



**TTK Healthcare  
LIMITED**

TTKH:SEC:AT:132:22

July 06, 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 : Disclosure under Regulation 34(1) – Annual Report for the Financial Year 2021-22**

We hereby inform you that the 64<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held at 11.30 a.m., on Wednesday, the 3<sup>rd</sup> August, 2022, through Video Conferencing / Other Audio Visual Means (VC / OAVM), in accordance with the General Circular No.3/2022 dated 5th May, 2022 read with Circular No.20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No.SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 issued by SEBI (hereinafter collectively referred to as 'Circulars') and also applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, we enclose the soft copy of the Annual Report for the year 2021-22 and the Notice of the 64<sup>th</sup> Annual General Meeting, which are self-explanatory.

The Annual Report and the Notice of the 64<sup>th</sup> AGM are being sent to the Members through Electronic Mode and the same are also uploaded on the website of the Company [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

Kindly take the above documents on record.

Thanking you

Yours faithfully  
**For TTK Healthcare Limited**

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

Encl.: a/a



**64<sup>th</sup>**

**ANNUAL REPORT**

**2021-22**

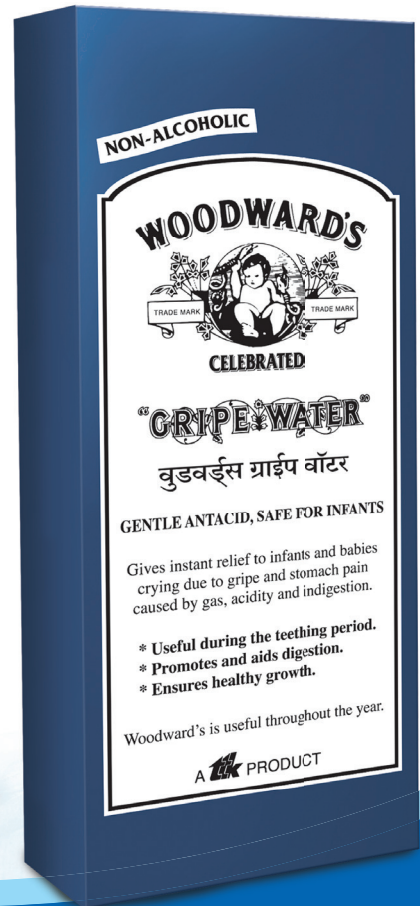




# GIVE YOUR BUNDLE OF JOY A SPOONFUL OF CARE.



WITH  
**WOODWARD'S**



# 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](http://www.ttkhealthcare.com) CIN : L24231TN1958PLC003647

Tel: 044-28116106 e-mail: [info@ttkhealthcare.com](mailto:info@ttkhealthcare.com)

### FACTORIES

(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 <sup>th</sup> 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

### DEPOTS

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

### BANKERS

#### Union Bank of India

G T Branch  
George Town, Chennai 600 001

#### Bank of Baroda

Corporate Financial Services Branch  
T.Nagar, Chennai 600 017

#### HDFC Bank Limited

RK Salai Branch  
RK Salai, Chennai 600 004

### STATUTORY AUDITOR

#### M/s PKF Sridhar & Santhanam LLP

KRD Gee Gee Crystal, 7<sup>th</sup> Floor,  
No.91/92, Dr. Radhakrishnan Salai,  
Mylapore, Chennai 600 004

### COST AUDITOR

#### M/s Geeyes & Co.

Cost Accountants  
A-3, III Floor, 7<sup>th</sup> Avenue,  
Ashok Nagar, Chennai 600 083

### SECRETARIAL AUDITOR

#### M/s A K Jain & Associates

Company Secretaries  
No. 2, Raja Annamalai Road, First Floor,  
Purasawalkam, Chennai 600 084

### REGISTRARS & TRANSFER AGENTS

#### M/s Data Software Research Co. Pvt. Ltd.

19, Pycrofts Garden Road, Off. Haddows Road,  
Nungambakkam, Chennai 600 006  
Tel: 044-28213738 / 044-28214487  
e-mail: [ttk.healthcare@dsr-cid.in](mailto:ttk.healthcare@dsr-cid.in)



## Financial Highlights

Consequent to the sale / transfer of Human Pharma Division, the financial highlights for the year under review and the previous year have been shown separately for the Continuing Operations and the Human Pharma Operations.

	(Rs. in lakhs)									
	2021-22*	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13
Revenue from Operations and Other Income from -										
(a) Continuing Operations	61,557.05	48,599.33	65,454.32	63,563.71	58,512.12	53,353.30	52,445.76	48,949.44	42,230.31	38,903.69
(b) Human Pharma Operations held for sale in subsequent year	19,812.58	16,053.47	-	-	-	-	-	-	-	-
(a) Continuing Operations										
- Profit before Tax	2,483.73 <sup>#</sup>	2,262.16 <sup>#</sup>	1,942.48	3,925.95	3,014.71	2,917.75	3,552.74	2,633.46	1,966.56	2,162.17
- Current Tax	743.67	747.91	585.00	1,495.00	1,125.00	985.94	1,002.00	1,090.00	698.00	710.00
- Tax relating to previous year	-	(1,964.81)	-	-	-	-	-	-	-	-
- Deferred Tax	(110.96)	(199.11)	125.54	(6.42)	73.18	57.83	284.22	(72.06)	29.70	31.82
- Profit after Tax	1,851.02 <sup>#</sup>	3,678.17 <sup>#</sup>	1,231.94	2,437.37	1,816.53	1,873.98	2,266.52	1,615.52	1,238.87	1,420.35
(b) Human Pharma Operations held for sale in subsequent year										
- Profit after Tax	2,307.81	965.94	-	-	-	-	-	-	-	-
Profit after Tax [(a)+(b)]	4,158.83 <sup>#</sup>	4,644.11 <sup>#</sup>	-	-	-	-	-	-	-	-
Other Comprehensive Income	187.49	345.15	(623.90)	259.92	83.43	207.79	-	-	-	-
Dividend - Amount	847.82 <sup>**</sup>	423.91 <sup>**</sup>	706.51 <sup>**</sup>	706.51 <sup>**</sup>	388.30 <sup>**</sup>	-	388.30	349.47	310.64	310.64
- Rate	60%	30%	50%	50%	50%	-	50%	45%	40%	40%
Dividend Distribution Tax	-	-	145.23	145.23	79.05	-	79.05	71.14	52.79	52.79
Retained Earnings	3,498.50	4,565.35	(243.70)	1,845.55	1,432.61	2,081.77	1,799.17	1,194.91	875.44	1,056.92
Earning Per Share (EPS) of Rs.10/- each (in Rs.)	-	-	8.72	17.25	12.86	24.13	29.19	20.80	15.95	18.29
(a) Continuing Operations	13.10	26.03	-	-	-	-	-	-	-	-
(b) Human Pharma Operations held for sale in subsequent year	16.33	6.84	-	-	-	-	-	-	-	-
Earning Per Share [(a)+(b)]	29.43	32.87	-	-	-	-	-	-	-	-
<b>Sources &amp; Applications of Funds:</b>										
Net Block	8,045.92	8,579.22	9,741.81	9,910.16	11,031.75	9,947.54	10,707.04	9,757.21	5,563.50	4,374.70
Investments	1,513.47	1,316.61	875.33	1,304.63	925.89	882.54	1,013.37	13.37	13.37	76.81
Net Current Assets	24,556.10	20,370.70	15,432.61	14,252.69	13,448.08	6,885.52	4,544.27	5,920.74	7,019.67	7,528.52
Long Term Loans and Advances	714.07	1,399.05	2,316.97	2,707.12	2,754.91	1,004.71	1,189.26	1,152.45	2,143.16	1,123.21
Deferred Tax Assets	865.58	859.47	741.51	1,094.18	1,206.40	590.77	131.99	115.05	106.38	85.43
Deferred Tax Liabilities	(135.30)	(214.33)	(325.36)	(606.86)	(751.27)	(832.09)	(638.80)	(337.64)	(401.02)	(350.38)
Human Pharma Division - Assets held for sale in subsequent year	2,428.66	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>37,988.50</b>	<b>32,310.72</b>	<b>28,782.87</b>	<b>28,661.92</b>	<b>28,615.76</b>	<b>18,478.99</b>	<b>16,947.13</b>	<b>16,621.18</b>	<b>14,445.06</b>	<b>12,838.29</b>
Share Capital	1,413.03	1,413.03	1,413.03	1,413.03	1,413.03	776.60	776.60	776.60	776.60	776.60
Reserves	31,550.11	28,051.61	23,486.26	23,729.96	21,884.41	14,970.46	12,844.61	11,050.45	9,916.04	9,045.63
Borrowings	2,038.44	1,759.82	2,812.88	2,821.70	4,704.94	2,287.34	2,195.31	2,230.12	1,324.01	2,155.40
Long Term Liabilities	838.26	1,086.26	1,070.70	697.23	613.38	444.59	1,130.61	2,564.01	2,428.41	860.66
Human Pharma Division - Liabilities held for sale in subsequent year	2,148.66	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>37,988.50</b>	<b>32,310.72</b>	<b>28,782.87</b>	<b>28,661.92</b>	<b>28,615.76</b>	<b>18,478.99</b>	<b>16,947.13</b>	<b>16,621.18</b>	<b>14,445.06</b>	<b>12,838.29</b>

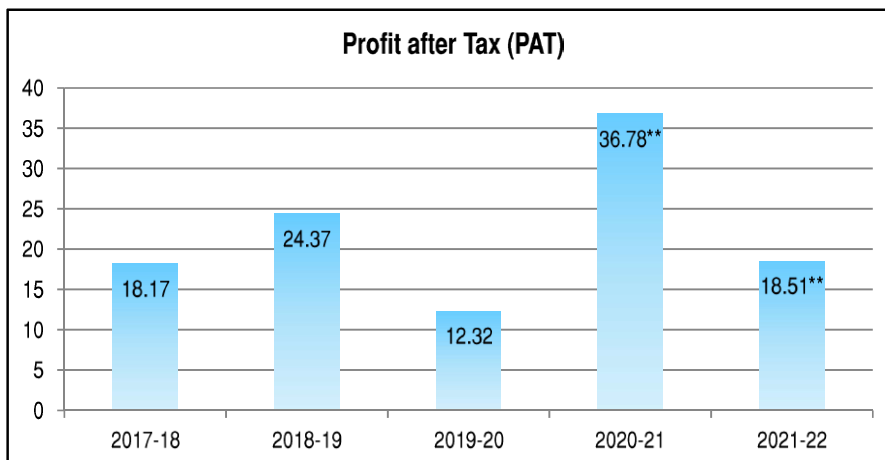
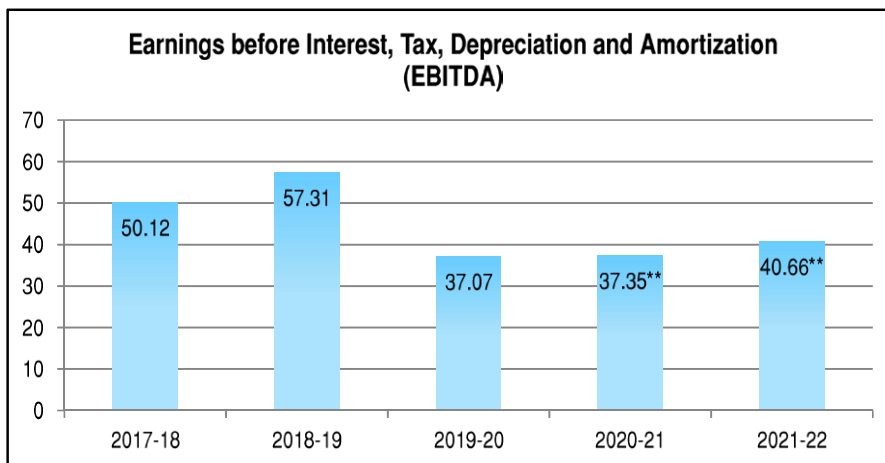
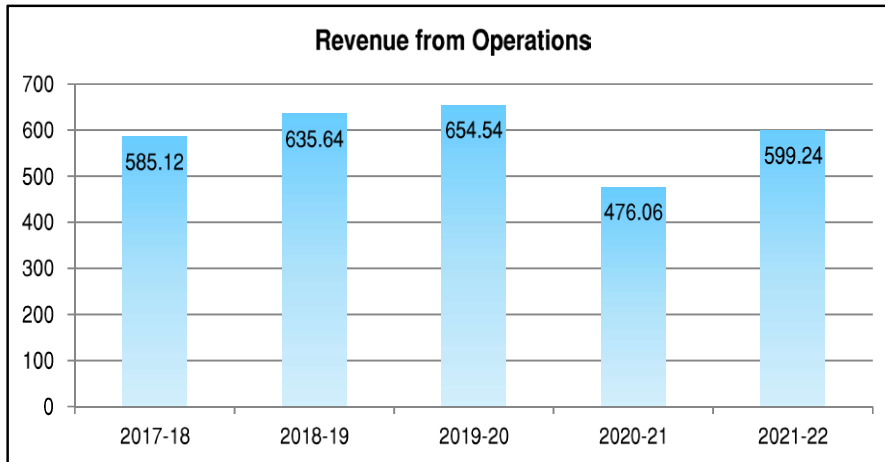
\* The presentation is in line with Indian Accounting Standards (Ind AS).

\*\* Dividend for 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 paid during 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, respectively.

# Include Exceptional Item(s).

**Financial Highlights (Contd.)**

(Rs. in Crores)



\*\* Include Exceptional Item(s).

The figures for FY 2020-21 & 2021-22 pertain to Continuing Operations.



## Notice to Shareholders

**NOTICE** is hereby given that the **64<sup>th</sup> Annual General Meeting** of the Company will be held at **11.30 a.m.** (IST), on **Wednesday, the 3<sup>rd</sup> August, 2022**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

### Ordinary Business

- To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022 together with the Reports of Directors and Auditors thereon.
- To declare Dividend.
- To appoint a Director in the place of Mr R K Tulshan (DIN:00009876) who retires by rotation and being eligible, offers himself for reappointment.
- To reappoint Statutory Auditors and fix their remuneration:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No.003990S / S200018) be and are hereby reappointed as the Statutory Auditors of the Company, for a further term of 5 (five) consecutive years, to hold office from the conclusion of the 64<sup>th</sup> Annual General Meeting till the conclusion of the 69<sup>th</sup> Annual General Meeting, on such remuneration, as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company.”

### Special Business

- To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Article 117 of the Articles of Association, approval of the Members be and is hereby accorded to pay the Non-Executive Directors, including Independent Directors (other than the Managing Director and Wholetime Directors) of the Company, effective 1<sup>st</sup> April, 2022, such sum by way of Commission as the Board and / or a Committee thereof, may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Act and computed in the manner provided under Section 198 of the Act”.

- To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of all earlier resolution(s) passed by the Members in this regard and pursuant to the provisions

of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) - (a) to give any loan to any person or other body corporate; (b) to give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) to acquire by way of subscription, purchase or otherwise, the securities of any body corporate as they may in their absolute discretion deem beneficial and in the interest of the Company, subject to however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed Rs.1,000 crores (Rupees One thousand crores only), over and above the limit of sixty percent of the Paid-up Share Capital, Free Reserves and Securities Premium Account or one hundred percent of Free Reserves and Securities Premium Account, whichever is more, as prescribed under Section 186 of the Act”.

- To consider and if thought fit, to pass 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 (“the Act”) and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration of Rs.5,00,000 (Rupees Five lakhs only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to M/s Geeyes & Co., Cost Accountants (Firm Regn. No.000044), for conducting the audit of the cost records of the Company, for the financial year ending 31<sup>st</sup> March, 2023, 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 : May 23, 2022**

**Registered Office:**

**No.6, Cathedral Road  
Chennai 600 086**

### NOTES:

- The Ministry of Corporate Affairs (“MCA”) vide its Circular Nos. 20/2020 dated 05.05.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021 and 2/2022 dated 05.05.2022 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62

## Notice to Shareholders (Contd.)

dated 13<sup>th</sup> May, 2022 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.

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

2. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
3. 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.
6. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and Regulations 36(5) of the SEBI (LODR) Regulations, 2015, in respect of the Ordinary / 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 28<sup>th</sup> July, 2022 to 3<sup>rd</sup> August, 2022 (both days inclusive), for the purpose of payment of Dividend for the financial year ended 31<sup>st</sup> March, 2022, 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 27<sup>th</sup> July, 2022.
9. Members are requested to intimate the changes in their respective mailing address either to the Company or RTA in case of shares held in physical form or to their respective Depository Participants (DPs) in case of shares held in dematerialized form.
10. SEBI vide circular dated 3<sup>rd</sup> November, 2021, mandated furnishing of PAN, KYC details and Nomination by holders of physical securities on or before 31<sup>st</sup> March, 2023, in Form ISR-1. In case of Folios without PAN, KYC details and Nomination, the said Folios, on or after 1<sup>st</sup> April, 2023 shall be frozen by the RTA.  
Further, compulsory linking of PAN and Aadhaar by all the holders of physical securities should be completed within the date extended by the Central Board of Direct Taxes (CBDT) [(i.e.) 31<sup>st</sup> March, 2023]. Otherwise the said Folios shall be frozen by the RTA.
11. 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 in electronic form and with the Company / RTA, in case the shares are held in physical form.

12. 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.
13. SEBI vide Circular dated 25<sup>th</sup> January, 2022 mandated issuance of Securities in Dematerialized Form in case of Investor Service Requests viz., Issue of Duplicate Share Certificates, Claim from Unclaimed Suspense Account, Renewal / Exchange of Share Certificates, Endorsement, Sub-division / Splitting of Share Certificates, Consolidation of Share Certificates / Folios, Transmission, Transposition, etc.
14. 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 31.03.2022 (in Rs.)
31.03.2015	07.08.2015	11.09.2022	8,23,428.50
31.03.2016	05.08.2016	08.09.2023	9,57,910.00
31.03.2017	04.08.2017	04.09.2024	9,82,250.00
31.03.2018	09.08.2018	14.09.2025	6,58,543.07
31.03.2019	09.08.2019	12.09.2026	5,77,165.52
31.03.2020	11.09.2020	14.10.2027	3,42,921.20
31.03.2021	20.08.2021	21.10.2028	6,02,126.40

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](http://www.ttkhealthcare.com) and also on the website of the Ministry of Corporate Affairs (MCA) in the relevant form, every year.

15. 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 2014-15 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.) 11<sup>th</sup> September, 2022], on or before 10<sup>th</sup> October, 2022.

The Members whose shares are liable for transfer were informed individually and an advertisement would also be 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.





## Notice to Shareholders (Contd.)

16. Any unclaimed / unpaid dividends or shares already transferred to the IEPF, may be claimed by the Members concerned from the IEPF Authority by e-Filing Form IEPF-5, which is available under the link <http://www.iepf.gov.in>. The Members may contact the RTA, M/s Data Software Research Co. Pvt. Ltd., or the Company for any assistance, in this regard.

17. In line with the MCA Circulars, the Notice convening the AGM and the Annual Report for the year 2021-22 are made available on the website of the Company at [www.ttkhealthcare.com](http://www.ttkhealthcare.com) and also on the websites of the Stock Exchanges (i.e.) BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The Notice and the Annual Report are also made available on the website of CDSL (agency providing the remote e-Voting facility and e-Voting system during the AGM) (i.e.) [www.evotingindia.com](http://www.evotingindia.com).

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.) 3<sup>rd</sup> August, 2022. Members seeking to inspect such documents can send e-mail to [investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com).

18. Effective from 1<sup>st</sup> April, 2020, dividend income will be taxable in the hands of Members. Hence the Company is required to deduct tax at source from the amount of dividend paid to Members at the prescribed rates. A Resident Individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) on or before 23<sup>rd</sup> July, 2022. Further, no tax shall be deducted on the dividend payable to a Resident Individual Members if the total amount of dividend to be received from the Company during the financial year 2021-22 does not exceed Rs.5,000/-. Members may note that in case PAN is not updated with the DPs / RTA, the tax will be deducted at a higher rate of 20%.

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

- (i) Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the Member.
- (ii) Copy of Tax Residency Certificate (TRC) for the FY 2022-23 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 Member.

(vi) Lower Withholding Tax Certificate, if any, obtained from the Indian Tax Authorities.

The Members are required to provide the above documents / declarations by sending an e-mail to [ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) on or before 23<sup>rd</sup> July, 2022. 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 Act, 1961.

In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act, 1961 @ 20% plus applicable surcharge and cess.

19. 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 Members:** For temporary registration of e-mail ID, please provide necessary details like Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to the Company ([investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com)) / RTA ([ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in)).

Thereafter, for permanent registration of e-mail ID, Members are requested to submit Form ISR-1 (which is available in the website of the Company [www.ttkhealthcare.com](http://www.ttkhealthcare.com)), duly filled and signed, with the Company / RTA.

- **For Demat Members:** For temporary registration of e-mail ID, please provide Demat account details, Name, Client Master List or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to Company ([investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com)) / RTA ([ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in)).

Thereafter, for permanent registration of e-mail ID, Members are requested to contact their respective DPs for updation.

20. **Procedure to be followed by the Members for updation of bank account mandate for receipt of dividend:**

Members are requested to submit Form ISR-1 to the Company vide e-mail [investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com) or to RTA [ttk.healthcare@dsrc-cid.in](mailto:ttk.healthcare@dsrc-cid.in) for updation of Bank Mandate along with original cancelled cheque with name of the Member printed on it or copy of the Bank Pass Book or Bank Statement attested by the Bank, for receiving dividends directly in their Bank Accounts through ECS or any other means.

21. **Instructions for Members attending the AGM through VC / OAVM:**

- Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting System.

## Notice to Shareholders (Contd.)

- The procedure for attending meeting is same as the instructions mentioned below for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned below for e-voting.
- The facility for joining the meeting shall be kept open from 11.00 a.m. and shall be closed after 15 minutes of the conclusion of the meeting.
- Members are encouraged to join the meeting through Laptops / iPads for better experience.
- Further, Members will be required to allow Camera and may use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Members connecting from Mobile Devices or Tablets or through Laptops via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance, on or before 26<sup>th</sup> July, 2022 mentioning their name, demat account number / folio number, e-mail ID, mobile number at [investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com).

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

The Members who do not wish to speak during the AGM but have queries may send their queries in advance, on or before 26<sup>th</sup> July, 2022 mentioning their name, demat account number / folio number, e-mail ID, mobile number at [investorcare@ttkhealthcare.com](mailto:investorcare@ttkhealthcare.com). These queries will be replied to by the Company suitably.

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

### 22. 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 64<sup>th</sup> Annual General Meeting.
- The Company has appointed M/s AK Jain & Associates, Practising Company Secretaries represented by its Partners - Mr Balu Sridhar / Mr Pankaj Mehta, as the Scrutinizer for conducting both the remote e-Voting and e-Voting during the AGM in a fair and transparent manner and they have communicated their willingness for the same.

- The Members who have cast their vote by remote e-Voting may also attend the meeting but shall not be entitled to cast their vote again during the AGM.
- The voting rights of the Members / Beneficial Owners shall be reckoned on the Equity Shares held by them as on 27<sup>th</sup> July, 2022 being the "cut-off" date. Members of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote through remote e-Voting or e-Voting system available during the AGM.
- A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date (i.e.) 27<sup>th</sup> July, 2022 only shall be entitled to avail the facility of e-Voting.
- The Scrutinizer, after first scrutinizing the votes cast through e-Voting system available during the AGM and thereafter, the votes cast through remote e-Voting will, not later than two days of conclusion of the meeting, make a Consolidated Scrutinizer's Report and submit the same to the Chairman for declaring the results.
- The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.ttkhealthcare.com](http://www.ttkhealthcare.com) and on the website of CDSL [www.evotingindia.com](http://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.) 3<sup>rd</sup> August, 2022.

### Instructions for remote e-Voting:

- The voting period begins at 9.30 a.m. on 30<sup>th</sup> July, 2022 and ends at 5.00 p.m. on 2<sup>nd</sup> August, 2022. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 27<sup>th</sup> July, 2022 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- Members who have already voted through remote e-Voting would not be entitled to vote through e-Voting system available during the AGM.

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

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



## Notice to Shareholders (Contd.)

- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

For Physical Shareholders and Shareholders other than individuals holding shares in Demat form	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders). Shareholders who have not updated the PAN details with the Company/Depository Participant are requested to use the "Sequence Number" provided through e-mail. Please refer Point No.20 for registering the e-mail address.
<b>Dividend Bank Details or Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. Shareholders who have not updated their DOB or Dividend Bank Details with the Company / Depository Participant are requested to use the User ID, in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for "TTK HEALTHCARE LIMITED" on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.

