



**TTK Healthcare
LIMITED**

TTKH:SEC:GJ:073:20

August 18, 2020

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 62nd Annual General Meeting of the Company is scheduled to be held at 10.15 a.m., on Friday, the 11th September, 2020, 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 Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 issued by the Ministry of Corporate Affairs and Circular dated 12th 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 2019-20 and the Notice of the 62nd Annual General Meeting, which are self-explanatory.

Kindly take the above document on record.

Thanking you

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Wholtime Director & Secretary

Encl.: a/a

A  Group Company



62nd

ANNUAL
REPORT

2019-20



TTK Healthcare Limited



MY FRAGRANCE MY IDENTITY



PH BALANCED
NO
ALCOHOL
SKIN FRIENDLY



Available in 12 mesmerising fragrances

#MyFragranceMyIdentity



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, 8th Kilometre, Hosakote Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka
- Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Thiruvananthapuram 695 586, Kerala
- No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu
- No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu
- Plot No.DTA-005-005, Mahindra World City, Tehsil Sanganer, Jaipur 302 037, Rajasthan
- 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, 7th Floor,
No.91/92, Dr. Radhakrishnan Salai,
Mylapore, Chennai 600 004

COST AUDITOR

M/s Geeyes & Co.
Cost Accountants
A-3, III Floor, 7th 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)

	2019-20*	2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Sales & Other Income	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	31,535.20
Profit Before Tax	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	2,214.44
Current Tax	585.00	1,495.00	1,125.00	985.94	1,002.00	1,090.00	698.00	710.00	770.00	730.00
Deferred Tax	125.54	(6.42)	73.18	57.83	284.22	(72.06)	29.70	31.82	21.91	12.25
Profit After Tax	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	1,472.19
Other Comprehensive Income	(623.90)	259.92	83.43	207.79	-	-	-	-	-	-
Dividend - Amount	706.51**	706.51**	388.30	-	388.30	349.47	310.64	310.64	310.64	310.64
Rate	50%	50%	50%	-	50%	45%	40%	40%	40%	40%
Dividend Distribution Tax	145.23	145.23	79.05	-	79.05	71.14	52.79	52.79	50.39	50.39
Retained Earnings	(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	1,111.16
Earnings Per Share (EPS) of Rs.10/- each (Rs.)	8.72	17.25	12.86	24.13	29.19	20.80	15.95	18.29	20.13	18.96
Sources & Applications of Funds :										
Net Block	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	3,739.01
Investments	875.33	1,304.63	925.89	882.54	1,013.37	13.37	13.37	76.81	676.81	683.60
Net Current Assets	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	4,602.91
Long Term Loans & Advances	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	741.51	1,094.18	1,206.40	590.77	131.99	115.05	106.38	85.43	65.39	54.50
Deferred Tax Liability	(325.36)	(606.86)	(751.27)	(832.09)	(638.80)	(337.64)	(401.02)	(350.38)	(298.51)	(265.71)
Total Assets	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	8,814.31
Share Capital	1,413.03	1,413.03	1,413.03	776.60	776.60	776.60	776.60	776.60	776.60	776.60
Reserves	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	6,796.88
Borrowings	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	1,240.83
Long Term Liabilities	1,070.70	697.23	613.38	444.59	1,130.61	2,564.01	2,428.41	860.66	802.27	-
Total Liabilities	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	8,814.31

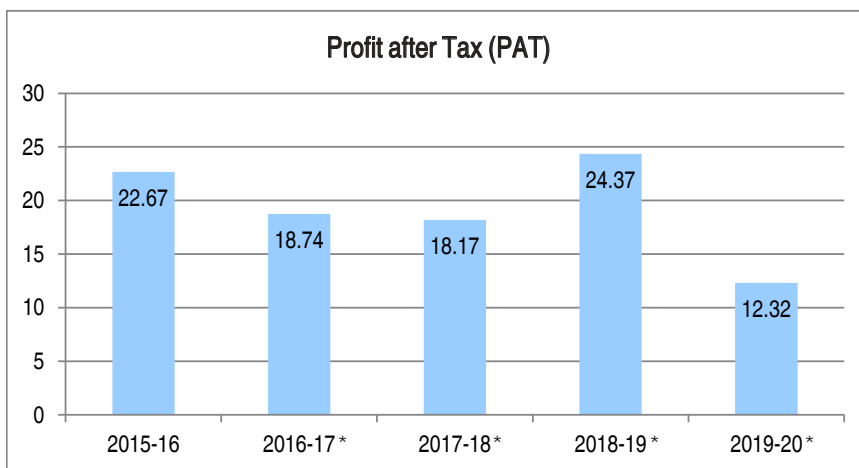
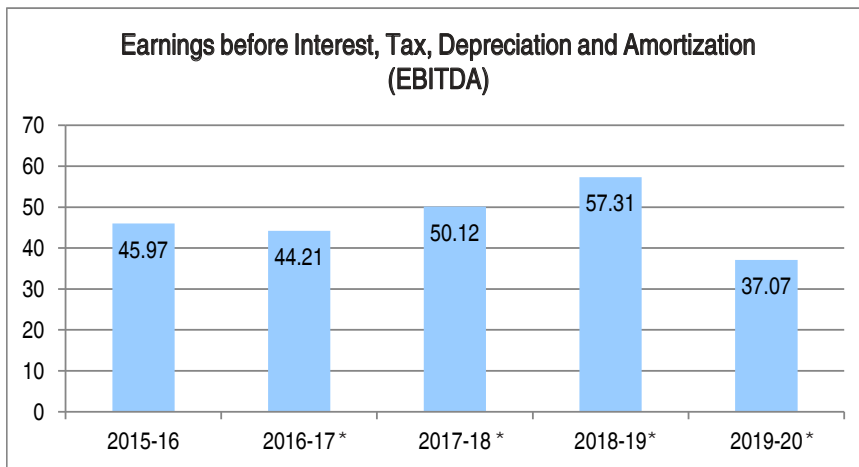
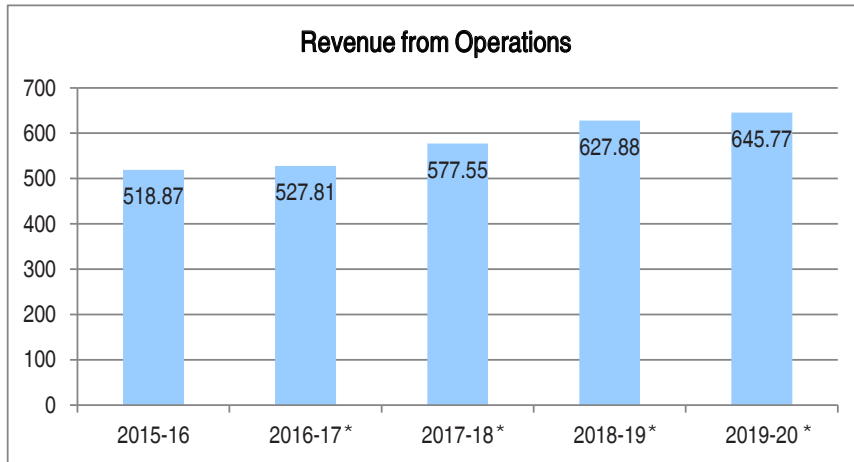
* The presentation is in line with Indian Accounting Standards (Ind AS).

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



Financial Highlights (Contd.)

(Rs. in Crores)



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



Notice to Shareholders

NOTICE is hereby given that the **62nd Annual General Meeting** of the Company will be held at **10.15 a.m.** (IST), on **Friday, the 11th September, 2020**, 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 31st March, 2020 together with the Reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr K Shankaran (DIN:00043205) 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 provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactments thereof, for the time being in force) and further, pursuant to Regulations 16(1)(b) and 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars / modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Mr S Balasubramanian (DIN: 02849971), notwithstanding that he has attained the age of 75 years and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company, for a further term of 5 years, with effect from 27th March, 2020 **AND THAT** he shall not be liable to retire by rotation”.

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 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactments thereof, for the time being in force) and further, pursuant to Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other circulars / modifications, if any, issued by Securities and Exchange Board of India (SEBI), from time to time and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Mr N Ramesh Rajan (DIN: 01628318), in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company, for a further term of 5 years,

with effect from 3rd February, 2021 **AND THAT** he shall not be liable to retire by rotation”.

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 31st March, 2021, 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

Wholetime Director & Secretary

Place: Chennai

Date : July 22, 2020

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.14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No.20/2020 dated 5th May, 2020 and Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th 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 Listing Regulations”) 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. **Since the AGM will be held through VC / OAVM, the Route Map, Attendance Slip and Proxy Form are not attached to this Notice.**
4. 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 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.
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.



Notice to Shareholders (Contd.)

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 7th September, 2020 to 11th September, 2020 (both days inclusive), for the purpose of payment of Dividend for the financial year ended 31st March, 2020, 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 11th September, 2020.
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. Alternatively, members may provide details of their bank account quoting their folio numbers, to the RTA to enable them to print such details on the Dividend Warrants.
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 1st 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 31.03.2020 (in Rs.)
31.03.2013	25.07.2013	30.08.2020	8,21,888.00
31.03.2014	22.08.2014	26.09.2021	7,74,728.00
31.03.2015	07.08.2015	11.09.2022	8,46,425.50
31.03.2016	05.08.2016	08.09.2023	9,93,050.00
31.03.2017	04.08.2017	04.09.2024	10,18,645.00
31.03.2018	09.08.2018	14.09.2025	6,96,233.07
31.03.2019	09.08.2019	12.09.2026	6,15,325.52

Members who have not encashed their 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 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 2012-13 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.) 30th August, 2020], on or before 29th September, 2020.

The Shareholders 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 Shareholders concerned from the IEPF Authority by e-Filing Form IEPF-5, which is available under the link <http://www.iepf.gov.in>. The Shareholders 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 2019-20 are made available on the website of the Company at www.ttkhealthcare.com and also on the websites of the Stock Exchanges (i.e.) BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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.

Notice to Shareholders (Contd.)

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.) 11th September, 2020. Members seeking to inspect such documents can send e-mail to 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 Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DPs.
19. Effective from 1st April, 2020, dividend income will be taxable in the hands of Shareholders. Hence the Company is required to deduct tax at source from the amount of dividend paid to Shareholders 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 on or before 31st August, 2020. Further, no tax shall be deducted on the dividend payable to a Resident Individual Shareholders if the total amount of dividend to be received from the Company during the financial year 2020-21 does not exceed Rs.5,000/-. Shareholders 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 Shareholders can avail beneficial tax rates under Double Taxation Avoidance Agreement (DTAA) (i.e.) tax treaty between India and their country of residence. Non-resident shareholders 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 2020-21 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 on or before 31st August, 2020. 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, Annual Report and e-Voting user ID and password 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), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to Company (investorcare@ttkhealthcare.com) / RTA (ttk.healthcare@dsrc-cid.in).
- For Demat shareholders: Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) to Company (investorcare@ttkhealthcare.com) / RTA (ttk.healthcare@dsrc-cid.in).

21. Procedure to be followed by the members for updation of bank account mandate for receipt of dividend:

- (i) Send a request to RTA vide 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), scanned copy of cancelled cheque bearing the name of the first Shareholder.

22. **Instructions for shareholders attending the AGM through VC / OAVM:**

- Shareholders will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting System. Shareholders may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-Voting credentials. The link for VC / OAVM will be available in shareholders / members login where the EVSN of Company will be displayed.
- 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.
- Shareholders are encouraged to join the meeting through Laptops / iPads for better experience.



Notice to Shareholders (Contd.)

- Further, shareholders will be required to allow Camera and may use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that shareholders connecting from Mobile Devices or Tablets or through Laptop connecting 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.
- Shareholders 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 4th September, 2020 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 shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, on or before 8th September, 2020 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 shareholders 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 62nd 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 Shareholders / Beneficial Owners shall be reckoned on the Equity Shares held by them as on 4th September, 2020 being the "cut-off" date. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote 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.) 4th September, 2020 only shall be entitled to avail the facility of e-Voting.

- In case a person has become the Member of the Company after the despatch of Notice but on or before the cut-off date (i.e.) 4th September, 2020, he / she may write to M/s Data Software Research Co. Pvt. Ltd. (DSRC), on the e-mail ID: ttk.healthcare@dsrc-cid.in or M/s Data Software Research Co. Pvt. Ltd., (Unit – TTK Healthcare Limited), No.19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai 600 006 or contact Mr S Chandrasekaran on Telephone No.044-28213738 / 28214487 during office hours, requesting for the User ID and Password. After receipt of the above credentials, please follow the instructions for e-Voting to cast the vote.
- 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.) 11th September, 2020.

Instructions for remote e-Voting:

- (i) The voting period begins at 9.30 a.m. on 7th September, 2020 and ends at 5.00 p.m. on 10th September, 2020. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th September, 2020 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted through remote e-Voting would not be entitled to vote through e-Voting system available during the AGM.
- (iii) The Shareholders should log on to the e-Voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID:
 - 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.

Notice to Shareholders (Contd.)

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated the PAN details with the Company/Depository Participant are requested to use the "Sequence Number" provided through e-mail. <p>Please refer Point No.20 for registering the e-mail address.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> Members 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.

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for "TTK HEALTHCARE LIMITED" on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take printout of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the login password, then enter the User ID and the Image Verification Code and click on Forgot Password and enter the details as prompted by the system.

(xix) Shareholder can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while remote e-Voting on your mobile.

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

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) 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.

(iii) 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.

(iv) 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.

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 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.

- After receiving the login details, a Compliance User should be created using the admin and login password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if



Notice to Shareholders (Contd.)

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 under Help Section or write an e-mail to 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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542 / 43.

24. Additional Information of Directors [relating to Item No(s): 3 – 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 an Independent Director	Reappointment as an Independent Director
Name of the Director	Mr K Shankaran	Mr S Balasubramanian	Mr N Ramesh Rajan
Director Identification Number (DIN)	00043205	02849971	01628318
Date of Birth and Age	11/11/1953 – 66 years	03/11/1942 – 77 years	05/07/1957 – 63 years
Date of first appointment on the Board	09/10/2000	27/03/2015	03/02/2016
Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas	<p>He is a qualified Cost & Management Accountant and Company Secretary.</p> <p>He has corporate / industry experience of around 37 years.</p> <p>He has expertise in finance, taxation, corporate laws / legal, corporate governance, human resources and general business management.</p>	<p>He holds a-</p> <ul style="list-style-type: none"> • Bachelor’s Degree in Commerce from University of Madras; • Bachelor’s Degree in Law from University of Delhi; • Post-Graduate Diploma in Management Accountancy of the Institute of Chartered Accountants of India; and • Post-Graduate Diploma in Project Management from the University of Bradford, U.K. <p>He is an Associate Member of the-</p> <ul style="list-style-type: none"> • Institute of Chartered Accountants of India; • Institute of Company Secretaries of India; and • Institute of Cost and Management Accountants of India. <p>He is a member of the Bar Council of Delhi.</p> <p>He was associated with the Company Law Board as its Member, Vice Chairman and Chairman for over 18 years.</p> <p>He was a Director / Joint Secretary in the Ministry of Programme Implementation from October 1988 to May 1991 dealing with monitoring the implementation of Public Sector Projects costing over Rs.1,000 million each.</p> <p>Being an Officer of Indian Postal Service, he served in various capacities in the Department of Post from 1966 to 1989. He was on deputation to Indian Telephone Industries, Bangalore as the Chief Manager of Corporate Finance from 1979 to 1985.</p> <p>He served as UNDP / UPU Consultant to the Governments of Malawi and Brunei Darussalam to advise these Governments for costing and fixation of tariffs for various kinds of postal services.</p> <p>He has also served as the Central Government Nominee on the Central Council of the Institute of Chartered Accountants of India during the period 1999-2000.</p> <p>Presently, he is practising as a Consultant in Corporate Law.</p> <p>He has expertise in Finance, Legal, Governance, Risk Management, Corporate Strategy and Mergers & Acquisitions.</p>	<p>He is a Commerce Graduate and is a Fellow Member of the Institute of Chartered Accountants of India.</p> <p>He has a very long and successful career, spanning over three decades and is currently the Founder and Senior Partner of M/s LeapRidge Advisors LLP (a member of Crowe Horwath International).</p> <p>He also held several senior positions including Chairman, Senior Partner and Executive Director with M/s PriceWaterhouse India, one of the leading professional services firms.</p> <p>He has expertise in finance, taxation, corporate laws / legal, corporate governance, human resources and general business management.</p>



Notice to Shareholders (Contd.)

No. of Board Meetings attended during the year as a Director	All the four meetings held during the year 2019-20.	Three meetings out of four meetings held during the year 2019-20.	All the four meetings held during the year 2019-20.																										
Memberships / Chairmanships of Committees of the Board of the Company	Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company.	Member of the Audit Committee of the Company.	Member of the Nomination & Remuneration Committee of the Company.																										
Directorships held in other Companies	<ul style="list-style-type: none"> • TTK Prestige Ltd. • Vidal Health Insurance TPA Pvt. Ltd. • TTK Property Services Pvt. Ltd. • TTK Services Pvt. Ltd. • TTK British Holdings Ltd. • Horwood Homewares Ltd. 	<ul style="list-style-type: none"> • Sanghi Industries Ltd. • Emami Paper Mills Ltd. • Ucal Fuel Systems Ltd. • GVK Power & Infrastructure Ltd. • Malnad Projects Pvt. Ltd. • Emami Cement Ltd. • Peerless Hotels Ltd. 	<ul style="list-style-type: none"> • Indo-National Ltd. • Cholamandalam Investment and Finance Co. Ltd. • Kineco Ltd. • LeapRidge Advisors LLP 																										
Memberships / Chairmanships of Committees of other Boards	Member of Stakeholders Relationship Committee of TTK Prestige Ltd.	<table border="1"> <tr> <td>Emami Paper Mills Ltd.</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Ucal Fuel Systems Ltd.</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Ucal Fuel Systems Ltd.</td> <td>Stakeholders Relationship Committee</td> <td>Chairman</td> </tr> <tr> <td>GVK Power & Infrastructure Ltd</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Peerless Hotels Ltd.</td> <td>Audit Committee</td> <td>Member</td> </tr> </table>	Emami Paper Mills Ltd.	Audit Committee	Member	Ucal Fuel Systems Ltd.	Audit Committee	Member	Ucal Fuel Systems Ltd.	Stakeholders Relationship Committee	Chairman	GVK Power & Infrastructure Ltd	Audit Committee	Member	Peerless Hotels Ltd.	Audit Committee	Member	<table border="1"> <tr> <td rowspan="2">Indo-National Ltd.</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Stakeholders Relationship Committee</td> <td>Chairman</td> </tr> <tr> <td>Cholamandalam Investment and Finance Co. Ltd.</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Kineco Ltd.</td> <td>Audit Committee</td> <td>Member</td> </tr> </table>	Indo-National Ltd.	Audit Committee	Chairman	Stakeholders Relationship Committee	Chairman	Cholamandalam Investment and Finance Co. Ltd.	Audit Committee	Chairman	Kineco Ltd.	Audit Committee	Member
Emami Paper Mills Ltd.	Audit Committee	Member																											
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	Stakeholders Relationship Committee	Chairman																											
Cholamandalam Investment and Finance Co. Ltd.	Audit Committee	Chairman																											
Kineco Ltd.	Audit Committee	Member																											
Remuneration last drawn	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.	Sitting Fees of Rs.20,000/- per meeting of the Board and Committees thereof.																										
Remuneration sought to be paid	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.	Sitting Fees as approved by the Board of Directors within the limits prescribed under the Companies Act, 2013.																										
Shareholding in the Company	247	NIL	NIL																										
Relationship with other Directors and Key Managerial Personnel of the Company	NIL	NIL	NIL																										



Notice to Shareholders (Contd.)

