unallocated Expenses" and adjusted only against the total operating income of the Company.

### Segment-wise Revenue, Results & Capital Employed:

(Rs. in lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. Segment Revenue:</b>		
Pharmaceuticals	23,844.31	23,120.51
Consumer Products	17,485.02	18,133.39
Medical Devices	2,673.24	4,523.13
Protective Devices	9,457.14	9,974.45
Foods	10,162.14	8,773.59
Others	30.94	51.71
<b>Total Segment Revenue</b>	<b>63,652.79</b>	<b>64,576.78</b>
<b>Less: Inter Segment Revenue</b>	<b>-</b>	<b>-</b>
<b>Net Sales</b>	<b>63,652.79</b>	<b>64,576.78</b>

<b>B. Segment Results:</b>		
<b>(a) Profit / (Loss) before Interest &amp; Tax</b>		
Pharmaceuticals	2,707.12	2,101.02
Consumer Products	2,026.89	1,864.06
Medical Devices	(535.21)	700.70
Protective Devices	(330.32)	(556.14)
Foods	103.47	(1,055.47)
Others	25.29	31.25
<b>Total Segment Results</b>	<b>3,997.24</b>	<b>3,085.42</b>
<b>Less: Interest Expenses</b>	<b>222.38</b>	<b>326.85</b>
<b>Less: Unallocable Expenses (Net of Unallocable Income)</b>	<b>69.67</b>	<b>816.09</b>
<b>Total Profit/(Loss) before Tax</b>	<b>3,705.19</b>	<b>1,942.48</b>

Particulars	For the year ended 31 <sup>st</sup> March, 2021			For the year ended 31 <sup>st</sup> March, 2020		
	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense
Pharmaceuticals	8,524.62	7,652.75	89.49	8,448.87	6,527.75	88.62
Consumer Products	6,495.46	2,008.71	50.15	7,556.36	1,838.47	41.56
Medical Devices	841.63	1,312.16	106.24	990.39	1,312.16	110.11
Protective Devices	3,703.35	2,499.22	202.89	3,442.00	2,481.29	254.11
Foods	5,596.55	1,408.58	922.03	5,539.38	1,323.87	942.93
Others	12.16	1,126.11	0.34	25.13	910.56	0.34
<b>Total</b>	<b>25,173.77</b>	<b>16,007.53</b>	<b>1,371.13</b>	<b>26,002.13</b>	<b>14,394.10</b>	<b>1,437.67</b>

## Notes forming part of Financial Statements (Contd.)

C.	(a) Capital Employed (Segment Assets less Segment Liabilities)		(Rs. In Lakhs)
	Particulars	As at 31.03.2021	As at 31.03.2020
	Pharmaceuticals	(803.68)	286.63
	Medical Devices	2,427.40	3,070.18
	Consumer Products	(3,563.67)	(1,173.04)
	Protective Devices	5,182.40	6,012.88
	Foods	7,499.92	6,985.83
	Others	40.78	15.57
	<b>Total Capital Employed in Segments</b>	<b>10,783.15</b>	<b>15,198.05</b>
	<b>Add: Unallocable Corporate Assets*</b>	<b>24,766.07</b>	<b>18,177.72</b>
	<b>Less: Unallocable Corporate Liabilities**</b>	<b>(6,084.59)</b>	<b>(8,476.49)</b>
	<b>Total Capital Employed in Company</b>	<b>29,464.63</b>	<b>24,899.28</b>
	<b>* Unallocable Corporate Assets:</b>		
	Investments	1,316.61	875.33
	Deferred Tax Asset	859.47	741.51
	Fixed deposits including interest receivable, dividend warrants and advance tax	22,589.99	16,560.88
	<b>Total</b>	<b>24,766.07</b>	<b>18,177.72</b>
	<b>** Unallocable Corporate Liabilities:</b>		
	Secured Loans	1,759.82	2,812.88
	Deferred Tax Liability	214.33	325.36
	Provision for Tax & Unclaimed Dividend	4,110.44	5,338.25
	<b>Total</b>	<b>6,084.59</b>	<b>8,476.49</b>