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

### Individual Shareholders holding securities in Demat form:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest, user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers.</li> </ol>



## Notice to Shareholders (Contd.)

Individual Shareholders holding securities in demat mode with NSDL

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

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

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

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

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

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

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

### Other Instructions:

- (i) Note for Non-individual Shareholders & Custodians:
  - Non-individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" modules.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin and login password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the



## Notice to Shareholders (Contd.)

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

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

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

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

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

### 23. Additional Information of Directors [relating to Item No.3] with regard to 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
Name of the Director	Mr R K Tulshan
Director Identification Number (DIN)	00009876
Date of Birth and Age	20.09.1954 – 67 years
Date of first appointment on the Board	30.11.1984
Brief Resume, Qualification, Experience and Nature of Expertise in specific functional areas	<ul style="list-style-type: none"> <li>• He is a Commerce Graduate.</li> <li>• He has an experience of nearly four decades in Business and has been a Director of the Company for the last 37 years.</li> <li>• He is actively involved in Rotary activities and is the Past President of the Rotary Club of New Delhi.</li> <li>• He has expertise in the areas of management business, consumer behaviour, social responsibility, general management and people development.</li> </ul>
No. of Board Meetings attended during the year as a Director	All the five meetings held during the year 2021-22.
Memberships / Chairmanships of Committees of the Board of the Company	Member of the Stakeholders Relationship Committee and Nomination and Remuneration Committee.
Directorships held in other Companies / entities	<ul style="list-style-type: none"> <li>• Kanishka Enterprises Limited</li> <li>• ISO-Therm Cargo Products Private Limited</li> <li>• Varum Eximp Private Limited</li> <li>• Grand Slam Overseas Private Limited</li> </ul>
Memberships / Chairmanships of Committees of other Boards	He does not hold any Membership / Chairmanship of Committees of the Board of any other Company.
Remuneration last drawn	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, from time to time, within the limits prescribed under the Companies Act, 2013.
Shareholding in the Company	31,487 (0.22%)
Relationship with other Directors and Key Managerial Personnel of the Company	NIL

Place: Chennai  
Date : May 23, 2022

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

BY ORDER OF THE BOARD  
S KALYANARAMAN  
Wholetime Director & Secretary

## Notice to Shareholders (Contd.)

### Statement of material facts pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 36(5) of the SEBI (LODR) Regulations, 2015:

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

#### Item No.4

At the 59<sup>th</sup> Annual General Meeting of the Company held on 4<sup>th</sup> August, 2017, the Members approved the appointment of M/s PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No.003990S/S200018), as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, to hold office till the conclusion of the 64<sup>th</sup> Annual General Meeting. The Board of Directors at their meeting held on 23<sup>rd</sup> May, 2022 and based on the recommendations of the Audit Committee, have approved the reappointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, as Statutory Auditors of the Company, for a further term of 5 (five) consecutive years, (i.e.) from the conclusion of this 64<sup>th</sup> Annual General Meeting till the conclusion of the 69<sup>th</sup> Annual General Meeting.

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

- The Firm has been in existence from 1978, initially as a Partnership Firm and presently as a Limited Liability Partnership. They are one of the leading Professional Service Providers with Global experience.
- Has 23 partners as of now and has over 700 people – Directors with global exposures, Professionals from multifarious disciplines and Staff with international assignments.
- Has its Head Office at Chennai and has offices in four cities, viz., Mumbai, New Delhi, Bengaluru and Hyderabad.
- Is a member of PKF – a Global Network of Independent Accounting Firms and an exclusive member of India.
- The Firm has a very impressive list of clients across multiple industry verticals.
- The firm has been peer reviewed in 2019. Also, as a part of the “Forum of Firms”, an association of international networks of accounting firms that perform audits of financial statements that are or may be used across national borders, the firm maintains international quality control standards.
- The Firm uses technology, data analytics and audit software in conducting audits.

The reappointment and the fixation of remuneration is subject to approval of the Members of the Company.

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

For the financial year 2021-22, the Statutory Auditors were paid Rs.37.50 lakhs plus GST for carrying out the statutory audit, Rs.25,000 plus GST per Quarter for carrying out the Limited Review of the Unaudited Financial Results and Rs.7.79 lakhs including GST towards other services.

This resolution also authorizes Board of Directors to fix the remuneration payable to the Statutory Auditors from time to time based on the recommendations of the Audit Committee.

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

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

#### Item No.5

As per the provisions of the Sections 197 and 198 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, remuneration payable to Non-Executive Directors including Independent Directors, other than Managing Director or Wholtime Directors, shall not exceed (i) one percent of the net profits of the Company, if there is a managing or wholtime director or manager; (ii) three percent of the net profits in any other case.

The Non-Executive Directors and the Independent Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, business strategy, corporate governance, information systems and finance, including monitoring of risk management and compliances.

Further, with the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations, the role and responsibilities of the Board, particularly the Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight.

In view of the above, it is proposed that remuneration not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid and distributed, with effect from 1<sup>st</sup> April, 2022, to the Non-Executive Directors including Independent Directors of the Company, as determined by the Board and / or a Committee thereof, in line with the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Regulation 17(6) of the SEBI (LODR) Regulations, 2015. Such payment will be in addition to the sitting fees for attending the meetings of the Board and its Committees thereof.

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

All the Directors other than the Wholtime Directors and the Key Managerial Personnel of the Company and their respective relatives, are concerned or interested, financially or otherwise in this Resolution.

#### Item No.6

As per the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, no Company shall directly or indirectly- (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security



## Notice to Shareholders (Contd.)

in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more, without the approval of Members by means of a Special Resolution passed at the General Meeting.

In order to make optimum use of the funds available with the Company consequent upon the sale of Human Pharma Division and also to achieve the long term strategic and business objectives, it is proposed to seek prior approval of Members vide an enabling resolution to provide loans, guarantees and make investments upto a sum of Rs.1,000 crores (Rupees One thousand crores only), over and above the aggregate of sixty percent of Paid-up Share Capital, Free Reserves and Securities Premium Account or one hundred percent of Free Reserves and Securities Premium Account, whichever is more, as prescribed under Section 186 of the Act.

The Board recommends the Special Resolution at Item No.6 for the approval of Members.

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

Place: Chennai  
Date : May 23, 2022

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

### Item No.7

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 31<sup>st</sup> March, 2023.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs.5,00,000/- (Rupees Five lakhs only) plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit, payable to the said Cost Auditors, for the financial year ending 31<sup>st</sup> March, 2023, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Members of the Company.

The Board recommends the Ordinary Resolution at Item No.7 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 64<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2022.

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

In terms of the consent from the Members of the Company by means of a Special Resolution passed through Postal Ballot Process on 23<sup>rd</sup> April, 2022, 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 Standard Ind AS 105, the results of your Company for the year under review were separately shown as "Profit / (Loss) from Continuing Operations" and "Profit / (Loss) from Human Pharma Operations held for sale in the subsequent year".

#### Financial Results:

	2021-22		2020-21	
<b>(a) Continuing Operations</b>				
Profit before Depreciation & Tax		3,493.04		2,754.33
<b>Less:</b> Depreciation		1,258.36		1,301.96
<b>Add:</b> Exceptional Item – Profit on sale of land / Interest on Tax Refund		249.05		809.79
<b>Profit before Tax</b>		<b>2,483.73</b>		<b>2,262.16</b>
<b>Less:</b> Tax expense:				
Current Tax	743.67		747.91	
Tax relating to earlier years	–		(1,964.81)	
Deferred Tax	(110.96)	632.71	(199.11)	(1,416.01)
<b>Profit after tax from Continuing Operations</b>		<b>1,851.02</b>		<b>3,678.17</b>
<b>(b) Human Pharma Operations held for sale in the subsequent year</b>				
Profit before Tax		3,294.14		1,443.03
<b>Less:</b> Tax Expense		986.33		477.09
<b>Profit after tax from Human Pharma Operations held for sale in the subsequent year</b>		<b>2,307.81</b>		<b>965.94</b>
<b>Profit after tax [(a)+(b)]</b>		<b>4,158.83</b>		<b>4,644.11</b>
<b>Surplus Account:</b>				
Balance as per last Balance Sheet		16,771.09		12,645.18
<b>Add:</b> Profit for the year		4,158.83		4,644.11
Other Comprehensive Income for the year (Net of Tax)		12.31		4,549.82
<b>Total</b>		<b>20,942.23</b>		<b>17,195.00</b>
<b>Less:</b> Dividend Paid		847.82		423.91
<b>Net Surplus</b>		<b>20,094.41</b>		<b>16,771.09</b>

#### Review of Performance:

During the year under review, the Revenue from Continuing Operations amounted to Rs.599.24 crores as against the previous year's figure of Rs.476.06 crores, a growth of around 26%.

Pre-Tax Profit for the year stood at Rs.24.84 crores as against the previous year's figure of Rs.22.62 crores.

*(During the year under review, the Revenue from Human Pharma Operations held for sale in the subsequent year amounted to Rs.198.04 crores as against the previous year's figure of Rs.160.47 crores, a growth of around 23%).*

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

#### Dividend:

Your Directors are pleased to recommend a dividend of Rs.10/- (100%) per Equity Share of Rs.10/- each for the year ended 31<sup>st</sup> March, 2022. [Previous Year - Rs.6.00 (60%) per Equity Share of Rs.10/- each].

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

#### Share Capital:

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2022 was Rs.1,413.03 lakhs. Your Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

### MANAGEMENT DISCUSSION AND ANALYSIS:

#### (A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

Though the performance during First Quarter was impacted due to the second wave of CoVID-19 pandemic, all the Businesses / Divisions have reported a smart recovery in the subsequent Quarters, thus closing the year with a healthy growth.

The Indian Pharmaceutical Market (IPM) currently valued at Rs.1,85,498 crores [Source: IQVIA MAT March 2022] grew by around 18%.

The growth was driven by volumes (9%), price revisions (5%) and new introductions (4%). Market growth is primarily driven by Respiratory (44%), Parenterals (39.8%), Anti-Infectives (35%) and Pain / Analgesics (21.6%).

#### (B) OPPORTUNITIES AND THREATS

##### Opportunities:

- 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.
- In view of the increasing spend by Pet parents on Pet / Companion Animals over the years, this segment of the Animal Welfare Division (AWD) offers good potential for growth.
- On Medical Devices front, the market continues to be dominated by imported medical devices / implants. Since your Company manufactures world class products and these are priced competitively, this segment provides opportunity for growth.

The "Make in India" and the "Atmanirbhar Bharat Abhiyaan" (Self-reliant India) initiatives by the Government of India would further enhance the growth prospects for this Segment and





## Board's Report (Contd.)

provide further fillip to the indigenous manufacture of medical devices. These products also have export potential.

- The Central Government's Medical Insurance Scheme - Ayushman Bharat being implemented to cover poor families is also likely to increase the number of treatment procedures which would, in turn, improve the demand for medical implants viz., Heart Valves and Ortho Implants manufactured by your Company.
- Considering the size of the market for food products, the Foods Business of your Company has potential for growth including branding / retail and export opportunities.

### Threats:

- 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 Animal Welfare Products, Consumer Products, Medical Devices, Protective Devices and Foods Businesses.

A look at the performance of individual Business Segments:

#### **Human Pharma Division [Ethical Products Division (EPD) & Ventura Division] (since sold off)**

The Human Pharma Division of your Company was dealing in Pharmaceutical formulations (Herbal and Allopathic) in various therapeutic segments and supplements, for human use.

During the year 2021-22, EPD and Ventura Divisions have registered a revenue from operations of Rs.198.04 crores, with 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.

During the year under review, two new products viz., Chirocyst DS and PCO 360 were launched under Ventura Division and the response was encouraging.

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

The Animal Welfare Division of your Company deals in Pharmaceutical formulations in various therapeutic segments and feed supplements, for veterinary use.

During the year under review, Animal Welfare Division registered a revenue from operations of Rs.99.11 crores, with a growth of around 27%.

With top ten brands contributing significantly to the total sales, all the Sub-divisions under AWD (Bovianim, Gallus, Companim & Aquanim) have performed well.

OTO (Orcal-P - Tefroli - Ossomin) Group, the flagship brands

contributed in excess of 30% to the Division's sales, with a double digit growth.

The strategy for the year 2022-23 would be to sustain the current momentum and to achieve a healthy growth from all Sub-divisions along with Institution and Export businesses.

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

The Consumer Products Division reported a revenue from operations of Rs.217.44 crores, with a growth of around 24%.

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

During the year under review, Woodward's Gripe Water (WGW) achieved an all-time high sales volume in excess of 4,50,000 cases, with a healthy growth.

The scaling up of key consumer-centric marketing activities such as Media, Digital Engagement and consumer activation enabled the brand to deliver a sustained volume month-on-month.

The strategy for the year 2022-23 would be (i) to sustain Southern markets by driving consumption increase; and (ii) to grow the Non-South markets through appropriate promotional investments.

#### **EVA**

Despite the fact that the First Quarter was quite challenging for EVA as a brand due to CoVID-19 second wave, the brand demonstrated a very good resilience in the subsequent Quarters and reported a healthy growth over the previous year.

The new 360 Degree "Eva Special Happens" campaign with celebrity endorsement helped in increasing brand awareness and turnover during the said period. The brand was on constant communication across channels from Second Quarter onwards. The launch of limited edition in Fourth Quarter helped to create excitement and buzz amongst the consumers. Talc & Lip ranges too performed reasonably well.

The strategy for the year 2022-23 would be- (i) to further strengthen the brand communication "Eva Special Happens" and gain market share; (ii) to increase trials for the brand through relevant and effective marketing activations; (iii) to build stronghold in Modern Trade and e-Com channels; and (iv) to launch strategic brand extensions under fragrances and personal enhancement categories.

#### **Skore**

During the year under review, Skore brand has regained its momentum and managed to reach its pre-CoVID numbers and the overall growth was satisfactory.

Skore also saw good growth in its non-condom segment, aided by significant increase in India's digital offtake, especially post pandemic.

On brand front, focus remained on innovation and disruption with the launch of a unique offering namely 'Skore Nothing', India's thinnest flavoured condoms and carried out a Brand Campaign, which helped in generating good buzz and momentum for the brand.

## Board's Report (Contd.)

The brand also focused on strengthening its e-Commerce sales with the help of a couple of exclusive e-Com launches as well as focus on Pleasure products. In 2021-22, [skoreindia.com](http://skoreindia.com) the Direct-to-Consumer (D2C) initiative too, started contributing well to the overall brand sales.

The strategy for 2022-23 would be (i) to drive distribution expansion; (ii) to further increase in the Skore retail reach in Tier-1 towns; (iii) to improve e-commerce sales through D2C channels and digital marketing initiatives; and (iv) to capture and own pleasure space in India through digital medium for the pleasure product range.

### **Good Home**

During the year under review, Good Home as a brand reported a healthy growth.

Aroma (Perfumed Air Freshener) has been a true standout during the year registering a significant growth. Despite intense competition, Unblox (Drain Cleaner) too delivered a healthy growth.

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.

The strategy for 2022-23 would be (i) to transform Good Home into a stronger brand by introducing new packaging and positioning; (ii) to build further volumes for Odour Remover, Aroma Air Fresheners, etc., (iii) to launch new products in Dish wash / Home Cleaning Agent Segments; and (iv) to focus on e-Com / Modern Trade to exploit the untapped potential.

### **Medical Devices Business:**

#### **Heart Valve Division**

During the year under review, Heart Valve Division recorded a revenue from operations of Rs.17.18 crores, with a growth of around 30%.

There has been good improvement in the overall performance as compared to the previous year though the Division is yet to scale the pre-CoVID volumes.

The performance of Imported Cardiamed Bileaflet Valves was quite satisfactory.

Your Company signed an agreement for the manufacture and supply of cardiology products like PTCA Catheters and Coronary Stents. The product registration with the regulatory authorities is in progress.

The Single Centric Clinical Trials relating to new model TTK Chitra TC2 Titanium Valve is progressing at Sree Chitra Tirunal Institute of Medical Science and Technology (SCTIMST) with ten valves implanted as of now.

The focus for the year 2022-23 would be (i) to grow the volumes of TTK Chitra Valves; (ii) to gain further volumes through Bi-Leaflet Valves; (iii) to venture into the cardiology market; and (iv) to complete the Single Centric Clinical Trial of TC2 Titanium Valve.

#### **Ortho Division**

The Division recorded a turnover of Rs.33.73 crores, with a growth of around 150% over the previous year. Both the Knee and the Hip segments reported a healthy growth.

Though there was some challenge during First Quarter due to second wave of CoVID-19 pandemic, there has been significant improvement in the performance in the subsequent Quarters with the opening up of the pent-up demand.

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

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

The strategy for the year 2022-23 would be (i) to expand the distribution and team footprint further in States mapped to potential; (ii) to build on relationships to improve market share; (iii) to strengthen sales performance in Revision and Hinge surgeries; (iv) to improve manufacturing productivity; and (v) to test launch the new Fixed Bearing Knee.

#### **Protective Devices Business:**

During the year under review, the Protective Devices Division delivered an impressive performance with a revenue from operations of Rs.133.26 crores (including Skore), a growth of around 41%.

Your Company has witnessed a good increase in productivity due to healthy order inflow, during the year.

In addition to supplying of Skore Brand of Condoms, your Company has also been supplying Condoms for a leading International Brand both for their India and Overseas requirements and has also won a contract for supply of Condoms to an International Agency till July 2023.

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

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

During the year under review, your Company had launched / supplied a few value added, innovative and differentiated products developed by your Company's Research & Development Division. Some more products both in the condoms and lubes range are in the process of development and a few of those would be launched during 2022-23.



## Board's Report (Contd.)

Your Company during the year has exported branded products to various countries and with new registrations being initiated by both Third Party Contractors and International Aid Agency and they would further enhance its export footprint to a few more countries during the year 2022-23.

The focus for the year 2022-23 would be (i) to develop and strengthen relationships with third party contract manufacturing customers for increasing the volumes; (ii) to work on cost optimization to be more competitive in the domestic and international bid businesses; and (iii) to increase the production output by strengthening the existing infrastructure and through automation, where feasible.

### Foods Business:

During the year under review, Foods Division registered a revenue from operations of Rs.98.03 crores (Previous Year Rs.101.62 crores).

The turnover was marginally lower as compared to the previous year due to the impact of CoVID-19 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 future trend of healthy snacks and increasing oil prices. All these products have been developed at the R&D facility in Hosakote, Bengaluru.

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

Focus is being given for manufacturing 2D die-cut products at Jaipur plant in order to make the lines more versatile and improve capacity utilization.

The strategy for the year 2022-23 would be (i) to further increase the capacity utilization at Jaipur facility through enhanced focus on domestic / institutional and export businesses; and (ii) also to work on developing and launching innovative and differentiated products to improve volumes / margins.

### (D) OUTLOOK:

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

### (E) RISKS AND CONCERNS:

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

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

Your Company developed necessary Manuals / Standard Operating Procedures (SOPs) for effectively implementing the Internal Financial Control System. 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 Auditors monitor and evaluate the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

### Frauds:

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

### (G) FINANCIAL PERFORMANCE:

Consequent to the sale / transfer of the Human Pharma Division (Undertaking) of the Company, effective 9<sup>th</sup> May, 2022, the results of your Company for the year under review were separately shown as "Profit / (Loss) from Continuing Operations" and "Profit / (Loss) from Human Pharma Operations held for sale in the subsequent year, in line with the Accounting Standard Ind AS 105".

	(Rs. in lakhs)	
	2021-22	2020-21
<b>(a) Continuing Operations</b>		
Revenue from Operations (Net)	59,923.99	47,605.86
Other Income	1,633.06	993.47
<b>Total Income</b>	<b>61,557.05</b>	<b>48,599.33</b>
Cost of Materials Consumed	28,149.47	20,932.49
Employee Benefits Expense	10,284.24	9,369.79
Other Expenses	19,306.55	15,371.63
<b>Profit before Finance Cost, Depreciation &amp; Exceptional Items</b>	<b>3,816.79</b>	<b>2,925.42</b>
Finance Cost	323.75	171.09
Depreciation	1,258.36	1,301.96
Exceptional Item – Profit on sale of land / Interest on Tax Refund	249.05	809.79
<b>Profit before Tax</b>	<b>2,483.73</b>	<b>2,262.16</b>
<b>Less: Tax Expense</b>		
Current Tax	743.67	747.91
Tax relating to earlier years	–	(1,964.81)
Deferred Tax	(110.96)	(199.11)
<b>Profit after tax from Continuing Operations</b>	<b>1,851.02</b>	<b>3,678.17</b>
<b>(b) Human Pharma Operations held for sale in the subsequent year</b>		
<b>Profit before Tax</b>	<b>3,294.14</b>	<b>1,443.03</b>
<b>Less: Tax Expense</b>	<b>986.33</b>	<b>477.09</b>
<b>Profit after tax from Human Pharma Operations held for sale in the subsequent year</b>	<b>2,307.81</b>	<b>965.94</b>
<b>Profit after Tax [(a)+(b)]</b>	<b>4,158.83</b>	<b>4,644.11</b>

### ANALYSIS OF PERFORMANCE:

- The revenue from Continuing Operations amounted to Rs.599.24 crores, with a growth of around 26% and the revenue from Human Pharma Operations held for sale in the subsequent year amounted to Rs.198.04 crores, with a growth of around 23%.

## Board's Report (Contd.)

Though there was some impact on the performance during First Quarter due to the second wave of CoVID-19 pandemic, all the businesses improved gradually in the subsequent Quarters, thus resulting in a healthy growth.

- The increase in Other Income was mainly due to (i) increase in interest on Fixed Deposits (ii) interest on Tax refund and (iii) sale of scrap relating to Protective Devices Division.
- The increase in Employee Benefits Expense was mainly due to (i) regular annual increments / revision in packages; and (ii) provision made for the increase in the packages of Unionized Employees covered under Long Term Wage Settlement of Pharma Division.
- The increase in Power and Fuel expenses was due to higher production at Foods Division's factories at Hosakote and Jaipur and also at Condoms factory at Puducherry.
- The increase in Advertisement & Sales Promotion expenses was mainly on account of the higher advertising and promotional activities undertaken relating to WGW, EVA, Good Home and Skore Brand of Condoms / Pleasure products range.
- The increase in Travelling & Conveyance was due to resumption of regular travel post-CoVID-19 pandemic.
- As per the Provisioning Policy relating to Bad and Doubtful Debts approved by the Audit Committee and the Board, a sum of Rs.32.02 lakhs (inclusive of Human Pharma Division) was provided for Bad and Doubtful Debts for the year 2021-22.
- Bad Debts written off during the year under review, amounted to Rs.18.39 lakhs, comprising-

### (Rs. in lakhs)

Pharma Division (including AWD)	9.82
Ortho Division	3.72
Foods Division	3.31
Consumer Products Division	1.54

- The increase in Legal and Consultancy charges was mainly on account of the CE re-certification fees relating to Ortho Division consequent to the change from Medical Devices Directives (MDD) to Medical Devices Regulations (MDR) and the retainership fees paid to various media / digital agencies with regard to the consumer brands and pleasure products.
- All the Other Expenses are in line with the increased level of operations.

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

#### • Human Resources:

During the year 2021-22, your Company continued to emphasize on the safety and health of employees in view of the CoVID-19 pandemic, with a constant focus on the safety protocols, in line with the regulations announced by the various Government Agencies.

During the year, your Company completed the Leadership Advancement Program (LEAP) for the second level managers on advanced leadership and managerial skills and prepared

them to take up higher responsibilities. Also started a similar program for the third level Managers.

Through the i-learn online training platform, your Company has provided training to around 250 employees on development of soft skills.

Your Company has also continuously identified and rewarded the employees and teams that have demonstrated the pursuit of excellence in the areas of marketing, customer focus, innovation, business process transformation, etc., through R&R Programs such as Xtra Mile, Trail Blazer and Corporate Excellence Awards.

As on 31<sup>st</sup> March, 2022, the employee strength was 2,588 (Previous Year - 2,485).

#### • Industrial Relations:

The industrial relations during the year under review continued to be cordial.

Your Company entered into a 3-year Wage Settlement (effective 1<sup>st</sup> January, 2021) with the Workers' Union of the Foods Division, Hosakote.

The Directors place on record their sincere appreciation for the services rendered by employees at all levels.

### (I) INFORMATION TECHNOLOGY:

Your Company has upgraded the Oracle ERP Application from 12.1.3 to 12.2.10 and Oracle Database from Oracle 12C to Oracle 19C.

During the year under review, your Company has automated Key HR Processes such as the Recruitment and Performance Management System. Your Company has initiated a project titled FAST FORWARD for Ortho Division to automate the end-to-end process of invoicing / inventory management.

### (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	2021-22	2020-21	Change %	Remarks	
Debtors Turnover Ratio	12.34	9.28	32.97	F	Mainly because of the significantly improved performance both in terms of Revenue from Operations and profitability and effective management of Receivables / Inventories, during the year under review.
Inventory Turn-over Ratio	4.25	3.55	19.72	F	
Interest Coverage Ratio	16.73	15.65	6.90	F	
Current Ratio	2.06	1.99	3.52	F	
Operating Profit Margin (%)	7.03	5.48	28.28	F	



**Board’s Report (Contd.)**

Debt Equity Ratio (%)	7.22	6.90	4.64	A	Marginally higher due to higher availment of Working Capital Facilities from Banks.
Net Profit Margin (%)	5.22	7.30	(28.49)	A	During the previous year, the Net Profit was higher mainly due to the reversal of tax provisions relating to earlier years. Consequently, the net profit for the year under review was lower, resulting in reduction in these ratios.
Return on Net Worth (%)	14.14	18.08	(21.79)	A	

F - Favourable; A - Adverse

Above figures include Human Pharma Division held for sale in the subsequent year.

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

**(a) Annual Return:**

Annual Return (Form MGT-7) for the year 2021-22 was made available on the Company’s website at the following link <https://ttkhealthcare.com>.

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

The Board of Directors met 5 (Five) times during the year 2021-22. 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 at the following link <https://ttkhealthcare.com/investorlist/policies/>.

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

The details relating to the meeting(s) convened, etc., are furnished in the Report on Corporate Governance.

**(d) Composition of Audit Committee:**

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

**(e) Related Party Transactions:**

During the year under review, no transaction of material nature has been entered into by your Company with its Promoters, the Directors or the Key Managerial Personnel or their relatives, etc., that may have a potential conflict with the interests of your Company.

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

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

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

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

**(f) Corporate Governance:**

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

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

**(g) Business Responsibility Report:**

In accordance with the provisions of SEBI (LODR) Regulations, 2015 and on the basis of market capitalization as on 31<sup>st</sup> March, 2022, the Business Responsibility Report forms part of this Annual Report. (Page No.35)

**(h) 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.

## Board's Report (Contd.)

The Risk Management Committee was constituted on 27th May, 2021, in accordance with the SEBI (LODR) (Second Amendment) Regulations, 2021 notified on 5th May, 2021 and during the year two meetings were held on 12th July, 2021 and 20th October, 2021.

The Company retained the services of a well-known consulting firm and they made a detailed presentation to the Risk Management Committee on the methodology adopted for arriving at the various risks after due interactions with the Business / Functional Heads and the Risk Owners and also the updation of the Risk Register.

The Risk Management Committee was updated on the outcome of the RMG Meetings held during the year.