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

The Shareholders of the Company appointed Mr S Balasubramanian as an Independent Director, for a term of five years, with effect from 27th March, 2015, through Postal Ballot, by means of an Ordinary Resolution.

Further, the Shareholders of the Company at the 60th Annual General Meeting held on 9th August, 2018, approved the continuation of holding of office by Mr Balasubramanian as an Independent Director till the current tenure, notwithstanding that he had attained the age of 75 years.

The current term of Mr Balasubramanian as an Independent Director of the Company expired on 26th March, 2020.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for reappointment for a further term of five years on passing a Special Resolution by the Company and that such appointment shall be disclosed in the Board's Report.

Mr Balasubramanian being eligible has given his consent for his reappointment as an Independent Director, for a further term of 5 years commencing from 27th March, 2020, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (hereinafter referred to as "the Appointment Rules").

Further, as per the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as SEBI (LODR) Regulations, 2015] which is applicable effective from 1st 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 statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since Mr Balasubramanian has attained the age of 75 years, his reappointment as Non-Executive Independent Director in the Company, with effect from 27th March, 2020 requires the approval of the Shareholders by means of a Special Resolution.

The Company has also received from him- (i) Notice of Interest by Director in Form MBP-1; (ii) Intimation in Form DIR-8, in terms of the Appointment Rules, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Board and the Nomination and Remuneration Committee, during their evaluation were appreciative of his valuable contribution at the Board deliberations and were of the view that despite his attaining the age of 75 years, his continued association would be of immense benefit to the Company considering his professional background and vast experience in Government and Industry.

Accordingly, based on the recommendation of the Nomination and

Remuneration Committee, the Board of Directors in their meeting held on 28th January, 2020 approved the reappointment of Mr Balasubramanian as an Independent Director, for a further term of 5 years, with effect from 27th March, 2020, subject to the approval of the Shareholders of the Company, by means of a Special Resolution.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr Balasubramanian for the office of Director.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Mr Balasubramanian, along with nature of expertise in specific functional areas, his Other Directorships and Committee Memberships, his shareholdings and relationship with other Directors of the Company are appended to the Notice.

A copy of the draft letter of appointment of Mr Balasubramanian as an Independent Director setting out the terms and conditions will be available electronically for inspection without any fee by the members upto the date of AGM. Please refer Point No.17 of the Notice (Page No.7).

He is not liable to retire by rotation.

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

Except Mr Balasubramanian, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.5

The Shareholders of the Company at the 58th Annual General Meeting held on 5th August, 2016, appointed Mr N Ramesh Rajan as an Independent Director, for a term of five years, with effect from 3rd February, 2016, by means of an Ordinary Resolution.

The current term of Mr Ramesh Rajan as an Independent Director of the Company expires on 2nd February, 2021.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for reappointment for a further term of five years on passing a Special Resolution by the Company and that such appointment shall be disclosed in the Board's Report.

Mr Ramesh Rajan being eligible has given his consent for his reappointment as an Independent Director, for a further term of 5 years commencing from 3rd February, 2021, in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (hereinafter referred to as "the Appointment Rules").

The Company has also received from him- (i) Notice of Interest by Director in Form MBP-1; (ii) Intimation in Form DIR-8, in terms of the Appointment Rules, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Board and the Nomination and Remuneration Committee, during their evaluation were appreciative of his valuable contribution



Notice to Shareholders (Contd.)

at the Board deliberations and were of the view that his continued association would be of immense benefit to the Company considering his professional qualifications, leadership qualities and vast experience across the industrial sector as an auditing / consulting professional.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 22nd July, 2020 approved the reappointment of Mr Ramesh Rajan as an Independent Director, for a further term of 5 years, with effect from 3rd February, 2021, subject to the approval of the Shareholders of the Company, by means of a Special Resolution.

Notice has been received from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr Ramesh Rajan for the office of Director.

In terms of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and SS-2, a brief profile of Mr Ramesh Rajan, along with nature of expertise in specific functional areas, his Other Directorships and Committee Memberships, his shareholdings and relationship with other Directors of the Company are appended to the Notice.

A copy of the draft letter of appointment of Mr Ramesh Rajan as an Independent Director setting out the terms and conditions will be available electronically for inspection without any fee by the members upto the date of AGM. Please refer Point No.17 of the Notice (Page No.7).

He is not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.5 for the approval of the members.

Except Mr Ramesh Rajan, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

Place: Chennai
Date : July 22, 2020

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

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:

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

for the financial year ending 31st March, 2021.

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 31st March, 2021, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Shareholders of the Company.

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

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 62nd Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2020.

Financial Results:

	(Rs. in lakhs)	
	2019-20	2018-19
Profit before Depreciation & Tax	3,380.15	5,392.80
Less : Depreciation	1,437.67	1,466.85
Profit before Tax	1,942.48	3,925.95
Less : Tax expense		
Current Tax	585.00	1,495.00
Deferred Tax	125.54	710.54
		(6.42)
Profit after Tax	1,231.94	2,437.37
Surplus Account:		
Balance as per last Balance Sheet	12,459.65	10,968.08
Add: Profit for the year	1,231.94	2,437.37
Other Comprehensive Income for the year (Net of Tax)	(194.67)	1,037.27
		(94.06)
Total	13,496.92	13,311.39
Less: Dividend Paid	706.51	706.51
Dividend Distribution Tax	145.23	851.74
		145.23
Net Surplus	12,645.18	12,459.65

Review of Performance:

During the year under review, the Revenue from Operations amounted to Rs.645.77 crores as against the previous year's figure of Rs.627.88 crores, a growth of around 3%.

Pre-Tax Profit for the year stood at Rs.19.42 crores as against the previous year's figure of Rs.39.26 crores.

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

Dividend:

Your Directors are pleased to recommend a dividend of Rs.3.00 (30%) per Equity Share of Rs.10/- each for the year ended 31st March, 2020. [Previous Year - Rs.5.00 (50%) per Equity Share].

Share Capital:

The Paid-up Equity Share Capital as on 31st March, 2020 was Rs.1413.03 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:

Commencing from the second half of March 2020, CoVID-19 pandemic had emerged as a key risk to human health and caused significant economic turmoil which had an impact on the Indian and International business environment. Further, extended lockdown

conditions have resulted in adverse impact on sales due to disruption in market openings, supply chain, distributions, etc. The impact of this pandemic on the future operations of the Company would to a large extent depend on how it develops and its resultant impact on businesses. This would also determine whether India would be able to realize its projected GDP growth which was estimated at 5% (Previous year – 6%).

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,43,738 crores [MAT March 2020], grew by 9.8%.

The growth was driven by (i) growth in volume of existing brands (1.7%); (ii) new introductions (2.73%); and (iii) price revisions (5.35%). While Acute Segment remains dominant therapy in IPM, the growth was driven by Chronic and Sub-Chronic segments. Therapeutic Segments like Urology (13.9%), Respiratory (13.2%), Cardiac (11.8%) and Anti-Diabetic (11.4%) reported healthy growth. (Source: Pharmatrac).

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma / 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" initiative by the Government would further enhance the growth prospect for this Segment. These products also have export potential. The Government of India has recently announced the "Atmanirbhar Bharat Abhiyaan" (Self-reliant India) which would provide further fillip to the indigenous manufacture of medical devices.
- Due to the outbreak of CoVID-19, there would be emerging categories of hygiene products such as Sanitizers, 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.
- 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 is implementing a massive Medical Insurance Scheme to cover poor families and this initiative is also likely to increase the number of treatment procedures

Board's Report (Contd.)

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.
- Banning of 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

During the year 2019-20, EPD and Ventura Divisions registered a revenue from operations of Rs.159.75 crores, with a growth of around 4%. Though the performance till February 2020 was satisfactory, huge drop in sales during March 2020 due to CoVID-19 has impacted the overall growth for the year as a whole. However, the Division maintained its profitability.

Your Company had bifurcated the Ventura Division into- (i) Ventura – Gynaec; and (ii) Ventura – Fertility. While this initiative has strengthened your Company's position in Gynaecology and Infertility segments, it has taken more time than what was originally estimated for stabilization due to the initial teething issues.

During the year under review, the newly launched products such as Jessica QF (a novel pregnancy supplement), Sensipreg SR (progesterone), Erafos (Fosfomycin) and Pufer (a Haematinic) also delivered a satisfactory performance.

The strategy for the year 2020-21 for Pharma Business is to constantly work on improving the people productivity, to focus on existing / key brands that have good potential and also to launch a few new brands, to grow the business.

Animal Welfare Division (AWD)

During the year under review, the Animal Welfare Division registered a revenue from operations of Rs.71.46 crores with a growth of around 12%. The growth would have been higher but for the impact of CoVID-19 during the month of March, 2020. Institutional component also added a decent share to the overall revenue from operations.

While the Divisions under AWD viz., Bovianim (Livestock) and Companim (Pet) reported healthy growth, Gallus (Poultry) had a setback during the second half of the year under review due to the volatility and soaring prices of poultry feed raw materials. Further, due to bird-flu incidences in certain parts of the country, there was a reduced demand in consumption of meat and egg which has hampered the business heavily.

The initial response for the launch of six products under the newly established Aqua Division is promising.

Major focus for the year 2020-21 is to bounce back with Gallus business and to improve performance of low performing territories, thereby reaching a healthy growth for the year for all the sub-divisions of AWD.

Consumer Products Business:

The Consumer Products Division reported a revenue from operations of Rs.181.33 crores, marginally lower than the previous year's figure.

Woodward's Gripewater (WGW)

During the year under review, the Woodward's Gripewater (WGW) witnessed a decline in volumes as compared to the previous year. However, with the reckoning of the impact of the revision in the prices, WGW had more or less maintained its value.

Your Company has recently started engaging the New Age Digital Mothers through online initiatives and this is helping your Company to convey the product benefits and usage, alongside building the advocacy for the brand.

The strategy for the year 2020-21 would be to focus on consumption increase in well penetrated markets with a new TVC emphasizing on "3-time a day" consumption and to initiate various Consumer Connect Programs like Van promotion with the presence of doctors, Hospital sampling, etc., to recruit new Moms into this category. Also there are plans to scale up the digital initiatives to build trust and brand awareness among new age Moms.

EVA

During the year under review, EVA as a brand reported a decline both in value and volume compared to the previous year.



Board's Report (Contd.)

The packaging of the EVA Deodorant was fully revamped with a two tone colour scheme and also complete change in the graphics of the pack. This new pack was launched in March, 2019 with good promotional support. While the response was reasonably good, the relaunch expectations on the brand were not fully met as the consumers' preference was better for the single colour old pack. This has impacted both the volumes / profitability. Considering the feedback from the trade and the field team, it has been decided to go back to the original pack without any change.

The performance of EVA Talc and Winter care products such as Lip Drench, Chapstic, etc., was satisfactory. The launch of revamped pack for EVA Talc is expected to add further volumes to the brand.

The objective for the year 2020-21 is to- (i) regain the consumers' confidence and build volumes; (ii) make a strong foothold in the market; (iii) achieve dominant position; and (iv) build robust product portfolio.

Skore

During the year under review, Skore brand delivered a satisfactory performance. The brand faced a big setback in the month of March 2020 due to country wide lockdown that led to a meagre growth in terms of value for the year 2019-20.

Skore brand was successfully extended with pleasure aids like Orgasmic Gel for women, Vibrating Rings as well as Pheromone Activating Spray for men.

The strategy for the year 2020-21 would be to increase its reach amongst its consumers through distribution expansion and increasing brand awareness. Focus on innovation and disruption would continue with a few new product launches. To ride on the improved awareness about health and hygiene, your Company proposed to launch intimate hygiene wipes. The brand will focus on strengthening the e-commerce channel with few exclusive launches and also focus on pleasure products.

Good Home

During the year under review, Good Home as a brand reported a decent growth and witnessed launch of a few new products with differentiated offering. These products have been well received.

While Drain Cleaner, Room Freshener and Scrubbers registered a decent growth, Air Freshener Block and Odour Remover reported a decline.

The recently launched anti-bacterial Scrubber is expected to add volumes to the brand.

Your Company is also planning to launch a few germs protection products such as Hand Sanitizers, etc. and also relaunch some of the key products under Good Home Brand in new packaging so as to reflect its modern and 'House of Good Home' philosophy.

The focus for the year 2020-21 would be to uplift the brand imagery, build consumer connect / trust and confidence to grow the Brand further.

Medical Devices Business:

Heart Valve Division

During the year under review, the performance of Heart Valve Division has been quite satisfactory, with a revenue from operations of Rs.23.90 crores and a decent growth, despite the impact of CoVID-19 in the last quarter.

The performance was partly aided by the continued demand for Heart Valves under the recently launched Medical Insurance Scheme by the Government of India.

Your Company is actively working on increasing its presence in the Bi-Leaflet Valve Segment which is showing good acceptance amongst the Surgeons.

As a strategic initiative, your Company has recently signed up an agreement with the Overseas Manufacturer for direct import and distribution of Bi-Leaflet Valves and efforts would be stepped up to build a decent volume in the coming months.

Your Company would commence the Single Centric Clinical Trials for the improved Heart Valves after receipt of necessary regulatory clearances and the first human trial is expected during the year 2020-21.

The focus for the year 2020-21 would be to grow the volumes of TTK Chitra Heart Valves and to gain further volumes through Bi-Leaflet valves.

Ortho Division

During the year under review, Ortho Division recorded a revenue from operations of Rs.21.33 crores, with a moderate growth.

Expanded into new markets. Healthy growth achieved in new markets in East, North and West. While Southern markets contributed significantly to the revenue from operations, it has reported decline in volumes.

Line extensions to Knee portfolio (Hinge Knee) helped to penetrate into new segments in existing and new markets.

Hip Replacement portfolio (Cemented and Uncemented Hip Replacements) would be launched across the country in 2020-21. The new Hip Implants are coated with the state-of-the-art world class technology by a leading Coating Company in Italy. Additional capacity is being created to support manufacture of new products.

The strategy for 2020-21 would be to continue expansion into new geographies, grow revenues from new products such as Hip range and Knee portfolio extensions and 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.99.74 crores. This could have been better but for the closure of the facilities during last 2 weeks of March 2020 due to country wide lockdown to manage the outbreak of CoVID-19 pandemic.



Board's Report (Contd.)

Your Company was able to secure an export contract with a reputed international aid agency and the supplies under this contract commenced during the last Quarter of 2019-20.

As in the past many years, your Company successfully went through the Quality Audits conducted by the British Standards Institution (BSI) for ISO and CE Mark, South African Bureau of Standards for SABS Certification and SCS Global Services for Forest Stewardship Council Certification, as part of the continual assessment.

Your Company successfully retained all the certifications without any major or critical non-conformances and is also one of the pre-qualified Suppliers under WHO-UNFPA Pre-Qualification Scheme for Male Latex Condoms.

During the year under review, your Company had launched various value added, innovative and differentiated products developed by your Company's Research & Development Division. Some more products are in the process of development and a few of those will be launched during 2020-21.

These will help your Company to develop its business further.

The focus for 2020-21 would be to grow the branded Condom business through differentiated and innovative products; to develop and strengthen relationships with third party contract manufacturing customers for increasing the volumes; and to work on cost optimization to be more competitive in the domestic and international bid businesses.

Foods Business:

During the year under review, the Foods Division reported a revenue from operations of Rs.87.74 crores, with a healthy growth both in volume and value.

There were challenges in terms of pricing and margins due to steady increase in some of the input costs and competition. Distribution was further expanded and more new markets were opened up.

Your Company's R&D Centre at Hosakote developed several new products, out of which five were launched in the market. The R&D team is continuously working with different customers and developing innovative products for different applications like ready-to-microwave, hot air popping and mechanical popping, considering the future trend for healthy snacks. Several projects pertaining to cost optimization of the existing products are in the pipeline.

The capacity utilization of the Jaipur factory has significantly increased during the year under review. The new high capacity cooker extruder (HTE 210) imported from Italy was erected and the same would be commissioned during the second quarter of the current year. This new cooker extruder would further increase the capacity and capability of the Jaipur factory.

There was a moderate improvement in Productivity, Quality, Cost Reduction, Delivery, Safety and Moral (PQCDSM) objective of the factories by implementing Total Productive Maintenance (TPM).

The strategy for the year 2020-21 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:

Due to the CoVID-19 outbreak, the situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. Our immediate focus remains on safety of our 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.

(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.



Board's Report (Contd.)

(G) FINANCIAL PERFORMANCE:

	Rs. in lakhs)	
	2019-20	2018-19
Revenue from Operations (Net)	64,576.78	62,788.36
Other Income	877.54	775.35
Total Income	65,454.32	63,563.71
Cost of Materials Consumed	26,002.12	26,259.06
Employee Benefits Expense	14,394.10	13,070.09
Other Expenses	21,351.10	18,503.86
Profit before Finance Cost and Depreciation	3,707.00	5,730.70
Finance Cost	326.85	337.90
Depreciation	1,437.67	1,466.85
Profit before Tax	1,942.48	3,925.95
Less: Tax expense		
Current Tax	585.00	1,495.00
Deferred Tax	125.54	(6.42)
Profit after Tax	1,231.94	2,437.37

ANALYSIS OF PERFORMANCE:

- Revenue from operations grew by around 3% for the year as a whole. While most businesses were reporting decent performance till February, 2020, there has been serious disruption across businesses during the second half of March, 2020 due to the outbreak CoVID-19 pandemic and the consequent lockdowns. This has affected the overall performance of the Company for the Fourth Quarter and the Year, as a whole. Further, the reduction in profitability was partly on account of the less than expected performance from the relaunch of EVA Deo despite higher investments towards brand promotion.
- The increase in employee benefits expense was mainly due to (i) regular annual increments / revision in packages, (ii) addition of employees in Ventura Division as part of expansion and (iii) wage settlement / one time ex-gratia payment to the permanent workmen of Protective Devices Division (PDD).
- The increase in Power and Fuel expenses was due to higher production at Foods Division's factories at Hosakote and Jaipur and also on account of increase in water charges relating to PDD's Factory at Puducherry.
- The increase in Repairs and Maintenance was mainly on account of the maintenance and upkeep activities carried out at the Central Warehouse at Chennai and also at the factories of Foods and Heart Valve Divisions.
- The increase in Advertisement and Sales Promotion was mainly on account of the higher advertising and promotional activities undertaken relating to WGW (Rs.572.09 lakhs), EVA (Rs.132.95 lakhs) and Skore Brand of Condoms / Pleasure products range (Rs.546.22 lakhs).
- The increase in Travelling & Conveyance was due to revision in the daily allowances payable to the field staff and expansion of field force at Ventura Division.

