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**TTK Healthcare**  
**LIMITED**

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August 03, 2022

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 : Chairman's Speech**

We are forwarding herewith a copy of the Speech delivered by Mr T T Raghunathan, Executive Vice Chairman at the 64<sup>th</sup> Annual General Meeting of our Company held today through Video Conferencing / Other Audio Visual Means (VC / OAVM).

We request you to kindly take the above document on record.

Thanking you

Yours faithfully  
For TTK Healthcare Limited

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

Encl. : a/a



## **TTK HEALTHCARE LIMITED**

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

### **CHAIRMAN'S SPEECH**

**[64<sup>th</sup> ANNUAL GENERAL MEETING – 3<sup>rd</sup> August, 2022]**

*Ladies and Gentlemen,*

It gives me great pleasure to welcome you all to this 64<sup>th</sup> Annual General Meeting of your Company.

#### **FINANCIAL YEAR 2021-22:**

The Annual Report for the year has already been circulated. I would like to touch upon the salient features of the Company's performance during the year under review.

#### **Sale / Transfer of Human Pharma Division:**

As you are aware, the Human Pharma Division (Undertaking) of your Company stands transferred, as a going concern, on a slump sale basis, for a consideration of Rs.805 crores (subject to adjustment for working capital and other items that are customary in such transactions) to M/s BSV Pharma Private Limited (BSV), with effect from 9<sup>th</sup> May, 2022.

Consequently, in line with the Accounting Standards, the Financial Statements as circulated show separately the performance relating to Continuing Operations and the performance relating to Human Pharma Division, being the Division held for sale in the subsequent year.

#### **Financial Highlights:**

- ❖ Revenue from the Continuing Operations amounted to Rs.599.24 crores as against the previous year's figure of Rs.476.06 crores, with a growth of around 26%.  
The Pre-tax Profit of the Continuing Operations stood at Rs.24.84 crores (Previous Year - Rs.22.62 crores).  
Earnings per Share (EPS) on Continuing Operations was Rs.13.10 (Previous Year - Rs.26.03).
- ❖ Revenue from Human Pharma Operations amounted to Rs.198.04 crores, with a growth of around 23% and a Pre-tax Profit of Rs.32.94 crores. EPS stood at Rs.16.33.
- ❖ Your Company carries a free Cash Balance of around Rs.200 crores, as at 31<sup>st</sup> March, 2022.

## **BUSINESSWISE PERFORMANCE:**

Let me now provide a quick brief on the performance of the various businesses of the Company during 2021-22 and also the plans for the year 2022-23.

### **(1) Human Pharma Business (since sold off)**

Ethical Products and Ventura Divisions have registered a growth of around 23%.

Though there was some impact on the performance during First Quarter due to the second wave of CoVID-19 pandemic, the business improved gradually in the subsequent Quarters, thus resulting in a robust performance for the year as a whole.

### **(2) Animal Welfare Business**

The Animal Welfare Division registered a growth of around 27%.

The top ten brands including the flagship brands OTO (Orcal-P - Tefroli - Ossomin) Group contributed in excess of 60% to the Division's sales, with a double digit growth.

Particularly, the performance of Companim (Pet) Division has been quite noteworthy, with a growth of around 52%.

The newly launched Aquanim Division too performed well and a few more products are lined up for extending the Range.

The focus would be to sustain the current momentum and to achieve a healthy growth across the Divisions of AWD. Further, the Institution and Export Business would also receive enhanced focus.

### **(3) Consumer Products Business:**

The Consumer Products Division registered a growth of around 24%.

**Woodward's Gripewater (WGW)** achieved an all-time high sales volume in excess of 4,50,000 cases, with a healthy growth.

Significant investments have been made towards the Media, Digital Engagement and Consumer activations, both in perennial and seasonal markets.

The focus would be to sustain Southern markets by driving consumption increase and to grow the Non-South markets through appropriate promotional investments.

**EVA**, after facing several challenging Quarters, has shown a good resilience and reported a healthy growth over the previous year.

The new "Eva Special Happens" campaign with celebrity endorsement helped in increasing brand awareness and turnover during the year.

Your Company has also signed up with Ms Rashmika Mandanna as a celebrity for promoting EVA and a campaign featuring her has been planned during the festival season September – October, 2022.

The performance of Talc and Lip Ranges are also satisfactory and a few more products have been lined up for launch under the Non-Deo category.

The focus would be to further strengthen the brand communication, to increase trials through effective marketing activations and to build stronghold in Modern Trade and e-Com channels.

**Skore** brand has regained its momentum and managed to reach its pre-CoVID numbers during the year under review, with a good growth.

On brand front, focus remained on innovation and disruption with the launch of a unique offering namely 'Skore Nothing', India's thinnest flavoured condoms.