The Audit Committee and the Board were also periodically updated on the outcome of the Risk Management Committee Meetings and on the key risk areas and its mitigation plans. The Risk Management Framework was also periodically reviewed by the Audit Committee and the Board.

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

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

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

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

#### (i) Reappointment of Directors:

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

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

All the Independent Directors of your Company have given -

- Declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.
- Confirmation of compliance with the Code for Independent Directors prescribed under Schedule IV to the Act and the Company's Code of Conduct for Directors and Senior Management Personnel.
- Further, they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge the duties with an objective independent judgement and without any external influence.
- The terms and conditions of appointment of the Independent Directors are posted on the Company's website at the following link <https://ttkhealthcare.com/wp-content/uploads/2019/09/Terms-and-Conditions-of-Appointment-of-Independent-Directors-2.pdf>.

### (iii) Key Managerial Personnel (KMP):

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

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

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

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

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

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

### (i) Auditors:

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

##### • Reappointment of Auditors:

M/s PKF Sridhar & Santhanam LLP was appointed as Statutory Auditors of the Company, for a term of 5 years, to hold office from the conclusion of the 59<sup>th</sup> Annual General Meeting till the conclusion of 64<sup>th</sup> Annual General Meeting.

The Board of Directors at their meeting held on 23<sup>rd</sup> May, 2022, based on the recommendation of the Audit Committee, considered and recommended to the Members of the Company, the reappointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No.003990S/S200018), as Statutory Auditors, for a further term of five consecutive years, to hold office from the conclusion of the 64<sup>th</sup> Annual General Meeting till the conclusion of the 69<sup>th</sup> Annual General Meeting.

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

- ❖ The Firm has been in existence from 1978, initially as a Partnership Firm and presently as a Limited Liability Partnership. They are one of the leading Professional Service Providers with Global experience.
- ❖ Has 23 partners as of now and has over 700 people – Directors with global exposures, Professionals



## Board's Report (Contd.)

from multifarious disciplines and Staff with international assignments.

- ❖ Has its Head Office at Chennai and has offices in four cities, viz., Mumbai, New Delhi, Bengaluru and Hyderabad.
- ❖ Is a member of PKF – a Global Network of Independent Accounting Firms and an exclusive member of India.
- ❖ The Firm has a very impressive list of clients across multiple industry verticals.
- ❖ The firm has been peer reviewed in 2019. Also, as a part of the "Forum of Firms", an association of international networks of accounting firms that perform audits of financial statements that are or may be used across national borders, the firm maintains international quality control standards.
- ❖ The Firm uses technology, data analytics and audit software in conducting audits.

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

Accordingly, a Resolution seeking Members' approval for the appointment of M/s PKF Sridhar & Santhanam LLP, as Statutory Auditors of the Company is included under Item No.4 of the Notice convening the Annual General Meeting.

### **Auditors' Report for the year ended 31<sup>st</sup> March, 2022:**

The Auditors' 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 2022-23:**

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 2022-23:

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

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Geeyes & Co., as Cost Auditors of your Company, for the financial year 2022-23 and fixed their remuneration at Rs.5 lakhs plus applicable taxes and levies and reimbursement of travel and out-of-pocket expenses incurred in connection with the audit. Necessary

intimation of the said appointment would be given to the Central Government vide Form CRA-2.

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

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

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the ratification by 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.7 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the year ended 31<sup>st</sup> March, 2022 would be filed on or before the due date (i.e.) 27<sup>th</sup> September, 2022 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 2020-21:**

The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2021 was filed in Form CRA-4 vide SRN T38122982 dated 27<sup>th</sup> August, 2021 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 2021-22. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-3**. The Report does not contain any qualification or reservation or adverse remarks.

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

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

Your Company has transferred a sum of Rs.7,64,164 during the financial year 2021-22 to the Investor Education and Protection Fund established by the Central Government, in compliance with Sections 123 – 125 of the Companies Act, 2013. The said amount represents the unclaimed dividends for the year ended 31<sup>st</sup> March, 2014, 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)

## Board's Report (Contd.)

Rules, 2016, your Company transferred 12,672 Equity Shares of Rs.10/- each fully paid-up, in respect of which the dividends relating to the year 2013-14, remained unclaimed / unpaid for a period of seven consecutive years or more, to the Demat Account of the IEPF Authority held with CDSL on 29<sup>th</sup> September, 2021.

- **Year wise amount of Unpaid / Unclaimed Dividends lying in the Unpaid Account as on 31<sup>st</sup> March, 2022 and the due dates of transfer:**

Financial Year ended	Dividend Declared on	Due date of Transfer	Unpaid / Unclaimed Amount as on 31.03.2022 (in Rs.)
31.03.2015	07.08.2015	11.09.2022	8,23,428.50
31.03.2016	05.08.2016	08.09.2023	9,57,910.00
31.03.2017	04.08.2017	04.09.2024	9,82,250.00
31.03.2018	09.08.2018	14.09.2025	6,58,543.07
31.03.2019	09.08.2019	12.09.2026	5,77,165.52
31.03.2020	11.09.2020	14.10.2027	3,42,921.20
31.03.2021	20.08.2021	21.10.2028	6,02,126.40

- **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 / 28113804  
 E-mail ID : [skr@ttkhealthcare.com](mailto:skr@ttkhealthcare.com)

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

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

- (m) **Conservation of Energy:**

The prescribed particulars under Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are furnished in **Annexure-4** to this Report.

- (n) **Particulars of Employees:**

The information required under Section 197 of the Companies Act, 2013 and the Rules made thereunder are annexed to this Report as **Annexure-5**.

- (o) **Subsidiary Company:**

Your Company does not have any Subsidiary.

- (p) **Deposits:**

As on 31<sup>st</sup> March, 2022, your Company was not holding any amount under Fixed Deposit Account.

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

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

- (r) **Material Changes and Commitments affecting the financial position:**

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, with effect from 9<sup>th</sup> May, 2022. In terms of the Business Transfer Agreement dated 21<sup>st</sup> March, 2022, the Company received 74% of the consideration, subject to adjustments for working capital, in cash and the balance 26% of the consideration in the form for Equity Shares in M/s BSV Pharma Private Limited.

- (s) **Significant & material orders passed by the Regulators/Courts:**

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

- (t) **Whistle Blower Policy:**

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

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

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

- (u) **Compliance Certificate:**

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

- (v) **Secretarial Standards:**

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

- (w) **Finance:**

Your Company has banking arrangements with Union Bank of India (formerly Corporation Bank), Bank of Baroda and HDFC Bank Limited and availed various working capital facilities amounting to Rs.20.38 crores as on 31<sup>st</sup> March, 2022. (Previous Year – Rs.17.60 crores).





## Board's Report (Contd.)

### (x) Listing of Equity Shares:

- ❖ Your Company's shares are listed with-
  - BSE Limited (BSE), Mumbai; and
  - National Stock Exchange of India Limited (NSE), Mumbai.
- ❖ Your Company paid the Listing Fees for the financial year 2022-23.

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

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

Your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and constituted an Internal Complaints Committee (ICC) with an NGO as one of its Members. During the year 2021-22, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of your Company.

### (z) Disclosure relating to Loans and Advances to Firms / Companies in which Directors are interested by name and amount:

During the year under review, your Company did not provide any loans / advances, to any Firms / Companies in which Directors are interested.

### 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;

Place : Chennai  
Date : May 23, 2022

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

- Appropriate accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2022 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

## Annexures to the Board's Report

ANNEXURE-1

## Annual Report on Corporate Social Responsibility (CSR) Activities As on 31<sup>st</sup> March, 2022

<b>1.</b>	<b>Brief outline on CSR Policy of the Company:</b>			
	<p>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:</p> <ol style="list-style-type: none"> <li>(1) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water;</li> <li>(2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;</li> <li>(3) 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;</li> <li>(4) 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;</li> <li>(5) 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;</li> <li>(6) Measures for the benefit of armed forces veterans, war widows and their dependents;</li> <li>(7) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;</li> <li>(8) 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;</li> <li>(9) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;</li> <li>(10) Rural development projects;</li> <li>(11) Slum area development; and</li> <li>(12) Such other projects as may be notified by the Government from time to time.</li> </ol> <p>The Company shall give preference to various local areas and areas around which the Company is carrying out its activities. Weblink: <a href="http://www.ttkhealthcare.com">www.ttkhealthcare.com</a>.</p>			
<b>2.</b>	<b>Composition of CSR Committee:</b>			
	<b>S. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of Meetings of CSR Committee held during the year (On 27.05.2021 &amp; 09.02.2022)</b>
	1.	Mr T T Raghunathan	Executive Vice Chairman / Non-Independent Director	2
	2.	Mr K Shankaran	Non-Executive / Non-Independent Director	2
	3.	Dr (Mrs) Vandana R Walvekar	Independent Director	2
	4.	Mr Girish Rao	Independent Director	2
<b>3.</b>	Provide the web-link where (i) Composition of CSR Committee, (ii) CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company			<ul style="list-style-type: none"> <li>• <a href="http://ttkhealthcare.com/investor_relations/composition-of-various-board-committees.htm">http://ttkhealthcare.com/investor_relations/composition-of-various-board-committees.htm</a></li> <li>• <a href="http://ttkhealthcare.com/investor_relations/investor_policies.htm">http://ttkhealthcare.com/investor_relations/investor_policies.htm</a></li> </ul>
<b>4.</b>	Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (Attach the Report)			Not Applicable
<b>5.</b>	Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.			Not Applicable
<b>6.</b>	Average Net Profit of the Company as per Section 135(5)			Rs.3191.21 lakhs



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

7.	a.	Two percent of average Net Profit of the Company as per Section 135(5)	Rs.63.82 lakhs
	b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	c.	Amount required to be set off for the financial year, if any	NIL
	d.	Total CSR Obligation for the financial year (7a+7b-7c)	Rs.63.82 lakhs (Rounded off to Rs.65 lakhs)

8.	a.	CSR amount spent or unspent for the financial year				
	Total Amount Spent for the Financial year (in Rs.) (in lakhs)	Amount Unspent (in Rs.)				
		Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
		Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	65.00	-	-	-	-	

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

c. Details of CSR amount spent against other than ongoing projects for the financial year							
(1)	(2)	(3)	(4)	(5)		(6)	(7)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Amount spent for the project (in Rs.) (in lakhs)	Mode of Implementation – Direct (Yes / No)	Mode of implementation – Through Implementing Agency	
						Name	CSR Registration Number
1.	Tamil Nadu State Disaster Management Fund for CoVID-19 Containment	(xii)	Yes	65.00	No	Tamil Nadu State Disaster Management Authority	-
	<b>Total</b>			<b>65.00</b>			
d. Amount spent in Administrative Overheads						-	
e. Amount spent on Impact Assessment, if applicable						-	
f. Total amount spent for the financial year (8b+8c+8d+8e)						Rs. 65 lakhs	
g. Excess amount for set off, if any - NIL							
Sl. No.	Particulars					Amount (in Rs.)	
(i)	Two percent of average net profit of the Company as per Section 135(5)						
(ii)	Total amount spent for the financial year						
(iii)	Excess amount spent for the financial year [(ii)-(i)]						
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any						
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]						

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

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

Place: Chennai  
Date : May 23, 2022

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



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

ANNEXURE-2

### Form No.AOC-2

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

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

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

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

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

Particulars							
Name(s) of the Related Party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any.	Value (Rs.) (2021-22)	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	Purchase of Promotional Items / Others	As and when need arises	As mutually agreed based on prevailing trade practices	38,30,921	04.02.2021	-
		Receipt of Lease Rent	01.04.2021 to 31.03.2022*	Rs.100 p.m.	1,416	04.02.2021	-
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"	4,78,87,595	30.05.2017	-
		Payment of C&FA Charges	01.04.2021 to 31.03.2022	3% of sales for availing their services as Clearing & Forwarding Agents	5,80,23,337	29.05.2018	-
		Payment of Rent	01.04.2021 to 31.03.2022	As per rental Agreement	72,57,000	04.02.2021	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	01.04.2021 to 31.03.2022*	As per rental Agreement	1,41,600	04.02.2021	-
		Payment of charges for Testing and Analytical Services	01.07.2019 to 30.06.2024*	Monthly lump sum payment with an appropriate increase every year	74,39,753	30.05.2019	-
Packwell Packaging Products Limited	Two of the Directors are interested as Shareholders and one of the Directors is interested as Director	Packing Charges	01.01.2020 to 31.12.2025	As per the agreement 01.01.2020	60,78,276	07.11.2019	-
		Payment of Rent	01.04.2021 to 31.03.2022	As per Rental Agreement	14,86,800	04.02.2021	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	13,79,616	30.05.2019	-

\* Since discontinued.

Place : Chennai  
Date : May 23, 2022

For and on behalf of the Board  
T T JAGANNATHAN  
CHAIRMAN

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

ANNEXURE-3

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TTK HEALTHCARE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2022, 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 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.



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

**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.7,64,164/- lying unclaimed/unpaid for seven consecutive years, pertaining to the financial year 2013-14 to the Investor Education and Protection Fund.

**We further report that** during the year under review the Company had transferred 12,672 Equity Shares of Rs.10/- each lying unclaimed / unpaid for seven consecutive years or more, pertaining to the financial year 2013-14 to the Demat account of the Investor Education and Protection Fund Authority.

Place : Chennai  
Date : May 12, 2022

**We further report that** during the audit period the Board of Directors at their meeting held on 21<sup>st</sup> March, 2022 approved the proposal for sale / transfer of the Human Pharma Division (Undertaking) of the Company, as a going concern, on slump sales basis and the Members of the Company had approved the Special Resolution through Postal Ballot on 23<sup>rd</sup> April, 2022.

**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) 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 annexures 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: F005869D000311284

### 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: F005869D000311284

Place : Chennai  
Date : May 12, 2022

**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.
- (b) Employees State Insurance Act, 1948
- (c) The Employees' Provident Fund and Misc. Provisions Act, 1952 and other labour related laws.
- (d) Drug and Cosmetics Act, 1940 and Rules.
- (e) Food Safety and Standards Act, 2006, rules and regulations thereunder.
- (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: F005869D000311284

Place : Chennai  
Date : May 12, 2022





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

ANNEXURE-4

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.  
Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the Financial Year ended 31<sup>st</sup> March, 2022**

<b>(A) Conservation of Energy:</b>	
(i) Steps taken or impact on conservation of energy:	<ul style="list-style-type: none"> <li>Majority of the Company's operations are not power-intensive except the Foods and Condoms Manufacturing operations.</li> <li>Further, your Company outsources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation.</li> <li>Your Company has entered into an arrangement with M/s Renew Wind Energy (AP) Private Limited for purchase of wind energy for its Foods Factory at Hosakote.</li> <li>Further, the Foods Division's factories at Hosakote and Jaipur use alternate fuel, (i.e.) waste wood, in addition to briquette as fuel for boilers, resulting in savings.</li> </ul>
(ii) Steps taken by the Company for utilizing alternate sources of energy:	
(iii) Capital Investment on energy conservation equipment:	
<b>(B) Technology Absorption:</b>	
(i) Efforts made towards technology absorption:	<p><b>Heart Valve Division:</b> The production technology for the TC2 TTK Chitra Valve currently undergoing clinical trials was jointly developed by your Company and Sree Chitra Tirunal Institute of Medical Sciences and Technology (SCTIMST). The new valve is expected to have better performance in terms of Haemodynamics, etc.</p>
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	<p><b>Ortho Division:</b> Semi-automatic machines were introduced in the manufacturing process (Grinding, Polishing and Cleaning) at Ortho Division's factory, to enhance production / productivity.</p> <p><b>Foods Division:</b> The state-of-the-art R&amp;D Centre of the Foods Division at Hosakote-</p> <ul style="list-style-type: none"> <li>Developed four new variants and the same were launched commercially.</li> <li>Successfully developed micro pellets for popping application with thermo hydraulic press without oil.</li> </ul> <p><b>Protective Devices Division:</b> Validating and manufacturing new products, as per the specific requirements of customers and also based on customer research. New Product viz., Skore Nothing – Thinnest flavoured product was launched in Indian market during the year. Team is on the continuous process of developing new SKUs and targeting to release at least three new variants each year. Investment in new 3-lane foiling machines and addition of electronic testing machines resulted in increased output and reduction of manpower at these Sections. As part of Import Substitution initiatives, local suppliers are being developed to reduce the dependency of imports.</p>

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

<p>(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):</p> <p>(a) Details of technology imported</p> <p>(b) Year of import</p> <p>(c) Whether the technology been fully absorbed</p> <p>(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof</p>	Not Applicable																																										
<p>(iv) Expenditure incurred on Research and Development</p>	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="643 704 1177 778">Particulars</th> <th data-bbox="1177 704 1342 740">2021-22</th> <th data-bbox="1342 704 1493 740">2020-21</th> </tr> <tr> <th colspan="2"></th> <th data-bbox="1177 740 1342 778">Rs.</th> <th data-bbox="1342 740 1493 778">Rs.</th> </tr> </thead> <tbody> <tr> <td data-bbox="643 778 703 815">(a)</td> <td data-bbox="703 778 1177 815">Capital</td> <td data-bbox="1177 778 1342 815">43,53,839</td> <td data-bbox="1342 778 1493 815">–</td> </tr> <tr> <td data-bbox="643 815 703 851">(b)</td> <td data-bbox="703 815 1177 851">Recurring</td> <td data-bbox="1177 815 1342 851">2,94,12,799</td> <td data-bbox="1342 815 1493 851">2,65,38,274</td> </tr> <tr> <td data-bbox="643 851 703 887">(c)</td> <td data-bbox="703 851 1177 887">Total</td> <td data-bbox="1177 851 1342 887">3,37,66,638</td> <td data-bbox="1342 851 1493 887">2,65,38,274</td> </tr> <tr> <td data-bbox="643 887 703 927">(d)</td> <td data-bbox="703 887 1177 927">% of R&amp;D Expenses to Sales</td> <td data-bbox="1177 887 1342 927">0.42%</td> <td data-bbox="1342 887 1493 927">0.42%</td> </tr> </tbody> </table>			Particulars		2021-22	2020-21			Rs.	Rs.	(a)	Capital	43,53,839	–	(b)	Recurring	2,94,12,799	2,65,38,274	(c)	Total	3,37,66,638	2,65,38,274	(d)	% of R&D Expenses to Sales	0.42%	0.42%																
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<b>Actual Inflows:</b>																																											
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Place : Chennai  
Date : May 23, 2022

For and on behalf of the Board  
T T JAGANNATHAN  
CHAIRMAN



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

### ANNEXURE-5

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

- (1) 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 (CEO) 1:99

Mr S Kalyanaraman, Wholetime Director & Secretary (CS) 1:99

No other Director was in receipt of remuneration except sitting fees.

- (2) 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	3,08,10,066	51.10
Mr S Kalyanaraman	Wholetime Director & Secretary	3,08,10,066	98.97
Mr B V K Durga Prasad	President - Finance	1,26,03,202	40.22

- (3) The percentage increase in the median remuneration of employees in the financial year:

Around 10% (Excluding Unionized Employees).

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

2,588 Employees.

- (5) 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:

The average percentile increase was of the order of 10% for employees other than the managerial personnel. Current year increase for the managerial personnel over the last year was on account of higher profit, one of the criteria for managerial remuneration and the one time additional performance bonus / special pay considered for the financial year.

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

Yes.

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

S. No.	Name of the Employee	Designation of the employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of the employee	Last employment held by such employee before joining the Company	Percentage of Equity Shares held by the Employee in the Company	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
<b>A. Top ten Employees in terms of remuneration drawn:</b>										
1.	Mr S Ranganath Rao	President – Foods Division	90,18,144	Regular	B.Sc., MBA with 35 years' experience	04.03.1992	57 years	Sales Executive, BPL India Ltd.	NIL	No
2.	Mr Yogesh Yadav	President - CPD	82,34,715	Regular	B.A., MBA with 35 years' experience	26.07.1996	55 years	Area Sales Manager, Shogun Group of Industries	NIL	No
3.	Mr Brij Balaji Singh	Sr. VP - Operations (PDD)	74,13,905	Regular	B.E with 33 years' experience	18.01.2013	54 years	Managing Director, Latex Medical Products (Pte) Ltd., Botswana	NIL	No
4.	Mr K Sunil	President – Heart Valve Division	71,83,688	Regular	B.Sc., B.E. with 34 years' experience	01.07.1992	59 years	Manager – Projects, Peninsula Polymers Ltd.	NIL	No

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

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
5.	Dr. Surinder Kumar Sharma	Sr. VP – Strategy & Business Development / NPD (Pharma)	64,02,869	Regular	M.B.B.S., M.D., with 32 years' experience	02.07.1997	57 years	Senior Manager – NEPC Pharmachem	NIL	No
6.	Mr K Ramaprasad	VP – Supply Chain	60,40,402	Regular	M.Com., Diploma in Software Engineering with 29 years' experience	08.03.2017	52 years	General Manager–GDSO, Zydus Wellness	NIL	No
7.	Dr. V Senthil Kumar	VP – Sales & Mktg. (AWD)	58,33,197	Regular	M.VSc., with 19 years' experience	05.02.2014	45 years	Marketing Manager, Varsha Multitech	NIL	No
8.	Mr Vishal Vyas	Asst. VP – Marketing (CPD)	56,80,785	Regular	B.Sc., MMS with 20 years' experience	13.09.2005	45 years	Asst. Manager – Mktg., Vidyut Metals Pvt. Ltd.	NIL	No
9.	Mr P A Venkateswaran	Business Head – Ortho	55,68,518	Regular	B.Sc., MBA with 29 years' experience	01.02.2018	51 years	Business Head, Stryker India Pvt. Ltd.	NIL	No
10.	Mr V K Srinivasan	VP - Finance	52,36,242	Regular	B.Com., ACA., with 34 years' experience	21.08.1997	55 years	Senior Internal Auditor, Ashok Leyland Limited	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	3,08,10,066	Contractual	B.Com with 48 years' experience	01.11.2001	69 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	3,08,10,066	Contractual	B.Com., ACS., ACMA with 41 years' experience	05.10.1987	59 years	Finance Manager & Company Secretary, T T Maps & Publications Ltd.	432 (0.003%)	No	
3.	Mr B V K Durga Prasad	President – Finance	1,26,03,202	Regular	B.Com., ACA., Grad. CMA with 36 years' experience	06.03.1986	61 years	–	NIL	No	

Place : Chennai  
Date : May 23, 2022

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

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

ANNEXURE-6

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE****To****The Members of TTK Healthcare Limited**

1. We have examined the compliance of conditions of Corporate Governance by M/s. TTK Healthcare Limited ("the Company") for the year ended 31<sup>st</sup> March 2022, as prescribed in Regulations 17 to 27, Clauses of Regulation 46 and Paras C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the Management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Balu Sridhar**  
**Partner**

**M.No. F5869 / C.P.No. 3550**  
**UDIN: F005869D000325463**

**Place : Chennai**  
**Date : May 16, 2022**



# Business Responsibility Report



## TTK HEALTHCARE LIMITED

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

### BUSINESS RESPONSIBILITY REPORT

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

#### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24231TN1958PLC003647	
2.	Name of the Company	TTK Healthcare Limited	
3.	Registered address	No.6, Cathedral Road, Chennai 600 086	
4.	Website	www.ttkhealthcare.com	
5.	E-mail ID	info@tkhealthcare.com	
6.	Financial Year reported	2021-22	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sector(s)	NIC Code
		Pharmaceuticals	2100
		Consumer Products	2023
		Medical Devices	3311 & 3250
		Rubber Contraceptives	2219
		Foods	1079
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	1.	Allopathic / Ayurvedic Medicines
		2.	Male Contraceptives - Condoms
		3.	Foods - Pappads
9.	Total number of locations where business activity is undertaken by the Company		
	(a)	Number of International Locations (Provide details of major 5)	
	(b)	Number of National Locations	
		» Factories	9
		» Corporate Office	1
	» Branches	28	
10.	Markets served by the Company – Local / State / National / International	Serves National and International markets	

#### Section B: Financial Details of the Company

1.	Paid up Capital (INR)	Rs.1,413.03 lakhs
2.	Total Turnover (from continuing operations) (INR)	Rs.59,923.99 lakhs
3.	Total profit after taxes and OCI (from continuing operations) (INR)	Rs.2,038.51 lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.51%
5.	List of activities in which expenditure in 4 above has been incurred	Disaster Management – For CoVID-19 Containment [For details, please refer Page No.23 of Annual Report – 2021-22].