- Loss on impairment mainly relates to the impaired Multitrack Packing Machine (Rs.41.19 lakhs) at PDD.
- Bad Debts Written Off during the year under review, amounted to Rs.51.34 lakhs, comprising-
 - Pharma Division (including AWD) - Rs.37.45 lakhs;
 - Consumer Products Division - Rs.3.28 lakhs;
 - Heart Valve Division - Rs.0.51 lakhs;
 - Ortho Division - Rs.1.94 lakhs; and
 - Foods Division - Rs.8.16 lakhs.
- The R&D expenses mainly include the expenses incurred for the development of the Fixed Bearing Knee.
- Profit on sale of assets was mainly relating to the sale of old Generator (Rs.13.98 lakhs) at PDD and CNC Lathe Machine (Rs.9.80 lakhs) at Ortho Division.
- The increase in Capital Work-in-progress represents the cost of the cooker extruder (HTE 210) installed at Foods Factory at Jaipur. The same will be capitalized immediately upon commissioning.
- The increase in Inventories was mainly on account of lower sales in the month of March 2020 due to the outbreak of CoVID-19 pandemic and the consequent lockdown.
- Deferred Revenue Income represents the custom duty exemption availed in connection with the import of cooker extruder for Foods Division's Factory at Jaipur and the corresponding amount was added to the asset, in line with Ind AS 20.
- The additions to Fixed Assets mainly include the following:
 - Construction of Building at-
 - Foods Division – Hosakote Rs. 23.08 lakhs
 - Ortho Division Rs. 22.90 lakhs
 - Purchase of Plant and Machinery relating to-
 - Protective Devices Division Rs. 96.51 lakhs
 - Pharma Division Rs. 77.03 lakhs
 - Ortho Division Rs. 47.86 lakhs
 - Foods Division, Hosakote Rs. 3.95 lakhs
 - Foods Division, R&D Rs. 3.12 lakhs
 - Purchase of Computers relating to-
 - Pharma and Consumer Products Divisions Rs. 17.52 lakhs
 - Protective Devices Division Rs. 12.95 lakhs
 - Foods Division, Hosakote Rs. 2.41 lakhs
 - Ortho Division Rs. 1.83 lakhs
 - Foods Division, Jaipur Rs. 0.49 lakhs
 - Purchase of Patterns & Dies relating to-
 - Consumer Products Division Rs. 63.50 lakhs
 - Ortho Division Rs. 9.95 lakhs
 - Motor Car – Lease relating to-
 - Pharma and Consumer Products Divisions Rs. 122.43 lakhs
 - Foods Division, Hosakote Rs. 15.28 lakhs
 - Ortho Division Rs. 10.00 lakhs

Board's Report (Contd.)

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

Human Resources:

During the year, your Company, as part of HR Strategy had focused on employee engagement and productivity, leadership development and automation of processes. Your Company has continued to drive the Balanced Score Card (BSC) initiatives and Total Productive Maintenance (TPM) at manufacturing units, in order to enhance workforce productivity and corporate performance.

Your Company's Human Resources Department has successfully automated the Recruitment processes and the Performance Management System. In addition to the regular training provided to new recruits, the Company had provided intense training to front-line managers and select front-line staff to improve productivity. The Company has also embarked on a leadership development journey with the launch of Leadership Advancement Program (LEAP²) in order to build the succession pipeline over the next 2-5 years.

The online Performance Management System built on the philosophy of the Balanced Score Card (BSC) has been rolled out to align people to strategy and Company's performance. All staff and managers at our major offices and factories have been trained on the system. The online Human Resource Management System (HRMS) enables automation of the recruitment process, enabling faster processing of hiring and joining formalities.

To improve the engagement level of employees and to strengthen the internal employer branding, your Company has initiated several employee initiatives such as TTK Quiz Whiz, e-Voice, i-Appreciate and team and sports events. Your Company has also rolled out a comprehensive Rewards & Recognition program including Star Awards (annual sales achievement awards), the Xtra Mile Award (Employee of the Month), Trail Blazer Awards (bi-annual awards) and the Corporate Excellence Awards (Annual Awards).

As on 31st March, 2020, the employee strength was 2515 (Previous Year - 2312).

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 successfully migrated Protective Devices Division operations to Oracle E-Business Suite in the beginning of the financial year 2019-20. During the year under review, the Oracle EBS Control Review was carried out by an External Consulting Firm and their suggestions are under implementation. Your Company has also finalized the Information Security Policy and the same is being implemented in a phased manner.

(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	2019-20	2018-19	Change %	
Debtors Turnover Ratio	8.21	8.56	(4.09)	A
Inventory Turnover Ratio	4.10	4.85	(15.46)	A
Interest Coverage Ratio	6.94	12.62	(45.01)	A
Current Ratio	1.74	1.73	0.58	F
Debt Equity Ratio (%)	12.63	12.18	3.69	A
Operating Profit Margin (%)	4.38	7.89	(44.49)	A
Net Profit Margin (%)	1.91	3.88	(50.77)	A
Return on Net Worth (%)	5.22	10.40	(49.81)	A

F - Favourable; A - Adverse

- The lower Inventory Turnover Ratio was mainly on account of the higher inventory holding as on 31st March, 2020 because of lower sales in March 2020 due to outbreak of CoVID-19 pandemic.
- The other ratios viz., Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth were impacted due to lower profit as compared to the previous year.

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

(a) Extract of Annual Return:

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

(b) Number of Meetings of the Board:

The Board of Directors met 4 (four) times during the year 2019-20. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance.

(c) Corporate Social Responsibility (CSR) Committee:

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

The Annual Report under CSR Activities is annexed to this Report as **Annexure-2**.



Board’s Report (Contd.)

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.

During the year under review, your Company renewed the contract entered into with M/s Packwell Packaging Products Limited. The relevant details are provided below:

Nature of the Contract	Agreement for availing packing services.	
Parties to the Contract	Contract between the Company and M/s Packwell Packaging Products Limited.	
Duration of the Contract	Renewal for a further period of five years from 1st January, 2020 to 31 st December, 2024.	
Particulars of the Contract or Arrangement	For availing packing services.	
Material Terms of the Contract or Arrangement including the value, if any.	Not exceeding Rs.100 lakhs per annum plus applicable taxes.	
Manner of determining the pricing and other commercial terms, both included as part of Contract and not considered as part of the Contract.	The rates are worked out and agreed mutually considering the relevant factors and are comparable to the prevailing market rates.	
Interested Directors	Name of the Director	Interested as
	Mr T T Jagannathan Chairman	Members holding more than 2%
	Mr T T Raghunathan Executive Vice Chairman	

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

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

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

(f) Corporate Governance:

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

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

(g) Risk Management:

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

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

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

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

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

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 were retained for this purpose. Based on their Report, the new Risk Register has been developed along with the preliminary mitigation plans.

(h) Directors and Key Managerial Personnel:

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

Certificate of Non-disqualifications of Directors from the Practising Company Secretary is furnished under Report on Corporate Governance. (Page No.53)

Board's Report (Contd.)

(i) Appointment / Reappointment of Directors:

- Mr K Shankaran, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.
- The Board seeks the approval of the members for the-
 - ◆ Reappointment of Mr S Balasubramanian as Independent Director, for a further term of 5 years, with effect from 27th March, 2020; and
 - ◆ Reappointment of Mr N Ramesh Rajan as Independent Director, for a further term of 5 years, with effect from 3rd February, 2021.

(ii) Retirement of Directors:

- Mr B N Bhagwat, Independent Director of the Company retired with effect from 22nd August, 2019.

(iii) 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. 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 www.ttkhealthcare.com.

(iv) 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)].

(v) 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.

(vi) Remuneration Policy:

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

(i) Auditors:

(i) Statutory Auditor's and their Report:

- The Shareholders at the 59th Annual General Meeting held on 4th August, 2017 appointed M/s PKF Sridhar & Santhanam LLP as Statutory Auditors of the Company, for a term of five years, to hold office from the conclusion of the 59th Annual General Meeting till the conclusion of the 64th Annual General Meeting, subject to ratification at every Annual General Meeting, in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

Pursuant to notification of the Companies (Amendment) Act, 2017 on 7th May, 2018, the first proviso to Section 139 relating to the ratification of appointment of Statutory Auditors by the members at every General Meeting was omitted. Consequently, the ratification of appointment of M/s PKF Sridhar & Santhanam LLP as Statutory Auditors is not required.

• Auditor's Report for the year ended 31st March, 2020:

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 2020-21:

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the Cost Records of your Company shall be audited for the following product categories, for the financial year 2020-21:

(a) Under Regulated Sectors:

- Drugs and Pharmaceuticals.

(b) 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 2020-21 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



Board's Report (Contd.)

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 31st March, 2020 would be filed on or before the due date (i.e.) 27th September, 2020 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 2018-19:**

The Cost Audit Report for the financial year ended 31st March, 2019 was filed in Form CRA-4 vide SRN H85796597 dated 29th August, 2019 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 2019-20. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-4**. The Report does not contain any qualification or reservation or adverse remarks.

(j) **Investor Education and Protection Fund (IEPF):**

• **Transfer of Unclaimed Dividends for the year ended 31st March, 2012 to IEPF:**

Your Company has transferred a sum of Rs.8.35 lakhs during the financial year 2019-20 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 31st March, 2012, 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 13,937 Equity Shares of Rs.10/- each fully paid-up, in respect of which the dividends relating to the year 2011-12, remained unclaimed / unpaid for a period of seven consecutive years or more, to the Demat Account of the IEPF Authority held with CDSL on 16th October, 2019.

• **Year wise amount of Unpaid / Unclaimed Dividends lying in the Unpaid Account as on 31st March, 2020 and the due dates of transfer:**

Financial Year ended	Dividend Declared on	Due for Transfer on	Unpaid / Unclaimed Amount as on 31.03.2020 (in Rs.)
31.03.2013	25.07.2013	30.08.2020	8,21,888.00
31.03.2014	22.08.2014	26.09.2021	7,74,728.00
31.03.2015	07.08.2015	11.09.2022	8,46,425.50
31.03.2016	05.08.2016	08.09.2023	9,93,050.00
31.03.2017	04.08.2017	04.09.2024	10,18,645.00
31.03.2018	09.08.2018	14.09.2025	6,96,233.07
31.03.2019	09.08.2019	12.09.2026	6,15,325.52

• **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

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

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

(l) **Conservation of Energy:**

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

(m) **Particulars of Employees:**

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

(n) **Subsidiary Company:**

Your Company does not have any Subsidiary.

(o) **Deposits:**

As on 31st March, 2020, your Company was not holding any amount under Fixed Deposit Account.

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

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

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

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

Board's Report (Contd.)

(r) Whistle Blower Policy:

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

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

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

(s) Compliance Certificate:

Certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance is furnished as **Annexure - 7** to this Report.

(t) Secretarial Standards:

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

(u) 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.28.13 crores as on 31st March, 2020.

(v) 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 paid the Listing Fees for the financial year 2020-21.

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

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

complaints relating to sexual harassment at workplace of any woman employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and constituted an Internal Complaints Committee (ICC) with an NGO as one of its Members. During the year 2019-20, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of your Company.

(x) 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 31st March, 2020 and of the Profit of the Company for that period;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts had been prepared on a going concern basis;
- The Internal Financial Controls had been laid down, to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

General:

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

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

Acknowledgement:

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

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Place : Chennai
Date : July 22, 2020

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



Annexures to the Board's Report

ANNEXURE-1

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the Financial Year Ended on 31st March, 2020

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

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Allopathic Medicines	3004 90 99	18.58
2.	Ayurvedic Medicines	3004 90 11	17.98
3.	Condoms	4014 10 10	15.59
4.	Pappads	1905 90 40	13.35

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

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
(i) Category-wise Shareholding:									
Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	9,84,375	–	9,84,375	6.97	9,84,375	–	9,84,375	6.97	–
(b) Central Govt.	–	–	–	–	–	–	–	–	–
(c) State Govt(s).	–	–	–	–	–	–	–	–	–
(d) Bodies Corporate	18,855	–	18,855	0.13	18,855	–	18,855	0.13	–
(e) Banks / FI	–	–	–	–	–	–	–	–	–
(f) Any other – Partnership Firm	95,32,610	–	95,32,610	67.46	95,32,610	–	95,32,610	67.46	–
Sub-Total (A)(1)	1,05,35,840	–	1,05,35,840	74.56	1,05,35,840	–	1,05,35,840	74.56	–



Annexures to the Board's Report (Contd.)

(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	1,05,35,840	-	1,05,35,840	74.56	1,05,35,840	-	1,05,35,840	74.56	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	3,24,803	5,172	3,29,975	2.34	3,24,803	5,172	3,29,975	2.34	-
(b) Banks / FI	842	516	1,358	0.01	200	516	716	0.01	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s).	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	3,19,727	-	3,19,727	2.26	3,00,135	-	3,00,135	2.12	(0.14)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	6,45,372	5,688	6,51,060	4.61	6,25,138	5,688	6,30,826	4.47	(0.14)
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	54,594	3,129	57,723	0.41	41,354	2,093	43,447	0.31	(0.10)
(ii) Overseas	9,00,000	-	9,00,000	6.37	9,00,000	-	9,00,000	6.37	-
(b) Individuals									
(i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	8,79,486	2,29,103	11,08,589	7.85	9,30,033	2,00,343	11,30,376	8.00	0.15
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	6,78,227	-	6,78,227	4.80	6,99,470	-	6,99,470	4.95	0.15
(c) Others (specify)									
NRI	1,09,197	3,756	1,12,953	0.80	86,740	3,756	90,496	0.64	(0.16)
IEPF	85,941	-	85,941	0.61	99,878	-	99,878	0.71	0.10
Sub-Total (B)(2)	27,07,445	2,35,988	29,43,433	20.83	27,57,475	2,06,192	29,63,667	20.97	0.14
Total Public Shareholding (B) = (B)(1) + (B)(2)	33,52,817	2,41,676	35,94,493	25.44	33,82,613	2,11,880	35,94,493	25.44	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,38,88,657	2,41,676	1,41,30,333	100.00	1,39,18,453	2,11,880	1,41,30,333	100.00	-



Annexures to the Board's Report (Contd.)

(ii) Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1.	M/s T T Krishnamachari & Co. represented by its Partners	95,32,610	67.47	–	95,32,610	67.47	–	–
2.	Mr T T Jagannathan	7,59,298	5.37	–	7,59,298	5.37	–	–
3.	Mr T T Raghunathan	38,797	0.27	–	38,797	0.27	–	–
4.	Mrs Stina Ostlund Vasu	–	–	–	–	–	–	–
5.	Mrs Shanthy Ranganathan	58,360	0.41	–	58,360	0.41	–	–
6.	Mrs Latha Jagannathan	29,728	0.21	–	29,728	0.21	–	–
7.	Mrs Bhanu Raghunathan	56,000	0.40	–	56,000	0.40	–	–
8.	Mr T T Mukund	14,096	0.10	–	14,096	0.10	–	–
9.	Mr T T Lakshman	14,096	0.10	–	14,096	0.10	–	–
10.	Mr T T Venkatesh	14,000	0.10	–	14,000	0.10	–	–
11.	M/s TTK Tantex Limited	8,640	0.06	–	8,640	0.06	–	–
12.	M/s TTK Prestige Limited	1,440	0.01	–	1,440	0.01	–	–
13.	M/s Packwell Packaging Products Ltd	8,775	0.06	–	8,775	0.06	–	–
Total		1,05,35,840	74.56	–	1,05,35,840	74.56	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change):								
Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	M/s T T Krishnamachari & Co. represented by its Partners	95,32,610	67.46	01.04.2019	No change during the year		95,32,610	67.46
		95,32,610	67.46	31.03.2020			95,32,610	67.46
2.	Mr T T Jagannathan	7,59,298	5.37	01.04.2019	No change during the year		7,59,298	5.37
		7,59,298	5.37	31.03.2020			7,59,298	5.37
3.	Mr T T Raghunathan	38,797	0.27	01.04.2019	No change during the year		38,797	0.27
		38,797	0.27	31.03.2020			38,797	0.27
4.	Mrs Stina Ostlund Vasu	–	–	01.04.2019	No change during the year		–	–
		–	–	31.03.2020			–	–
5.	Mrs Shanthy Ranganathan	58,360	0.41	01.04.2019	No change during the year		58,360	0.41
		58,360	0.41	31.03.2020			58,360	0.41
6.	Mrs Latha Jagannathan	29,728	0.21	01.04.2019	No change during the year		29,728	0.21
		29,728	0.21	31.03.2020			29,728	0.21
7.	Mrs Bhanu Raghunathan	56,000	0.40	01.04.2019	No change during the year		56,000	0.40
		56,000	0.40	31.03.2020			56,000	0.40
8.	Mr T T Mukund	14,096	0.10	01.04.2019	No change during the year		14,096	0.10
		14,096	0.10	31.03.2020			14,096	0.10
9.	Mr T T Lakshman	14,096	0.10	01.04.2019	No change during the year		14,096	0.10
		14,096	0.10	31.03.2020			14,096	0.10
10.	Mr T T Venkatesh	14,000	0.10	01.04.2019	No change during the year		14,000	0.10
		14,000	0.10	31.03.2020			14,000	0.10



Annexures to the Board's Report (Contd.)

11.	M/s TTK Tantex Limited	8,640	0.06	01.04.2019	No change during the year	8,640	0.06
		8,640	0.06	31.03.2020		8,640	0.06
12.	M/s TTK Prestige Limited	1,440	0.01	01.04.2019	No change during the year	1,440	0.01
		1,440	0.01	31.03.2020		1,440	0.01
13.	M/s Packwell Packaging Products Limited	8,775	0.06	01.04.2019	No change during the year	8,775	0.06
		8,775	0.06	31.03.2020		8,775	0.06

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Mcap India Fund Limited	9,00,000	6.37	01.04.2019	No change during the year		9,00,000	6.37
		9,00,000	6.37	31.03.2020		9,00,000	6.37	
2.	Axis Mutual Fund Trustee Ltd. a/c Axis Mutual Fund	3,24,803	2.30	01.04.2019	No change during the year		3,24,803	2.30
		3,24,803	2.30	31.03.2020		3,24,803	2.30	
3.	National Westminster Bank PLC as Trustee of the Jupiter India Fund	2,59,953	1.84	01.04.2019	-	-	2,59,953	1.84
				21.02.2020	(2,065)	Transfer	2,57,888	1.83
				28.02.2020	(1,021)	Transfer	2,56,867	1.82
				06.03.2020	(734)	Transfer	2,56,133	1.81
				13.03.2020	(2,388)	Transfer	2,53,745	1.80
		2,53,745	1.80	31.03.2020	-	-	2,53,745	1.80
4.	Vidhit K Tulshan	1,65,176	1.17	01.04.2019	-	-	1,65,176	1.17
				05.04.2019	(15)	Transfer	1,65,161	1.17
				19.07.2019	320	Transfer	1,65,481	1.17
				30.08.2019	2	Transfer	1,65,483	1.17
		1,65,483	1.17	31.03.2020	-	-	1,65,483	1.17
5.	Mukul Mahavir Prasad Agrawal	1,00,000	0.71	01.04.2019	No change during the year		1,00,000	0.71
		1,00,000	0.71	31.03.2020		1,00,000	0.71	
6.	Investor Education and Protection Fund	85,941	0.61	01.04.2019	-	-	85,941	0.61
				16.10.2019	13,937	Transfer	99,878	0.71
		99,878	0.71	31.03.2020	-	-	99,878	0.71
7.	Seema Tulshan	81,762	0.58	01.04.2019	No change during the year		81,762	0.58
		81,762	0.58	31.03.2020		81,762	0.58	
8.	Veena K Jagwani	74,000	0.52	01.04.2019	No change during the year		74,000	0.52
		74,000	0.52	31.03.2020		74,000	0.52	
9.	Manoj Tulshan	68,035	0.48	01.04.2019	No change during the year		68,035	0.48
		68,035	0.48	31.03.2020		68,035	0.48	



Annexures to the Board's Report (Contd.)