The skoreindia.com, the Direct-to-Consumer (D2C) initiative too, started contributing well to the overall brand sales.

In addition to the focus on adding innovative offerings to the Range, efforts are also made to drive the distribution expansion and the retail reach particularly in Tier-1 towns.

Your Company has recently launched an online portal [www.lovedepot.com](http://www.lovedepot.com) for the sale of Pleasure products with the objective of capturing and owning the pleasure space in India through digital medium and the initial response is encouraging.

**Good Home** as a brand reported a healthy growth.

The performance of Aroma (Perfumed Air Freshener) and Unblox (Drain Cleaner) is noteworthy.

The launch of Sponge Wipes and Ultra-scrubbers widened the portfolio.

Relaunch of Odour Remover in new packaging and positioning was another highlight for 2021-22.

Your Company is working on a new packaging and positioning so as to transform Good Home into a stronger brand and also to build stronghold in Modern Trade and e-Com channels.

#### **(4) Medical Devices Business:**

**Heart Valve Division's** performance was much better than the previous year, with a growth of around 30%.

The performance of Imported Cardiamed Bileaflet Valves was also quite satisfactory.

Your Company signed an agreement for the manufacture and supply of cardiology products like PTCA Catheters and Coronary Stents and the regulatory clearance for PTCA Catheters has just been received.

The focus would be to grow the volumes of TTK Chitra Valves, to gain further volumes through Bi-Leaflet Valves and to venture into the cardiology market through the launch of PTCA Catheters.

**Ortho Division** registered a growth of around 150%. Both the Knee and Hip segments reported a good performance.

The launch of Hip Replacement System has been expanded to more geographies and the response is encouraging.

Productivity improvements in manufacturing / outsourcing helped to increase production to a very significant level as compared to the previous year.

Your Company has planned to test launch the Fixed Bearing Knee during the latter part of the financial year which is currently under development.

The focus would be to expand the distribution and team footprint further in potential markets, to build on relationships to improve market share and to strengthen the sales performance in Revision and Hinge Knee Segments.

**(5) Protective Devices Business:**

The **Protective Devices Division** registered an impressive performance, with a growth of around 41%.

Your Company has also been supplying Condoms for a leading International Brand both for their India and Overseas requirements and continues to hold the various Certifications viz., BSI, CE Mark, SABS, etc., by successful completion of Quality Audits and Social Compliance requirements.

Your Company's R&D Division is working on the development of a few more products which would be launched progressively.

Your Company is also working on the export of the branded products to various countries, directly and also through Third Parties.

Considering the business visibility, your Company is also planning to restart the operations at the Virudhunagar factory shortly.

The focus would be to further increase the volumes by leveraging the relationships with Third Party Contract Manufacturers and also to work on cost optimization to be more competitive in the international bid business.

**(6) Foods Business:**

Foods Division registered a marginal negative growth due to the impact of CoVID-19 during Q1 and a steep increase in edible oil prices which reduced the demand for ready-to-fry products.

Your Company being a pioneer in developing innovative products and concepts in this category, has developed products for different applications like ready-to-salt roasting, hot air popping and mechanical popping considering the future trend of healthy snacks and increasing oil prices.

Relentless use of TPM and other measures have yielded in lowering operational cost and improving efficiency.

Efforts are on to further increase the volumes from exports / institutional businesses.

The focus would be to further increase the capacity utilization at Jaipur facility and to continue to work on new offerings to improve volumes / margins.

**DIVIDEND:**

Your Directors recommend a dividend of Rs.10.00 per share (i.e.) 100%. [Previous Year – Rs.6.00 per share (i.e.) 60%].

**OUTLOOK 2022-23:**

Given the sale of Human Pharma Division and its consequential impact both on the turnover and profitability, your Company is working on various ways and means to maximize the performance of other continuing businesses, by judiciously deploying the surplus funds available consequent to the sale of Human Pharma Business.

The Revenue from Operations of your Company for the First Quarter ended 30<sup>th</sup> June, 2022 stood at Rs.192.62 crores, as against the Revenue of Rs.131.36 crores during the corresponding Quarter of the previous year, with a growth of around 47%. *(During Q1 of 2021-22, the performance was partly impacted due to the second wave of CoVID-19 pandemic)*. The Profit before Tax for Q1 stood at Rs.7.71 crores as against the profit of Rs.6.08 crores during corresponding Quarter of the previous year.

In view of the above developments and the initiatives planned, the outlook for your Company as a whole for 2022-23, appears promising.

**ACKNOWLEDGEMENT:**

I acknowledge the valuable contributions of Banks, Business Associates, Shareholders and Employees at all levels who have supported the Company in all its endeavours.

**Thank you.**

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