## Business Responsibility Report (Contd.)

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

## Business Responsibility Report(Contd.)

(a) Details of Compliance (Reply in Y / N)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) <i>The various policies are captured in the current documents relating to Code of Conduct and Governance Philosophy of the Company. The principles contained in various laws and conventions are also incorporated into these policies. Further, the various standards adopted and certifications obtained such as ISO 9001, ISO 13485, ISO 14001, ISO 45001, CE Marking, BSCI / SEDEX, Forest Stewardship Council Certification, etc., obtained by the Company also incorporate these principles, as applicable.</i>	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.ttkhealthcare.com">www.ttkhealthcare.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	<i>The whistle blower mechanism provides a platform to report any concerns / grievances pertaining to any potential or actual violation of the Company's Code of Conduct.</i>								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	<i>The internal audit team reviews various aspects of the policies, from time to time. The Quality, Safety, Health and Environmental policies are subject to internal and external audits as part of the certification process and continuous assessments.</i>								
(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									
3.	Governance related to BR									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year <i>Annual Review</i>									
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? <i>The Company publishes the BR Report in the Annual Report and it is also available in the Company's website at the following link <a href="https://ttkhealthcare.com/investors/">https://ttkhealthcare.com/investors/</a>.</i>									
<b>Section E: Principle-wise performance</b>										
<b>Principle 1</b>		<b>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</b>								
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? <i>Largely applies to the Company</i>									





**Business Responsibility Report (Contd.)**

2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
	<i>During the year, the Company did not receive any complaint under the whistle blower mechanism.</i>

**Principle 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities
	(a) <i>Male Contraceptives - Condoms</i>
	(b) <i>Medical Devices - Heart Valves / Orthopaedic Implants</i>
	(c) <i>Foods - Pappads</i>
2.	For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):
	(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
	<ul style="list-style-type: none"> <li>▶ <i>Most of the products of the Company are neither energy intensive nor water intensive and most of the raw materials are sourced locally.</i></li> <li>▶ <i>As regards Condoms, major portion of the water used for manufacturing are reprocessed for gardening and cleaning purposes, as part of conservation efforts.</i> <i>Rejected Condoms are shredded / melted and used to produce either rubber mats or foam mattresses.</i> <i>Condoms factory is accredited with ISO 14001:2015 – Environmental Management Systems and ISO 45001:2018 - Occupational Health and Safety Management Systems.</i></li> <li>▶ <i>As regards Medical Devices, both the Heart Valves and Orthopaedic Implants, being critical devices, have been designed keeping the highest safety standards as per the applicable international requirements.</i> <i>Further, these products have an excellent clinical outcome over nearly three decades for its safety / efficacy.</i></li> </ul>
	<ul style="list-style-type: none"> <li>▶ <i>As regards Foods, where the energy consumption is relatively high, efforts have been made to source non-conventional energies like wind power. Similarly, in addition to briquette as fuel for boilers, alternate fuel (i.e.) waste woods are used.</i> <i>Further, the materials generated in the manufacturing process are recycled and also reprocessed so as to minimize wastages and issues relating to disposal.</i></li> <li>▶ <i>Since the Company is engaged in the manufacturing and marketing of healthcare / lifesaving products, highest level of safety protocols are in place.</i></li> <li>▶ <i>Further, these products / factories are also accredited with several national and international certifications matching international quality standards.</i></li> </ul>
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
	<i>Not applicable.</i>
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
	<i>Majority of the Company's inputs are sourced from established vendors, on a sustainable basis, both within and outside India. A back-up list of vendors are also available in case of inability of any of the existing suppliers.</i>
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
	<i>The Company encourages procurement of raw and packing materials and also finished goods from small and medium enterprises. The Company constantly provides technical and other services to these units for improving their efficiencies / quality standards.</i>
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
	<i>Most of the products of the Company do not generate any recycled products and wastes and the overall wastages would be less than 5%. Wherever possible, recycling is also resorted so as to reduce wastages (e.g.) Foods.</i>

**Principle 3 | Businesses should promote the wellbeing of all employees**

1.	Please indicate the Total number of employees (permanent)	2,588
2.	Please indicate the Total number of employees hired on temporary / Contractual / Casual basis	1,871
3.	Please indicate the Number of permanent women employees	114
4.	Please indicate the Number of permanent employees with disabilities	2
5.	Do you have an employee association that is recognized by management?	Yes
6.	What percentage of your permanent employees is Members of this recognized employee association?	23.40%

## Business Responsibility Report (Contd.)

7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
<b>S. No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>	<b>No of complaints pending as on end of the financial year</b>
1.	Child labour / forced labour / involuntary labour	N.A.	N.A.
2.	Sexual harassment	N.A.	N.A.
3.	Discriminatory employment	N.A.	N.A.
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
(a)	Permanent Employees		55%
(b)	Permanent Women Employees		73%
(c)	Casual / Temporary / Contractual Employees		45%
(d)	Employees with Disabilities		100%

<b>Principle 4</b>	<b>Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</b>		
1.	Has the Company mapped its internal and external stakeholders? Yes / No Yes		
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? <i>The Company is an Equal Opportunity employer, none of the categories is marginalized. As regards other stakeholders, the Company has a policy of non-discrimination.</i>		
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. <i>Not applicable</i>		

<b>Principle 5</b>	<b>Businesses should respect and promote human rights</b>		
1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? <i>The policy covers only the Company.</i>		
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? <i>The Company did not receive any complaints from the stakeholders during the financial year 2021-22 under this principle. Further, complaints, if any, received are attended to within 48 hours.</i>		

<b>Principle 6</b>	<b>Business should respect, protect and make efforts to restore the environment</b>		
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others. <i>Largely covers the Company only</i>		
2.	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for web page etc. <i>No</i>		
3.	Does the Company identify and assess potential environmental risks? Yes / No Yes		
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? <i>No</i>		
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y / N. If yes, please give hyperlink for web page etc. <i>The Company is constantly endeavouring to engage in energy savings / renewable energy projects.</i>		
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? Yes		
7.	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. <i>Nil</i>		



## Business Responsibility Report (Contd.)

<b>Principle 7</b>		<b>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>
1.	Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	
	(i)	<i>Confederation of Indian Industry (CII)</i>
	(ii)	<i>The Southern India Chamber of Commerce &amp; Industry (SICCI)</i>
	(iii)	<i>Indo German Chamber of Commerce (IGCC)</i>
	(iv)	<i>Indian Drug Manufacturers' Association (IDMA)</i>
2.	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	
		<i>The Company express its views on economic and other policy matters; but not lobbied for any matter.</i>
<b>Principle 8</b>		<b>Businesses should support inclusive growth and equitable development</b>
1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	
		<i>The Company has a well-defined CSR Policy and spends on various projects / activities as listed in the CSR Report forming part of the Board's Report for the year ended 31<sup>st</sup> March, 2022.</i>
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?	
		<i>The projects funded by the Company are undertaken by reputed NGOs, Educational Institutions and Public Charitable Trusts having good track record.</i>
3.	Have you done any impact assessment of your initiative?	
		<i>Yes</i>
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	
		<i>All the CSR projects undertaken by the Company are for the benefit of the community at large. For details of the CSR projects/ activities, please refer Page No.23 of the Annual Report – 2021-22.</i>
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	
		<i>Not Applicable</i>
<b>Principle 9</b>		<b>Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>
1.	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	
		<i>Insignificant</i>
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	
		<i>Yes</i>
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	
		<i>Nil</i>
4.	Did your Company carry out any consumer survey / consumer satisfaction trends?	
		<i>The Company conducts formal and informal surveys so as to assess consumers' feedback on the products of the Company.</i>

Place : Chennai  
Date : May 23, 2022

For and on behalf of the Board  
T T JAGANNATHAN  
CHAIRMAN

## Report on Corporate Governance

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

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

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

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

### BOARD OF DIRECTORS:

#### Composition and Category of Directors:

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

The Board consists of ten Directors, as detailed below:

Category		Name of Director / Position	DIN
Promoter	Non-Executive	Mr T T Jagannathan Chairman	00191522
	Executive	Mr T T Raghunathan Executive Vice Chairman	00043455
Non-Independent	Non-Executive	Mr R K Tulshan	00009876
		Mr K Shankaran	00043205
	Executive	Mr S Kalyanaraman Wholetime Director & Secretary	00119541
Independent	Non-Executive	Dr (Mrs) Vandana R Walvekar	00059160
		Mr Girish Rao	00073937
		Mr S Balasubramanian	02849971
		Mr N Ramesh Rajan	01628318
		Mr V Ranganathan	00550121

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

Name of the Director	Date of the Board Meetings and Attendance						Date of the last AGM & Attendance
	27.05.2021	05.08.2021	29.10.2021	09.02.2022	21.03.2022	20.08.2021	
Mr T T Jagannathan	✓	✓	✓	✓	✓	✓	
Mr T T Raghunathan	✓	✓	✓	✓	✓	✓	
Mr R K Tulshan	✓	✓	✓	✓	✓	✓	
Mr K Shankaran	✓	✓	✓	✓	✓	✓	

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

LOA – Leave of Absence

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	–	–	1	–	–
Mr K Shankaran	TTK Prestige Limited	ED	1	3	–
Dr (Mrs) Vandana R Walvekar	TTK Prestige Limited	NEID	1	1	–
Mr Girish Rao	–	–	–	–	–
Mr S Balasubramanian	Sanghi Industries Limited	NEID	5	1	3
	Emami Paper Mills Limited	NEID			
	Ucal Fuel Systems Limited	NEID			
	GVK Power & Infrastructure Limited	NEID			
Mr N Ramesh Rajan	Indo-National Limited	NEID	4	2	3
	Cholamandalam Investment and Finance Co. Limited	NEID			
	Rane (Madras) Limited	NEID			
Mr V Ranganathan	The India Cements Limited	NED	3	1	1
	Nitta Gelatin India Limited	NEID			
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 2021-22 and its dates:

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

27 <sup>th</sup> May, 2021	29 <sup>th</sup> October, 2021	21 <sup>st</sup> March, 2022
5 <sup>th</sup> August, 2021	9 <sup>th</sup> February, 2022	

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 8<sup>th</sup> February, 2022. 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, your Company has the following process for induction and training of Board Members as part of the familiarization programmes:

- 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.
- 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, where required.

- Visit to the manufacturing units of the Company is also arranged based on their request.
- On 21<sup>st</sup> and 22<sup>nd</sup> July, 2021, the Heads of the various Businesses of the Company made detailed Strategy Presentations on their respective Businesses to the Independent Directors, as part of the familiarisation programme and also for seeking their inputs.

Details regarding familiarization programmes are provided in Company's website at the following link <https://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](http://www.ttkhealthcare.com).

### Key Board qualifications, expertise and attributes:

The role of Board of Directors is one of providing guidance and direction to the operating management of the Company and laying down the framework for maintenance of high standards of governance and accountability. Since a member of the Board, not being a member with wholtime 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 Management, 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(1) of the SEBI (LODR) Regulations, 2015, as detailed below:

Name of Director	Position	Category
Mr Girish Rao	Chairman	Non-Promoter / Non-Executive / Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Mr S Balasubramanian	Member	Non-Promoter / Non-Executive / Independent
Mr V Ranganathan	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

### Meetings and Attendance during the year 2021-22:

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

Name of Director	Date of the Meetings and Attendance				
	26.05.2021	04.08.2021	28.10.2021	08.02.2022	21.03.2022
Mr Girish Rao	✓	✓	✓	✓	LOA
Mr K Shankaran	✓	✓	✓	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓	✓
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;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- 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 N Ramesh Rajan	Member	Non-Promoter / Non-Executive / Independent
Mr S Balasubramanian**	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	-

\*\* The Nomination and Remuneration Committee was reconstituted with the induction of Mr S Balasubramanian as a Member vide Circular Resolution dated 23.12.2021 in accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, w.e.f. 01.01.2022.

### Meeting and Attendance:

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

Name of Director	Date of Meeting and Attendance
	15.05.2021
Dr (Mrs) Vandana R Walvekar	✓
Mr R K Tulshan	✓
Mr K Shankaran	✓
Mr N Ramesh Rajan	✓
Mr S Balasubramanian	NA

### 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 2021-22, the Independent Directors were evaluated, on the basis of a few parameters comprising of attendance at meetings either in person or through video / teleconferencing, participation in discussions on various items on the agenda, dealing with respect to conflict of interest situation and any specific ideas and contribution to the long term business strategy of the Company.

Further, the evaluation of the Independent Directors also included the additional criteria provided by SEBI in its Guidance Note on Board Evaluation.

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

### REMUNERATION OF DIRECTORS:

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

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

### Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees of Rs.20,000 per meeting, attended by them for the Board Meetings and the Committee Meetings and are entitled for reimbursement of expenses for participation in the Board / Committee Meetings. Details of the sitting fees paid during the year 2021-22 are furnished below.

(Amount in Rs.)

Directors	Sitting fees
Mr T T Jagannathan	1,00,000
Mr R K Tulshan	2,00,000
Mr K Shankaran	3,80,000
Dr (Mrs) Vandana R Walvekar	1,60,000
Mr Girish Rao	2,80,000
Mr S Balasubramanian	2,40,000
Mr N Ramesh Rajan	1,40,000
Mr V Ranganathan	2,00,000

The above sitting fees paid are in line with the provisions of the Companies Act, 2013 and the Rules made thereunder.

No other payment viz., Commission is made to the Non-Executive Directors. This information has been posted in the Company's website [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

### Disclosure with respect to Managerial Remuneration paid for the year 2021-22:

Particulars of Remuneration	Mr T T Raghunathan Executive Vice Chairman (CEO)	Mr S Kalyanaraman Wholtime Director & Secretary (CS)
Salary (Rs.)	46,00,000	57,00,000
Benefits:		
HRA & Other Allowances (Rs.)	28,31,227	34,20,000
Contribution to PF & Other Funds (Rs.)	16,07,282	19,08,228
Commission (Rs.)	97,37,475	77,02,516
Additional Performance Bonus	-	97,48,991
Fixed Component	-	-
Performance Linked Incentives along with Performance Criteria (Rs.)	1,15,55,730	-
Performance Criteria	Productivity Linked	Performance based Variable Pay / Commission
Others (Rs.)	4,78,352	23,30,331
Service Contract	5 years (w.e.f. 01.11.2021)	5 years (w.e.f. 01.06.2019)
Notice Period	6 months	3 months
Severance Fees	Yes. As per Section 202 of the Companies Act, 2013	-
Pension	-	-
Stock Option	-	-
<b>Total (Rs.)</b>	<b>3,08,10,066</b>	<b>3,08,10,066</b>

## Report on Corporate Governance (Contd.)

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(2) of the SEBI (LODR) Regulations, 2015, as detailed below:

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

#### Meetings and Attendance during the year 2021-22:

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			
	26.05.2021	04.08.2021	28.10.2021	08.02.2022
Mr K Shankaran	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓
Mr Girish Rao	✓	✓	✓	✓

#### Name and Designation of Compliance Officer:

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

#### Details of Shareholders' Complaints received during the year 2021-22:

Nature of Complaints	Complaints received during the year 2021-22	Not solved to the satisfaction of the Shareholders	Pending Complaints
Non-receipt of Dividends	26	–	–
Non-receipt of Shares sent for transfer / transmission	–	–	–
Others (Non-receipt of Annual Report)	–	–	–
<b>Total</b>	<b>26</b>	<b>–</b>	<b>–</b>

### GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue	No. of Special Resolutions passed
2019	9 <sup>th</sup> August, 2019	10.15 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	3
2020	11 <sup>th</sup> September, 2020	10.15 a.m.	Through Video Conferencing and other Audio Visual Means (VC/OAVM)	2
2021	20 <sup>th</sup> August, 2021	10.15 a.m.	Through Video Conferencing and other Audio Visual Means (VC/OAVM)	2

#### Special Resolution passed through Postal Ballot (by way of remote e-Voting) during the year 2021-22:

During the year 2021-22, a Notice of Postal Ballot dated 21<sup>st</sup> March, 2022 was circulated through electronic means seeking the approval of the Members of the Company by way of Special Resolution for sale / transfer of the Human Pharma Division of the Company, as a going concern, on a slump sale basis, through remote e-Voting.

The remote e-Voting period remained open from Friday, the 25<sup>th</sup> March, 2022 at 9.30 a.m. to Saturday, the 23<sup>rd</sup> April, 2022 till 5.00 p.m.

M/s A K Jain & Associates, Practising Company Secretaries represented by its Partners - Mr Balu Sridhar / Mr Pankaj Mehta was appointed as Scrutinizer and they conducted the remote e-Voting process.

The resolution was carried by requisite majority and deemed to have been passed on the last date of the e-Voting (i.e.) 23<sup>rd</sup> April, 2022. The results of the Postal Ballot was declared on Monday, the 25<sup>th</sup> April, 2022 and also posted on the website of the Company [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

#### Proposal for Passing of Special Resolutions through Postal Ballot during the year 2022-23 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 2022-23, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules thereunder will be complied with.

### MEANS OF COMMUNICATION:

- The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed format, are taken on record by the Board and are submitted to the Stock Exchanges.
- The same are published, within 48 hours, in "Business Standard" and "Makkal Kural".
- The Quarterly / Annual Results are also posted on the Company's website at the following link <https://ttkhealthcare.com/investorslist/financial-results/> and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the official news releases are disseminated on the Company's website.





## Report on Corporate Governance (Contd.)

- 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 : 3<sup>rd</sup> August, 2022  
 Day : Wednesday  
 Time : 11.30 a.m.  
 Mode : Through Video Conferencing and Other Audio Visual Means (VC / OAVM)

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

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

#### (c) Dividend Payment Date:

The Dividend for the financial year 2021-22, if declared by the Shareholders, would be paid on or before 23<sup>rd</sup> August, 2022.

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

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

The listing fees have been paid for the financial year 2022-23.

#### (e) Stock Code:

BSE	507747
NSE	TTKHLTCARE
ISIN	INE910C01018

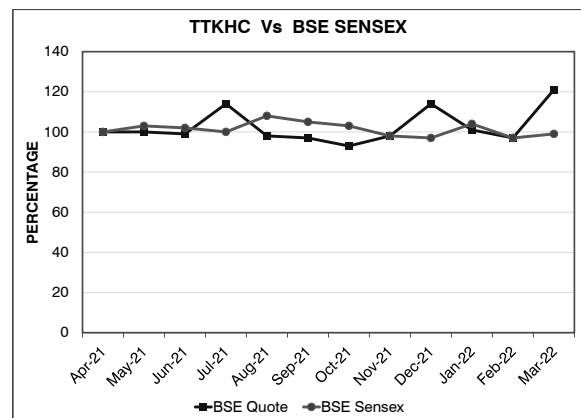
#### (f) Market Price Data:

Month	BSE (2021-22)			BSE (2020-21)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	734.00	472.85	62,603	513.25	313.20	9,548
May	735.00	561.65	1,10,333	474.65	388.00	2,602
June	726.20	612.10	78,571	481.70	407.00	8,908
July	825.00	671.70	1,96,627	477.00	401.00	13,763
August	810.00	658.05	53,381	607.00	417.80	44,731
September	783.95	653.95	28,051	516.95	442.00	17,816
October	732.10	633.05	32,981	467.40	416.20	4,734
November	720.00	627.45	19,875	538.00	415.95	19,422
December	822.00	658.40	74,781	629.00	467.05	28,745
January	827.50	632.00	25,233	604.95	524.55	11,083
February	799.00	621.90	41,422	669.80	551.00	17,096
March	969.75	672.35	1,53,406	580.00	456.80	18,842

Month	NSE (2021-22)			NSE (2020-21)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	708.80	481.25	6,36,425	509.45	313.05	79,555
May	734.95	561.95	11,12,131	459.90	385.65	32,415
June	725.00	609.25	6,80,686	485.00	405.40	80,428
July	825.00	671.00	14,28,135	476.30	403.00	73,498
August	796.00	657.20	4,11,173	595.00	420.00	2,49,059
September	740.85	650.00	2,82,219	505.00	430.00	67,421
October	730.00	636.35	2,28,340	466.95	416.20	27,795
November	702.00	629.85	1,57,950	511.70	421.60	1,05,154
December	824.85	661.00	5,89,128	635.00	471.60	1,79,178
January	739.95	660.00	1,31,600	606.90	525.00	64,526
February	725.95	622.35	3,07,421	668.90	544.95	1,30,694
March	934.00	671.50	13,62,434	585.00	457.90	43,236

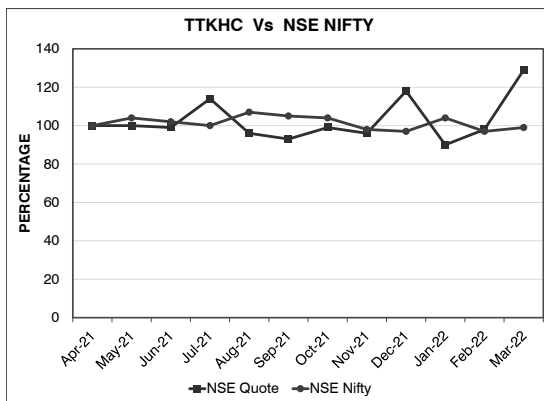
#### (g) Performance comparison to BSE Sensex and Nifty:

Month	STOCK PERFORMANCE Vs BSE SENSEX			
	BSE Quote	% to Base	BSE Sensex	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2021	734.00	100	50,375.77	100
May 2021	735.00	100	52,013.22	103
Jun 2021	726.20	99	53,126.73	102
Jul 2021	825.00	114	53,290.81	100
Aug 2021	810.00	98	57,625.26	108
Sep 2021	783.95	97	60,412.32	105
Oct 2021	732.10	93	62,245.43	103
Nov 2021	720.00	98	61,036.56	98
Dec 2021	822.00	114	59,203.37	97
Jan 2022	827.50	101	61,475.15	104
Feb 2022	799.00	97	59,618.51	97
Mar 2022	969.75	121	58,890.92	99



## Report on Corporate Governance (Contd.)

STOCK PERFORMANCE Vs NSE NIFTY				
Month	NSE Quote	% to Base	NSE Nifty	% to Base
	(High) (Rs.)		(High) (Rs.)	
Apr 2021	733.90	100	15,044.35	100
May 2021	734.95	100	15,606.35	104
Jun 2021	725.00	99	15,915.65	102
Jul 2021	825.00	114	15,962.25	100
Aug 2021	796.00	96	17,153.50	107
Sep 2021	740.85	93	17,947.65	105
Oct 2021	730.00	99	18,604.45	104
Nov 2021	702.00	96	18,210.15	98
Dec 2021	824.85	118	17,639.50	97
Jan 2022	739.95	90	18,350.95	104
Feb 2022	725.95	98	17,794.60	97
Mar 2022	934.00	129	17,559.80	99



### (h) Suspension of Securities from trading

Not applicable

### (i) Registrars & Share Transfer Agents:

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

### (j) Share Transfer System:

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

A summary of transactions relating to transfer, transmission, dematerialization of shares etc. are placed before the Board for their approval / ratification periodically. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges.

Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in dematerialized form only while processing any Investor Service Requests viz., issue

of duplicate share certificates, exchange / sub-division / splitting / consolidation of securities, transmission / transposition of securities, etc. SEBI, vide its Circular dated 25th January, 2022, has clarified that listed entities / RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid Investor Service Request.

### (k) Distribution of Shareholding as on 31<sup>st</sup> March, 2022:

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	2,438	12,762	15.41	80.69	15,12,080	73,37,090	1.07	5.19
5001 - 10000	5	348	0.03	2.20	35,500	25,61,790	0.03	1.81
10001 - 20000	4	133	0.03	0.84	57,500	18,87,520	0.04	1.34
20001 - 30000	-	32	-	0.20	-	8,01,080	-	0.57
30001 - 40000	1	14	0.01	0.09	33,600	4,95,040	0.02	0.35
40001 - 50000	-	11	-	0.07	-	4,75,300	0.00	0.34
50001 - 100000	-	27	-	0.17	-	19,38,520	0.00	1.37
100001 & Above	-	42	-	0.27	-	12,41,68,310	0.00	87.87
<b>Total</b>	<b>2,448</b>	<b>13,369</b>	<b>15.48</b>	<b>84.52</b>	<b>16,38,680</b>	<b>13,96,64,650</b>	<b>1.16</b>	<b>98.84</b>
<b>Grand Total</b>		<b>15,817</b>		<b>100.00</b>		<b>14,13,03,330</b>		<b>100.00</b>

### Categories of Equity Shareholders as on 31<sup>st</sup> March, 2022:

Category	Category of Shareholder	No. of Shareholders	No. of Shares held	Share-holding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
(A)	<b>Promoter &amp; Promoter Group</b>				
(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
	<b>Sub-Total (A)(1)</b>	<b>12</b>	<b>1,05,35,840</b>	<b>74.56</b>	<b>1,05,35,840</b>
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any other (specify)	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

Category	Category of Shareholder	No. of Shareholders	No. of Shares held	Share-holding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	12	1,05,35,840	74.56	1,05,35,840
(B)	<b>Public</b>				
(1)	Institutions				
(a)	Mutual Funds	5	3,38,301	2.39	3,38,065
(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	10	3,38,817	2.40	3,38,817
	<b>Sub Total (B)(1)</b>	<b>21</b>	<b>6,77,834</b>	<b>4.80</b>	<b>6,77,082</b>
(2)	<b>Central Government / State Government(s) / President of India</b>	-	-	-	-
	<b>Sub Total (B)(2)</b>	-	-	-	-
(3)	<b>Non-Institutions</b>				
(a)	Individuals -				
(i)	Individual Shareholders holding nominal share capital upto Rs.2 lakhs.	15,244	16,38,218	11.59	14,80,678
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs	10	4,96,962	3.52	4,96,962
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Any other (specify)	-	-	-	-
(i)	Bodies Corporate	181	5,32,231	3.77	5,30,411
(ii)	Non-Resident Indians	348	1,14,823	0.81	1,11,067
(iii)	IEPF	1	1,34,425	0.95	1,34,425
	<b>Sub-Total (B)(3)</b>	<b>15,784</b>	<b>29,16,659</b>	<b>20.64</b>	<b>27,53,543</b>

Category	Category of Shareholder	No. of Shareholders	No. of Shares held	Share-holding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	15,805	35,94,493	25.44	34,30,625
	<b>Total (A+B)</b>	<b>15,817</b>	<b>1,41,30,333</b>	<b>100.00</b>	<b>1,39,66,465</b>

**Note:**

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

**Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2022:**

Particulars	No. of Shareholders	No. of Shares	% of Shares
In Physical Mode	2,448	1,63,868	1.16
In Electronic Mode	13,369	1,39,66,465	98.84
<b>Total</b>	<b>15,817</b>	<b>1,41,30,333</b>	<b>100.00</b>

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	98	21,326	0.15

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2021-22	2020-21	2021-22	2020-21
No. of Shares Dematerialized	5,590	3,012	15,736	23,674
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.91.

**(n) Plant Locations:**

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

## Report on Corporate Governance (Contd.)

(iv)	Foods Division	• No.2-B, Hosakote Industrial Area, 8 <sup>th</sup> 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, Pudhuchery 605 107

### (o) Address for Correspondence:

<b>Registered Office:</b> No.6, Cathedral Road, Chennai 600 086 Tel: 044-28116106 Fax: 044-28116387 E-mail: <a href="mailto:info@ttkhealthcare.com">info@ttkhealthcare.com</a>	<b>Administrative Office &amp; Investor Correspondence Address:</b> Secretarial Department No.6, Cathedral Road, Chennai 600 086 Tel: 044-28116106 Fax: 044-28116387 E-mail: <a href="mailto:investorcare@ttkhealthcare.com">investorcare@ttkhealthcare.com</a>
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### RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was constituted on 27<sup>th</sup> May, 2021, pursuant to Regulation 21(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2021 as substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 which mandates the top 1000 listed entities determined on the basis of market capitalization as at the end of the immediate preceding financial year to constitute a Risk Management Committee.