10.	M/s Jupiter South Asia Investment Co. Ltd. a/c Jupiter South Asia Investment Company	59,774	0.42	01.04.2019	–	–	59,774	0.42
				20.09.2019	(5,839)	Transfer	53,935	0.38
				20.12.2019	(578)	Transfer	53,357	0.38
				27.12.2019	(572)	Transfer	52,785	0.37
				17.01.2020	(1,241)	Transfer	51,544	0.36
				14.02.2020	(3,372)	Transfer	48,172	0.34
				21.02.2020	(1,404)	Transfer	46,768	0.33
				28.02.2020	(378)	Transfer	46,390	0.33
		46,390	0.33	31.03.2020	–	–	46,390	0.33

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

Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Mr T T Jagannathan Chairman	7,59,298*	5.370	01.04.2019	No change during the year		7,59,298*	5.370
		7,59,298*	5.370	31.03.2020			7,59,298*	5.370
2.	Mr T T Raghunathan Executive Vice Chairman / Chief Executive Officer	38,797*	0.275	01.04.2019	No change during the year		38,797*	0.275
		38,797*	0.275	31.03.2020			38,797*	0.275
3.	Mr R K Tulshan Director	31,487	0.223	01.04.2019	No change during the year		31,487	0.223
		31,487	0.223	31.03.2020			31,487	0.223
4.	Mr K Shankaran Director	247	0.002	01.04.2019	No change during the year		247	0.002
		247	0.002	31.03.2020			247	0.002
5.	Mr S Kalyanaraman Wholetime Director & Secretary	432	0.003	01.04.2019	No change during the year		432	0.003
		432	0.003	31.03.2020			432	0.003
6.	Mr B V K Durga Prasad Chief Financial Officer	–	–	01.04.2019	No change during the year		–	–
		–	–	31.03.2020			–	–

*Held in their individual capacity.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:				(in Rs.)
Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
(i) Principal Amount	27,88,30,728	–	–	27,88,30,728
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
Total (i)+(ii)+(iii)	27,88,30,728	–	–	27,88,30,728
Change in Indebtedness during the financial year:				
• Addition	24,57,025	–	–	24,57,025
• Reduction	–	–	–	–
Net Change	24,57,025	–	–	24,57,025



Annexures to the Board's Report (Contd.)

Indebtedness at the end of the financial year				
(i) Principal Amount	28,12,87,753	-	-	28,12,87,753
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i)+(ii)+(iii)	28,12,87,753	-	-	28,12,87,753

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				(in Rs.)
Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Managerial Remuneration
		Mr T T Raghunathan Executive Vice Chairman [01.04.2019 – 31.03.2020]	Mr S Kalyanaraman Wholetime Director & Secretary [01.06.2019 – 31.03.2020]	
(1)	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	65,15,076	84,77,175	1,49,92,251
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	9,35,752	9,69,153	19,04,905
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	-	-	-
(2)	Stock Option	-	-	-
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	• As % of Profit	-	-	-
	• Others, specify	-	-	-
(5)	Others, please specify (Productivity Incentive)	33,38,323	-	33,38,323
	Total (A)	1,07,89,151	94,46,328	2,02,35,479
Ceiling as per the Act		Rs. 2,15,78,303/- (Being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to Other Directors:								(in Rs.)
Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
(1)	Independent Directors	Mr B N Bhagwat	Dr (Mrs) Vandana R Walvekar	Mr Girish Rao	Mr S Balasubramanian	Mr N Ramesh Rajan	Mr V Ranganathan	
	• Fee for attending Board / Committee Meetings	1,00,000	1,00,000	2,60,000	1,20,000	1,00,000	1,00,000	7,80,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	1,00,000	1,00,000	2,60,000	1,20,000	1,00,000	1,00,000	7,80,000
(2)	Other Non-Executive Directors				Mr T T Jagannathan	Mr R K Tulshan	Mr K Shankaran	
	• Fee for attending Board / Committee Meetings				80,000	1,40,000	3,00,000	5,20,000
	• Commission				-	-	-	-
	• Others, please specify				-	-	-	-
	Total (2)				80,000	1,40,000	3,00,000	5,20,000
	Total (B) = (1) + (2)							13,00,000*
	Total Managerial Remuneration (A) + (B)							2,15,35,479
Overall ceiling as per the Act	Rs.2,37,36,133/- (Being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)							

* Exclusive of GST.



Annexures to the Board's Report (Contd.)

C. Remuneration to Key Managerial Personnel (KMP) other than MD / WTD / Manager: (in Rs.)				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr S Kalyanaraman Company Secretary [01.04.2019 – 31.05.2019]	Mr B V K Durga Prasad Chief Financial Officer [01.04.2019 – 31.03.2020]	
(1)	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	22,63,566	80,99,642	1,03,63,208
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	1,13,143	4,80,586	5,93,729
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	-	-	-
(2)	Stock Option	-	-	-
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	• As % of Profit	-	-	-
	• Others, specify	-	-	-
(5)	Others, please specify	-	-	-
	Total	23,76,709	85,80,228	1,09,56,937

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Place : Chennai
Date : July 22, 2020

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

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

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

ANNEXURE-2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:****CSR PHILOSOPHY AND POLICY:**

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

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

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

Weblink: www.ttkhealthcare.com.

2. The Composition of the CSR Committee:

Name	Position
Mr T T Raghunathan	Chairman
Mr K Shankaran	Member
Dr (Mrs) Vandana R Walvekar	Member
Mr Girish Rao	Member
Mr S Kalyanaraman	Secretary

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

Average Net Profit for the last three financial years 2016-17, 2017-18 and 2018-19 – Rs.27.71 crores.

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

The Company is required to spend Rs.55.42 lakhs (rounded off to Rs.56 lakhs) towards CSR activities.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs.56 lakhs

(b) Amount unspent, if any: NIL



Annexures to the Board’s Report (Contd.)

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

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lakhs)	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lakhs)		Cumulative expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency (Rs. in lakhs)
					(1)	(2)		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
1.	Educational assistance to the tribal and underprivileged children in the village of Anaikatty, Coimbatore.	Education	Anaikatty Village, Coimbatore, Tamil Nadu	5.00	(1) 5.00 (2) –	5.00	5.00*	
2.	Implementation of Projects relating to animal welfare, protection of flora and fauna, ecological balance, etc.	Environment & Ecology	Bandipur, Chamrajnagar, Karnataka	10.00	(1) 10.00 (2) –	10.00	10.00*	
3.	Financial support for improving the infrastructural facilities and upkeep of the buildings at the T T Narasimhan Swamy Dayananda Higher Secondary School.	Education	Manjakkudi, Tamil Nadu	10.00	(1) 10.00 (2) –	10.00	10.00*	
4.	Financial support for the enhancement / development of the infrastructural facilities at the T T Ranganathan Clinical Research Foundation.	Healthcare	Chennai, Tamil Nadu	10.00	(1) 10.00 (2) –	10.00	10.00*	
5.	Provision of educational assistance / scholarships to needy and deserving students and also provision of medical relief to poor people.	Education & Healthcare	Chennai, Tamil Nadu	21.00	(1) 21.00 (2) –	21.00	21.00*	
TOTAL AMOUNT = Rs.56 lakhs								

* Through Implementing Agency

Details of Implementing Agency:

1. Bhuvana Foundation, Chennai 600 004
2. Junglescapes Charitable Trust, Bangalore 560 038
3. Swamy Dayananda Saraswati Educational Society, Manjakkudi 612 610
4. T T Ranganathan Clinical Research Foundation, Chennai 600 020
5. Sri Venkateswara Trust, Chennai 600 086

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

Not Applicable

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

Responsibility Statement of the CSR Committee

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

T T RAGHUNATHAN
Executive Vice Chairman
&
Chairman, CSR Committee

Annexures to the Board's Report (Contd.)

ANNEXURE-3

Form No.AOC-2

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

Form for Disclosure of particulars of Contract / Arrangements entered into by the Company with Related Parties referred to under Section 188(1) of the Companies Act, 2013 including certain 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.) (2019-20)	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	(25,354)	30.01.2019	-
		Purchase of Promotional Items/ Others	As and when need arises	As mutually agreed based on prevailing trade practices	66,77,909	30.01.2019	-
		Receipt of Lease Rent	01.04.2019 to 31.03.2020	Rs.100 p.m.	1,398	30.01.2019	-
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"	3,87,93,479	30.05.2017	-
		Payment of C&FA Charges	09.08.2018 to 31.03.2020	3% of sales for availing their services as Clearing & Forwarding Agents	4,61,44,844	29.05.2018	-
		Payment of Rent	01.04.2019 to 31.03.2020	As per rental Agreement	73,98,600	30.01.2019	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	01.04.2019 to 31.03.2020	As per rental Agreement	2,83,200	30.01.2019	60,000
		Payment of charges for Testing and Analytical Services	01.07.2014 to 30.06.2019 & 01.07.2019 to 30.06.2024	Monthly lumpsum payment with an appropriate increase every year	1,15,05,000	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	01.01.2019 to 31.12.2019 & 01.01.2020 to 31.12.2025	As per the agreement dated 01.01.2019 & 01.01.2020	50,32,501	07.11.2019	-
		Payment of Rent	01.06.2018 to 31.05.2019 & 01.06.2019 to 31.05.2020	As per Rental Agreement	14,86,800	30.01.2019	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	9,49,212	30.05.2019	-

For and on behalf of the Board

T T JAGANNATHAN
CHAIRMANPlace : Chennai
Date : July 22, 2020



Annexures to the Board's Report (Contd.)

ANNEXURE-4

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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 31st March, 2020 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 31st March, 2020, 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.8,35,536 lying unclaimed/unpaid for seven consecutive years, pertaining to the financial year 2011-12 to the Investor Education and Protection Fund.

We further report that during the year under review the Company had transferred 13,937 Equity Shares of Rs.10/- each lying unclaimed / unpaid for

seven consecutive years or more, pertaining to the financial year 2011-12 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.

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

Balu Sridhar
Partner

M.No. F5869 / C.P.No. 3550
UDIN: F005869B000332481

Place : Chennai
Date : June 10, 2020

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.

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

Balu Sridhar
Partner

M.No. F5869 / C.P.No. 3550
UDIN: F005869B000332481

Place : Chennai
Date : June 10, 2020

**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: F005869B000332481

Place : Chennai
Date : June 10, 2020



Annexures to the Board's Report (Contd.)

ANNEXURE-5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.
Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014
for the Financial Year ended 31st March, 2020

(A) Conservation of Energy:	
(i) Steps taken or impact on conservation of energy:	Majority of the Company's operations are not power-intensive except the Foods Manufacturing operations.
(ii) Steps taken by the Company for utilizing alternate sources of energy:	Further, your Company out-sources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation.
(iii) Capital Investment on energy conservation equipment:	Your Company has entered into an arrangement with M/s Renew Wind Energy (AP) Private Limited for purchase of wind energy for its Foods Factory at Hosakote. Further, the Foods Division's factory at Hosakote and Jaipur started using alternate fuel, (i.e.) waste wood, in addition to briquette as fuel for boilers, resulting in savings.
(B) Technology Absorption:	
(i) Efforts made towards technology absorption:	<ul style="list-style-type: none"> • 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. • Submitted application to Central Drugs Standard Control Organization (CDSCO) for obtaining approval for- <ul style="list-style-type: none"> (i) manufacturing Valves for use in clinical trial; and (ii) conducting the Clinical Trial. • The first human trial is expected during the year 2020-21. • Adoption of Hydroxyapatite (HA) coating and Titanium Plasma Sprayed (TPS) coating technology for the Cementless Hip Implants. • The state-of-the-art R&D Centre of the Foods Division at Hosakote- <ul style="list-style-type: none"> ❖ Developed five new products and were launched commercially; ❖ Successfully developed Pellets that can be popped up by hot air and Micro Pellets that can be formed into a product through Thermo Mechanical Pressure; ❖ Continues to focus on recipe cost optimization and launched customized 3D products for Fryers; • Productivity improvement by reducing the recycle quantities by modifying the stamping roller and changing the design of the extrusion screw at Foods Division's factory at Jaipur. • Development of fool proof design of feeding hopper for pouch in pouch packing machine at the Foods Division's factory at Hosakote. • Your Company has installed first of its kind new high capacity cooker extruder (HTE 210) at Foods Factory at Jaipur and the same would be commissioned during the second quarter of the current year. • Similarly, a number of products have been developed and launched utilizing the in-house R&D facilities under Pharma Division.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	
(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



Annexures to the Board's Report (Contd.)

(iv) Expenditure incurred on Research and Development	Particulars		2019-20	2018-19
			Rs.	Rs.
	(a)	Capital	-	-
	(b)	Recurring	4,07,53,254	2,48,98,081
	(c)	Total	4,07,53,254	2,48,98,081
(d)	% of R&D Expenses to Sales	0.63%	0.40%	
(C) Foreign Exchange Earnings and Outgo:				
Actual Inflows:				
	Particulars		2019-20	2018-19
			Rs.	Rs.
	Foreign Exchange Earnings:			
		Exports (FOB)	17,32,97,941	22,51,78,982
	Total	17,32,97,941	22,51,78,982	
Actual Outflows:				
	Particulars		2019-20	2018-19
			Rs.	Rs.
	Foreign Exchange Outgo:			
	• Imports			
		Raw Materials	3,40,12,276	3,09,51,597
		Finished Goods	57,39,525	28,06,915
		Capital Goods	6,17,32,398	11,38,936
		Spares	32,76,073	4,35,136
		• Royalty, Consultancy, Product Registration / Promotion Expenses, Travelling, etc.	2,74,32,533	3,58,39,556
		Total	13,21,92,805	7,11,72,140

Place : Chennai
Date : July 22, 2020

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Annexures to the Board's Report (Contd.)

ANNEXURE-6

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

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Mr T T Raghunathan, Executive Vice Chairman	1:36
Mr S Kalyanaraman, Wholetime Director & Secretary	1:39

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	1,07,89,151	(47.78)
Mr S Kalyanaraman	Wholetime Director & Secretary	1,18,23,037	21.54
Mr B V K Durga Prasad	President - Finance	85,80,228	16.81

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

Around 10% (Excluding unionized employees).

iii. The number of permanent employees on the rolls of the Company:

2515 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:

Average increase in remuneration is around 12% for Employees other than Managerial Personnel and around 10% for Managerial Personnel.

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
A. Top ten employees in terms of remuneration drawn:										
1.	Mr S Kalyanaraman	Director & Wholetime Secretary	23,76,709	Regular (01.04.2019 to 31.05.2019)	B.Com., ACS., ACMA with 39 years' experience	05.10.1987	57 years	Finance Manager & Company Secretary, T T Maps & Publications Ltd.	0.003% (432 shares)	No
2.	Mr B V K Durga Prasad	President – Finance	85,80,228	Regular	B.Com., ACA., Grad. CMA with 34 years' experience	06.03.1986	59 years	–	NIL	No
3.	Mr S Ranganath Rao	President – Foods Division	74,99,978	Regular	B.Sc., MBA with 33 years' experience	04.03.1992	55 years	Sales Executive, BPL India Ltd.	NIL	No
4.	Mr Yogesh Yadav	Sr. VP (CPD)	72,66,595	Regular	B.A., MBA with 33 years' experience	26.07.1996	53 years	Area Sales Manager, Shogun Group of Industries	NIL	No
5.	Mr K Sunil	President – Heart Valve Division	61,41,619	Regular	B.Sc., B.E. with 32 years' experience	01.07.1992	57 years	Manager – Projects, Peninsula Polymers Ltd.	NIL	No



Annexures to the Board's Report (Contd.)

6.	Mr Brij Balaji Singh	VP - Operations (PDD)	57,57,288	Regular	B.E with 31 years' experience	18.01.2013	51 years	Managing Director, Latex Medical Products (Pte) Ltd., Botswana	NIL	No	
7.	Mr P A Venkateswaran	Business Head – Ortho	54,89,945	Regular	B.Sc., MBA with 27 years' experience	01.02.2018	51 years	Business Head, Stryker India Pvt. Ltd.	NIL	No	
8.	Mr K Ramaprasad	VP – Supply Chain	54,47,843	Regular	M.Com., Diploma in Software Engineering with 27 years' experience	08.03.2017	50 years	General Manager – GDSO, Zydus Wellness	NIL	No	
9.	Dr. Surender Kumar Sarma	Sr. VP – Strategy & Business Development / NPD (Pharma)	50,80,782	Regular	M.B.B.S., M.D., with 30 years' experience	02.07.1997	57 years	Senior Manager – NEPC Pharmachem	NIL	No	
10.	Dr. V Senthil Kumar	VP – Sales & Mktg. (AWD)	49,57,893	Regular	M.VSc., with 17 years' experience	05.02.2014	43 years	Marketing Manager, Varsha Multitech	NIL	No	
B. Employee(s) in receipt of remuneration, not less than Rs.1.02 crores p.a.:											
1.	Mr T T Raghunathan	Executive Vice Chairman	1,07,89,151	Contractual	B.Com with 46 years' experience	01.11.2001	67 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	94,46,328	Contractual (w.e.f. 01.06.2019)	B.Com., ACS., ACMA with 39 years' experience	05.10.1987	57 years	Finance Manager & Company Secretary, T T Maps & Publications Ltd.		432 (0.003%)	No

Place : Chennai
Date : July 22, 2020

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

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

ANNEXURE-7

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 31st March 2020, 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.

Place : Chennai
Date : June 18, 2020

For A K Jain & Associates
Company Secretaries

Balu Sridhar
Partner
M.No. F5869 / C.P.No. 3550
UDIN: F005869B000332481



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 Executive	Non-Executive	Mr T T Jagannathan <i>Chairman</i>	00191522
	Executive	Mr T T Raghunathan <i>Executive Vice Chairman</i>	00043455
Non-Independent Executive	Non-Executive	Mr R K Tulshan	00009876
	Executive	Mr K Shankaran <i>Wholetime Director & Secretary</i>	00043205 00119541
Independent	Non-Executive	Mr B N Bhagwat*	00063628
		Dr (Mrs) Vandana R Walvekar	00059160
		Mr Girish Rao	00073937
		Mr S Balasubramanian	02849971
		Mr N Ramesh Rajan	01628318
		Mr V Ranganathan**	00550121

* Retired w.e.f. 22nd August, 2019.

** Appointed w.e.f. 1st June, 2019.

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

Name of the Director	Date of the Board Meetings and Attendance				Date of the last AGM & Attendance
	30.05.2019	09.08.2019	07.11.2019	28.01.2020	09.08.2019
Mr T T Jagannathan	✓	✓	✓	✓	✓
Mr T T Raghunathan	✓	✓	✓	✓	✓
Mr R K Tulshan	LOA	✓	✓	✓	✓
Mr B N Bhagwat*	✓	✓	-	-	✓

Mr K Shankaran	✓	✓	✓	✓	✓
Dr (Mrs) Vandana R Walvekar	LOA	✓	✓	✓	✓
Mr Girish Rao	✓	✓	✓	✓	✓
Mr S Balasubramanian	✓	LOA	✓	✓	LOA
Mr N Ramesh Rajan	✓	✓	✓	✓	✓
Mr S Kalyanaraman	✓	✓	✓	✓	✓
Mr V Ranganathan**	-	✓	✓	✓	✓

LOA - Leave of absence

* Retired w.e.f. 22nd August, 2019

** Appointed w.e.f. 1st June, 2019

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.

Report on Corporate Governance (Contd.)

Board Meetings held during the year 2019-20 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:

30 th May, 2019	7 th November, 2019
9 th August, 2019	28 th January, 2020

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 28th January, 2020. 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 www.ttkhealthcare.com.

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

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, 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 B N Bhagwat*	Member	Non-Promoter / Non-Executive / Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Mr S Balasubramanian	Member	Non-Promoter / Non-Executive / Independent
Mr V Ranganathan**	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	-

* Retired w.e.f. 22nd August, 2019

** Appointed w.e.f. 9th August, 2019

Meetings and Attendance during the year 2019-20:

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

Name of Director	Date of the Meetings and Attendance			
	30.05.2019	08.08.2019	07.11.2019	28.01.2020
Mr Girish Rao	✓	✓	✓	✓
Mr B N Bhagwat	✓	✓	-	-
Mr K Shankaran	✓	✓	✓	✓
Mr S Balasubramanian	✓	LOA	✓	✓
Mr V Ranganathan	-	-	✓	✓

LOA - Leave of absence

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

NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference:

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

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

Report on Corporate Governance (Contd.)