(b) Major Segment Assets and Liabilities		(Rs. In Lakhs)						
Particulars	As at 31 <sup>st</sup> March 2021				As at 31 <sup>st</sup> March 2020			
	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities
Pharmaceuticals	1,050.66	1,337.03	2,488.91	6,396.09	1,137.47	1,562.87	2,464.90	5,524.74
Medical Devices	823.32	1,537.76	1,045.67	1,233.11	905.97	1,657.88	1,336.12	1,048.28
Consumer Products	226.74	1,631.32	366.46	6,628.74	214.86	1,455.17	1,775.62	5,123.40
Protective Devices	1,550.13	1,593.73	1,523.52	2,088.98	1,685.74	1,763.61	1,554.75	2,160.83
Foods	4,927.91	930.55	548.92	1,582.31	5,796.99	724.94	543.35	1,358.36
Others	0.46	–	4.21	132.94	0.79	–	2.22	135.01
<b>Total</b>	<b>8,579.22</b>	<b>7,030.39</b>	<b>5,977.69</b>	<b>18,062.17</b>	<b>9,741.82</b>	<b>7,164.47</b>	<b>7,676.96</b>	<b>15,350.62</b>

**Notes:**

- Segments have been identified in line with the Accounting Standard on Segment Reporting (Ind AS 108) considering the organisation structure and the differential risks and returns of these segments.
- Details of products included in each of the Segments are as below:
  - Pharmaceuticals include products for both Human and Veterinary use.
  - Consumer Products comprise marketing and distribution of Woodward's Gripe Water, EVA Range of Cosmetics, Good Home range of Scrubbers, Air Freshners, etc.
  - Medical Devices comprise manufacturing and marketing of Artificial Heart Valves, Orthopaedic Implants, etc.
  - Protective Devices comprise manufacturing and marketing of Male Contraceptives and other allied products.
  - Foods comprise of manufacturing and marketing of Food Products.
  - "Others" include Printing and Publishing of Maps and Atlases.





## Notes forming part of Financial Statements (Contd.)

3. The segment-wise revenue, results, assets and liabilities 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.

### Information about geographical area:

The Company is domiciled in India. The amount of its revenue from external customers broken by location of customers is tabulated below:

Particulars	(Rs. in lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
India	60,391.89	62,782.40
Outside India	3,260.90	1,794.38

### 5.11 Ind AS 116 - Leases:

Particulars	(Rs. in lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
<b>Amounts recognised in Statement of Profit and Loss</b>		
Amortisation expenses of right of use assets	62.26	54.28
Interest expenses on lease liabilities	24.26	17.36
Expenses relating to short term leases	274.78	221.40
Expenses relating to leases of low value assets	-	-
Variable lease payments	-	-

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	(Rs. in lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
<b>Maturity analysis:</b>		
Less than 1 year	38.79	45.11
Between 1 year and 5 years	115.77	125.71
More than 5 years	-	-
<b>Total liabilities are analysed as follows:</b>		
Indian Rupees	154.56	170.82
Other currencies	-	-
<b>Total</b>	154.56	170.82
<b>Analysed as:</b>		
Current	38.79	45.11
Non-current	115.77	125.71
<b>Total</b>	154.56	170.82

## Notes forming part of Financial Statements (Contd.)

**Lease Obligations****Lease commitments**

The minimum Lease rental outstandings as of 31<sup>st</sup> March, 2021 in respect of these assets were as follows:

(Rs. in lakhs)

Particulars	Total Minimum Lease payments outstanding as at		Future Interest on Outstanding of Lease payments as at		Present value of Minimum Lease Payments as at	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Within one year	58.78	67.47	19.99	22.36	38.79	45.11
Later than one year and not later than 5 years	137.88	157.17	22.11	31.46	115.77	125.71
Later than 5 years	–	–	–	–	–	–
<b>Total</b>	<b>196.66</b>	<b>224.64</b>	<b>42.10</b>	<b>53.82</b>	<b>154.56</b>	<b>170.82</b>