#### Terms of reference:

The brief terms of reference are as per the provisions of Section 134(3) (n) of the Companies Act, 2013 and Regulation 21(4) of & Schedule II – Part D to the SEBI (LODR) Regulations, 2015, which *inter alia* include-

- To formulate a detailed risk management policy which shall include:
  - ❖ A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - ❖ Measures for risk mitigation including systems and processes for internal control of identified risks.
  - ❖ Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

#### Composition, Name of Members and Chairperson:

The composition of the Risk Management Committee is in line with Regulation 21(2) of the SEBI (LODR) Regulations, 2015, as detailed below:

Name of Members	Position	Category / Designation
Mr S Balasubramanian	Chairman	Non-Promoter / Non-Executive / Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Mr N Ramesh Rajan	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Member	Wholetime Director & Secretary
Mr B V K Durga Prasad	Member	President – Finance
Mr V K Srinivasan	Member	Vice President – Finance
Mr R Srikanth	Member	Vice President - Systems

#### Meetings and Attendance during the year 2021-22:

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 the Meetings and Attendance	
	12.07.2021	20.10.2021
Mr S Balasubramanian	✓	✓
Mr K Shankaran	✓	✓
Mr N Ramesh Rajan	✓	✓
Mr S Kalyanaraman	✓	✓
Mr B V K Durga Prasad	✓	✓
Mr V K Srinivasan	✓	✓
Mr R Srikanth	✓	✓

#### OTHER DISCLOSURES:

##### Related Party Disclosure:

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

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

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

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



## Report on Corporate Governance (Contd.)

Board is uploaded on the Company's website at the following link <https://ttkhealthcare.com/investorslist/policies/>.

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure-2** to the Board's Report. (Please refer Page No.26 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.100 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 at the following link <https://ttkhealthcare.com/investorslist/policies/>. Further, the Company has a designated e-mail ID (i.e.) [whistleblow@ttkhealthcare.com](mailto:whistleblow@ttkhealthcare.com) for forwarding the complaints to the Corporate Governance Officer (Vigil) by the employees. The Company has not received any complaints during the year under review.

### **Certification from Company Secretary in Practice:**

Mr Balu Sridhar, Partner, M/s A K Jain & Associates, Practising Company Secretaries has issued a certificate as required under Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the 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 Rs.37.50 lakhs plus GST for carrying out the statutory audit, Rs.25,000 plus GST per Quarter for carrying out the Limited Review of the Unaudited Financial Results and Rs.7.79 lakhs inclusive of GST towards other services.

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

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

### **Non-Compliance by the Company:**

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

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

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

### **NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:**

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

### **DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS:**

#### **(a) The Board:**

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

#### **(b) Shareholders' Right:**

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

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

The Audit Report for the year 2021-22 is an unmodified one and does not contain any qualifications.

#### **(d) Separate Posts of Chairperson and the Managing Director or the Chief Executive Officer:**

Not Applicable.

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

The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Management of the Company. The said Code of Conduct had also been posted on the Company's website [www.ttkhealthcare.com](http://www.ttkhealthcare.com). A report on the compliance aspect

## Report on Corporate Governance (Contd.)

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

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

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

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

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

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

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

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

The Risk Management Committee was constituted on 27<sup>th</sup> May, 2021, in accordance with the SEBI (LODR) (Second Amendment) Regulations, 2021 notified on 5<sup>th</sup> May, 2021 and during the year two meetings were held on 12<sup>th</sup> July, 2021 and 20<sup>th</sup> October, 2021.

The Company retained the services of a well-known consulting firm and they made a detailed presentation to the Risk Management Committee on the methodology adopted for arriving at the various risks after due interactions with the Business / Functional Heads and the Risk Owners and also the updation of the Risk Register.

The Risk Management Committee was updated on the outcome of the RMG Meetings held during the year.

The Audit Committee and the Board were also periodically updated on the outcome of the Risk Management Committee Meetings and on the key risk areas and its mitigation plans. The Risk Management Framework was also periodically reviewed by the Audit Committee and the Board.

(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.44 of this Annual Report.

**Regulation 18 – Audit Committee:**

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

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

Compliance to this Regulation is given in Page No.43 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:**

Compliance to this Regulation is given in Page No.49 of this Annual Report.

**Regulation 22 – Vigil Mechanism:**

Compliance to this Regulation is given in Page No.21 & 50 of this Annual Report.

**Regulation 23 – Related Party Transactions:**

Compliance to this Regulation is given in Page No.49 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.42 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.41 of this Annual Report.

All the Directors and Senior Management had affirmed compliance as on 31<sup>st</sup> March, 2022 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](http://www.ttkhealthcare.com).

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

**Related Party Disclosure:** Please refer Page No.26 & 49 of this Annual Report.



## Report on Corporate Governance (Contd.)

### Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Board's Report. (Please refer Page No.13 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.

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

Please refer Page No.34 of this Annual Report.

### Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account:

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

### Other constituents of the TTK Group within the meaning of "Group" under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 include:

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

### 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	-

### Meetings and Attendance:

During the year under review, the Committee met twice 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 2021-22 and also to review and record the status report of the CSR Activities undertaken during the year 2020-21:

Name of Director	Date of the Meetings and Attendance	
	27.05.2021	09.02.2022
Mr T T Raghunathan	✓	✓
Mr K Shankaran	✓	✓
Dr (Mrs) Vandana R Walvekar	✓	✓
Mr Girish Rao	✓	✓

### Corporate Social Responsibility (CSR) Policy:

Your Company adopted a Policy relating to Corporate Social Responsibility in accordance with the provisions of Section 135 of and Schedule VII to the Companies Act, 2013 and the Rules made thereunder. The said Policy was made available on the Company's website at the following link <https://ttkhealthcare.com/investorlist/policies/>.

### PARTICULARS OF DIRECTOR(S) SEEKING APPOINTMENT / REAPPOINTMENT:

The particulars of the Director(s) seeking appointment / reappointment are given under S.No.23 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 31<sup>st</sup> March, 2022, there was no difference between the issued and listed capital and the aggregate of shares held by investors both in physical form and in electronic form with the Depositories.

As on 31<sup>st</sup> March, 2022, 1,39,66,465 Equity Shares representing 98.84% 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 31<sup>st</sup> March, 2022.

### ADOPTION OF VARIOUS POLICIES:

Your Company formulated, adopted and disseminated in its website [www.ttkhealthcare.com](http://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.
- **Policy on dealing with Related Party Transactions** pursuant to the provisions of Regulation 46(2)(g) - Chapter IV; and
- **Dividend Distribution Policy** pursuant to the provisions of Regulation 43A - Chapter IV.
- **Risk Management Policy** pursuant to the provisions of Regulation 21 and Clause C - Part D - Schedule II.

### DECLARATION ON CODE OF CONDUCT

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

Place : Chennai  
Date : May 12, 2022

T T RAGHUNATHAN  
Executive Vice Chairman (CEO)

### 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, 2022 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.

Place : Chennai  
Date : May 12, 2022

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

**Balu Sridhar**  
Partner  
M.No. F5869 / C.P.No. 3550  
UDIN: F005869D000311295





## Independent Auditor's Report

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

#### Opinion

We have audited the financial statements of TTK Healthcare Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2022, 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 (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, 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.

We have determined the matter described below to be the key audit matter to be communicated in our report

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
	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 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.

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

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

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

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

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

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

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

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

#### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the

## Independent Auditor's Report (Contd.)

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with



## Independent Auditor's Report (Contd.)

the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements – Refer Note 5.3 to the financial statements;
- (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2022; and
- (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 5.19 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

(d) As stated in note 5.20 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

- (3) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place : Chennai  
Date : May 23, 2022

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

**S Rajeshwari**  
Partner

Membership No.024105  
UDIN No.22024105AJKPFU7561

## Independent Auditor's Report (Contd.)

### Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of TTK Healthcare Limited ("the Company") on the financial statements as of and for the year ended 31<sup>st</sup> March, 2022.

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. 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, Property, Plant and Equipment 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.
- (c) 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 disclosed in the financial statements are held in the name of the Company as at Balance Sheet date, except as stated below:

Description of property	Gross carrying value (Rs. In lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold land at Pallavaram	336.71	Orient Pharma Private Limited	No	63 years	Being held in erstwhile name of the Company
Freehold land at Pallavaram	1.48	London Rubber Company (India) Limited	No	10 years	Being held in the name of the Company which got merged with the Company
Freehold land at Pondicherry	22.00	TTK-LIG Limited	No	10 years	Being held in the name of the Company which got merged with the Company
Freehold land at Virudhunagar	62.85	London Rubber Company (India) Limited	No	10 years	Being held in the name of the Company which got merged with the Company

Freehold land at Virudhunagar	265.03	TTK-LIG Limited	No	10 years	Being held in the name of the Company which got merged with the Company
Freehold building at Ahmedabad	11.90	TTK Pharma Limited	No	27 years	Being held in erstwhile name of the Company
Freehold building at Hyderabad	12.79	TTK Pharma Limited	No	28 years	Being held in erstwhile name of the Company
Freehold building at Kolkata	5.91	TTK Pharma Limited	No	28 years	Being held in erstwhile name of the Company
Freehold building at Indore	34.43	TTK Pharma Limited	No	24 years	Being held in erstwhile name of the Company

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets and intangible assets) during the year and hence this clause is not applicable to the Company.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) Based on our audit procedures and according to the information and explanations given to us, the inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained or subsequent utilisation has been verified and in respect of goods-in-transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
- (b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except for minor differences which did not affect the drawing power and the required security cover computed in accordance with the sanctioned terms.



**Independent Auditor's Report (Contd.)**

- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 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 and security nor made any investment during the year covered under Section 185 and 186 of the Act. Therefore paragraph 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 or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company as specified under sub Section (1) of Section 148 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, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.  
According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March, 2022 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 statutory dues referred to in sub-clause (a) as at 31<sup>st</sup> March, 2022, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount demanded (Rs. in lakhs)	Amount under dispute and not paid (Rs. in lakhs)	Period(s) to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty with interest, penalty, as applicable	117.90	115.95	1988-1989 to 2000-01 and 1995-1996 to 2007-2008	The Customs, Excise and Service Tax Appellate Tribunal Chennai
		0.74	0.74	1994-1995 and 1995-1996	The Deputy Commissioner of Central Excise Aurangabad
		0.42	0.42	2002-03	The Commissioner of Central Excise (Appeals)
The Customs Tariff Act, 1975	Customs Duty with interest and penalty	20.30	20.30	1992-93 to 2005-06	Settlement Commission, Chennai
		322.65	315.73	2010-11 & 2011-12	CESTAT, Chennai
Finance Act	Service Tax	3.71	3.71	2005-2006 to 2007-2008	The Commissioner of Central Excise (Appeals), Bangalore
State VAT Acts of various States	Sales Tax	81.38	51.22	Various years between 1986 - 87 to 2014-15	In various State forums
Income Tax Act, 1961	Income Tax with interest and penalty	1096.33	1048.89	2012-2013, 2013-2014 and 2015-2016 to 2017-2018	Commissioner of Income Tax (Appeals)
		1599.76	1599.76	2014-2015	Income Tax Officer

- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix) (a) 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 other borrowings or in payment of interest thereon to any lender
- (b) According to the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix) (b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there were no term loans taken by the Company and hence the question of the amount of loan so diverted and the purpose for which it is used does not arise. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.



## Independent Auditor's Report (Contd.)

- (d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report Company has not used any funds raised on short term basis for long term purposes during the year.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company taking loan from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company raising any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) 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) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x) (b) of the Order is not applicable to the Company.
- (xi) (a) 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 has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi Company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is 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 Indian accounting standards Related Party Disclosures (Ind AS 24)
- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) 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 (2 of 1934).
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the question of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability



## Independent Auditor's Report (Contd.)

of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with

second proviso to sub-section (5) of Section 135 of the said Act.

- (b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under subsection (5) of Section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub section (6) of Section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company.

Place : Chennai  
Date : May 23, 2022

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

**S Rajeshwari**  
Partner  
Membership No.024105  
UDIN No.22024105AJKPFU7561

### Annexure B

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

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

We have audited the internal financial controls with reference to financial statements of TTK Healthcare Limited ("the Company") as of 31<sup>st</sup> March, 2022 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. 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



## Independent Auditor's Report (Contd.)

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 31<sup>st</sup> March, 2022, 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").

Place : Chennai  
Date : May 23, 2022

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants  
Firm's Regn. No.003990S/S200018

**S Rajeshwari**  
Partner

Membership No.024105  
UDIN No.22024105AJKPFU7561





## Balance Sheet

as at 31<sup>st</sup> March, 2022

(Rs. in lakhs)				
	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	3.1A	6,922.13	7,457.08
	(b) Right of Use Asset	3.1B	1,096.49	1,062.29
	(c) Capital Work-in-progress	3.1C	18.67	44.50
	(d) Other Intangible Assets	3.1D	8.63	15.35
	(e) Financial Assets			
	(i) Investments	3.2	1,513.47	1,316.61
	(ii) Other Financial Assets	3.3	231.37	231.88
	(f) Non-Current Tax Assets (Net)		438.85	1,081.67
	(g) Deferred Tax Asset (Net)	3.4	730.28	645.14
	(h) Other Non-current Assets	3.5	43.85	85.50
	<b>Total Non-current Assets</b>		<u>11,003.74</u>	<u>11,940.02</u>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	3.6	7,892.44	7,030.39
	(b) Financial Assets			
	(i) Investments		–	–
	(ii) Trade Receivables	3.7	5,358.02	5,977.69
	(iii) Cash and Cash Equivalents	3.8	1,486.42	955.48
	(iv) Bank balances other than (iii) above	3.9	25,864.34	21,813.65
	(v) Other Financial Assets	3.10	746.65	641.59
	(c) Other Current Assets	3.11	1,074.57	1,068.34
	<b>Total Current Assets</b>		<u>42,422.44</u>	<u>37,487.14</u>
	<b>Human Pharma Division - Assets held for sale in subsequent year</b>	5.13	2,428.66	–
	<b>TOTAL ASSETS</b>		<u>55,854.84</u>	<u>49,427.16</u>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	3.12	1,413.03	1,413.03
	(b) Other Equity	3.13	31,550.11	28,051.61
	<b>Equity attributable to owners of the Company</b>		<u>32,963.14</u>	<u>29,464.64</u>
	<b>Total Equity</b>		<u>32,963.14</u>	<u>29,464.64</u>
<b>2</b>	<b>Liabilities</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Lease Liabilities	3.14	133.83	115.77
	(b) Provisions	3.18	515.65	789.78
	(c) Deferred Revenue Income	5.15	188.78	180.71
	<b>Total Non-current Liabilities</b>		<u>838.26</u>	<u>1,086.26</u>

## Balance Sheet (Contd.) as at 31<sup>st</sup> March, 2022

				(Rs. in lakhs)	
	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	
<b>Current Liabilities</b>					
(a) Financial Liabilities					
	(i) Borrowings	3.15	2,038.44	1,759.82	
	(ia) Lease Liabilities	3.14	48.98	38.79	
	(ii) Trade Payables				
	(A) Total outstanding due to Micro Enterprises and Small Enterprises	3.16A	2,074.60	1,940.79	
	(B) Total outstanding due to creditors other than Micro Enterprises and Small Enterprises	3.16B	8,271.12	7,819.83	
	(iii) Other Financial Liabilities	3.17	6,111.40	6,216.73	
	(b) Other Current Liabilities	3.19	618.88	469.69	
	(c) Provisions	3.18	431.93	490.06	
	(d) Current Tax Liabilities (Net)		309.43	140.55	
	<b>Total Current Liabilities</b>		<b>19,904.78</b>	<b>18,876.26</b>	
	<b>Human Pharma Division - Liabilities held for sale in subsequent year</b>	5.13	<b>2,148.66</b>	=	
	<b>Total Liabilities</b>		<b>22,891.70</b>	<b>19,962.52</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>55,854.84</b>	<b>49,427.16</b>	

### 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.

As per our audit report even date attached

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

S. Rajeshwari, Partner  
Membership No.024105

Place : Chennai

Date : May 23, 2022

For and on behalf of the Board

T T Jagannathan, Chairman  
DIN: 00191522

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

K Shankaran, Director  
DIN: 00043205

Girish Rao, Director  
DIN: 00073937

S Kalyanaraman, Wholetime Director & Secretary  
DIN: 00119541

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



## Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(Rs. in lakhs)				
	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I	Revenue from operations	4.1	59,923.99	47,605.86
II	Other income	4.2	1,633.06	993.47
III	<b>Total Income (I+II)</b>		<b>61,557.05</b>	<b>48,599.33</b>
IV	<b>Expenses</b>			
	(a) Cost of materials consumed	4.3	14,346.23	9,820.83
	(b) Purchases of stock-in-trade		15,040.39	10,935.44
	(c) Changes in inventories of finished goods, stock-in-trade and Work-In-Progress	4.4	(1,237.15)	176.22
	(d) Employee benefits expense	4.5	10,284.24	9,369.79
	(e) Finance costs	4.6	323.75	171.09
	(f) Depreciation and amortisation expense	4.7	1,258.36	1,301.96
	(g) Other expenses	4.8	19,306.55	15,371.63
	<b>Total expenses (IV)</b>		<b>59,322.37</b>	<b>47,146.96</b>
V	Profit before exceptional items and tax (III- IV)		2,234.68	1,452.37
VI	Exceptional Items	5.5 B	249.05	809.79
VII	<b>Profit before tax (V-VI)</b>		<b>2,483.73</b>	<b>2,262.16</b>
VIII	<b>Tax expense</b>			
	(1) Current tax		743.67	747.91
	(2) Tax relating to earlier years (Net)	5.5 B	–	(1,964.81)
	(3) Deferred tax		(110.96)	(199.11)
			<b>632.71</b>	<b>(1,416.01)</b>
IX	<b>Profit for the year from Continuing Operations (VII-VIII)</b>		<b>1,851.02</b>	<b>3,678.17</b>
X	Profit / (Loss) from Human Pharma operations held for sale in subsequent year	5.13	3,294.14	1,443.03
XI	Tax Expense of Human Pharma operations held for sale in subsequent year	5.13	986.33	477.09
XII	Profit / (Loss) from Human Pharma operations held for sale in subsequent year(after tax) (X -XI)	5.13	2,307.81	965.94
XIII	<b>Profit / (Loss) for the year (IX + XII)</b>		<b>4,158.83</b>	<b>4,644.11</b>
XIV	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans		16.45	(126.00)
	(b) Equity instruments through other comprehensive income		196.86	441.27
	(c) Others		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans	5.6	(4.14)	31.71
	(b) Equity instruments through other comprehensive income	5.6	(21.68)	(1.83)
B	(i) Items that may be reclassified subsequently to profit or loss when specific conditions are met			
	(a) Exchange differences in translating the financial statements of foreign operations		–	–
	(b) Debt instruments through other comprehensive income		–	–
	(c) Others		–	–
	(ii) Income tax relating to items that may be reclassified to profit or loss		–	–
	<b>Other Comprehensive Income</b>		<b>187.49</b>	<b>345.15</b>
XV	<b>Total Comprehensive Income for the year (XIII + XIV) [Comprising Profit / (Loss) and Other Comprehensive Income for the year] including Human Pharma operations</b>		<b>4,346.32</b>	<b>4,989.26</b>

## Statement of Profit and Loss (Contd.) for the year ended 31<sup>st</sup> March, 2022

				(Rs. in lakhs)
	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
	Earnings per equity share (Continuing Operations):			
(1)	Basic (in Rs.)	5.8	13.10	26.03
(2)	Diluted (in Rs.)	5.8	13.10	26.03
	Earnings per equity share (Human Pharma operations held for sale in subsequent year):			
(1)	Basic (in Rs.)	5.8	16.33	6.84
(2)	Diluted (in Rs.)	5.8	16.33	6.84
	Earnings per equity share (Continuing Operations and Human Pharma operations held for sale in subsequent year):			
(1)	Basic (in Rs.)	5.8	29.43	32.87
(2)	Diluted (in Rs.)	5.8	29.43	32.87

### 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.

As per our audit report even date attached

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

**S. Rajeshwari**, Partner  
Membership No.024105

**Place : Chennai**  
**Date : May 23, 2022**

For and on behalf of the Board

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

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

**K Shankaran**, Director  
DIN: 00043205

**Girish Rao**, Director  
DIN: 00073937

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

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



**Statement of Cash Flows**  
for the year ended 31<sup>st</sup> March, 2022

Particulars	(Rs. in lakhs)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Cash Flow from Operating activities</b>		
Profit before tax for Continuing Operations	2,483.73	2,262.16
Profit before tax for Human Pharma operations held for sale in subsequent year	3,294.14	1,443.03
Profit before tax for Continuing operations and Human Pharma operations held for sale in subsequent year	5,777.87	3,705.19
Adjustments for:		
Remeasurements of defined benefit plans	16.45	(126.00)
Depreciation and amortisation expenses	1,318.98	1,371.13
Provision for Doubtful Debts	32.02	111.60
Bad debts written off	18.39	27.59
Creditors written back	(25.35)	(66.68)
Interest Paid	396.24	222.38
Interest Received	(1,472.07)	(1,796.49)
(Profit) / Loss on Sale / Impairment of Assets	(249.10)	10.93
Dividend Income	(9.80)	(7.13)
<b>Operating Profit before Working Capital Changes</b>	<b>5,803.63</b>	<b>3,452.52</b>
Adjustments for working capital changes		
Inventories	(1,612.07)	134.09
Trade Receivables	(960.38)	1,560.09
Other Receivables	(160.33)	(189.90)
Trade Payables	1,292.92	1,176.31
Other Liabilities	1,046.08	1,466.67
Deferred Revenue Income	8.07	10.35
<b>Cash generated from Operations</b>	<b>5,417.92</b>	<b>7,610.13</b>
Less: Direct Taxes Paid	1,622.61	1,091.14
Add : Direct Taxes Received	704.32	3,123.12
<b>Net Cash generated from (used in) Operating Activities</b>	<b>4,499.63</b>	<b>9,642.11</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Advances	(649.47)	(173.27)
Sale of Fixed Assets	258.16	6.46
Investments in Bank deposits (net)	(4,050.69)	(9,360.71)
Interest Received	1,377.47	1,796.49
Dividend Received	9.80	7.13
<b>Net Cash generated from (used in) Investing Activities</b>	<b>(3,054.73)</b>	<b>(7,723.90)</b>
<b>Cash Flow from Financing Activities</b>		
Borrowings (including Lease Liabilities, net of repayment)	330.10	(1,069.33)
Interest Paid (including interest on Lease Liabilities)	(396.24)	(222.38)
Dividend Paid	(847.82)	(423.91)
<b>Net Cash generated from (used in) Financing Activities</b>	<b>(913.96)</b>	<b>(1,715.62)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	530.94	202.59
Cash and Cash Equivalents as at the beginning of the year (Note No.3.8)	955.48	752.89
<b>Total</b>	<b>1,486.42</b>	<b>955.48</b>
Cash and Cash Equivalents as at the end of the year (as per Balance Sheet)(Note No.3.8)	<b>1,486.42</b>	<b>955.48</b>

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

As per our audit report even date attached

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

S. Rajeshwari, Partner  
Membership No.024105

Place : Chennai  
Date : May 23, 2022

For and on behalf of the Board

T T Jagannathan, Chairman  
DIN: 00191522

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

K Shankaran, Director  
DIN: 00043205

Girish Rao, Director  
DIN: 00073937

S Kalyanaraman, Wholetime Director & Secretary  
DIN: 00119541

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

## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

A. Equity Share Capital					(Rs. in lakhs)
<b>(1) Current reporting period</b>					
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
1,413.03	-	-	-	1,413.03	
<b>(2) Previous reporting period</b>					
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period	
1,413.03	-	-	-	1,413.03	

### Shares held by the Promoters / Promoter Group at the end of the year

EQUITY SHARE:				
S.No.	Name	No. of Shares	% of total shares	% Change during the year
1	Mr T T Jagannathan	7,59,298	5.37%	0%
2	Mr T T Raghunathan	38,797	0.27%	0%
3	Mrs Shanthi Ranganathan	58,360	0.41%	0%
4	Dr Latha Jagannathan	29,728	0.21%	0%
5	Mrs Bhanu Raghunathan	56,000	0.40%	0%
6	Mr T T Mukund	14,096	0.10%	0%
7	Mr T T Lakshman	14,096	0.10%	0%
8	Mr T T Venkatesh	14,000	0.10%	0%
9	M/s T T Krishnamachari & Co. represented by its Partners - Mr T T Jagannathan & Mr T T Raghunathan	95,32,610	67.46%	0%
10	TTK Tantex Limited	8,640	0.06%	0%
11	TTK Prestige Limited	1,440	0.01%	0%
12	Packwell Packaging Products Limited	8,775	0.06%	0%
<b>Total</b>		1,05,35,840	74.56%	0%

### B. Other Equity

Particulars	Reserves						Equity Instruments through OCI	Revaluation Reserve	TOTAL
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Special Contingency Reserve	Retained Earnings			
<b>Balance as at March 31, 2020</b>	681.33	50.57	982.49	6,436.23	1,411.77	12,645.18	837.26	441.43	23,486.26
Profit for the year	-	-	-	-	-	4,644.11	-	-	4,644.11
Payment of dividend	-	-	-	-	-	(423.91)	-	-	(423.91)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(126.00)	441.27	-	315.27
Deferred Tax Liability	-	-	-	-	-	-	(1.83)	-	(1.83)
Deferred Tax Asset	-	-	-	-	-	31.71	-	-	31.71
Transferred from Special Contingency Reserve	-	-	-	1,411.77	(1,411.77)	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	1,411.77	(1,411.77)	4,125.91	439.44	-	4,565.35



## Statement of Changes in Equity (Contd.) for the year ended 31<sup>st</sup> March, 2022

Balance as at March 31, 2021	681.33	50.57	982.49	7,848.00	0.00	16,771.09	1,276.70	441.43	28,051.61
Profit for the year from Continuing operations	-	-	-	-	-	1,851.02	-	-	1,851.02
Profit from Human Pharma operations held for sale in subsequent year	-	-	-	-	-	2,307.81	-	-	2,307.81
Payment of dividend	-	-	-	-	-	(847.82)	-	-	(847.82)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	16.45	196.86	-	213.31
Deferred Tax Liability	-	-	-	-	-	-	(21.68)	-	(21.68)
Deferred Tax Asset	-	-	-	-	-	(4.14)	-	-	(4.14)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>3,323.32</b>	<b>175.18</b>	-	<b>3,498.50</b>
Balance as at March 31, 2022	681.33	50.57	982.49	7,848.00	0.00	20,094.41	1,451.88	441.43	31,550.11

There were no changes due to "Change in accounting policy or prior period errors" and we have not restated the balance at the beginning of the current or previous reporting period.