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:

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 B N Bhagwat**	Chairman	Non-Promoter / Non-Executive / Independent
Mr N Ramesh Rajan***	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	-

* Appointed as Chairman w.e.f. 9th August, 2019

** Retired w.e.f. 22nd August, 2019

*** Appointed as Member w.e.f. 9th August, 2019

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	
	30.05.2019	28.01.2020
Mr B N Bhagwat	✓	-
Mr R K Tulshan	LOA	✓
Mr K Shankaran	✓	✓
Dr (Mrs) Vandana R Walvekar	LOA	✓
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 2019-20, 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.

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

Criteria of making payments to Non-Executive Directors:

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

Disclosure with respect to Managerial Remuneration paid for the year 2019-20:

Particulars of Remuneration	Mr T T Raghunathan Executive Vice Chairman (CEO) [01.04.2019 – 31.03.2020]	Mr S Kalyanaraman Wholetime Director & Secretary (CS) [01.06.2019 – 31.03.2020]
Salary (Rs.)	36,00,000	40,00,000
Benefits:		
HRA & Other Allowances (Rs.)	22,16,245	27,33,200
Contribution to PF & Other Funds (Rs.)	12,05,196	13,39,108
Commission (Rs.)	-	-
Fixed Component	-	-
Performance Linked Incentives along with Performance Criteria (Rs.)	33,38,323	-
Performance Criteria	Productivity Linked	Performance based variable pay / commission
Others (Rs.)	4,29,387	13,74,020
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	-	-
Total (Rs.)	1,07,89,151	94,46,328

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	-



Report on Corporate Governance (Contd.)

Meetings and Attendance during the year 2019-20:

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

Name of Director	Date of the Meetings and Attendance			
	30.05.2019	09.08.2019	07.11.2019	28.01.2020
Mr K Shankaran	✓	✓	✓	✓
Mr R K Tulshan	L O A	✓	✓	✓
Mr Girish Rao	✓	✓	✓	✓
LOA - Leave of absence				

Name and Designation of Compliance Officer:

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

Details of Shareholders' Complaints received during the year 2019-20:

Nature of Complaints	Complaints received during the year 2019-20	Not solved to the satisfaction of the Shareholders	Pending Complaints
Non-receipt of Dividends	8	-	-
Non-receipt of Shares sent for transfer / transmission	3	-	-
Others (Non-receipt of Annual Report)	3	-	-
Total	14	-	-

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
2017	4 th August, 2017	10.15 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	-
2018	9 th 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 th 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

No Special Resolutions were passed through Postal Ballot during the year 2019-20.

Proposal for Passing of Special Resolutions through Postal Ballot during the year 2020-21 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 2020-21, 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 www.ttkhealthcare.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the official news releases are disseminated on the Company's website.
- The presentations made to institutional investors or to the analysts are posted on the Company's website.

GENERAL SHAREHOLDERS INFORMATION:

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

Date : 11th September, 2020
 Day : Friday
 Time : 10.15 a.m.
 Mode : Through Video Conference / Other Audio Visual Means

(b) Particulars of Financial Calendar:

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

(c) Dividend Payment Date:

The Dividend for the financial year 2019-20, if declared by the Shareholders, would be paid on or before 30th September, 2020.

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

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

The listing fees have been paid for the financial year 2020-21.

Report on Corporate Governance (Contd.)

(e) Stock Code:

BSE	507747
NSE	TTKHLTCARE
ISIN	INE910C01018

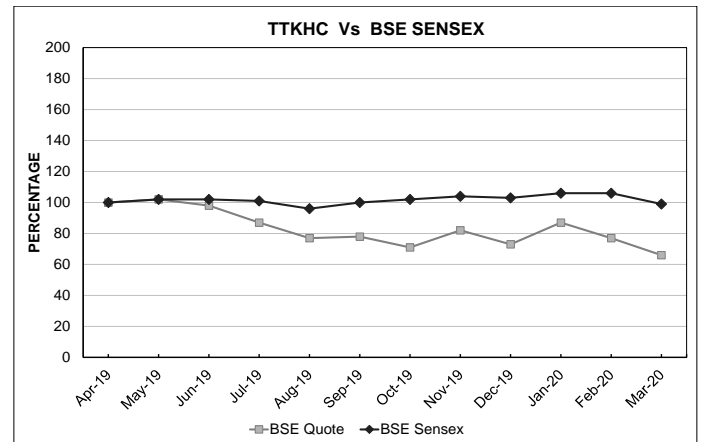
(f) Market Price Data:

Month	BSE (2019-20)			BSE (2018-19)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	709.95	670.05	5,633	1,215.00	1,030.00	29,074
May	727.25	606.30	14,213	1,092.00	797.00	11,386
June	699.00	587.85	2,819	860.00	744.40	6,656
July	620.00	489.00	3,161	840.00	705.05	5,277
August	549.00	425.00	2,873	1,105.00	793.00	42,446
September	557.00	423.00	4,263	1,148.30	941.00	17,696
October	504.95	420.00	8,917	993.00	756.00	8,917
November	580.00	461.00	6,439	831.95	735.20	7,728
December	514.80	465.60	1,185	817.70	740.05	3,449
January	615.90	487.60	12,290	924.00	715.00	20,928
February	549.00	457.00	8,281	749.95	610.10	6,974
March	470.65	262.05	4,269	740.00	634.60	6,705

Month	NSE (2019-20)			NSE (2018-19)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	705.00	650.10	13,411	1,210.00	1,027.00	1,94,491
May	730.85	605.70	1,43,825	1,090.00	791.00	75,848
June	689.00	594.05	27,733	869.75	748.05	39,034
July	611.90	477.45	61,293	844.90	700.00	44,779
August	559.30	420.00	36,630	1,104.00	763.40	3,27,036
September	560.00	448.00	63,092	1,147.00	947.35	1,38,391
October	514.80	430.10	28,387	968.00	750.00	51,519
November	573.85	470.00	84,794	839.90	729.95	31,555
December	518.45	465.60	22,645	829.75	740.10	16,999
January	618.85	476.50	1,15,506	919.90	723.15	1,95,965
February	541.90	453.00	65,918	751.50	606.05	41,162
March	485.00	260.00	46,506	739.95	634.60	36,894

(g) Performance comparison to BSE Sensex and Nifty:

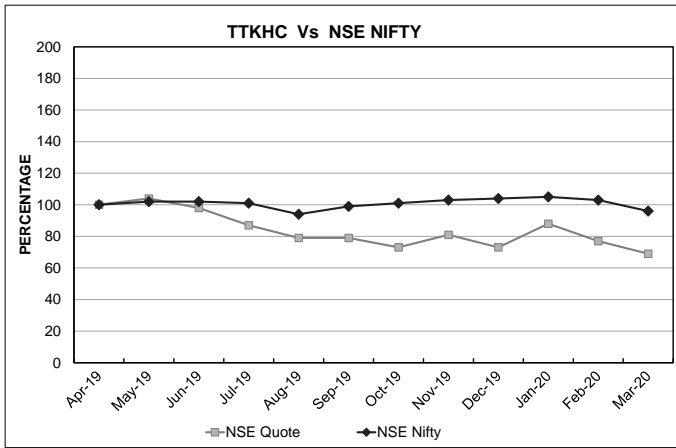
Month	STOCK PERFORMANCE Vs BSE SENSEX			
	BSE Quote (High) (Rs.)	% to Base	BSE Sensex (High) (Rs.)	% to Base
Apr 2019	709.95	100	39,487.45	100
May 2019	727.25	102	40,124.96	102
Jun 2019	699.00	98	40,312.07	102
Jul 2019	620.00	87	40,032.41	101
Aug 2019	549.00	77	37,807.55	96
Sep 2019	557.00	78	39,441.12	100
Oct 2019	504.95	71	40,392.22	102
Nov 2019	580.00	82	41,163.79	104
Dec 2019	514.80	73	41,714.73	106
Jan 2020	615.90	87	42,273.85	107
Feb 2020	549.00	77	41,709.30	106
Mar 2020	470.65	66	39,083.17	99



Month	STOCK PERFORMANCE Vs NSE NIFTY			
	NSE Quote (High) (Rs.)	% to Base	NSE Nifty (High) (Rs.)	% to Base
Apr 2019	705.00	100	11856.15	100
May 2019	730.85	104	12039.25	102
Jun 2019	689.00	98	12130.05	102
Jul 2019	611.90	87	11981.75	101
Aug 2019	559.30	79	11181.45	94
Sep 2019	560.00	79	11694.85	99
Oct 2019	514.80	73	11945.00	101
Nov 2019	573.85	81	12158.80	103
Dec 2019	518.45	74	12293.90	104
Jan 2020	618.85	88	12430.50	105
Feb 2020	541.90	77	12172.30	103
Mar 2020	485.00	69	11433.00	96



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 1st April, 2019.

As at 31st March, 2020, no Equity Shares were pending for transfer.

(k) Distribution of Shareholding as on 31st March, 2020:

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	2,994	9,722	22.878	74.287	19,29,200	59,99,390	1.365	4.246
5001 - 10000	8	199	0.061	1.521	55,500	14,43,980	0.039	1.022
10001 - 20000	4	68	0.031	0.520	57,500	9,41,750	0.041	0.666
20001 - 30000	-	22	-	0.168	-	5,19,830	-	0.368
30001 - 40000	1	15	0.008	0.115	33,600	5,35,180	0.024	0.379
40001 - 50000	1	9	0.008	0.069	43,000	3,998,30	0.030	0.283
50001 - 100000	-	13	-	0.099	-	9,31,860	-	0.659
100001 & Above	-	31	-	0.237	-	12,84,12,710	-	90.877
Total	3,008	10,079	22.985	77.015	21,18,800	13,91,84,530	1.499	98.501
Grand Total	13,087		100.00		1413,03,330		100.00	

Categories of Equity Shareholders as on 31st March, 2020:

Category	Category of Shareholder	No. of Shareholders	No. of Shares held	Shareholding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
(A)	Promoter & Promoter Group				
(1)	Indian				
(a)	Individuals / Hindu Undivided Family	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
	Sub-Total (A)(1)	12	1,05,35,840	74.56	1,05,35,840
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any other (specify)	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	12	1,05,35,840	74.56	1,05,35,840
(B)	Public				
(1)	Institutions				
(a)	Mutual Funds	6	3,29,975	2.34	3,24,803
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-
(f)	Financial Institutions / Banks	6	716	0.01	200
(g)	Insurance Companies	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other (specify)				
	Foreign Institutional Investors	2	3,00,135	2.12	3,00,135
	Sub Total (B)(1)	14	6,30,826	4.46	6,25,138

Report on Corporate Governance (Contd.)

(2)	Central Government / State Government(s) / President of India	-	-	-	-
	Sub Total (B)(2)	-	-	-	-
(3)	Non-Institutions				
(a)	Individuals -				
(i)	Individual Shareholders holding nominal share capital upto Rs.2 lakhs.	12606	12,53,033	8.87	10,52,690
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs	8	5,76,813	4.08	5,76,813
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Any other (specify)	-	-	-	-
(i)	Bodies Corporate	180	9,43,447	6.68	9,41,354
(ii)	Non-Resident Indians	266	90,496	0.64	86,740
(iii)	IEPF	1	99,878	0.71	99,878
	Sub-Total (B)(3)	13,061	29,63,667	20.97	27,57,475
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	13,075	35,94,493	25.44	33,82,613
	Total (A+B)	13,087	1,41,30,333	100.00	1,39,18,453

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 31st March, 2020:

Particulars	No. of Shareholders	No. of Shares	% of Shares
In Physical Mode	3,008	2,11,880	1.50
In Electronic Mode	10,079	1,39,18,453	98.50
Total	13,087	1,41,30,333	100.00

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	188	29,796	0.21

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2019-20	2018-19	2019-20	2018-19
No. of Shares Dematerialized	9,534	1,40,455	20,262	31,35,650
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.80 & 81.

(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	• No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu
		• No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu
(iv)	Foods Division	• No.2-B, Hosakote Industrial Area, 8 th Kilometre, Hosakote, Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka
		• Plot No.DTA-005-005, Mahindra World City, Tehsil Sanganer, Jaipur 302 037, Rajasthan
(v)	Protective Devices Division	• No.3, Thiruneermalai Road, Chromepet, Chennai 600 044, Tamil Nadu
		• No.20 & 21, Perali Road, Virudhunagar 626 001, Tamil Nadu
		• No.12, TTN Complex, K P Natham Road, Thiruvandarkoil, Pudhucherry 605 107

(o) Address for Correspondence:

Registered Office:

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

Administrative Office & Investor

Correspondence Address:

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

OTHER DISCLOSURES:

Related Party Disclosure:

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

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

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



Report on Corporate Governance (Contd.)

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

During the current year, your Company renewed the contract entered into with M/s Packwell Packaging Products Limited for availing packing services. The relevant details are provided in the Board's Report. (Please refer Page No.20 of this Annual Report).

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure-3** to the Board's Report. (Please refer Page No.33 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.92 of this Annual Report.

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.

The Whistle Blower Policy is available on the Company's website www.ttkhealthcare.com. Further, the Company has a designated e-mail ID (i.e.) 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 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.53)

Fees paid to the Statutory Auditors:

The Statutory Auditors M/s. PKF Sridhar & Santhanam LLP were paid statutory audit fees and fees for other services, amounting to Rs.37.69 lakhs, for the year 2019-20.

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 and also on the website of BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com).

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

The Audit Report for the year 2019-20 is an unmodified one and does not contain any qualifications.

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

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

(e) Reporting of Internal Auditor:

The Internal Auditors report to the Audit Committee.

DISCLOSURE OF COMPLIANCE:

Regulation 17 – Board of Directors:

- 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.



Report on Corporate Governance (Contd.)

(iii) **Code of Conduct for the Directors (incorporating the duties of Independent Directors) and Senior Management of the Company:**

The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Management of the Company. The said Code of Conduct had also been posted on the Company's website www.ttkhealthcare.com. A report on the compliance aspect of the Code of Conduct by the Executive Vice Chairman (CEO) has been given at Page No.53 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 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.

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.

(iv) **Board Disclosure – Risk Management:**

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

Your Company has a Risk Identification and Management Framework appropriate to the size of your Company and the environment in which it operates.

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

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

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

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 were retained for this purpose. Based on their Report, the new Risk Register has been developed along with the preliminary mitigation plans.

(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.45 of this Annual Report.

Regulation 18 – Audit Committee:

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

Regulation 19 – Nomination and Remuneration Committee:

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

Regulation 20 – Stakeholders Relationship Committee:

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

Regulation 21 – Risk Management Committee:

Not applicable to your Company. However, your Company has formulated a Risk Management Policy and a reference to this is given in Page No.20 & 51 of this Annual Report.

Regulation 22 – Vigil Mechanism:

Compliance to this Regulation is given in Page No.23 & 50 of this Annual Report.

Regulation 23 – Related Party Transactions:

Compliance to this Regulation is given in Page No.20 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.43 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.42 of this Annual Report.

All the Directors and Senior Management had affirmed compliance as on 31st March, 2020 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.50 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.



Report on Corporate Governance (Contd.)

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

Related Party Disclosure: Please refer Page No.20 & 33 of this Annual Report.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Board's Report. (Please refer Page No.14 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.53 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 Services (P) Limited
- M/s TTK Tantex Limited
- M/s ManipalCigna Health Insurance Co. Limited
- M/s TTK British Holdings Limited
- M/s TTK Property Services Private Limited
- M/s TTK Partners LLP
- M/s Immidart Technologies LLP
- M/s Packwell Packaging Products Limited
- M/s Pharma Research & Analytical Laboratories
- M/s Peenya Packaging Products
- M/s Horwood Homewares Limited
- M/s Horwood Life Limited

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Terms of reference:

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

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

Composition, Name of Members and Chairperson:

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

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

Meeting and Attendance:

During the year under review, the Committee met once to determine the amount to be spent towards CSR activities and to approve the various proposals / projects eligible for contribution under the CSR Policy of the Company, for the financial year 2019-20 and also to review and record the status report of the CSR Activities undertaken during the year 2018-19:

Name of Director	Date of the Meeting and Attendance
	28.01.2020
Mr T T Raghunathan	✓
Mr K Shankaran	✓
Dr (Mrs) Vandana R Walvekar	✓
Mr Girish Rao	✓

Corporate Social Responsibility (CSR) Policy:

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

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / 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.10 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 BSE Limited and National Stock Exchange of India Limited within the prescribed time limit.

As on 31st March, 2020, 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 31st March, 2020, 1,39,18,453 Equity Shares representing 98.50% of the Paid-up Equity Capital were in dematerialized form.



Report on Corporate Governance (Contd.)

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 31st March, 2020.

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 : June 18, 2020

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, 2020 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: F005869B000332481

Place : Chennai
Date : June 10, 2020



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 31st March, 2020, 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 31st March, 2020, 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.	Accounting Policies – Assessing the appropriateness of the Company’s Revenue Recognition Policy and the significant accounting judgements, estimates and assumptions relating to Promotional Expenditure.

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.

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.

Emphasis of matter

We draw attention to:

Note 5.14 to the financial statements, regarding the management’s impairment assessment of property, plant and equipment, right of use assets, intangible assets, investments, trade receivables and inventory as at 31st March, 2020 being considered as unimpaired / recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from CoVID-19 pandemic. This being an unprecedented event which is difficult to estimate, the actual implications could vary.

Our opinion is not modified in respect of the above matter.

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

Independent Auditor's Report (Contd.)

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 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 for 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 Auditor's 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.

Other Matters

Due to CoVID-19 related lockdowns, we were unable to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements.

Our opinion is not modified in respect of this matter.

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"



Independent Auditor's Report (Contd.)

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) At this juncture we are unable to say if the matter described in the Emphasis of Matter paragraph above, will have an adverse effect on the functioning of the Company;
- (e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
- (f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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".

(h) 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 31st March, 2020 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; and
- (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 31st March, 2020.

(i) 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.

Place : Chennai
Date : July 22, 2020

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

S Rajeshwari
Partner

Membership No.024105
UDIN No.20024105AAAABH8981

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 31st March, 2020.

- (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 account.
- (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. There have been delays in remitting TDS in the month of March, 2020 mainly on account of delay in receipt of invoice copies from the vendors due to operational difficulties on account of CoVID-19 pandemic.

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 31st March, 2020 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 31st March, 2020, 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.
The Central Excise Act, 1944	Excise Duty with interest and penalty, as applicable	0.74	1994 to 1996	The Dy. Commissioner of Central Excise, Aurangabad.
The Central Excise Act, 1944	Excise Duty with interest and penalty, as applicable	0.42	2002-03	The Commissioner of Central Excise, (Appeals), Chennai.
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	288.07	2010-11 & 2011-12	CESTAT, Chennai.



Independent Auditor's Report (Contd.)

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
Finance Act	Service Tax	3.45	2005-06 to 2007-08	CESTAT, Bangalore.
State VAT Acts of various States.	Sales Tax	51.22	Various Years between 1986-87 to 2019-20	Before various Sales Tax Authorities of various regions.
Income Tax Act, 1961	Income-Tax	259.21*	Various years between 2001-02 to 2012-13	High Court of Madras, Chennai ITAT, Chennai
Income Tax Act, 1961	Income-Tax	330.13	2015 – 16 and 2016 – 17	Commissioner of Income Tax (Appeals), Chennai.