**5.12 Ind AS 115 Revenue from Contracts with Customers**

(Rs. in lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue as per contracted price	63,442.86	64,558.91
Adjustments:		
Less: Expected Turnover & Volume based Discounts & Liquidated Damages	(100.43)	(94.28)
Add: Other Operating Income	310.36	112.15
Revenue from Operations as per Statement of Profit and Loss	63,652.79	64,576.78

**Disaggregation of Revenue**

The Company derives revenues from the transfer of goods in the following major product lines:

(Rs. in lakhs)

Major Product Line	For the year ended 31.03.2021	For the year ended 31.03.2020
Pharmaceuticals	23,844.31	23,120.51
Consumer Products	17,485.02	18,133.39
Medical Devices	2,673.24	4,523.13
Protective Devices	9,457.14	9,974.45
Foods	10,162.14	8,773.59
Others	30.94	51.71
<b>Total Revenue from Operations</b>	<b>63,652.79</b>	<b>64,576.78</b>

**Reconciliation of Refund Liability**

(Rs. in lakhs)

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	1,328.60	1,224.57
Add: Net increase due to invoicing during the year	36.03	104.03
Balance at the end of the year	1,364.63	1,328.60



## Notes forming part of Financial Statements (Contd.)

**5.13** During the financial year 2020-21, business environment was severely impacted by CoVID-19. However, the impact on the Company has been minimal due to various sustainable actions taken by the management. The second wave and the extended lockdown during the first quarter of the financial year 2021-22 are impacting the business operations. However, considering the ongoing vaccination drive and other sustainable actions taken by the Company, both with reference to the environment and its employees health, Company expects to have minimal impact on account of this.

The Company has considered the possible impact that may arise from this pandemic, on the carrying amount of its assets including Property, Plant and Equipment, Inventory and Receivables. In developing the assumptions relating to the impact of possible future uncertainties in global economic conditions because of this pandemic, the Company as at the date of approval of these financial statement has used internal and external sources of information including economic forecasts. The Company based on current estimates expects that the carrying amount of the above assets will be recovered, net of provisions established. The Company has also assessed the impact of this whole situation on its Capital and Financial Resources, Profitability, Liquidity Position, Internal Financial Controls, etc. and is of the view that based on its present assessment, this situation does not materially impact these financial statements. The assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern.

However, the impact assessment of CoVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**5.14 Events occurring after Balance Sheet Date:**

On May 27, 2021, the Board of Directors of the Company have proposed a dividend of Rs.6/- per share for the year ended 31<sup>st</sup> March, 2021, subject to the approval of the Shareholders at the 63<sup>rd</sup> Annual General Meeting. If approved, this would result in a cash outflow of Rs.847.82 lakhs.

**5.15 Approval of Financial Statements:**

The Financial Statements were approved for issue by the Board of Directors on May 27, 2021.

For M/s. PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Regn.No.003990S/S200018

S. Rajeshwari, Partner

Membership No.024105

Place : Chennai

Date : May 27, 2021

For and on behalf of the Board

T T Jagannathan, Chairman

DIN: 00191522

T T Raghunathan, Executive Vice Chairman (CEO)

DIN: 00043455

K Shankaran, Director

DIN: 00043205

Girish Rao, Director

DIN: 00073937

S Kalyanaraman, Wholetime Director & Secretary

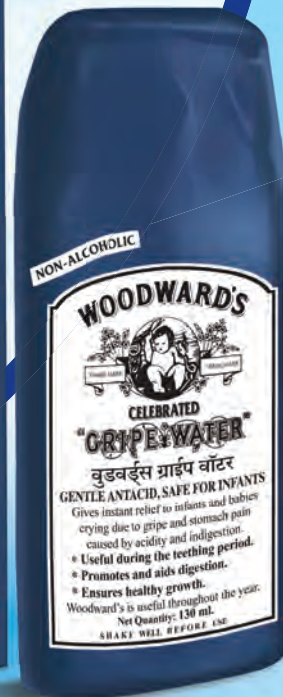
DIN: 00119541

B V K Durga Prasad, President - Finance (CFO)

PAN: AAFPD4104K



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WOODWARD'S GRIPE WATER RELIEVES STOMACH ACHES, GENTLY.