- a. Capital Reserve:** Represents the amounts accrued pursuant to the merger of TT Maps & Publications Limited, TTK Biomed Limited & TTK Medical Devices Limited and also the subsidies received from Central / State Governments.
- b. Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of Equity Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Equity Shares bought back.
- c. Securities Premium:** The amount received in excess of face value of the Equity Shares is recognised in Securities Premium.
- d. General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.
- e. Special Contingency Reserve:** The Company had created Special Contingency Reserve out of General Reserves as per the 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 dated 15<sup>th</sup> December, 2017, with appointed date being 1<sup>st</sup> April, 2012. This Special Contingency Reserve would be kept for three years and if it is not fully utilised within that period, the unutilized portion would be transferred to General Reserve at the end of the three year period. Accordingly, the Special Contingency Reserve had been transferred to General Reserve during the year ended 31<sup>st</sup> March, 2021.
- f. 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.
- g. Revaluation Reserve:** The Company has transferred revaluation surplus on revaluation of its immovable properties and this is not available for distribution to Shareholders.

As per our audit report even date attached

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

S. Rajeshwari, Partner  
Membership No.024105

Place : Chennai  
Date : May 23, 2022

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  
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S Kalyanaraman, Wholetime Director & Secretary  
DIN: 00119541

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

## Notes forming part of Financial Statements

for the year ended 31<sup>st</sup> March, 2022

TTK Healthcare Limited

### Notes forming part of financial statements

#### 1. Corporate Information

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

#### 2.A Significant Accounting Policies

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

The financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act 2013 notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended) with and other relevant provision of the Act. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

Recent Accounting and Other Pronouncements:

##### A.1.1. New Accounting Standards/Amendments notified and adopted by the Company:

- (i) Ind AS 107 Financial Instruments: Disclosures – Additional disclosures relating to interest rate benchmark reform (IBOR reform) including nature and extent of risks to which the entity is exposed due to financial instruments subject to interest rate benchmark reform and how the Company manages those risks; the Company's progress in completing the transition to alternative benchmark rates and how the Company is managing the transition.
- (ii) Ind AS 109 Financial Instruments – Guidance provided on accounting for modifications of contracts resulting from changes in the basis for determining the contractual cash flows as a result of the IBOR reform; various exceptions and relaxations have been provided in relation to the hedge accounting.
- (iii) Ind AS 116 Leases – Extension of optional practical expedient in case of rent concessions as a direct consequence of CoVID-19 pandemic till 30<sup>th</sup> June, 2022 and guidance on accounting for modification of lease contracts resulting from the IBOR reform.
- (iv) Ind AS 102 Share based payments – Alignment of liabilities definition with the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
- (v) Ind AS 103 Business Combination – Alignment of assets and liabilities definition with the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards

- (vi) Amendment of definition of term 'recoverable amount' in Ind AS 105, Ind AS 16 and Ind AS 36 from 'fair value less cost to sell' to 'fair value less cost of disposal'.

None of these amendments have any material effect on the Company's financial statements.

##### A.1.2. Amendments to the Schedule III of the Companies Act 2013:

Ministry of Corporate Affairs (MCA) issued notifications dated 24<sup>th</sup> March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1<sup>st</sup> April, 2021 and applied to the standalone financial statements:

- (a) Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- (b) Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Additional disclosure for shareholding of promoters.
- (d) Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- (e) Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- (f) Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

The amendments are extensive, and the Company has given effect to them as required by the law in the current financial statements to the extent applicable.

##### A.1.3. New Standards/Amendments notified but not yet effective:

The following Accounting Standards have been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2022. Such changes include clarification/guidance on:

- (i) Ind AS 103 Business Combination – Identified assets acquired and liabilities assumed (including contingent assets and contingent liabilities) must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the Institute of Chartered Accountants of India (ICAI).
- (ii) Ind AS 109 Financial Instruments – Guidance provided on identifying substantial modification of the terms of an existing financial liability basis difference in discounted present value of the cash flows between old and new terms (the '10 percent' test).





## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

(iii) Ind AS 16 Property, Plant and Equipment (PPE) – Clarification provided on accounting for excess of net sale proceeds of items produced over the cost of testing as deduction from the directly attributable costs considered as part of cost of an item of PPE.

(iv) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets – Illustrative guidance provided on the cost of fulfilling a contract - incremental costs of fulfilling the contract and allocation of other costs that relate directly to fulfilling contracts, and clarification provided on recognizing impairment loss that has occurred on assets used in fulfilling the contract before a separate provision for onerous contract established.

None of these amendments is expected to have any material impact on the financial statements of the Company.

### 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 3 of Companies (Indian Accounting Standard) Rules 2015 as amended from time to time, to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

### A.3. Operating Cycle

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

### 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.

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

### A.5. Summary of Significant Accounting policiesa.)

#### (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.

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.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### • 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 or Loss using the effective interest method. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (e) Taxation

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

#### • Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the 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 balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

### (f) Property plant and equipment

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

Freehold land is measured at cost and is not depreciated.

Cost comprises the purchase price and any attributable cost of



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

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

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

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

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

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

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

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

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

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Freehold land is not depreciated.

The useful life of major components of Property, Plant and Equipment is as follows:

Class of Asset	Estimated Useful Life
Buildings	30 years
Plant & Equipments	15 years
Air Conditioners, Furniture & Fixtures & Lab Equipments	10 years
Dyes	8.84 years
Vehicles	8 years
Computer	3 years
Office equipments	5 years
Right to Use Assets	Based on Lease period

- **De-recognition of assets**

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

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

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

**(g) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated 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 April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

**(h) Impairment of Property plant and equipment and intangible assets**

The carrying values of assets/cash generating units are assessed for impairment at the end of every reporting period. If the carrying amount of an asset exceeds the estimated recoverable amount, an impairment is recognized as expense in the statement of profit and loss. The recoverable amount is the higher of the fair value less costs of disposal and its 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

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

impairment loss is recognized immediately in Statement of Profit and Loss.

### (i) Inventories

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

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

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

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

### (j) Employee benefits

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

#### • Defined contribution plan

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

#### • Defined benefit plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an actuarial valuation carried out by an independent Actuary using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

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

#### • Long term employee benefits

Provision for Compensated Absences and its classification between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation

is done as per the projected unit credit method as at the reporting date.

#### • Short term employee benefits

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

### (k) Financial instruments

#### Financial assets

#### • Classification.

The Company classifies financial assets as subsequently measured at 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.

#### • De-recognition 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 recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

- **Investments in Debt Instruments at FVTPL**

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

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

- **Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at 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.

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

### 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 recognized 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.

- (l) **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

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

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

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

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

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

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

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 financing activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

### The 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 (INDAS-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:

- Animal Welfare (earlier included in Pharmaceuticals Segment) include products for Veterinary use.
- Consumer Products comprise marketing and distribution of Woodward's Gripewater, EVA Range of Cosmetics, Good Home Range of Scrubbers, Air Fresheners, etc. (OwnBrands).
- Medical Devices include Artificial Heart Valves, Orthopedic Implants, etc.
- Foods comprise manufacturing and marketing of Food Products.
- Protective Devices – Manufacturing and Marketing of Condoms.
- Others include Printing and Publishing of Maps and Atlases.
- Human Pharma (earlier included in Pharmaceutical Segment) include products for Human use.

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.



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### (p) Cash and Cash equivalents

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

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

### (q) Share Capital

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

### (r) Government grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

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

### (s) Dividends

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

### (t) Exceptional items.

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

### (u) IND AS 105 - Non Current Assets (or Disposal Group) Classified as Held For Sale

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through

a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal Group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal Group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated Ind AS statement of profit and loss.

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

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

### a. Defined benefit obligations (gratuity and long term compensated absences)

The cost of the defined benefit gratuity plan/Long term Compensated absences and the present value of the gratuity obligation/Long term compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note No- 5.4

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.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

- 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 fair value less costs of disposal and its value-in-use. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- f. Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- g. Promotional Expenditure (including revenue reductions):** The Company conducts promotional activities which include discounts and other pricing allowances, 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 downline, and the existing information system catering to this requirement.
- The costs of these activities are generally recognized at the time the related revenue is recorded, which normally precedes their actual discharge. The recognition of these costs therefore requires management judgment regarding the volume of promotional offers that will be redeemed by the customer. These estimates are made using various techniques including historical data on performance of similar promotional programs. Differences between estimated expense and actual redemptions are normally immaterial and recognized as a change in management estimate in a subsequent period.
- h. Leases:** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.
- The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.
- i. Estimation of uncertainties relating to the global health pandemic from CoVID-19:** The Company has considered the possible effects that may result from the pandemic relating to CoVID-19 on the carrying amounts of inventory, receivables, property, plant and equipment, right to use assets, intangible assets and investments. The Company, as at the date of the approval of these financial statements, has performed evaluation of available information, considered sensitivity on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The impact of CoVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic condition.

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**Notes forming part of Financial Statements (Contd.)**  
for the year ended 31<sup>st</sup> March, 2022

**Note No. 3.1A: Property, Plant and Equipment**

(Rs. in lakhs)

Summary		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amount of</b>		
<b>Freehold Assets:</b>		
Land	898.77	902.44
Buildings	2,309.33	2,423.29
Plant & Equipments	3,504.29	3,902.95
Furniture & Fixtures	58.60	69.37
Vehicles	54.69	59.10
Office Equipments	27.17	35.50
Computers	69.28	64.43
<b>Total - Freehold Assets</b>	<b>6,922.13</b>	<b>7,457.08</b>
Capital Work-in-progress	18.67	44.50
<b>Total Tangible assets</b>	<b>6,940.80</b>	<b>7,501.58</b>

(Rs. in lakhs)

Description	Freehold Assets							
	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
<b>Carrying amount of</b>								
<b>Cost or deemed cost</b>								
<b>Balance at March 31, 2020</b>	902.44	3,107.11	8,758.83	212.16	163.39	174.95	193.59	13,512.47
Additions	–	4.00	105.56	4.25	–	2.27	34.43	150.51
Deletions	–	–	14.22	–	9.49	2.49	1.62	27.82
Transfer from Capital Work-in-progress	–	–	867.38	–	–	–	–	867.38
<b>Balance at March 31, 2021</b>	902.44	3,111.11	9,717.55	216.41	153.90	174.73	226.40	14,502.54
Additions	–	28.43	254.07	3.76	15.55	2.98	44.13	348.92
Deletions	3.67	–	95.68	3.43	5.80	10.44	9.38	128.40
Transfer from Capital Work-in-progress	–	–	368.34	0.40	–	3.58	0.45	372.77
<b>Balance at March 31, 2022</b>	898.77	3,139.54	10,244.28	217.14	163.65	170.85	261.60	15,095.83
<b>Accumulated depreciation and impairment</b>								
<b>Balance at March 31, 2020</b>	–	543.50	4,770.07	128.19	78.08	119.27	126.16	5,765.27
Depreciation for the year	–	144.32	1,055.03	18.85	22.69	22.45	37.18	1,300.52
Deletions	–	–	10.50	–	5.97	2.49	1.37	20.33
Impairment	–	–	–	–	–	–	–	–
<b>Balance at March 31, 2021</b>	–	687.82	5,814.60	147.04	94.80	139.23	161.97	7,045.46
Depreciation for the year	–	142.39	1,018.28	14.92	19.17	14.56	39.09	1,248.41
Deletions	–	–	92.89	3.42	5.01	10.11	8.74	120.17
Impairment	–	–	–	–	–	–	–	–
<b>Balance at March 31, 2022</b>	–	830.21	6,739.99	158.54	108.96	143.68	192.32	8,173.70
<b>Net book value</b>								
Balance at March 31, 2020	902.44	2,563.61	3,988.76	83.97	85.31	55.68	67.43	7,747.20
Balance at March 31, 2021	902.44	2,423.29	3,902.95	69.37	59.10	35.50	64.43	7,457.08
<b>Balance at March 31, 2022</b>	898.77	2,309.33	3,504.29	58.60	54.69	27.17	69.28	6,922.13

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

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

(Rs. in lakhs)

Net carrying amount	Land	Buildings	Plant and Equipment	Vehicles	Total
<b>Gross Block at Cost</b>					
<b>At March 31, 2020</b>	<b>884.69</b>	<b>110.46</b>	<b>3.72</b>	<b>285.41</b>	<b>1,284.28</b>
Additions	–	–	–	30.93	30.93
Reversals (less)	–	–	–	23.59	23.59
<b>At March 31, 2021</b>	<b>884.69</b>	<b>110.46</b>	<b>3.72</b>	<b>292.75</b>	<b>1,291.62</b>
Additions	–	–	–	98.89	98.89
Reversals (less)	–	–	3.72	70.12	73.84
<b>At March 31, 2022</b>	<b>884.69</b>	<b>110.46</b>	<b>–</b>	<b>321.52</b>	<b>1,316.67</b>
<b>Amortizations</b>					
<b>At March 31, 2020</b>	<b>39.92</b>	<b>20.96</b>	<b>3.72</b>	<b>126.06</b>	<b>190.66</b>
Charge for the year	9.98	1.62	–	50.66	62.26
Deductions for the year	–	–	–	23.59	23.59
Currency translation and others	–	–	–	–	–
<b>At March 31, 2021</b>	<b>49.90</b>	<b>22.58</b>	<b>3.72</b>	<b>153.13</b>	<b>229.33</b>
Charge for the year	9.98	1.61	–	52.26	63.85
Deductions for the year	–	–	3.72	69.28	73.00
<b>At March 31, 2022</b>	<b>59.88</b>	<b>24.19</b>	<b>–</b>	<b>136.11</b>	<b>220.18</b>
Balance as at 31 <sup>st</sup> March 2020	844.77	89.50	–	159.35	1,093.62
Balance as at 31 <sup>st</sup> March 2021	834.79	87.88	–	139.62	1,062.29
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>824.81</b>	<b>86.27</b>	<b>–</b>	<b>185.41</b>	<b>1,096.49</b>

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

(Rs. in lakhs)

Carrying amount of	Plant & Equipment	Total
<b>Cost or deemed cost</b>		
<b>Balance at March 31, 2020</b>	<b>877.29</b>	<b>877.29</b>
Additions	44.49	44.49
Transfer to P&L (Impairment)	9.90	9.90
Transfer to Property, Plant & Equipments	867.38	867.38
<b>Balance at March 31, 2021</b>	<b>44.50</b>	<b>44.50</b>
Additions	346.94	346.94
Transfer to Property, Plant & Equipments	372.77	372.77
<b>Balance at March 31, 2022</b>	<b>18.67</b>	<b>18.67</b>
<b>Accumulated impairment</b>		
<b>Balance at March 31, 2020</b>	<b>–</b>	<b>–</b>
Additions	–	–
Deletions	–	–
<b>Balance at March 31, 2021</b>	<b>–</b>	<b>–</b>
Additions	–	–
Deletions	–	–
<b>Balance at March 31, 2022</b>	<b>–</b>	<b>–</b>
<b>Net book value</b>		
Balance at March 31, 2020	877.29	877.29
Balance at March 31, 2021	44.50	44.50
<b>Balance at March 31, 2022</b>	<b>18.67</b>	<b>18.67</b>



**Notes forming part of Financial Statements (Contd.)**  
for the year ended 31<sup>st</sup> March, 2022

As on 31.03.2022						(Rs. in lakhs)
Capital Work-in-progress (CWIP)	Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	18.67	–	–	–	18.67	
Projects temporarily suspended	–	–	–	–	–	

As on 31.03.2021						(Rs. in lakhs)
Capital Work-in-progress (CWIP)	Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	44.50	–	–	–	44.50	
Projects temporarily suspended	–	–	–	–	–	

Note No.3.1D: Other Intangible Assets			(Rs. in lakhs)
Carrying amount of	Computer Software	Total	
<b>Cost or deemed cost</b>			
<b>Balance at March 31, 2020</b>	84.02	84.02	
Additions	–	–	
Transfer from Capital Work-in-progress	–	–	
<b>Balance at March 31, 2021</b>	84.02	84.02	
Additions	–	–	
Transfer from Capital Work-in-progress	–	–	
<b>Balance at March 31, 2022</b>	<b>84.02</b>	<b>84.02</b>	
<b>Accumulated amortization and impairment</b>			
<b>Balance at March 31, 2020</b>	60.32	60.32	
Amortization for the year	8.35	8.35	
Deletions	–	–	
<b>Balance at March 31, 2021</b>	68.67	68.67	
Amortization for the year	6.72	6.72	
Deletions	–	–	
<b>Balance at March 31, 2022</b>	<b>75.39</b>	<b>75.39</b>	
<b>Net book value</b>			
Balance at March 31, 2020	23.70	23.70	
Balance at March 31, 2021	15.35	15.35	
<b>Balance at March 31, 2022</b>	<b>8.63</b>	<b>8.63</b>	

(Rs. in lakhs)		
Particulars	Computer software	Total
Carrying amount of as at March 31, 2022 (Rs. Lakhs)	8.63	8.63
Carrying amount of as at April 01, 2021 (Rs. Lakhs)	15.35	15.35
Estimated useful life (in years)	6	–
Estimated remaining useful life (in years)	2	–

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Note on title deeds status as on 31<sup>st</sup> March, 2022

Description of the item of Property	Gross Carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative / employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Freehold land at Pallavaram	336.71	Orient Pharma Private Limited	No	04-03-1959	Being held in erstwhile name of the Company
Freehold land at Pallavaram	1.48	London Rubber Company (India) Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Puducherry	22.00	TTK-LIG Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Virudhunagar	62.85	London Rubber Company (India) Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Virudhunagar	265.03	TTK LIG Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold building at Ahmedabad	11.90	TTK Pharma Limited	No	10-03-1995	Being held in erstwhile name of the Company
Freehold building at Hyderabad	12.79	TTK Pharma Limited	No	18-04-1994	Being held in erstwhile name of the Company
Freehold building at Kolkata	5.91	TTK Pharma Limited	No	17-01-1994	Being held in erstwhile name of the Company
Freehold building at Indore	34.43	TTK Pharma Limited	No	17-02-1998	Being held in erstwhile name of the Company

### Note on title deeds status as on 31<sup>st</sup> March 2021

Description of the item of Property	Gross Carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative / employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Freehold land at Pallavaram	336.71	Orient Pharma Private Limited	No	04-03-1959	Being held in erstwhile name of the Company
Freehold land at Pallavaram	1.48	London Rubber Company (India) Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Puducherry	22.00	TTK-LIG Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Virudhunagar	62.85	London Rubber Company (India) Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Virudhunagar	265.03	TTK-LIG Limited	No	01-04-2012	Being held in the name of the Company which got merged with the Company
Freehold land at Tirunelveli	3.67	TTK Biomed Limited	No	01-07-1999	Being held in the name of the Company which got merged with the Company
Freehold building at Ahmedabad	11.90	TTK Pharma Limited	No	10-03-1995	Being held in erstwhile name of the Company
Freehold building at Hyderabad	12.79	TTK Pharma Limited	No	18-04-1994	Being held in erstwhile name of the Company
Freehold building at Kolkata	5.91	TTK Pharma Limited	No	17-01-1994	Being held in erstwhile name of the Company
Freehold building at Indore	34.43	TTK Pharma Limited	No	17-02-1998	Being held in erstwhile name of the Company



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

Note No.3.2 Investments		(Rs. in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Non-Current:</b>			
<b>Quoted Investments:</b>			
<b>Investment in Equity Instruments - Carried at Fair Value Through OCI</b>			
1,77,600 Equity Shares of Re.1/- each of TTK Prestige Limited (As at 31 <sup>st</sup> March, 2021 17,760 Equity Shares of Rs.10/- each)	1,468.31	1,287.58	
1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Limited (As at 31 <sup>st</sup> March, 2021 1,000 Equity Shares of Rs.5/- each)	45.16	29.03	
<b>Non-Current Investments Total</b>	<b>1,513.47</b>	<b>1,316.61</b>	
Aggregate cost of quoted instruments	13.37	13.37	
Aggregate market value of quoted instruments	1,513.47	1,316.61	

Note No.3.3 Other Financial Assets - Non-Current		(Rs. in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Unsecured, considered good</b>			
Security Deposits	231.37	231.88	
	<b>231.37</b>	<b>231.88</b>	

Note No.3.4 Deferred Tax Assets (Net)		(Rs. in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Deferred Tax Assets:</b>			
(Also Ref Note 5.6)			
Provision for post retirement benefits and other employee benefits - Compensated Absence	193.03	190.48	
Provision for post retirement benefits and other employee benefits - Gratuity	199.28	203.42	
Water Charges Provision	31.64	31.64	
Stock Returns and Expected Credit Loss	441.63	388.65	
Voluntary Retirement Scheme	-	45.28	
<b>Less: Deferred Tax Liabilities:</b>			
Property, Plant and Equipment and Intangible assets	87.08	187.79	
Revaluation of Equity Instrument	48.22	26.54	
	<b>730.28</b>	<b>645.14</b>	

Note No.3.5 Other Non-Current Assets		(Rs. in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Unsecured, considered good</b>			
Capital Advances	11.18	47.98	
Deposits with Government Departments	32.67	37.52	
	<b>43.85</b>	<b>85.50</b>	

Note No.3.6 Inventories		(Rs. in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Raw Materials	1,617.87	1,380.63	
(b) Work-in-progress	799.26	730.48	
(c) Finished and Semi-finished goods*	5,185.44	4,739.34	
(d) Stock-in-trade (in respect of goods acquired for trading)	150.80	54.03	
(e) Stores and Spares	139.07	125.91	
	<b>7,892.44</b>	<b>7,030.39</b>	

\* include Goods-in-transit - Rs.121.71 lakhs (Previous Year Rs.177.35 lakhs)

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.) for the year ended 31<sup>st</sup> March, 2022

**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, 2022	As at March 31, 2021
Considered good - Secured	-	-
Considered good - Unsecured		
Due from Related Parties (Refer Note No.5.7)	-	-
Others	5,382.33	6,023.47
Less: Allowance for expected credit loss	(24.31)	(45.78)
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	137.45	111.60
Less: Allowance for Credit Impairment	(137.45)	(111.60)
	5,358.02	5,977.69

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

### Note No.3.7A Age of Receivables

As at 31<sup>st</sup> March, 2022

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payments						Total
	Within Credit period	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,552.95	2,703.31	107.61	26.85	9.74	(18.13)	5,382.33
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	20.82	18.35	98.28	137.45
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables credit impaired	-	-	-	-	-	-	-
(vi) Disputed trade receivables credit unimpaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>2,552.95</b>	<b>2,703.31</b>	<b>107.61</b>	<b>47.67</b>	<b>28.09</b>	<b>80.15</b>	<b>5,519.78</b>
Allowance for expected credit loss							24.31
Allowance for credit impairment							137.45
<b>Total (B)</b>							<b>161.76</b>
<b>Total [(A)-(B)]</b>							<b>5,358.02</b>

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

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payments						Total
	Within Credit period	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,989.36	2,812.89	75.44	87.72	47.31	10.75	6,023.47
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	38.59	52.07	20.94	111.60
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables credit impaired	-	-	-	-	-	-	-
(vi) Disputed trade receivables credit unimpaired	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>2,989.36</b>	<b>2,812.89</b>	<b>75.44</b>	<b>126.31</b>	<b>99.38</b>	<b>31.69</b>	<b>6,135.07</b>
Allowance for expected credit loss							45.78
Allowance for credit impairment							111.60
<b>Total (B)</b>							<b>157.38</b>
<b>Total [(A) - (B)]</b>							<b>5,977.69</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

<b>Note No.3.7B Reconciliation of Provision for Credit Impaired Trade Receivables</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
Balance at the beginning of the year	157.38	45.78	
<b>Less:</b> Amount pertaining to Human Pharma Division held for sale in subsequent year	(30.14)	–	
	127.24	45.78	
<b>Add:</b> Allowance for bad and doubtful debts during the year	34.52	111.60	
<b>Balance at the end of the year</b>	<b>161.76</b>	<b>157.38</b>	

<b>Note No.3.8 Cash and Cash Equivalents</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>(a) Balance with banks:</b>			
Balance in Current Account	1,477.03	944.02	
Bank Deposit with original maturity of 3 months or less than 3 months	–	–	
<b>(b) Cash on hand</b>	<b>9.39</b>	<b>11.46</b>	
<b>Total</b>	<b>1,486.42</b>	<b>955.48</b>	

<b>Note No.3.9 Bank balance other than Cash and Cash Equivalents</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Other Bank Balances</b>			
In Deposit Account held as margin money	2.26	2.26	
In Deposit Account held as security against Guarantees	–	15.00	
In Dividend Warrant Account	49.44	52.19	
In Deposit Account with more than 3 months maturity	25,812.64	21,744.20	
<b>Total</b>	<b>25,864.34</b>	<b>21,813.65</b>	

<b>Note No.3.10 Other Financial Assets - Current</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Unsecured, considered good</b>			
Lease Deposit			
With Related Parties (Refer Note No.5.7)	63.50	63.50	
With Others	42.28	52.79	
Earnest Money Deposits	119.64	98.67	
Interest accrued on Fixed Deposits	515.58	420.98	
Security Deposit	5.65	5.65	
<b>Total</b>	<b>746.65</b>	<b>641.59</b>	