* There are refunds due to the Company against which the Department may adjust this liability.

- (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 or 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 : July 22, 2020

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

S Rajeshwari
Partner
Membership No.024105
UDIN No.20024105AAAABH8981

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 31st March, 2020 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.

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, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2020, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

S Rajeshwari - Partner
Membership No.024105
UDIN No.20024105AAAABH8981

Place : Chennai
Date : July 22, 2020



Balance Sheet

as at 31st March, 2020

		(Rs. in lakhs)		
	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
A	ASSETS			
1	Non-current Assets			
	(a) Property, Plant and Equipment	3.1A	7,747.20	9,722.98
	(b) Right of Use Asset	3.1B	1,093.62	-
	(c) Capital Work-in-progress	3.1C	877.29	153.62
	(d) Other Intangible Assets	3.1D	23.70	33.56
	(e) Financial Assets			
	(i) Investments	3.2	875.33	1,304.63
	(ii) Other Financial Assets	3.3	227.17	219.20
	(f) Non-Current Tax Assets (Net)		2,039.96	2,049.32
	(g) Deferred Tax Asset (Net)	3.4	416.15	487.32
	(h) Other Non-current Assets	3.5	49.84	438.60
	Total Non-current Assets		13,350.26	14,409.23
2	Current assets			
	(a) Inventories	3.6	7,164.48	5,530.91
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	3.7	7,676.97	8,024.51
	(iii) Cash and Cash Equivalents	3.8	752.89	1,115.45
	(iv) Bank balances other than (iii) above	3.9	12,452.94	11,446.33
	(v) Loans		-	-
	(vi) Other Financial Assets	3.10	610.39	529.65
	(c) Current tax assets (Net)		193.33	-
	(d) Other current assets	3.11	919.20	525.08
	Total Current Assets		29,770.20	27,171.93
	TOTAL ASSETS		43,120.46	41,581.16
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	3.12	1,413.03	1,413.03
	(b) Other Equity	3.13	23,486.26	23,729.96
	Equity attributable to owners of the Company		24,899.29	25,142.99
	Total Equity		24,899.29	25,142.99
2	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	3.14A	-	33.39
	(ii) Lease Liabilities	3.14B	125.71	-
	(b) Provisions	3.18	774.63	697.23
	(c) Deferred Tax Liabilities (Net)	3.4	-	-
	(d) Deferred Revenue Income		170.36	-
	(e) Other non-current liabilities		-	-
	Total Non-current Liabilities		1,070.70	730.62
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	3.15	2,812.88	2,788.31
	(ii) Lease Liabilities	3.14B	45.12	-
	(iii) Trade Payables			
	(A) Due to Micro and Small Enterprises	3.16A	1,580.42	1,772.81
	(B) Due to other than Micro and Small Enterprises	3.16B	7,070.57	5,499.03
	(iv) Other Financial Liabilities	3.17	5,002.07	4,717.29
	(b) Provisions	3.18	238.63	142.44
	(c) Current Tax Liabilities (Net)		-	310.06
	(d) Other Current Liabilities	3.19	400.78	477.61
	Total Current Liabilities		17,150.47	15,707.55
	Total Liabilities		18,221.17	16,438.17
	TOTAL EQUITY AND LIABILITIES		43,120.46	41,581.16

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 : July 22, 2020

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 31st March, 2020

		(Rs. in lakhs)		
	Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I	Revenue from operations	4.1	64,576.78	62,788.36
II	Other income	4.2	877.54	775.35
III	Total Income (I+II)		65,454.32	63,563.71
IV	Expenses			
	(a) Cost of materials consumed	4.3	10,413.09	10,124.91
	(b) Purchases of Stock-in-Trade		16,971.40	16,711.14
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	4.4	(1,382.37)	(576.99)
	(d) Employee benefits expense	4.5	14,394.10	13,070.09
	(e) Finance costs	4.6	326.85	337.90
	(f) Depreciation and amortization expense	4.7	1,437.67	1,466.85
	(g) Other expenses	4.8	21,351.10	18,503.86
	Total expenses (IV)		63,511.84	59,637.76
V	Profit before exceptional items and tax (III- IV)		1,942.48	3,925.95
VI	Exceptional Items		-	-
VII	Profit before tax (V+VI)		1,942.48	3,925.95
VIII	Tax expense			
	(a) Current tax		585.00	1,495.00
	(b) Deferred tax		125.54	(6.42)
			<u>710.54</u>	<u>1,488.58</u>
IX	Profit for the year (VII-VIII)		1,231.94	2,437.37
X	Other Comprehensive Income			
A	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		(248.98)	(144.58)
	(b) Equity instruments through Other Comprehensive Income		(429.30)	378.75
			<u>(678.28)</u>	<u>234.17</u>
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		54.31	50.52
	(b) Equity instruments through Other Comprehensive Income		0.07	(24.77)
			<u>54.38</u>	<u>25.75</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		-	-
	Other Comprehensive Income		<u>(623.90)</u>	<u>259.92</u>
XI	Total Comprehensive Income for the year (IX+X)		608.04	2,697.29
	Earnings per Equity Share :			
	(Face Value of Rs.10/- each)			
	(1) Basic (in Rs.)	5.9	8.72	17.25
	(2) Diluted (in Rs.)	5.9	8.72	17.25

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 : July 22, 2020

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 31st March, 2020

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Cash Flow from Operating activities		
Profit before tax	1,942.48	3,925.95
Adjustments for:		
Remeasurements of defined benefit plans	(248.98)	(144.58)
Depreciation and amortization expenses	1,437.67	1,466.85
Interest paid	326.85	337.90
Interest received	(825.01)	(742.79)
(Profit) / Loss on Sale / Impairment of Assets	32.56	97.73
Dividend Income	(5.42)	(4.49)
Operating Profit before working Capital Changes:	<u>2,660.15</u>	<u>4,936.57</u>
Adjustments for working capital changes		
Inventories	(1,633.57)	(241.40)
Trade Receivables	347.54	(2,490.80)
Other Receivables	(436.55)	81.05
Trade Payables	1,379.16	(1,361.04)
Other Liabilities	575.77	2,135.03
Deferred Revenue Income	170.36	-
Cash generated from operations	<u>3,062.86</u>	<u>3,059.41</u>
Less: Direct Taxes Paid	<u>1,079.03</u>	<u>1,328.72</u>
Net Cash generated from (used in) Operating Activities	<u>1,983.83</u>	<u>1,730.69</u>
Cash Flow from Investing Activities		
Purchase of Fixed Assets / Capital Advances	(1,223.47)	(432.84)
Sale of Fixed Assets	69.83	1.94
Investments in Bank deposits (net)	(1,006.60)	648.94
Interest received	825.01	742.79
Dividend Received	5.42	4.49
Net Cash generated from (used in) investing Activities	<u>(1,329.81)</u>	<u>965.32</u>
Cash Flow from Financing Activities		
Borrowings (net of repayment)	162.01	(1,883.24)
Interest Paid	(326.85)	(337.90)
Dividend Paid	(851.74)	(851.74)
Net Cash generated from (used in) Financing Activities	<u>(1,016.58)</u>	<u>(3,072.88)</u>
Net Increase (Decrease) in Cash and Cash equivalents	<u>(362.56)</u>	<u>(376.87)</u>
Cash and Cash equivalents as at the beginning of the year	1,115.45	1,492.32
Total	<u>752.89</u>	<u>1,115.45</u>
Cash and Cash equivalents as at the end of the year (as per Balance Sheet)	<u>752.89</u>	<u>1,115.45</u>
Notes:		
1. 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.		
2. 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 : July 22, 2020

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 31st March, 2020

A. Equity Share Capital

(Rs. in lakhs)

Balance as at March 31, 2018	1,413.03
Changes in equity share capital during the year	–
Balance as at March 31, 2019	1,413.03
Changes in equity share capital during the period	–
Balance as at March 31, 2020	1,413.03

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		
Balance at March 31, 2018	681.33	50.57	982.49	6,436.23	1,411.77	441.43	10,968.08	912.51	21,884.41
Profit for the year	–	–	–	–	–	–	2,437.37	–	2,437.37
Payment of dividend	–	–	–	–	–	–	(851.74)	–	(851.74)
Other comprehensive income for the year, net of Income Tax	–	–	–	–	–	–	(144.58)	378.75	234.17
Deferred Tax Liability	–	–	–	–	–	–	–	(24.77)	(24.77)
Deferred Tax Asset	–	–	–	–	–	–	50.52	–	50.52
Total comprehensive income for the year	–	–	–	–	–	–	1,491.57	353.98	1,845.55
Balance at March 31, 2019	681.33	50.57	982.49	6,436.23	1,411.77	441.43	12,459.65	1,266.49	23,729.96
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	–	–	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	–	–	185.53	(429.23)	(243.70)
Balance at March 31, 2020	681.33	50.57	982.49	6,436.23	1,411.77	441.43	12,645.18	837.26	23,486.26

- 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 recognized 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 recognized in Securities Premium.
- d. **General Reserve:** The Company had transferred a portion of the net profit 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.
- e. **Special Contingency Reserve:** The Company has created Special Contingency reserve out of General Reserve as per approved Scheme of Amalgamation of the Company with TTK Protective Devices Limited and its Wholly Owned Subsidiary TSL Techno Services Limited with the Company pursuant to National Company Law Tribunal (NCLT) order dt. 15.12.2017, with appointed date being 01.04.2012. This Special Contingency Reserve will be kept for three years and if it is not fully utilized within that period, the unutilized portion will be transferred to General Reserve at the end of the three year period.



Statement of Changes in Equity (Contd.)

for the year ended 31st March, 2020

- f. **Revaluation Reserve:** The Company had 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 : July 22, 2020

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
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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

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 BSE Limited (BSE), Mumbai and the National Stock Exchange of India Limited (NSE), Mumbai. The Company has five main Strategic Business Units viz., Pharmaceuticals, Consumer Products, Medical Devices, Protective Devices and Foods.

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 (MCA) pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Recent Accounting Pronouncements

(i) New standards notified and adopted by the Company Ind AS 116 – 'Leases'

Ind AS 116 'Leases' provides a new model for Lessee accounting in which the majority of leases have been accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability. The subsequent amortization of the right-of-use asset and the interest expense related to the lease liability have been recognized in profit or loss over the lease term.

The Company has adopted Ind AS 116 in the financial reporting period commencing 1st April 2019 and has elected to apply the Retrospective approach under which the cumulative effect of initial application is recognized in opening retained earnings at the date of initial application with no restatement of comparative periods' financial information.

Ind AS 116 introduces a revised definition of a lease. As permitted by the standard, the Company has elected not to reassess the existing population of leases under the new definition and only applied the new definition for the assessment of contracts entered into after the transition date.

The presentation and timing of recognition of charges in the statement of profit and loss also changed as the operating lease expense reported under Ind AS 17, typically on a straight-line basis, has been replaced by depreciation of the right-of-use asset and interest on the lease liability. In the cash flow statement, operating lease payments presented within cash flows from operating activities under Ind AS 17 but under Ind AS 116 payments have been presented as financing cash flows, representing repayments of debt, and as operating cash flows, representing payments of interest.

(ii) New Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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 Standard 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 in 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.

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 categorised 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.



Notes forming part of Financial Statements (Contd.)

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 recognised 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.

▪ 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 recognised 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 capitalisation.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and 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 the Statement of Profit and 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 recognised 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

Notes forming part of Financial Statements (Contd.)

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 it 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.

(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.

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 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property, Plant and Equipment 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.

▪ Derecognition 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 derecognition 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 derecognition of a revalued asset, the corresponding portion of the revaluation surplus as is attributable to that asset is transferred to retained earnings on such derecognition. 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 amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on 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 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.



Notes forming part of Financial Statements (Contd.)

(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. Remeasurement 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. Remeasurement 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 amortised 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 recognised 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

▪ Derecognition of financial assets

The Company derecognises 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 recognised 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 recognised 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.

Notes forming part of Financial Statements (Contd.)

▪ Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised 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 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 recognised 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 amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised 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 amortisation 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 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'



Notes forming part of Financial Statements (Contd.)

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.

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 recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised 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 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 manufacturing and marketing of Food Products.
- "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.

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

Notes forming part of Financial Statements (Contd.)

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 unfavourable 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, 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 that the carrying amount of these assets will 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.



Notes forming part of Financial Statements (Contd.)

Note No. 3.1A: Property, Plant and Equipment													(Rs. in lakhs)			
Summary																
Particulars													As at March 31, 2020		As at March 31, 2019	
Carrying amount of																
Freehold Assets:																
Land													902.44		902.44	
Buildings													2,563.61		2,658.29	
Plant & Equipments													3,988.76		4,841.81	
Furniture & Fixtures													83.97		92.75	
Vehicles													85.31		82.32	
Office Equipments													55.68		76.82	
Computers													67.43		68.35	
Total - Freehold Assets													7,747.20		8,722.78	
Leased Assets:																
Land													-		854.75	
Buildings													-		91.11	
Vehicles													-		54.34	
Total - Leasehold Assets													-		1,000.20	
Capital Work-in-progress													877.29		153.62	
Total Tangible assets													8,624.49		9,876.60	

(Rs. in lakhs)														
Description	Freehold Assets								Leasehold Assets					Grand Total
	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total	Land	Buildings	Plant & Equipments	Vehicles	Total	
Cost or deemed cost														
Balance at March 31, 2018	902.44	3,027.29	8,272.10	190.19	146.46	167.46	137.75	12,843.69	884.69	110.46	3.72	174.59	1,173.46	14,017.15
Additions	-	32.87	197.48	5.87	0.76	7.44	39.65	284.07	-	-	-	-	-	284.07
Deletions	-	-	12.09	-	8.31	0.34	17.62	38.36	-	-	-	3.15	3.15	41.51
Transfer from Capital Work-in-progress	-	0.97	74.97	-	-	-	-	75.94	-	-	-	-	-	75.94
Balance at March 31, 2019	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 st 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
Balance at Mar 31, 2020	902.44	3,107.11	8,758.83	212.16	163.39	174.95	193.59	13,512.47	-	-	-	-	-	13,512.47
Accumulated depreciation and impairment														
Balance at March 31, 2018	-	270.81	2,498.69	69.63	44.46	41.40	75.81	3,000.80	19.96	17.73	3.72	79.96	121.37	3,122.17
Depreciation for the year	-	132.03	1,119.75	30.25	20.03	46.98	31.41	1,380.45	9.98	1.62	-	40.29	51.89	1,432.34
Deletions	-	-	5.49	-	7.90	0.34	16.73	30.46	-	-	-	3.15	3.15	33.61
Impairment	-	-	77.70	3.43	-	9.70	0.94	91.77	-	-	-	-	-	91.77
Balance at March 31, 2019	-	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 st 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
Balance at Mar 31, 2020	-	543.50	4,770.07	128.19	78.08	119.27	126.16	5,765.27	-	-	-	-	-	5,765.27
Net book value														
Balance at March 31, 2018	902.44	2,756.48	5,773.41	120.56	102.00	126.06	61.94	9,842.89	864.73	92.73	-	94.63	1,052.09	10,894.98
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



Notes forming part of Financial Statements (Contd.)

Note No. 3.1 B - Right of Use Assets

(Rs. in lakhs)

Set out below are the carrying amounts of Right of Use Assets recognised and the movements during the year

Net carrying amount	Land	Buildings	Plant and Equipments	Vehicles	Total
Gross Block at Cost					
At 1 st April 2019	884.69	110.46	3.72	171.44	1,170.31
Additions	–	–	–	147.71	147.71
Reversals (less)	–	–	–	33.74	33.74
At March 31, 2020	884.69	110.46	3.72	285.41	1,284.28
Amortizations					
At 1 st April 2019	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	–	–	–	–	–
At March 31, 2020	39.92	20.96	3.72	126.06	190.66
Balance as at 31st March 2020	844.77	89.50	–	159.35	1,093.62

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

(Rs. in lakhs)

Carrying amount of	Building	Plant & Equipments	Total
Cost or Deemed Cost			
Balance at March 31, 2018	0.97	78.19	79.16
Additions	–	157.37	157.37
Transfer to Repairs & Maintenance	–	6.97	6.97
Transfer to Property, Plant & Equipment	0.97	74.97	75.94
Balance at March 31, 2019	–	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 & Equipment	–	144.13	144.13
Balance at March 31, 2020	–	877.29	877.29
Accumulated impairment			
Balance at March 31, 2018	–	–	–
Additions	–	–	–
Deletions	–	–	–
Balance at March 31, 2019	–	–	–
Additions	–	–	–
Deletions	–	–	–
Balance at March 31, 2020	–	–	–
Net book value			
Balance at March 31, 2018	0.97	78.19	79.16
Balance at March 31, 2019	–	153.62	153.62
Balance at March 31, 2020	–	877.29	877.29



Notes forming part of Financial Statements (Contd.)

Note No.3.1D: Other Intangible Assets		(Rs. in lakhs)	
Carrying amount of	Computer Software	Total	
Cost or deemed cost			
Balance at March 31, 2018	73.56	73.56	
Additions	10.46	10.46	
Transfer from Capital Work-in-progress	-	-	
Balance at March 31, 2019	84.02	84.02	
Additions	-	-	
Transfer from Capital Work-in-progress	-	-	
Balance at March 31, 2020	84.02	84.02	
Accumulated amortization and impairment			
Balance at March 31, 2018	15.95	15.95	
Amortization for the year	34.51	34.51	
Deletions	-	-	
Balance at March 31, 2019	50.46	50.46	
Amortization for the year	9.86	9.86	
Deletions	-	-	
Balance at March 31, 2020	60.32	60.32	
Net book value	-	-	
Balance at March 31, 2018	57.61	57.61	
Balance at March 31, 2019	33.56	33.56	
Balance at March 31, 2020	23.70	23.70	

Note No.3.2 Investments

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
3.2 Non-Current:		
Quoted Investments:		
Investment in Equity Instruments - Carried at Fair Value Through OCI		
17,760 Equity Shares of Rs.10/- each of TTK Prestige Ltd. (As at 31 st March, 2019 14,800 Equity Shares of Rs.10/ each)	863.94	1,292.36
1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Limited (As at 31 st March, 2019 1,000 Equity Shares of Rs.5/ each)	11.39	12.27
Non-Current Investments Total	875.33	1,304.63
Aggregate cost of quoted instruments	13.37	13.37
Aggregate market value of quoted instruments	875.33	1,304.63

Note No.3.3 Other Financial Assets - Non-Current

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security Deposits	227.17	219.20
	227.17	219.20

Notes forming part of Financial Statements (Contd.)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets:		
Provision for post retirement benefits and other employee benefits - Bonus and Compensated Absence	164.60	250.54
Water Charges Provision	31.64	43.94
Stock Returns and Expected Credit Loss	351.50	449.53
Voluntary Retirement Scheme	110.15	320.86
Provision for post retirement benefits and other employee benefits - Gratuity	83.62	29.31
Less: Deferred Tax Liabilities:		
Property, Plant and Equipment and Intangible assets	300.65	582.09
Revaluation of Equity instrument	24.71	24.77
	416.15	487.32

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

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital Advances	17.17	359.65
Deposits with Government Departments	32.67	78.95
	49.84	438.60

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

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Raw Materials	1,126.57	875.43
(b) Work-in-progress	889.54	808.23
(c) Finished and Semi-finished goods*	4,886.74	3,603.93
(d) Stock-in-trade (in respect of goods acquired for trading)	152.89	134.64
(e) Stores and Spares	108.74	108.68
	7,164.48	5,530.91

* Include Goods-in-transit in Current Year Rs.571.90 lakhs (Previous Year Rs.103.10 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, 2020	As at March 31, 2019
Considered good - Secured	–	–
Considered good - Unsecured		
Due from Related Parties (Refer Note No.5.8)	0.47	–
Others	7,676.50	8,024.51
Trade Receivables which have significant increase in Credit Risk	–	–
Trade Receivables - Credit Impaired	45.78	39.63
	7,722.75	8,064.14
Less: Expected Credit Loss related adjustments	(45.78)	(39.63)
	7,676.97	8,024.51

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.)

Note No.3.7A Age of Receivables			(Rs. in lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
Within the credit period:	1,619.52	4,230.11	
01 - 30 days past due	3,054.89	1,517.57	
31 - 90 days past due	1,835.83	1,193.95	
More than 90 days past due	1,212.51	1,122.51	
	7,722.75	8,064.14	
Less: Expected Credit Loss related adjustments	(45.78)	(39.63)	
TOTAL	7,676.97	8,024.51	
Note No.3.7B Reconciliation of Provision for Credit Impaired Trade Receivables			(Rs. in lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
Balance at the beginning of the year	39.63	34.48	
Add: Allowance for bad and doubtful debts during the year	6.15	5.15	
Balance at the end of the year	45.78	39.63	
Note No.3.8 Cash and Cash Equivalents			(Rs. in lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
(a) Balance with banks:			
Balance in Current Account	733.34	1,034.78	
Bank Deposit with original maturity of 3 months or less than 3 months	-	75.00	
(b) Cash-on-hand	19.55	5.67	
Total	752.89	1,115.45	
Note No.3.9 Bank balance other than Cash and Cash Equivalents			(Rs. in lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
Other Bank Balances			
In Deposit Account held as margin money	2.26	7.50	
In Deposit Account held as security against Guarantees	106.63	125.60	
In Dividend Warrant Account	57.66	59.89	
In Deposit Account with more than 3 months maturity	12,286.39	11,253.34	
Total	12,452.94	11,446.33	
Note No.3.10 Other Financial Assets - Current			(Rs. in lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
Unsecured, considered good			
Lease Deposit			
With Related Parties (Refer Note No.5.8)	63.50	63.50	
With Others	52.84	54.22	
Earnest Money Deposits	144.96	115.72	
Interest accrued on Fixed Deposits	345.69	292.81	
Security Deposit	3.40	3.40	
Total	610.39	529.65	



Notes forming part of Financial Statements (Contd.)

Note No.3.11 Other Current Assets		(Rs. in lakhs)	
Particulars	As at March 31, 2020	As at March 31, 2019	
Unsecured, considered good			
Prepaid expenses / Insurance	207.44	178.93	
Advance to Suppliers	268.35	186.83	
Advance others*	223.18	159.32	
Taxes available for set-off	220.23	–	
Total	919.20	525.08	

* (Refer Note 5.8 for related party receivables)

Note No.3.12 Equity Share Capital		(Rs. in lakhs)	
Particulars	As at March 31, 2020	As at March 31, 2019	
Authorized Share Capital:			
2,00,00,000 Equity Shares of Rs.10/- each (31 st March 2019 - 2,00,00,000 Equity Shares of Rs.10 each)	2,000.00	2,000.00	
Issued, Subscribed and Paid-up Share Capital:			
1,41,30,333 Equity Shares of Rs.10/- each (31 st March 2019 - 1,41,30,333 Equity Shares of Rs.10 each)	1,413.03	1,413.03	
Total	1,413.03	1,413.03	

Note No.3.12A Movement in respect of Equity Share Capital is given below:					(Rs. in lakhs)	
Particulars	As at March 31, 2020		As at March 31, 2019			
	Nos.	Amount	Nos.	Amount		
At the beginning of the year	1,41,30,333	1,413.03	1,41,30,333	1,413.03		
(+) Issued during the year	–	–	–	–		
(-) Redeemed during the year	–	–	–	–		
Outstanding at the end of the year	1,41,30,333	1,413.03	1,41,30,333	1,413.03		

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 shareholdings. 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, 2020		As at March 31, 2019	
		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

Note No.3.12D Dividend on Equity Shares		(Rs. in lakhs)	
Particulars	2019-20	2018-19	
Final Dividend paid during the year (pertaining to previous year)	706.51	706.51	
Dividend Distribution Tax on Final Dividend	145.23	145.23	



Notes forming part of Financial Statements (Contd.)

Note No.3.13 Other Equity

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve	681.33	681.33
Capital Redemption Reserve	50.57	50.57
Security Premium	982.49	982.49
General Reserve	6,436.23	6,436.23
Special Contingency Reserve	1,411.77	1,411.77
Revaluation Reserve	441.43	441.43
Retained earnings	12,645.18	12,459.65
Equity through OCI	837.26	1,266.49
Total	23,486.26	23,729.96

Note No.3.14 A Financial Liabilities - Non-Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost:		
Finance Lease Obligation	–	65.92
Less: Current maturities of finance lease obligation	–	(32.53)
Total	–	33.39

Note No.3.14 B Lease Liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost:		
Non - Current	125.71	–
Current	45.12	–
Total	170.83	–

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 5.12 Ind AS 116 - Transition Note

Note No.3.15 Other Financial Liabilities - Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Short Term borrowings:		
Loan Repayable on demand from banks	2,812.88	2,788.31
Total	2,812.88	2,788.31

Nature of Security and Term of Repayment for Secured Loans availed from banks.

1. Cash Credit facility from Union Bank (formerly Corporation Bank) - Secured by hypothecation of stocks, book debts. Repayable on demand at 9.0% interest.	1,749.06	1,715.67
2. Cash Credit facility from Bank of Baroda - Secured by hypothecation of stocks, book debts. Repayable on demand at 9.0% interest.	435.90	433.93
3. Cash Credit facility from HDFC Bank Ltd - Secured by hypothecation of stocks, book debts. Repayable on demand at 8.2% interest.	627.92	638.71
Total	2,812.88	2,788.31

Notes forming part of Financial Statements (Contd.)

Net Debt Reconciliation		
1. Cash and Cash Equivalents	752.89	1,115.45
2. Current Borrowings	(2,812.88)	(2,788.31)
3. Lease Borrowings - Non-Current	(125.71)	(33.39)
4. Lease Borrowings - Current	(45.12)	(32.53)
Net Debt	(2,230.82)	(1,738.78)

Particulars	Cash and Cash Equivalents	Current Borrowings	Lease Borrowings	Total
Net Debt as at 1st April 2018	1,492.32	(4,639.01)	(109.73)	(3,256.42)
Cash Flows	(376.87)	-	-	(376.87)
Proceeds from availments	-	-	-	-
Repayments	-	1,850.70	43.81	1,894.51
Interest Expenses	-	(337.90)	-	(337.90)
Interest Paid	-	337.90	-	337.90
Net Debt as at 1st April, 2019	1,115.45	(2,788.31)	(65.92)	(1,738.78)
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)
Net Debt as at 31st March, 2020	752.89	(2,812.88)	(170.83)	(2,230.82)

Note No.3.16 Trade Payables

(Rs. in lakhs)

Note No.3.16A Due to Micro and Small Enterprises

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount payable (but not due) to suppliers as at year end	1,580.01	1,772.81
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	0.41	-
Interest accrued and remaining unpaid to suppliers as at year end	-	-
Total	1,580.42	1,772.81

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, 2020	As at March 31, 2019
Related Parties (Refer Note No.5.8)	85.94	82.97
Others	6,984.63	5,416.06
Total	7,070.57	5,499.03



Notes forming part of Financial Statements (Contd.)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of finance lease obligation (Secured by ownership of the vehicles / equipments)	–	32.53
Refund Liabilities	1,328.60	1,224.57
Unpaid Dividends	57.66	59.89
Other Payables	1,016.76	976.97
Liability for Capital Goods	225.35	29.24
Employee Related Liabilities (Refer Note No.5.8 for KMP related payables)	2,373.70	2,394.09
Total	5,002.07	4,717.29

Note No.3.18 Provisions**(Rs. in lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current:		
Provision for Employee Benefits	774.63	697.23
Total (A)	774.63	697.23
Current:		
Provision for Employee Benefits	238.63	142.44
Total (B)	238.63	142.44
Total (A + B)	1,013.26	839.67

Note No.3.19 Other Current Liabilities**(Rs. in lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	328.51	425.47
Advance from Customers	72.27	52.14
Total	400.78	477.61

Note No.4.1 Revenue from Operations**(Rs. in lakhs)**

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Sale of Products (Net of Sales Returns)	64,464.63	62,617.23
Other Operating Revenues	112.15	171.13
Total Revenue from operations	64,576.78	62,788.36

Note No.4.2 Other Income**(Rs. in lakhs)**

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
(a) Interest Income - Fixed Deposits	815.97	722.10
- Others	9.04	20.69
(b) Dividend Income from equity investments at FVTOCI	5.42	4.49
(c) Other non-operating income (net of expenses directly attributable to such income)	28.67	3.97
(d) Net foreign exchange gain	18.44	24.10
Total	877.54	775.35

Note No.4.3 Cost of Materials Consumed**(Rs. in lakhs)**

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Opening Stock of Raw Material & Packing Material	904.08	1,269.82
Purchase of Raw Material, Packing Material & Excise Duty	10,635.58	9,759.17
	11,539.66	11,028.99
Less: Closing Stock of Raw Material & Packing Material	1,126.57	(904.08)
Consumption	10,413.09	10,124.91



Notes forming part of Financial Statements (Contd.)

Note No.4.4 Change in Inventories of Finished Goods, Stock-in-trade and Work-in-progress			(Rs. in lakhs)
Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019	
Opening Inventories:			
Finished goods	3,738.57	3,153.21	
Work-in-progress	808.23	816.60	
	4,546.80	3,969.81	
Closing Inventories:			
Finished goods	5,039.63	3,738.57	
Work-in-progress	889.54	808.23	
	5,929.17	4,546.80	
Changes in Inventories	(1,382.37)	(576.99)	

Note No.4.5 Employee Benefits Expense			(Rs. in lakhs)
Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019	
(a) Salaries, Wages and Bonus*	12,573.14	11,331.05	
(b) Contribution to Provident and Other Funds	712.72	649.81	
(c) Gratuity and Superannuation	435.78	421.20	
(d) Contribution to E.S.I.	111.02	142.94	
(e) Welfare Expenses	561.44	525.09	
Total	14,394.10	13,070.09	

* includes payment made to Contractors

Note No.4.6 Finance Costs			(Rs. in lakhs)
Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019	
(a) Interest expense	314.85	325.90	
(b) Other borrowing costs	12.00	12.00	
Total	326.85	337.90	

Note No.4.7 Depreciation and Amortization Expenses			(Rs. in lakhs)
Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019	
(a) Depreciation	1,427.81	1,432.34	
(b) Amortization Expenses	9.86	34.51	
Total	1,437.67	1,466.85	



Notes forming part of Financial Statements (Contd.)

Note No.4.8 Other Expenses		(Rs. in lakhs)		
Particulars	For the year ended 31-03-2020		For the year ended 31-03-2019	
	Power & Fuel		1,314.15	
Repairs & Maintenance:				
Repairs to Building	40.55		41.10	
Repairs to Machinery	783.67		683.68	
Factory / Office Upkeep	330.54	1,154.76	303.91	1,028.69
Consumable Stores		166.11		162.34
General Insurance		66.54		63.34
Rates & Taxes		93.67		90.37
Rent		221.40		215.51
Electricity		185.56		170.52
Printing & Stationery		174.35		207.25
Postage & Telephones		251.68		260.89
Carriage Outwards		2,572.02		2,414.15
Transit Insurance		28.03		41.81
Advertisement & Sales Promotion		8,885.77		7,070.21
Travelling & Conveyance		3,296.73		2,860.38
Audit & Other Fees :				
Statutory Audit	33.74		28.90	
Fees for other services	3.95		3.00	
Reimbursement of expenses	1.16	38.85	—	31.90
Donation		2.22		3.84
Expenditure on Corporate Social Responsibility		56.00		35.00
Depot Service Charges		1,078.29		1,038.42
Directors' Sitting Fees		13.00		12.60
Loss on Sale of Assets		5.28		6.71
Loss on Impairment		54.37		91.78
Conversion Charges		51.28		44.61
Provision for Doubtful Debts		6.15		5.15
Bad Debts written off		51.34		26.85
Legal and Consultancy Charges		592.22		614.41
Research and Development Expenses		407.53		248.98
Miscellaneous Expenses		583.80		572.51
Total		21,351.10		18,503.87

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.8.89 lakhs in FY 2019-20 (FY 2018-19 - Rs.10.94 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 :

(Amounts in lakhs)

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Receivables	USD	2.2501	169.63	3.5960	248.74
Trade Payables	USD	0.0811	6.11	0.0996	6.89
Trade Payables	GBP	0.1276	11.87	0.0108	0.97
Trade Payables	EURO	0.0106	0.88	0.2061	16.01
Trade Payables	RAND	–	–	8.6909	41.48
Liability for Capital Goods	EURO	2.0000	166.10	–	–

Foreign Currency Sensitivity Analysis

The Company is principally exposed to foreign currency risk against USD, Euro, GBP & Rand. Sensitivity of profit or loss arising mainly from USD, Euro, GBP & Rand 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 & Rand-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Rs. in lakhs)

Particulars	March 31, 2020				March 31, 2019			
	USD	EURO	GBP	RAND	USD	EURO	GBP	RAND
Receivables:								
Weakening of INR by 5%	8.48	–	–	–	12.44	–	–	–
Strengthening of INR by 5%	(8.48)	–	–	–	(12.44)	–	–	–
Payables:								
Weakening of INR by 5%	(0.31)	(8.35)	(0.59)	–	(0.34)	(0.80)	(0.05)	(2.07)
Strengthening of INR by 5%	0.31	8.35	0.59	–	0.34	0.80	0.05	2.07

(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 increase in credit risk in financing component

The Company does not have significant credit exposure to any single customer. Concentration of credit risk to a single customer did not exceed 10% of receivables in the Financial Year 2019-20 (Financial Year 2018-19 - 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 31st March, 2020, 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	
As at 31st March, 2020						
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	
As at 31st March, 2019						
Finance lease	65.92	39.97	37.58	–	77.55*	
Borrowings	2,788.31	2,788.31	–	–	2,788.31	
Trade Payables	7,271.84	7,271.84	–	–	7,271.84	
Other financial liabilities (other than current maturities of long-term debts)	4,684.76	4,684.76	–	–	4,684.76	

* includes interest dues

Notes forming part of Financial Statements (Contd.)

Assets						(Rs. in lakhs)
Particulars	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total	
As at 31st March, 2020						
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	
As at 31st March, 2019						
Investments	1,304.63	–	1,304.63	–	1,304.63	
Cash and Cash Equivalents	1,115.45	1,115.45	–	–	1,115.45	
Bank balances other than above	11,446.33	11,446.33	–	–	11,446.33	
Trade Receivables	8,024.51	8,024.51	–	–	8,024.51	
Other Financial Assets	748.85	529.65	219.20	–	748.85	

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

- Financial Assets measured at fair value amounting to Rs.875.33 lakhs and measured at amortised cost amounting to Rs.21,720.36 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.13,205.83 lakhs as at 31st March, 2020 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.7,676.97 lakhs as at 31st March, 2020 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 and 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)
Sanctioned		2019-20	2018-19
Funded Limit		3,250.00	3,250.00
Non-Funded Limit		775.00	775.00
Utilized		2019-20	2018-19
Amount Utilized (Funded)		2,812.88	2,788.31
Amount Utilized (Non-Funded)		218.33	449.72
Unutilized		2019-20	2018-19
Amount Unutilized (Funded)		437.12	461.69
Amount Unutilized (Non-Funded)		556.67	325.28



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
As at 31st March, 2020				
A. Financial assets				
(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
Total	875.33	–	21,720.36	22,595.69
B. Financial Liabilities				
(i) Borrowings	–	–	2,812.88	2,812.88
(ii) Lease Liabilities	–	–	170.83	170.83
(iii) Trade Payables	–	–	8,650.99	8,650.99
(iv) Other Current Financial Liabilities	–	–	5,002.07	5,002.07
Total	–	–	16,636.77	16,636.77

(Rs. in lakhs)

Particulars	FVTOCI	FVTPL	Amortized Cost	Total
As at 31st March, 2019				
A. Financial assets				
(i) Non-Current Investments	1,304.63	–	–	1,304.63
(ii) Trade Receivables	–	–	8,024.51	8,024.51
(iii) Cash and Cash Equivalents	–	–	1,115.45	1,115.45
(iv) Bank balances other than (iii) above	–	–	11,446.33	11,446.33
(v) Other Financial Assets	–	–	748.85	748.85
Total	1,304.63	–	21,335.14	22,639.78
B. Financial Liabilities				
(i) Borrowings	–	–	2,788.31	2,788.31
(ii) Finance Lease	–	–	65.92	65.92
(iii) Trade Payables	–	–	7,271.84	7,271.84
(iv) Other Current Financial Liabilities	–	–	4,684.76	4,684.76
Total	–	–	14,810.82	14,810.82

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

As at March 31, 2019				
Particulars	Level 1	Level 2	Level 3	Total
A. Financial Assets				
(i) Non-Current Investments	1,304.63	–	–	1,304.63

(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, 2020	Year ended March 31, 2019
(a) Financial assets at amortized cost		
Interest income on Bank Deposits	815.97	722.10
Interest income on other Financial Assets	9.04	20.69
Impairment of Trade Receivables	(51.34)	(26.85)
Provisions for Bad and doubtful debts	(6.15)	(5.15)
(b) Financial asset at FVTOCI		
Change in fair value of equity instruments designated irrevocably as FVTOCI	(429.30)	378.75
Dividend Income	5.42	4.49
(c) Financial liabilities at amortized cost		
Interest expenses on borrowings from banks, others and overdrafts	326.85	337.90
Sundry Creditors written back	–	57.62

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 31st March, 2020 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)	
	2019-20	2018-19
Borrowings		
Loan Repayable on demand from banks	2,812.88	2,788.31
Long term maturities of Lease obligation	125.71	33.39
Current maturities of Lease obligation	45.12	32.53
Total Debt	2,983.71	2,854.23
Equity		
Equity Share Capital	1,413.03	1,413.03
Other Equity	23,486.26	23,729.96
Total Equity	24,899.29	25,142.99
Capital Gearing Ratio	11.98%	11.35%



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:**

	(Rs. in lakhs)	
Nature of Expenditure	2019-20	2018-19
a. Capital	–	–
b. Recurring	407.53	248.98
c. Total	407.53	248.98
d. % of R&D expenses to Sales	0.63%	0.40%

Recurring Expenditure details are as follows:	2019-20	2018-19
Cost of Materials consumed	16.62	10.78
Salaries and Wages	215.41	223.58
Repairs and Maintenance	5.25	4.90
Others	170.25	9.72
Total	407.53	248.98

- 5.3 Contingent Liabilities and Commitments not provided for:** (Rs. in lakhs)

Particulars	2019-20	2018-19
A) Contingent Liabilities		
Claims against the Company not acknowledged as debt		
Income tax matters	1485.98	1064.59
Indirect Tax Matters - (Sales tax / Service tax / Customs Duty / Excise Duty)	530.06	536.58
Bank Guarantees / Bonds executed by the Company	429.89	601.16
Others Matters including Claims related to Employees / Ex-Employees	41.50	40.41
	<u>2,487.43</u>	<u>2,242.74</u>
B) Commitments:		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	13.15	900.12

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 5th 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 Contingent Assets

Tax Benefits to be recognized later:

The Company is entitled to adjust the unabsorbed losses and depreciation of TTKPDL / TSL against Company's profits in accordance with the Scheme of Amalgamation sanctioned by the Hon'ble NCLT. The benefit that can accrue to the Company is estimated at Rs.36 Crores. The Company had filed an application / revised returns with CBDT and requested for condoning the delay in filing of the revised returns. CBDT vide its Order dated 18.3.2020 has condoned the delay and has directed the Chennai Income Tax to examine and consider the claims made by the Company on merits and in accordance with law.