<b>Note No.3.11 Other Current Assets</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Unsecured, considered good</b>			
Prepaid expenses / Insurance	237.79	246.23	
Advance to Suppliers	378.59	296.30	
Advance others*	113.57	323.65	
Taxes available for set-off	344.62	202.16	
<b>Total</b>	<b>1,074.57</b>	<b>1,068.34</b>	

\* (Refer Note 5.7 for Related Party Transactions)

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Note No.3.12 Equity Share Capital

(Rs. in lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Authorized Share Capital:</b> 2,00,00,000 Equity Shares of Rs.10/- each (31 <sup>st</sup> March, 2021 - 2,00,00,000 Equity Shares of Rs.10/- each)	<b>2,000.00</b>	<u>2,000.00</u>
<b>Issued, Subscribed and Paid-up Share Capital:</b> 1,41,30,333 Equity Shares of Rs.10/- each (31 <sup>st</sup> March, 2021 - 1,41,30,333 Equity shares of Rs.10/- each)	<b>1,413.03</b>	1,413.03
<b>Total</b>	<b>1,413.03</b>	1,413.03

### Note No.3.12A Movement in respect of Equity Share Capital:

(Rs. in lakhs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
<b>At the beginning of the year</b>	<b>1,41,30,333</b>	<b>1,413.03</b>	1,41,30,333	1,413.03
(+) Issued during the year	-	-	-	-
(-) Redeemed during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,41,30,333</b>	<b>1,413.03</b>	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 shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	Nos.	% of Holding	Nos.	% of Holding
(i) T T Krishnamachari & Co. represented by its Partners	<b>95,32,610</b>	<b>67.46</b>	95,32,610	67.46
(ii) MCap India Fund Limited	<b>4,62,264</b>	<b>3.27</b>	9,00,000	6.37
(iii) Mr T T Jagannathan	<b>7,59,298</b>	<b>5.37</b>	7,59,298	5.37

### Note No.3.12D Dividend on Equity Shares

(Rs. in lakhs)

Particulars	2021-22	2020-21
Final Dividend paid during the year (pertaining to previous year)	<b>847.82</b>	423.91

### Note No.3.13 Other Equity

(Rs. in lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Capital Reserve	<b>681.33</b>	681.33
Capital Redemption Reserve	<b>50.57</b>	50.57
Security Premium	<b>982.49</b>	982.49
General Reserve	<b>7,848.00</b>	7,848.00
Retained earnings	<b>20,094.41</b>	16,771.09
Equity through OCI	<b>1,451.88</b>	1,276.70
Revaluation Reserve	<b>441.43</b>	441.43
<b>Total</b>	<b>31,550.11</b>	28,051.61





## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Note No.3.14 Financial Liabilities – Lease Liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured - at amortised cost:</b>		
Non - Current	133.83	115.77
Current	48.98	38.79
<b>Total</b>	<b>182.81</b>	<b>154.56</b>

Finance Lease is secured by Hypothecation of the leased assets. IRR for the same is 16.20% and these are repayable in equal monthly instalments till December 2026. Refer Note 5.11

### Note No.3.15 Other Financial Liabilities - Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Short Term borrowings:</b>		
Loan Repayable on demand from banks	2,038.44	1,759.82
<b>Total</b>	<b>2,038.44</b>	<b>1,759.82</b>

Nature of Security and Term of Repayment for Secured Loans availed from banks	As at March 31, 2022	As at March 31, 2021
1. Cash Credit facility from Union Bank of India (formerly Corporation Bank) - Secured by hypothecation of stocks, book debts. Repayable on demand at 7.7% interest.	1,404.40	1,165.69
2. Cash Credit facility from Bank of Baroda - Secured by hypothecation of stocks, book debts. Repayable on demand at 9.0% interest.	442.53	100.98
3. Cash Credit facility from HDFC Bank Ltd. - Secured by hypothecation of stocks, book debts. Repayable on demand at 7.55% interest.	191.51	493.15
<b>Total</b>	<b>2,038.44</b>	<b>1,759.82</b>

- The Company has submitted quarterly statement with the banks. There are no significant variances between the figures submitted to the bank and books of accounts.
- The above mentioned hypothecations have been registered with the Registrar of Companies.

### Changes in liabilities arising from financing activities

(Rs. in lakhs)

Net Debt Reconciliation	As at March 31, 2022	As at March 31, 2021
1. Cash and Cash Equivalents	1,486.42	955.48
2. Current Borrowings	(2,038.44)	(1,759.82)
3. Lease Borrowings - Non-Current	(133.83)	(115.77)
4. Lease Borrowings - Current	(48.98)	(38.79)
<b>Net Debt</b>	<b>(734.83)</b>	<b>(958.90)</b>

Particulars	Cash and Cash Equivalents	Current Borrowings	Lease Borrowings	Total
<b>Net Debt as at 1<sup>st</sup> April, 2020</b>	<b>752.89</b>	<b>(2,812.88)</b>	<b>(170.83)</b>	<b>(2,230.82)</b>
Cash Flows	202.59	-	-	202.59
Proceeds from availments	-	-	(81.63)	(81.63)
Repayments	-	1,053.06	97.90	1,150.96
Interest / Tax Expenses	-	(199.22)	(50.62)	(249.84)
Interest / Tax Paid	-	199.22	50.62	249.84
<b>Net Debt as at 1<sup>st</sup> April, 2021</b>	<b>955.48</b>	<b>(1,759.82)</b>	<b>(154.56)</b>	<b>(958.90)</b>
Cash Flows	530.94	-	-	530.94
Proceeds from availments	-	(278.62)	(155.69)	(434.31)
Repayments	-	-	104.21	104.21
Interest / Tax Expenses	-	(367.77)	(58.18)	(425.95)
Interest / Tax Paid	-	367.77	58.18	425.95
<b>Net Debt as at 31<sup>st</sup> March, 2022</b>	<b>1,486.42</b>	<b>(2,038.44)</b>	<b>(206.04)</b>	<b>(758.06)</b>
<b>Lease Borrowing pertaining to Human Pharma Division</b>	<b>-</b>	<b>-</b>	<b>23.23</b>	<b>23.23</b>
<b>Total Net Debt as on 31<sup>st</sup> March, 2022</b>	<b>1,486.42</b>	<b>(2,038.44)</b>	<b>(182.81)</b>	<b>(734.83)</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Note No.3.16 Trade Payables (Rs. in lakhs)

Note No.3.16A Due to Micro and Small Enterprises		
Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount payable (but not due) to suppliers as at year end	2,074.19	1,940.38
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	0.41
Interest accrued and remaining unpaid to suppliers as at year end	-	-
<b>Total</b>	<b>2,074.60</b>	<b>1,940.79</b>

Classification of Micro and Small Enterprises is based on the communications received from the respective suppliers that they are registered as Micro and Small Enterprises.

Note No.3.16B Due to other than Micro and Small Enterprises (Rs. in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Related Parties (Refer Note No.5.7)	97.23	138.85
Others	8,173.89	7,680.98
<b>Total</b>	<b>8,271.12</b>	<b>7,819.83</b>

### Note No.3.16C Trade Payables - Ageing Schedule:

As at March 31, 2022 (Rs. in lakhs)					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,074.19	-	0.41	-	2,074.60
(ii) Others	8,070.83	26.45	18.70	155.14	8,271.12
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

As at March 31, 2021 (Rs. in lakhs)					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,940.38	0.41	-	-	1,940.79
(ii) Others	7,247.26	194.32	79.84	298.41	7,819.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

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

Particulars	As at March 31, 2022	As at March 31, 2021
Refund Liabilities	1,565.31	1,364.63
Unpaid Dividends	49.44	52.19
Other Payables	1,116.36	1,112.27
Liability for Capital Goods	33.43	141.89
Employee Related Liabilities (Refer Note No.5.7 for KMP related payables)	3,346.86	3,545.75
<b>Total</b>	<b>6,111.40</b>	<b>6,216.73</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

<b>Note No.3.18 Provisions</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
<b>Non-Current:</b>			
Provision for Employee Benefits	515.65	789.78	
<b>Total (A)</b>	<b>515.65</b>	789.78	
<b>Current*:</b>			
Provision for Employee Benefits	431.93	490.06	
<b>Total (B)</b>	<b>431.93</b>	490.06	
<b>Total [(A) + (B)]</b>	<b>947.58</b>	1,279.84	

\* Includes provision made for impending Social Security Code, 2020 - Refer Note No.5.4. Also refer Note No.5.3

<b>Note No.3.19 Other Current Liabilities</b>			<b>(Rs. in lakhs)</b>
Particulars	As at March 31, 2022	As at March 31, 2021	
Statutory dues payable	402.12	394.35	
Advance from Customers	216.76	75.34	
<b>Total</b>	<b>618.88</b>	469.69	

<b>Note No.4.1 Revenue from Operations</b>			<b>(Rs. in lakhs)</b>
Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021	
Sale of Products (Net of Sales Returns)	59,607.39	47,323.05	
Other Operating Revenues	316.60	282.81	
<b>Total Revenue from operations</b>	<b>59,923.99</b>	47,605.86	

<b>Note No.4.2 Other Income</b>			<b>(Rs. in lakhs)</b>
Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021	
(a) Interest Income - Fixed Deposits	1,221.15	972.55	
- Others	244.92	8.15	
(b) Dividend Income from Equity Investments at FVTOCI	9.80	7.13	
(c) Other non-operating income (net of expenses directly attributable to such income)	126.02	2.77	
(d) Net foreign exchange gain	31.17	2.87	
<b>Total</b>	<b>1,633.06</b>	993.47	

<b>Note No.4.3 Cost of Materials Consumed</b>			<b>(Rs. in lakhs)</b>
Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021	
Opening Stock of Raw Material & Packing Material	1,358.84	1,111.73	
Purchase of Raw Material & Packing Material	14,605.26	10,067.94	
	<b>15,964.10</b>	11,179.67	
<b>Less:</b> Closing Stock of Raw Material & Packing Material	<b>1,617.87</b>	1,358.84	
<b>Consumption</b>	<b>14,346.23</b>	9,820.83	

<b>Note No.4.4 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress</b>			<b>(Rs. in lakhs)</b>
Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021	
<b>Opening Inventories:</b>			
Finished goods	4,167.87	4,189.02	
Work-in-progress	730.48	885.55	
	<b>4,898.35</b>	5,074.57	
<b>Closing Inventories:</b>			
Finished goods	5,336.24	4,167.87	
Work-in-progress	799.26	730.48	
	<b>6,135.50</b>	4,898.35	
<b>Changes in Inventories</b>	<b>(1,237.15)</b>	176.22	

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Note No.4.5 Employee Benefits Expense

(Rs. in lakhs)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Salaries, Wages and Bonus*	8,854.37	8,212.74
(b) Contribution to Provident and Other Funds	648.76	335.83
(c) Gratuity and Superannuation	351.45	484.79
(d) Contribution to E.S.I.	41.77	40.59
(e) Welfare Expenses	387.89	295.84
<b>Total</b>	<b>10,284.24</b>	<b>9,369.79</b>

\* includes payment made to Contractors

### Note No.4.6 Finance Costs

(Rs. in lakhs)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Interest expense	323.75	171.09
(b) Other borrowing costs	-	-
<b>Total</b>	<b>323.75</b>	<b>171.09</b>

### Note No.4.7 Depreciation and Amortization Expenses

(Rs. in lakhs)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
(a) Depreciation	1,251.64	1,293.61
(b) Amortization Expenses	6.72	8.35
<b>Total</b>	<b>1,258.36</b>	<b>1,301.96</b>

### Note No.4.8 Other Expenses

(Rs. in lakhs)

Particulars	For the year ended 31-03-2022		For the year ended 31-03-2021	
Power & Fuel		1,417.82		1,210.65
Repairs & Maintenance:				
Repairs to Building	55.04		59.60	
Repairs to Machinery	697.52		700.32	
Factory / Office Upkeep	218.50	971.06	233.01	992.93
Consumable Stores		552.16		226.03
General Insurance		63.91		62.10
Rates & Taxes		39.25		48.02
Rent		304.71		212.26
Electricity		164.97		133.10
Printing & Stationery		90.89		67.91
Postage & Telephones		101.81		96.38
Carriage Outwards		2,571.60		2,203.57
Transit Insurance		18.27		16.05
Advertisement & Sales Promotion		8,930.97		6,985.97
Travelling & Conveyance		1,399.62		922.17
Payment to Auditors *		39.62		36.74
Donation		40.49		0.46
Expenditure on Corporate Social Responsibility		65.00		60.00
Depot Service Charges		872.26		772.46
Directors' Sitting Fees		17.00		14.20
Loss on Sale of Assets		1.56		11.93
Loss on Impairment		1.28		1.69
Conversion Charges		61.97		54.00
Provision for Doubtful Debts		28.80		111.60
Bad Debts written off		18.39		18.38
Legal and Consultancy Charges		787.44		455.11
Research and Development Expenses		293.40		265.35
Miscellaneous Expenses		452.30		392.57
<b>Total</b>		<b>19,306.55</b>		<b>15,371.63</b>

\* Payment to Auditors shown above pertains to Continuing operations



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

Payment to Auditors (both for Continuing and Human Pharma Operations):

Particulars	(Rs. in lakhs)	
	For the year ended 31-03-2022	For the year ended 31-03-2021
Fee for Statutory Audit	41.79	37.64
Fee for other services	7.79	11.62
Reimbursement of expenses	0.12	0.00
<b>Total</b>	<b>49.70</b>	<b>49.26</b>

### 5.1 FINANCIAL INSTRUMENTS

#### Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk 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. 6.10 lakhs in FY 2021-22 (Rs.3.77 lakhs in FY 2020-21).

##### (b) Foreign Currency Risk

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

The details of foreign currency exposures not hedged by derivative instruments are as under :

Particulars	Currency	As at March 31, 2022 (Amount in lakhs)		As at March 31, 2021 (Amount in lakhs)	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Receivables	USD	2.5624	194.10	4.9129	361.12
Trade Payables	USD	0.1388	10.51	0.2183	16.05
Trade Payables	EURO	0.0004	0.03	-	-
Liability for Capital Goods	EURO	-	-	1.0000	86.10

#### Foreign Currency Sensitivity Analysis

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

Particulars	March 31, 2022		March 31, 2021	
	USD	EURO	USD	EURO
<b>Receivables:</b>				
Weakening of INR by 5%	9.71	-	18.06	-
Strengthening of INR by 5%	(9.71)	-	(18.06)	-
<b>Payables:</b>				
Weakening of INR by 5%	(0.53)	(0.002)	(0.80)	(4.30)
Strengthening of INR by 5%	0.53	0.002	0.80	4.30

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### (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.

#### 5.1.2 Credit Risk

Credit risk is the risk that counterparty 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 amounting to Rs.35,200.27 lakhs (Previous year Rs.30,936.90 lakhs). None of the other financial instruments of the Company result in material concentration of credit risk.

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

The Company does not have significant credit exposure to any single customer. Concentration of credit risk to a single customer exceeding 10% of receivables in the FY 2021-22 is NIL. (FY 2020-21 - Rs.957.24 Lakhs ).

Bank Deposits include an amount of Rs.247.70 crores with two Indian Banks having high credit rating which are individually in excess of 10% of the total deposits of the entity as on March 31, 2022. And None of the other financial instruments of the entity result in material concentration of credit risk.

#### 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 March 31, 2022, 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 homogenous 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.



**Notes forming part of Financial Statements (Contd.)**  
for the year ended 31<sup>st</sup> March, 2022

<b>Liabilities</b>						(Rs. in lakhs)
Particulars	Carrying Amount	Contractual cash flows	Less than 1 Year	1-5 years	More than 5 years	
<b>As at 31<sup>st</sup> March, 2022</b>						
<b>Lease Liabilities</b>	<b>182.81</b>	<b>231.19*</b>	<b>72.03</b>	<b>159.16</b>		<b>-</b>
<b>Borrowings</b>	<b>2,038.44</b>	<b>2,038.44</b>	<b>2,038.44</b>			<b>-</b>
<b>Trade Payables</b>	<b>10,345.72</b>	<b>10,345.72</b>	<b>10,345.72</b>			<b>-</b>
<b>Other financial liabilities</b>	<b>6,111.40</b>	<b>6,111.40</b>	<b>6,111.40</b>			<b>-</b>
<b>As at 31<sup>st</sup> March 2021</b>						
Lease Liabilities	154.56	196.66*	58.78	137.88		-
Borrowings	1,759.82	1,759.82	1,759.82			-
Trade Payables	9,760.62	9,760.62	9,760.62			-
Other financial liabilities	6,216.73	6,216.73	6,216.73			-

\* includes interest dues

<b>Assets</b>						(Rs. in lakhs)
Particulars	Carrying Amount	Contractual cash flows	Less than 1 Year	1-5 years	More than 5 years	
<b>As at 31<sup>st</sup> March, 2022</b>						
<b>Investments</b>	<b>1,513.47</b>	<b>1,513.47</b>				<b>1,513.47</b>
<b>Cash and Cash Equivalents</b>	<b>1,486.42</b>	<b>1,486.42</b>	<b>1,486.42</b>			<b>-</b>
<b>Bank balances other than above</b>	<b>25,864.34</b>	<b>25,864.34</b>	<b>25,864.34</b>			<b>-</b>
<b>Trade Receivables</b>	<b>5,358.02</b>	<b>5,358.02</b>	<b>5,358.02</b>			<b>-</b>
<b>Other Financial Assets</b>	<b>978.02</b>	<b>978.02</b>	<b>978.02</b>			<b>-</b>
<b>As at 31<sup>st</sup> March, 2021</b>						
Investments	1,316.61	1,316.61				1,316.61
Cash and Cash Equivalents	955.48	955.48	955.48			-
Bank balances other than above	21,813.65	21,813.65	21,813.65			-
Trade Receivables	5,977.69	5,977.69	5,977.69			-
Other Financial Assets	873.47	873.47	873.47			-

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

- Financial Assets measured at fair value amounting to Rs.1,513.47 lakhs and measured at amortised cost amounting to Rs.33,686.80 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.28,328.78 lakhs as at March 31, 2022 carried at amortised cost is in the form of cash and cash equivalents, bank deposits, earmarked balances with banks, interest accrued on bank deposits and others security deposits where the Company has assessed the counterparty credit risk.
- Trade receivables of Rs.5,358.02 lakhs as at March 31, 2022 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method.
- The Company has specifically evaluated the potential impact with respect to certainty of collections from its customers.
- Since the Company closely monitors the financial strength of its customers & investments on a continuing basis and assesses actions such as changes in payment terms, no provision is deemed necessary.

**5.1.8 Financing Facilities**

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

(Rs. in lakhs)		
Sanctioned	2021-22	2020-21
Funded Limit	<b>3,250.00</b>	3,250.00
Non-Funded Limit	<b>775.00</b>	775.00

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

		(Rs. in lakhs)	
<b>Utilized</b>		<b>2021-22</b>	2020-21
Amount Utilized (Funded)		2,038.44	1,759.82
Amount Utilized (Non-Funded)		52.30	193.39
<b>Unutilized</b>		<b>2021-22</b>	2020-21
Amount Unutilized (Funded)		1,211.56	1,490.18
Amount Unutilized (Non-Funded)		722.70	581.61
<b>Assets pledged as Security*</b>		<b>2021-22</b>	2020-21
Inventories		7,892.44	7,030.39
Trade Receivables		5,358.02	5,977.69
<b>Total</b>		<b>13,250.46</b>	<b>13,008.08</b>

\* Exclude Human Pharma Assets pledged

### 5.1.9 Financial Instruments

Financial Assets and Liabilities

#### (a) Fair Value Measurement:

		(Rs. in lakhs)			
Particulars	FVTOCI	FVTPL	Amortised cost	Total	Carrying amount
<b>As at 31<sup>st</sup> March, 2022</b>					
<b>A. Financial assets</b>					
(i) Non-Current investments	1,513.47	-	-	1,513.47	1,513.47
(ii) Trade receivables	-	-	5,358.02	5,358.02	5,358.02
(iii) Cash and cash equivalents	-	-	1,486.42	1,486.42	1,486.42
(iv) Bank balances other than (iii) above	-	-	25,864.34	25,864.34	25,864.34
(v) Other financial assets (Current and Non-current)	-	-	978.02	978.02	978.02
<b>Total</b>	<b>1,513.47</b>	<b>-</b>	<b>33,686.80</b>	<b>35,200.27</b>	<b>35,200.27</b>
<b>B. Financial Liabilities</b>					
(i) Borrowings	-	-	2,038.44	2,038.44	2,038.44
(ii) Lease Liabilities (Current and Non-current)	-	-	182.81	182.81	182.81
(iii) Trade payables	-	-	10,345.72	10,345.72	10,345.72
(iv) Other financial liabilities (Current and Non-current)	-	-	6,111.40	6,111.40	6,111.40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>18,678.37</b>	<b>18,678.37</b>	<b>18,678.37</b>

		(Rs. in lakhs)			
Particulars	FVTOCI	FVTPL	Amortised cost	Total	Carrying amount
<b>As at 31<sup>st</sup> March, 2021</b>					
<b>A. Financial assets</b>					
(i) Non-Current investments	1,316.61	-	-	1,316.61	1,316.61
(ii) Trade receivables	-	-	5,977.69	5,977.69	5,977.69
(iii) Cash and cash equivalents	-	-	955.48	955.48	955.48
(iv) Bank balances other than (iii) above	-	-	21,813.65	21,813.65	21,813.65
(v) Other financial assets (Current and Non-current)	-	-	873.47	873.47	873.47
<b>Total</b>	<b>1,316.61</b>	<b>-</b>	<b>29,620.29</b>	<b>30,936.90</b>	<b>30,936.90</b>
<b>B. Financial Liabilities</b>					
(i) Borrowings	-	-	1,759.82	1,759.82	1,759.82
(ii) Lease Liabilities (Current and Non-current)	-	-	154.56	154.56	154.56
(iii) Trade payables	-	-	9,760.62	9,760.62	9,760.62
(iv) Other financial liabilities (Current and Non-current)	-	-	6,216.73	6,216.73	6,216.73
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,891.73</b>	<b>17,891.73</b>	<b>17,891.73</b>

Inventories and Trade receivables are subject to charge with the banks as security for the loan facilities availed by the Company.





## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### (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.

### (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, 2022				
Particulars	Level 1	Level 2	Level 3	Total
<b>A. Financial Assets</b>				
(i) Non-Current Investments	1,513.47	–	–	1,513.47

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

### (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	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) Financial assets at amortized cost</b>		
Interest income on Bank Deposits	1,221.15	972.55
Interest income on other Financial Assets	6.95	8.15
Impairment of Trade Receivables	(18.39)	(27.59)
Provisions for Bad and doubtful debts	(32.02)	(111.60)
Bad Debts written off recovered	12.92	15.62
<b>(b) Financial asset at FVTOCI</b>		
Change in fair value of equity instruments designated irrevocably as FVTOCI	196.86	441.27
Dividend Income	9.80	7.13
<b>(c) Financial liabilities at amortized cost</b>		
Interest expenses on borrowings from banks, others and overdrafts	147.35	147.93
Sundry Creditors written back	25.35	66.68

#### 5.1.10 Capital Management:

The Company's capital comprises Equity Share Capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total Paid up Equity Share Capital as on March 31, 2022 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:

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

	(Rs. in lakhs)	
	2021-22	2020-21
<b>Borrowings</b>		
Loan Repayable on demand from banks	2,038.44	1,759.82
Long term maturities of lease obligation	133.83	115.77
Current maturities of lease obligation	48.98	38.79
<b>Total Debt (A)</b>	<b>2,221.25</b>	<b>1,914.38</b>
<b>Debt as a % of Total Capital</b>	<b>6.31%</b>	<b>6.10%</b>
<b>Total Equity</b>		
Equity share capital	1,413.03	1,413.03
Other equity	31,550.11	28,051.61
<b>Total Equity (B)</b>	<b>32,963.14</b>	<b>29,464.63</b>
<b>Equity as a % of Total Capital</b>	<b>93.69%</b>	<b>93.90%</b>
<b>Total Capital (A + B)</b>	<b>35,184.39</b>	<b>31,379.01</b>
<b>Capital Gearing Ratio</b>	<b>6.74%</b>	<b>6.50%</b>

Borrowings represent 6.31% and 6.10% as of 31<sup>st</sup> March, 2022 & 2021, respectively.  
The Company is not subjected to any externally imposed capital requirements.

### 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, U/s.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	2021-22	2020-21
a. Capital	43.54	-
b. Recurring	294.13	265.38
c. Total	337.66	265.38
d. % of R & D expenses to sales of Continuing operations and Human Pharma Operations	0.42%	0.42%

Recurring Expenditure details are as follows:	2021-22	2020-21
Cost of Materials consumed	40.90	33.31
Salaries and Wages	211.00	208.50
Repairs and Maintenance	8.13	14.24
Others	34.10	9.33
<b>Total</b>	<b>294.13</b>	<b>265.38</b>

The above expenditure includes Rs.40.31 lakhs & Rs.31.86 lakhs spent on Capital assets and expenses, respectively, in respect of Improved TC2 Heart Valve project for which the Company has received subsidy from the Biotechnology Industry Research Assistance Council (BIRAC).