Notes forming part of Financial Statements (Contd.)

5.5 As per Ind AS 19 "Employee Benefits", the disclosures are given below:

(A) Defined Contribution Plan:

(Rs. in lakhs)		
Contributions to Defined Contribution Plan, recognized as expense for the year are as under:	2019-20	2018-19
Employer's Contribution to Provident Fund	715.73	653.08
Employer's Contribution to Superannuation Fund	263.98	266.91

(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*	
	2019-20	2018-19	2019-20	2018-19
Changes in the present value of defined benefit obligation				
Opening defined benefit obligation	1,860.38	1,594.18	573.75	488.01
Interest Cost	143.55	124.26	43.76	32.90
Current service cost	166.84	152.18	112.77	48.36
Past service cost	–	–	–	–
Benefits paid	(95.08)	(153.62)	(146.51)	(123.57)
Actuarial Losses/(Gains)	245.35	143.38	70.22	128.05
Closing defined benefit obligation	2,321.04	1,860.38	654.01	573.75
Changes in the fair value of plan assets				
Opening fair value of plan assets	1,791.78	1,539.38	–	–
Expected return on plan assets	138.26	119.99	–	–
Contributions	363.50	287.24	–	–
Benefits paid	(95.08)	(153.62)	(146.51)	(123.57)
Actuarial gains/(losses)	(3.63)	(1.21)	70.22	128.05
Closing fair value of plan assets	2,194.84	1,791.78	–	–
Amount to be recognized in the Statement of Profit and Loss				
Current Service Cost	166.84	152.18	112.77	48.36
Net Interest cost	5.29	4.27	43.76	32.90
Actuarial losses/(gains)	–	–	70.22	128.05
Total	172.14	156.45	226.76	209.31
Amount to be recognized in OCI - Actuarial loss/(gain)	248.98	144.58	–	–

* Excludes Compensated Absence - Sick leave - Rs.118.10 Lakhs (FY 2018-19 - Rs.82.37 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.



Notes forming part of Financial Statements (Contd.)

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.

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	(6.90)	(110.24)	0.50	(3.55)	(23.22)
	Decrease	(1.00)	8.00	127.19	(0.50)	3.82	24.96
Salary escalation rate (per annum)	Increase	1.00	8.10	129.52	0.50	3.86	25.22
	Decrease	(1.00)	(7.20)	(113.98)	(0.50)	(3.62)	(23.66)
Attrition Rate	Increase	0.50	1.50	23.27	0.50	0.83	5.41
	Decrease	(0.50)	(1.60)	(26.04)	(0.50)	(1.11)	(7.27)
Mortality Rate	Increase	1.00	0.10	1.26	0.50	0.03	0.18
	Decrease	(1.00)	(0.10)	(1.26)	(0.50)	(0.03)	(0.18)

The Company's expected cash flows over the next few years are as follows:

Particulars	Gratuity		Compensated Absence	
	2019-20	2018-19	2019-20	2018-19
1 year	528.85	367.83	139.42	40.61
2 to 5 years	865.05	716.03	247.82	191.52
6 to 10 years	828.45	728.37	201.43	198.78
More than 10 years	2,125.20	2,104.73	631.19	–

Assumptions

Particulars	Gratuity (in %)		Compensated Absence (in %)	
	2019-20	2018-19	2019-20	2018-19
Discount rate	5.55 – 6.85	7.70	5.55 – 6.85	7.62
Escalation Rate	5.00	5.00	5.00	5.00
Attrition Rate	3% for employees in Management cadre and employees in PDD. 25% for Field Staff	3.00	3% for employees in Management cadre and employees in PDD. 25% for Field Staff	3.00

Notes forming part of Financial Statements (Contd.)

5.6 Reconciliation of effective tax rates

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

(in Rs. lakhs)

Particulars	March 31, 2020	March 31, 2019
Profit before tax from continuing operations (a)	1,942.48	3,925.95
Income tax rate as applicable (b)	25.17%	34.94%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	488.88	1,371.88
Permanent tax differences due to:		
Effect of income that is exempt from taxation (dividend income & standard deduction on rental income)	(1.56)	(1.83)
Effect of expenses that are not deductible in determining taxable profit	74.80	122.60
Effect of concessions on which higher deduction given (Research and Development and other allowances)	–	(22.86)
Effect on Deferred Tax balances due to change in Income Tax rate on opening Deferred Tax Assets.	127.38	(1.53)
Other Adjustments	21.04	20.32
Income tax expense recognized in profit or loss (relating to continuing operations)	710.54	1,488.58
Comprising :		
Current Tax	585.00	1,495.00
Deferred tax	125.54	(6.42)
Income tax recognized directly in equity	–	–
Income tax recognized in other comprehensive income	(54.38)	(25.75)

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the year ended 31st March, 2020 and remeasured Deferred Tax Assets at the lower tax rate prescribed in the said Section.

5.7 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:

(in Rs. lakhs)

Particulars	Property, Plant & Equipment and Intangibles	Defined Benefit Obligation	Provisions	Other Items	Total
At 31st March, 2018	(730.05)	197.24	389.42	598.52	455.13
(Charged)/credited:					
- to profit or loss	147.96	32.08	60.11	(233.72)	6.43
- to other comprehensive income	–	50.52	–	(24.77)	25.75
At 31st March, 2019	(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
At 31st March, 2020	(300.65)	248.22	351.50	117.08	416.15



Notes forming part of Financial Statements (Contd.)

5.8 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 B N Bhagwat (Retired w.e.f. 22.08.2019)
	Mr R K Tulshan
	Mr K Shankaran
	Dr (Mrs) Vandana R Walvekar
	Mr Girish Rao
	Mr S Balasubramanian
	Mr N Ramesh Rajan
	Mr V Ranganathan (Appointed w.e.f. 01.06.2019)
Other Key Managerial Personnel	Mr B V K Durga Prasad
Relatives of KMP (with whom transactions have taken place during the period)	Mr T T Jagannathan
	Mrs Shanthi Ranganathan
	Mrs Latha Jagannathan
	Mrs Bhanu Raghunathan
	Mrs Stina Vasu
	Mr T T Lakshman
	Mr T T Sriram
	Mr T T Mukund
Mr T T Venkatesh	

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	
		2019-20	2018-19
T.T. Krishnamachari & Co.	Rent Expense	73.99	73.99
	Logo Charges Paid	387.93	381.13
	Depot Service Charges Paid	461.45	456.59
	Reimbursement of Electricity Charges paid	48.25	49.16
	Stay Expenses	8.37	1.21
	Dividend Paid	476.63	476.63

Notes forming part of Financial Statements (Contd.)

TTK Prestige Limited	Purchase of Promotional Items	66.78	115.31
	Rent Receipt	0.01	0.01
	Reimbursement of Expenses Receivable	18.49	-
	Dividend Received	5.33	4.44
	Sale of Goods	(0.25)	0.17
	Dividend Paid	0.07	0.07
Packwell Packaging Limited	Packing Charges Paid	50.33	44.23
	Dividend Paid	0.44	0.44
	Rent Expense	14.87	14.87
Pharma Research & Analytical Laboratories	Analytical Charges paid	115.05	95.41
	Rent Receipts	2.83	2.83
TTK Tantex Limited	Dividend Paid	0.43	0.43
Mr T T Raghunathan	Salary	74.51	74.47
	Commission & Incentive	33.38	132.16
	Dividend Paid	1.94	1.94
Mr T T Jagannathan	Dividend Paid	37.96	37.96
Mr S Kalyanaraman	Salary 01.04.19 - 31.05.19	23.77	97.28
	Salary 01.06.19 - 31.03.20	94.46	
	Dividend Paid	0.02	0.02
Mr B V K Durga Prasad	Salary	85.80	73.45
Mr T T Lakshman	Dividend Paid	0.70	0.70
Mr T T Sriram	Salary	9.49	-
Mrs Stina Vasu	Dividend Paid	-	0.02
	Shares transferred out	-	0.05
Mrs Shanthi Ranganathan	Dividend Paid	2.92	2.92
Mrs Latha Jagannathan	Dividend Paid	1.49	1.49
Mrs Bhanu Raghunathan	Dividend Paid	2.80	2.80
Mr T T Mukund	Dividend Paid	0.70	0.70
Mr T T Venkatesh	Dividend Paid	0.70	0.70

Variable Pay of KMPs disclosed on payment basis.

Directors' Sitting Fees*

(Rs. in lakhs)

Name of Director	Sitting Fees	
	2019-20	2018-19
Mr T T Jagannathan	0.80	0.60
Mr R K Tulshan	1.40	2.00
Mr B N Bhagwat	1.00	1.60
Mr K Shankaran	3.00	3.00
Dr (Mrs) Vandana R Walvekar	1.00	1.20
Mr Girish Rao	2.60	2.00
Mr S Balasubramanian	1.20	1.60
Mr N Ramesh Rajan	1.00	0.60
Mr V Ranganathan	1.00	-
Total	13.00	12.60

* Exclusive of GST



Notes forming part of Financial Statements (Contd.)

Closing Balance:

(Rs. in lakhs)

Party	As at March 31, 2020		As at March 31, 2019	
	Receivable	Payable	Receivable	Payable
T T Krishnamachari & Co.	40.00	57.91	40.00	68.13
TTK Prestige Limited	17.75	6.85	–	1.45
Packwell Packaging Products Limited	23.50	17.05	23.50	4.80
Pharma Research & Analytical Laboratories	0.47	18.96	–	8.60
Mr T T Raghunathan	–	33.38	–	132.16
Mr T T Lakshman	–	0.10	–	0.10
Total	81.72	134.26	63.50	215.24

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 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2019 : 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.

5.9 Earnings per Share:

Particulars	2019-20	2018-19
Profit attributable to equity shareholders (Rs. in lakhs)	1,231.94	2,437.37
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.)	8.72	17.25

5.10 Lease Obligations:

Lease commitments

The minimum Lease rental outstandings as of 31st March, 2020 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Within one year	67.47	39.97	22.36	7.44	45.11
Later than one year and not later than 5 years	157.17	37.58	31.46	4.19	125.71	33.39
Later than 5 years	–	–	–	–	–	–
Total	224.64	77.55	53.82	11.63	170.82	65.92

5.11 Segment Reporting:

For Management purpose, the Company is organized into the following major business segments:

- Pharmaceuticals
- Consumer Products
- Medical Devices
- Protective Devices
- Foods
- Others

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.

Notes forming part of Financial Statements (Contd.)

Segment-wise Revenue, Results & Capital Employed:

(Rs. in lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Segment Revenue:		
Pharmaceuticals	23,120.51	21,645.89
Consumer Products	18,133.39	18,999.26
Medical Devices	4,523.13	4,286.97
Protective Devices	9,974.45	10,313.83
Foods	8,773.59	7,470.06
Others	51.71	72.35
Total Segment Revenue	64,576.78	62,788.36
Less: Inter Segment Revenue	-	-
Net Sales	64,576.78	62,788.36

B. Segment Results:

(a) Profit / (Loss) before Interest & Tax		
Pharmaceuticals	2,101.02	2,110.62
Consumer Products	1,864.06	3,324.73
Medical Devices	700.70	935.26
Protective Devices	(556.14)	(262.84)
Foods	(1,055.47)	(847.21)
Others	31.25	44.13
Total Segment Results	3,085.42	5,304.69
Less: Interest Expenses	326.85	337.90
Less: Unallocable Expenses (Net of Unallocable Income)	816.09	1,040.84
Total Profit/(Loss) before Tax	1,942.48	3,925.95

(b) Major Segment Expenses

Particulars	For the year ended 31 st March, 2020			For the year ended 31 st March, 2019		
	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense
Pharmaceuticals	8,448.87	6,527.75	88.62	8,137.36	5,724.64	90.57
Consumer Products	7,556.36	1,838.47	41.56	8,374.42	1,747.74	41.61
Medical Devices	990.39	1,312.16	110.11	955.54	1,079.13	101.91
Protective Devices	3,442.00	2,481.29	254.11	4,258.65	2,398.30	291.28
Foods	5,539.38	1,323.87	942.93	4,504.01	1,144.66	941.15
Others	25.13	910.56	0.34	29.08	975.62	0.33
Total	26,002.13	14,394.10	1,437.67	26,259.06	13,070.09	1,466.85



Notes forming part of Financial Statements (Contd.)

C. (a) Capital Employed (Segment Assets less Segment Liabilities)		
Particulars	As at 31.03.2020	As at 31.03.2019
Pharmaceuticals	286.63	439.31
Medical Devices	3,070.18	3,153.16
Consumer Products	(1,173.04)	(1,542.44)
Protective Devices	6,012.88	6,595.85
Foods	6,985.83	8,014.82
Others	15.57	(15.90)
Total Capital Employed in Segments	15,198.05	16,644.80
Add: Unallocable Corporate Assets*	18,177.72	16,648.84
Less: Unallocable Corporate Liabilities**	(8,476.49)	(8,150.64)
Total Capital Employed in Company	24,899.28	25,143.00
* Unallocable Corporate Assets:		
Investments	875.33	1,304.63
Deferred Tax Asset	741.51	1,094.18
Fixed deposits including interest receivable, dividend warrants and advance tax	16,560.88	14,250.03
Total	18,177.72	16,648.84
** Unallocable Corporate Liabilities:		
Secured Loans	2,812.88	2,788.31
Deferred Tax Liability	325.36	606.85
Provision for Tax & Unclaimed Dividend	5,338.25	4,755.48
Total	8,476.49	8,150.64

(b) Major Segment Assets and Liabilities					(Rs. In Lakhs)			
Particulars	As at 31 st March 2020				As at 31 st March 2019			
	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities
Pharmaceuticals	1,137.47	1,562.87	2,464.90	5,524.74	1,067.04	1,065.00	2,478.48	5,188.05
Medical Devices	905.97	1,657.88	1,336.12	1,048.28	1,063.20	1,383.95	1,273.49	865.09
Consumer Products	214.86	1,455.17	1,775.62	5,123.40	112.03	1,044.59	1,939.99	4,771.65
Protective Devices	1,685.74	1,763.61	1,554.75	2,160.83	1,813.79	1,397.54	1,737.63	1,413.48
Foods	5,796.99	724.94	543.35	1,358.36	5,852.98	639.83	592.07	903.64
Others	0.79	–	2.22	135.01	1.12	–	2.85	138.01
Total	9,741.82	7,164.47	7,676.96	15,350.62	9,910.16	5,530.91	8,024.51	13,279.92

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 31.03.2020	Year ended 31.03.2019
India	62,782.40	60,484.43
Outside India	1,794.38	2,303.93

5.12 Ind AS 116 - Transition Note:

The Company's lease assets primarily consist of land, buildings and vehicles.

Transition

On transition, the Company, using the retrospective approach recognized lease liability and right of use asset on the initial application date at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, the comparative information in this Financial Statements has not been restated. The impact of the new standard in the Company's Financial Statement is summarized and set out below:

The following is the summary of the practical expedients elected on initial application:

- a. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs.1000.20 lakhs and a lease liability of Rs.65.92 lakhs.

Particulars	(Rs. in lakhs)	
	Amount	
For the year ended 31st March, 2020		
Increase in depreciation expense relating to the depreciation of new right-of-use assets recognized. (Shown as Depreciation of Leased assets in the previous year)	20.55	
Decrease in Rent expense relating to previous operating leases	NIL	
Increase in Financial expenses relating to the interest expense on additional lease liabilities recognized (Shown under Financial Liabilities in the previous year)	17.36	
Increase in net cash from operating activities and decrease in financing activities by the same amount, representing repayments of principal and interest on the recognized lease liabilities.	NIL	
As at 31st March, 2020		
Right of Use Assets recognized and presented separately in Company statement of financial position (Shown under Leasehold assets in the previous year)	1,093.62	
Lease liabilities recognized and presented separately in Company statement of financial position (Shown under Financial Liabilities in the previous year)	170.83	
Net effect of these adjustments increased Company's net liabilities	NIL	
Amounts recognized in Statement of Profit and Loss		
Amortisation expenses of right of use assets	54.28	
Interest expenses on lease liabilities	17.36	
Expenses relating to short term leases	221.40	
Expenses relating to leases of low value assets	-	
Variable lease payments	-	



Notes forming part of Financial Statements (Contd.)

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:

(Rs. in lakhs)	
Maturity analysis:	
Less than 1 year	45.12
Between 1 year and 5 years	125.71
More than 5 years	-
Total liabilities are analysed as follows:	
Indian Rupees	170.83
Other currencies	-
Total	170.83
Analysed as:	
Current	45.12
Non-current	125.71
Total	170.83

5.13 Ind AS 115 Revenue from Contracts with Customers

(Rs. in lakhs)		
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue as per contracted price	64,558.91	62,788.83
Adjustments:		
Less: Expected Turnover & Volume based Discounts & Liquidated Damages	(94.28)	(171.60)
Add: Other Operating Income	112.15	171.13
Revenue from Operations as per Statement of Profit and Loss	64,576.78	62,788.36

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 31.03.2020	For the year ended 31.03.2019
Pharmaceuticals	23,120.51	21,645.89
Consumer Products	18,133.39	18,999.26
Medical Devices	4,523.13	4,286.97
Protective Devices	9,974.45	10,313.83
Foods	8,773.59	7,470.06
Others	51.71	72.35
Total Revenue from Operations	64,576.78	62,788.36

Reconciliation of Refund Liability

(Rs. in lakhs)		
Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	1,224.57	1,068.53
Add: Net increase due to invoicing during the year	104.03	156.03
Balance at the end of the year	1,328.60	1,224.57

Notes forming part of Financial Statements (Contd.)

5.14 The Company has considered the possible impact that may arise from CoVID-19, a global 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 statement. The impact 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.

5.15 Events occurring after Balance Sheet Date:

On July 22, 2020, the Board of Directors of the Company have proposed a final dividend of Rs.3 /- per share in respect of year ended 31st March, 2020, subject to the approval of Shareholders at the 62nd Annual General Meeting. If approved, the final dividend would result in cash flow of Rs.423.91 lakhs.

5.16 Approval of Financial Statements:

The Financial Statements were approved for issue by the Board of Directors on July 22, 2020.

For M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Regn.No.003990S/S200018
S. Rajeshwari, Partner
Membership No.024105
Place : Chennai
Date : July 22, 2020

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

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A happy baby is a Woodward's baby.



Woodward's Gripe Water
relieves stomach aches, gently.



NON-ALCOHOLIC

WOODWARD'S



CELEBRATED

"GRIPE WATER"

वुडवर्ड्स ग्राईप वाटर

GENTLE ANTACID, SAFE FOR INFANTS

Gives instant relief to infants crying due to gripe and stomach aches caused by gas, acidity and indigestion.

- Useful during the teething period.
- Promotes and aids digestion.
- Ensures healthy growth.

Woodward's is useful throughout the year.

A WOODWARD'S PRODUCT

NON-ALCOHOLIC

WOODWARD'S



CELEBRATED

"GRIPE WATER"

वुडवर्ड्स ग्राईप वाटर

GENTLE ANTACID, SAFE FOR INFANTS

Gives instant relief to infants and babies crying due to gripe and stomach pain caused by acidity and indigestion.

- Useful during the teething period.
- Promotes and aids digestion.
- Ensures healthy growth.

Woodward's is useful throughout the year.
Net Quantity: 130 ml.
SHAKE WELL BEFORE USE.