### 5.3 Provision, Contingent Liabilities and Commitments:

	(Rs. in lakhs)	
Particulars	2021-22	2020-21
<b>A) Provisions</b>		
<b>(a) Non-Current:</b>		
Provision for Compensated Absences	401.46	675.59
Provision for Gratuity	114.19	114.19
	<u>515.65</u>	<u>789.78</u>
<b>(b) Current:</b>		
Provision for Compensated Absences	11.90	219.08
Provision for Gratuity	420.03	270.98
	<u>431.93</u>	<u>490.06</u>
<b>Total [(a)+(b)]</b>	<b>947.58</b>	<b>1,279.84</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

(Rs. in lakhs)

<b>B) Contingent Liabilities not provided for:</b>		
<b>Claims against the Company not acknowledged as debt</b>		
Income tax matters	1,761.77	468.69
Indirect Tax Matters - (Sales tax/Service tax/Customs Duty/Excise Duty)	547.09	542.92
Bank Guarantees / Bonds executed by the Company	257.78	393.94
Others Matters including Claims related to Employees / Ex-Employees	43.68	42.59
	<u>2,610.32</u>	<u>1,448.14</u>
<b>C) Commitments not provided for:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	10.34	138.92
<b>D) Other Legal Cases:</b>		
(i) There are certain pending matters / litigations including labour matters before certain forums 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, by way of Notification No.SO 3348 dated 5 <sup>th</sup> November 2013, fixed ceiling prices for sale of condoms. The Company challenged inclusion of Condoms under DPCO 2013 and also the methodology for arriving at the Ceiling Prices for Condoms by a writ petition in the Hon'ble High Court of Madras. During 2015-16, the Hon'ble High Court of Delhi and Madras ruled that Condoms are drugs but fixation of ceiling 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 filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. The Company also filed SLP before Hon'ble Supreme Court against some points of the order of the Hon'ble High Court of Madras. Financial impact, if any, based on the outcome of the pending case is not quantifiable and hence not provided for in the books.		

### 5.4 As per Ind AS - 19 "Employee Benefits", the disclosures are given below.

#### (A) Defined Contribution Plan:

	(Rs. in lakhs)	
<b>Contributions to Defined Contribution Plan, recognized as expense for the year are as under:</b>	<b>2021-22</b>	<b>2020-21</b>
Employer's Contribution to Provident Fund *	763.36	732.52
Employer's Contribution to Superannuation Fund *	261.29	252.05

\* Above includes Human Pharma Operations related contributions.

#### (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.

The Company pays Gratuity to employees who have completed five years of Service with the Company at the time of resignation / Superannuation. The Company has its own scheme for payment of Gratuity. The employees who are eligible for payment of Gratuity will be paid based on Company Scheme or as per Gratuity Act, whichever is beneficial to the employees. As per Gratuity Act, Gratuity is paid at the rate of 15 days of last drawn salary for every completed year of service.

As per Company's Scheme, Gratuity is paid as below:

Completed Year of Service	Benefit
5 Years and above upto 9 years	1/2 (Half) month's Salary for every completed year of service
10 years and more upto 14 years	3/4 (75%) month's Salary for every completed year of service
15 years and more upto 25 years	15 months Salary
26 years or more	20 months Salary
Note: "Salary" means last 36 months' average salary.	

The Gratuity liability amount is contributed to approved Gratuity Fund maintained by the Life Insurance Corporation of India for Gratuity payment to the employees. The Gratuity fund has been approved by the Income Tax Authorities. The liability in respect of Gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

The entire funds relating to Gratuity is being managed by Life Insurance Corporation of India.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 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*	
	2021-22	2020-21	2021-22	2020-21
<b>Changes in the present value of defined benefit obligation</b>				
Opening defined benefit obligation	2,565.59	2,321.04	754.11	654.01
Interest Cost	162.04	153.85	40.45	40.42
Current service cost	186.30	168.27	99.79	112.65
Past service cost	–	–	–	–
Benefits paid	(148.06)	(156.56)	(167.80)	(136.09)
Actuarial Losses/(Gains)	13.55	78.99	40.41	83.12
Closing defined benefit obligation	2,779.43	2,565.59	766.96	754.11
<b>Changes in the fair value of plan assets</b>				
Opening fair value of plan assets	2,644.63	2,194.84	–	–
Expected return on plan assets	166.55	145.12	–	–
Contributions	263.96	508.25	–	–
Benefits paid	(148.06)	(156.56)	(167.80)	(136.09)
Actuarial gains/(losses)	30.00	(47.02)	65.13	83.12
Closing fair value of plan assets	2,957.07	2,644.63	–	–
<b>Amount to be recognised in the Statement of Profit and Loss</b>				
Current Service Cost	186.30	168.27	99.79	112.65
Net Interest cost	(4.51)	8.73	40.45	40.42
Actuarial Losses/(Gains)	(16.45)	126.00	40.41	83.12
<b>Total</b>	<b>165.35</b>	<b>303.00</b>	<b>180.64</b>	<b>236.19</b>
Amount to be recognized in OCI - Actuarial losses/(Gains)	(16.45)	126.00	–	–

\* Excludes Compensated Absence - Sick leave - Rs 152.53 Lakhs (FY 2020-21 - Rs.140.56 Lakhs).

Expected contribution for the next annual reporting period is Rs.804.30 lakhs

**Plan Assets:** The Gratuity plan's weighted-average assets allocation at March 31, 2022 and March 31, 2021, by assets category is as follows:

	2021-22	2020-21
<b>Fund managed by insurers</b>	<b>100%</b>	<b>100%</b>

### Sensitivity Analysis

#### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in gratuity fund maintained by the Life Insurance Corporation of India.

#### Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

#### Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salary of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitive analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

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	(5.47)	152.14	0.50	(2.96)	(22.68)
	Decrease	(1.00)	6.18	(171.84)	(0.50)	3.18	24.41
Salary escalation rate (per annum)	Increase	1.00	6.24	(173.36)	0.50	3.22	24.69
	Decrease	(1.00)	(5.62)	156.08	(0.50)	(3.02)	(23.16)
Attrition Rate	Increase	0.50	(0.36)	9.90	0.50	1.12	8.60
	Decrease	(0.50)	0.76	(21.26)	(0.50)	(1.72)	(13.20)
Mortality Rate	Increase	1.00	0.03	(0.79)	0.50	0.02	0.15
	Decrease	(1.00)	(0.03)	0.79	(0.50)	(0.02)	(0.15)

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

Particulars	Gratuity		Compensated Absence	
	2021-22	2020-21	2021-22	2020-21
1 year	804.30	612.20	189.48	173.81
2 to 5 years	1,047.36	991.70	359.89	324.77
6 to 10 years	941.32	924.53	235.55	231.74
More than 10 years	1,800.22	1,766.73	448.57	511.02

### Assumptions

Particulars	Gratuity (in %)		Compensated Absence (in %)	
	2021-22	2020-21	2021-22	2020-21
Discount rate	5.85 – 7.25	5.25 – 6.75	5.85 – 7.25	5.25 – 6.75
Escalation Rate	5.00	5.00	5.00	5.00
Attrition Rate	3% for employees in Management Cadre and employees in PDD Division. 25% for Field Staff	3% for employees in Management Cadre and employees in PDD Division. 25% for Field Staff	3% for employees in Management Cadre and employees in PDD Division. 25% for Field Staff	3% for employees in Management Cadre and employees in PDD Division. 25% for Field Staff

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable Government bonds as on the current valuation date.

Escalation Rate is based on the Company's past revision trends and management's estimate of future salary increases.

Attrition Rate considered is the Management's estimate based on the past long-term trend of employee turnover in the Company.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The above mentioned figures include Human Pharma Division related amounts.

Implementation of the Code on Social Security 2020, which is likely to impact the contributions by the Company towards Provident Fund, Gratuity and other related areas has been deferred by the Government beyond April 1, 2021. However, the Company had made an initial assessment based on the draft rules and had provided a sum of Rs 350 lakhs in the previous year towards the expected impact to its employee benefit expenses. The Company intends to do an actuarial valuation towards this liability at the appropriate time and provide for the balance, if any. Expecting the Code to be enacted in the coming Financial Year, the amount provided in the previous year is included under 'Provisions - Current'. Refer Note 3.18.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 5.5 Reconciliation of effective tax rates

#### 5.5.A Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

Particulars	(Rs. in lakhs)	
	March 31, 2022	March 31, 2021
Profit for the year from Continuing operations	2483.73	2262.16
Profit for the year from Human Pharma operations held for sale in subsequent year	3294.14	1443.03
Profit before tax from continuing operations and Human Pharma operations (a)	5,777.87	3,705.19
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	1,454.17	932.52
<b>Permanent tax differences due to:</b>		
Effect of income that is exempt from taxation (dividend income & standard deduction on rental income)	(0.10)	(0.19)
Effect of expenses that are not deductible in determining taxable profit	152.27	76.73
Other Adjustments	12.70	16.83
Income tax expense recognised in profit or loss (relating to continuing operations and Human Pharma operations)	1,619.04	1,025.89
<b>Comprising:</b>		
Current Tax	1,730.00	1,225.00
Deferred tax	(110.96)	(199.11)
Income tax recognised in other comprehensive income	25.82	(29.88)

#### 5.5.B Exceptional Item

- (i) **Exceptional Items relating to FY 2021-22:** In September, 2021, the Company sold land admeasuring 4.595 acres held by it at Perungudi Village, Tirunelveli District, Tamilnadu on which the Company earned a profit of Rs.249.05 lakhs.
- (ii) **Exceptional Items relating to FY 2020-21:** The Company's claim in respect of tax benefits due to adjustment of unabsorbed losses and depreciation of the erstwhile TTK Protective Devices Limited and TSL Techno Services Limited which merged with the Company w.e.f. 1<sup>st</sup> April, 2012, (shown as Contingent Asset in earlier years), was allowed. The Company received the revised assessment orders in the previous FY 2020-21 and the refund received was accounted as follows:
- Rs.809.79 lakhs towards Interest on Tax Refund received was treated as Exceptional Income; and
  - Balance Refund received (net of provisions of Rs 999.74 lakhs considered necessary) of Rs.1,964.81 lakhs was accounted as Tax Refund relating to earlier years.

#### 5.6 During the year, the Company has accounted for Deferred Tax asset in accordance with the Ind AS 12 and the movement of the deferred tax assets and liabilities are given below:

Particulars	(Rs. in lakhs)			
	As at 31 <sup>st</sup> March, 2021	(Charged)/ credited to profit or loss	(Charged)/ credited to other comprehensive income	As at 31 <sup>st</sup> March, 2022
<b>Deferred Tax Asset (Net) in relation to:</b>				
Provision for post retirement benefits and other employee benefits-Compensated Absence	190.48	2.55	-	193.03
Provision for post retirement benefits and other employee benefits-Gratuity	203.42	-	(4.14)	199.28
Water Charges Provision	31.64	-	-	31.64
Stock Returns and Expected Credit Loss	388.65	52.98	-	441.63
Voluntary Retirement Scheme	45.28	(45.28)	-	-
<b>Deferred Tax Assets (Net)</b>	<b>859.47</b>	<b>10.25</b>	<b>(4.14)</b>	<b>865.58</b>
<b>Less: Deferred Tax Liabilities:</b>				
Property Plant and Equipment and Intangible assets	187.79	(100.71)	-	87.08
Revaluation of Equity instrument	26.54	-	21.68	48.22
<b>Deferred Tax Liabilities (Net)</b>	<b>214.33</b>	<b>(100.71)</b>	<b>21.68</b>	<b>135.30</b>
<b>Deferred Tax Assets / (Liabilities)</b>	<b>645.14</b>	<b>110.96</b>	<b>(25.82)</b>	<b>730.28</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 5.7 Related Party Transactions:

#### a) The Company had transactions with the following Related Parties:

Description of Relationship	Party
Enterprise with Significant Control	T T Krishnamachari & Co
Enterprises over which Key Managerial Personnel (KMP) have significant control	TTK Prestige Limited
	Packwell Packaging Products Limited
	Pharma Research & Analytical Laboratories
	TTK Tantex Limited
Directors	Mr T T Jagannathan
	Mr T T Raghunathan (KMP)
	Mr S Kalyanaraman (KMP)
	Mr R K Tulshan
	Mr K Shankaran
	Dr (Mrs) Vandana R Walvekar
	Mr Girish Rao
	Mr S Balasubramanian
	Mr N Ramesh Rajan
Mr V Ranganathan	
Other Key Managerial Personnel	Mr B V K Durga Prasad
Relatives of KMP (With whom transactions have taken place during the period)	Mrs Latha Jagannathan
	Mrs Bhanu Raghunathan
	Mrs Shanthi Ranganathan
	Mr T T Mukund
	Mr T T Lakshman
	Mr T T Venkatesh
Other Related Parties	Mr T T Sriram
	TTK Healthcare Limited - Senior Executives Superannuation Scheme
	TTK Healthcare Limited - Employees' Group Gratuity Scheme
	TTK Healthcare Limited (Protective Devices Division) Employees Gratuity Fund
	TTK Healthcare Limited (Protective Devices Division) Senior Executives Superannuation Fund

#### b) Summary of the transactions with the above related parties is as follows: (Transactions are inclusive of taxes wherever applicable)

Party	Nature	Amount (Rs. in lakhs)	
		2021-22	2020-21
<b>Enterprise with Significant Control:</b>			
T T Krishnamachari & Co	Rent Expense	72.57	73.99
	Logo Charges Paid	478.88	381.89
	Depot Service Charges Paid	580.23	469.34
	Reimbursement of Electricity Charges paid	33.91	33.03
	Reimbursement of Stay Expenses	-	2.52
	Dividend Paid	571.96	285.98
<b>Enterprises over which Key Managerial Personnel (KMP) have significant control:</b>			
TTK Prestige Limited	Purchase of Promotional Items	38.31	33.33
	Rent Receipt	0.01	0.01
	Reimbursement of Expenses Receivable	-	0.08
	Dividend Received	9.77	7.10
	Sale of Goods	-	(8.98)
	Dividend Paid	0.09	0.04

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

Packwell Packaging Products Limited	Packing Charges Paid	60.78	52.78
	Dividend Paid	0.53	0.26
	Rent Expense	14.87	14.87
Pharma Research & Analytical Laboratories	Analytical Charges paid	74.40	133.90
	Rent Receipts	1.42	2.83
TTK Tantex Limited	Dividend Paid	0.52	0.26
<b>Directors:</b>			
Mr T T Jagannathan	Dividend Paid	45.56	22.78
<b>Key Managerial Personnel:</b>			
Mr T T Raghunathan	Salary (includes contribution to defined benefit plans)	95.17	74.81
	Commission & Incentive	212.93	129.10
	Dividend Paid	2.33	1.16
Mr S Kalyanaraman	Salary (includes contribution to defined benefit plans)	133.59	119.06
	Additional Performance Bonus	97.49	–
	Commission	77.02	40.78
	Dividend Paid	0.03	0.01
Mr B V K Durga Prasad	Salary (includes contribution to defined benefit plans)	101.03	89.88
	Special Pay	25.00	–
<b>Relatives of KMP:</b>			
Mrs Shanthi Ranganathan	Dividend Paid	3.50	1.75
Mrs Latha Jagannathan	Dividend Paid	1.78	0.89
Mrs Bhanu Raghunathan	Dividend Paid	3.36	1.68
Mr T T Mukund	Dividend Paid	0.85	0.42
Mr T T Lakshman	Dividend Paid	0.85	0.42
Mr T T Venkatesh	Dividend Paid	0.84	0.42
Mr T T Sriram	Salary	13.80	14.19
<b>Other Related Parties:</b>			
TTK Healthcare Limited - Senior Executives Superannuation Scheme	Contribution to Superannuation Fund	10.53	12.37
TTK Healthcare Limited - Employees' Group Gratuity Scheme	Contribution to Gratuity fund	243.15	489.11
TTK Healthcare Limited (Protective Devices Division) Employees Gratuity Fund	Contribution to Gratuity fund	20.81	19.14
TTK Healthcare Limited (Protective Devices Division) Senior Executives Superannuation Fund	Contribution to Superannuation Fund	250.76	239.68

Variable pay of KMPs which is included in salary is disclosed on payment basis.

### Directors' Sitting Fees\*

(Rs. in lakhs)

Name of the Director	Sitting Fees	
	2021-22	2020-21
Mr T T Jagannathan	1.00	0.80
Mr R K Tulshan	2.00	2.00
Mr K Shankaran	3.80	3.00
Dr (Mrs) Vandana R Walvekar	1.60	1.40
Mr Girish Rao	2.80	2.60
Mr S Balasubramanian	2.40	1.60
Mr N Ramesh Rajan	1.40	1.20
Mr V Ranganathan	2.00	1.60
<b>Total</b>	<b>17.00</b>	<b>14.20</b>

\* Exclusive of GST





## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Closing Balance:

(Rs. in lakhs)

Party	As at March 31, 2022		As at March 31, 2021	
	Receivable	Payable	Receivable	Payable
T T Krishnamachari & Co	40.00	86.89	40.00	84.31
TTK Prestige Limited	–	9.20	–	5.08
Packwell Packaging Products Limited	23.50	6.93	23.50	5.43
Pharma Research & Analytical Laboratories	–	–	–	44.03
Mr T T Raghunathan	–	212.93	–	129.10
Mr S Kalyanaraman	–	174.51	–	40.78
Mr T T Lakshman	–	–	–	0.10
Mr B V K Durga Prasad	–	25.00	–	–
TTK Healthcare Limited - Employees' Group Gratuity Scheme	–	–	75.00	–
<b>Total</b>	<b>63.50</b>	<b>515.46</b>	<b>138.50</b>	<b>308.83</b>

Note:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 5.8 Earnings per Share:

(Rs. in lakhs)

Particulars	2021-22	2020-21
Profit attributable to equity shareholders from Continuing operations	1,851.02	3,678.17
Profit attributable to equity shareholders from Human Pharma operations held for sale in subsequent year	2,307.81	965.94
Profit attributable to equity shareholders from Continuing operations & Human Pharma operations held for sale in subsequent year	4,158.83	4,644.11
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 from Continuing operations (Rs.)	13.10	26.03
Earnings per share of Rs.10/-each from Human Pharma operations held for sale in subsequent year (Rs.)	16.33	6.84
Earnings per share of Rs.10/-each from Continuing operations & Human Pharma operations held for sale in subsequent year (Rs.)	29.43	32.87

### 5.9 Corporate Social Responsibility (CSR):

In accordance with Section 135 of the Companies Act, 2013, and the Rules made thereunder, the Company is required to spend in every financial year, at least 2% of the average net profit of the Company made during the three immediately preceding financial years towards Corporate Social Responsibility activities. During the year under review, a sum of Rs.63.82 lakhs has to be spent, in compliance to this requirement. Accordingly, a sum of Rs. 65 lakhs has been spent during the year under review towards CSR activities as detailed below and the unspent amount is Rs. Nil.

(Rs. in lakhs)

CSR Expenditure	For the year ended 31 <sup>st</sup> March, 2022			For the year ended 31 <sup>st</sup> March, 2021		
	In cash	Yet to be paid in cash	Total in cash	In cash	Yet to be paid in cash	Total in cash
i) Construction/acquisition of an asset	–	–	–	–	–	–
ii) Purposes other than (i) above						
Health & wellness	–	–	–	32.00	–	32.00
Building livelihood	–	–	–	–	–	–
Educational assistance for children	–	–	–	25.00	–	25.00
Environmental Sustainability, Ecological balance, etc.	–	–	–	–	–	–
Heritage conservation and promotion	–	–	–	3.00	–	3.00
Disaster Management - CoVID-19 containment	65.00	–	65.00	–	–	–
<b>Total (ii)</b>	<b>65.00</b>	<b>–</b>	<b>65.00</b>	<b>60.00</b>	<b>–</b>	<b>60.00</b>
<b>Amount unspent</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 5.10 Segment Reporting:

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

- (a) Animal Welfare
- (b) Consumer Products
- (c) Medical Devices
- (d) Protective Devices
- (e) Foods
- (f) Others
- (g) Human Pharma

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.

#### Segmentwise Revenue, Results & Capital Employed:

(Rs. in lakhs)

	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A.</b>	<b>Segment Revenue:</b>	<b>9,910.79</b>	<b>7,797.38</b>
	Animal Welfare	21,743.70	17,485.02
	Consumer Products	5,091.90	2,673.24
	Medical Devices	13,326.15	9,457.14
	Protective Devices	9,803.44	10,162.14
	Foods	48.01	30.94
	Others	19,804.34	16,046.93
	Human Pharma Operations held for sale in subsequent year	79,728.33	63,652.79
	<b>Total Segment Revenue</b>	<b>-</b>	<b>-</b>
	<b>Less: Inter Segment Revenue</b>	<b>79,728.33</b>	<b>63,652.79</b>
	<b>Net Sales</b>		
<b>B.</b>	<b>Segment Results:</b>		
	<b>(a) Profit / (Loss) before Interest &amp; Tax</b>		
	Animal Welfare	928.71	630.91
	Consumer Products	2,323.23	2,026.89
	Medical Devices	319.68	(535.21)
	Protective Devices	(536.22)	(330.32)
	Foods	(244.69)	103.47
	Others	33.00	25.29
	Human Pharma Operations held for sale in subsequent year	4,001.61	2,076.21
	<b>Total Segment Results</b>	<b>6,825.32</b>	<b>3,997.24</b>
	<b>Less: Interest Expenses</b>	<b>396.24</b>	<b>222.38</b>
	<b>Less: Unallocable Expenses (Net of Unallocable Income)</b>	<b>651.21</b>	<b>69.67</b>
	<b>Total Profit/(Loss) before Tax</b>	<b>5,777.87</b>	<b>3,705.19</b>



**Notes forming part of Financial Statements (Contd.)**  
for the year ended 31<sup>st</sup> March, 2022

<b>(b) Major Segment Expenses</b>						
Particulars	For the year ended 31 <sup>st</sup> March, 2022			For the year ended 31 <sup>st</sup> March, 2021		
	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense	Cost of Materials Consumed	Employee Benefits Expense	Depreciation and Amortization Expense
Animal Welfare	5,414.90	1,242.72	27.27	4,283.34	1,015.01	20.32
Consumer Products	9,111.97	2,253.98	51.59	6,495.46	2,008.71	50.15
Medical Devices	1,340.67	1,385.91	121.14	841.63	1,312.16	106.24
Protective Devices	6,536.30	2,686.18	179.70	3,703.35	2,499.22	202.89
Foods	5,724.97	1,517.82	878.32	5,596.55	1,408.58	922.03
Others	20.66	1,197.63	0.34	12.16	1,126.11	0.34
Human Pharma Operations held for sale in subsequent year	5,191.94	6,985.45	60.62	4,241.28	6,637.74	69.17
<b>Total</b>	<b>33,341.41</b>	<b>17,269.69</b>	<b>1,318.98</b>	<b>25,173.77</b>	<b>16,007.53</b>	<b>1,371.13</b>

<b>C. (a) Capital Employed (Segment Assets less Segment Liabilities)</b>		<b>(Rs. in Lakhs)</b>	
Particulars	As at 31.03.2022	As at 31.03.2021	
Animal Welfare	(1,267.00)	(803.68)	
Medical Devices	2,854.91	2,427.40	
Consumer Products	(2,402.26)	(3,563.67)	
Protective Devices	5,060.52	5,182.40	
Foods	8,053.85	7,499.92	
Others	66.95	40.78	
Human Pharma Operations held for sale in subsequent year	280.00	-	
<b>Total Capital Employed in Segments</b>	<b>12,646.97</b>	<b>10,783.15</b>	
<b>Add: Unallocable Corporate Assets *</b>	<b>28,327.64</b>	<b>24,766.07</b>	
Unallocable Corporate Liabilities **	(8,011.47)	(6,084.59)	
<b>Total Capital Employed in Company</b>	<b>32,963.14</b>	<b>29,464.63</b>	
<b>*Unallocable Corporate Assets:</b>			
Investments	1,513.47	1,316.61	
Deferred Tax Asset	865.59	859.47	
Fixed deposits including interest receivable, dividend warrants and advance tax	25,948.58	22,589.99	
	28,327.64	24,766.07	
<b>**Unallocable Corporate Liabilities:</b>			
Secured Loans	2,038.45	1,759.82	
Deferred Tax Liability	135.30	214.33	
Provision for Tax & Unclaimed dividend	5,837.72	4,110.44	
<b>Total</b>	<b>8,011.47</b>	<b>6,084.59</b>	

Capital employed shown under Animal Welfare as at 31.03.2021 includes that of Human Pharma Operations.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

(b) Major Segment Assets and Liabilities									(Rs. in Lakhs)
Particulars	As at 31 <sup>st</sup> March, 2022				As at 31 <sup>st</sup> March, 2021				
	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities	Property, Plant and Equipment, etc.	Inventories	Trade Receivables	Total Liabilities	
Animal Welfare	1,054.45	786.30	1,504.96	5,324.11	1,050.66	1,337.03	2,488.91	6,396.09	
Medical Devices	821.65	1,843.92	1,423.47	1,527.73	823.32	1,537.76	1,045.67	1,233.11	
Consumer Products	207.22	1,904.75	836.10	6,456.46	226.74	1,631.32	366.46	6,628.74	
Protective Devices	1,674.62	2,556.03	1,106.01	3,389.08	1,550.13	1,593.73	1,523.52	2,088.98	
Foods	4,287.87	801.44	466.01	1,556.44	4,927.91	930.55	548.92	1,582.31	
Others	0.11	–	21.47	141.37	–	–	–	–	
Human Pharma Operations held for sale in subsequent year	–	750.02	1,529.64	2,148.66	–	–	–	–	
<b>Total</b>	<b>8,045.92</b>	<b>8,642.46</b>	<b>6,887.66</b>	<b>20,543.85</b>	<b>8,578.76</b>	<b>7,030.39</b>	<b>5,973.48</b>	<b>17,929.23</b>	

Major Segment Assets and Liabilities of Animal Welfare as at 31.03.2021 includes that of Human Pharma Operations.

### Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (IndAS-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 :
  - Animal Welfare (earlier included in Pharmaceuticals Segment) include products for Veterinary use.
  - Consumer Products comprise of marketing and distribution of EVA Range of Cosmetics, Woodward's Gripe Water, Good Home range of Scrubbers, Air Freshners, etc., (Own Brands)
  - 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.
  - Human Pharma (earlier included in Pharmaceutical Segment) include products for Human use.
- 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)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>India:</b>		
Animal Welfare	9,710.31	7,681.22
Consumer Products	21,741.00	17,485.02
Medical Devices	5,077.24	2,630.24
Protective Devices	9,861.11	6,906.71
Foods	9,113.31	9,623.33
Others	48.01	30.94
Human Pharma Operations held for sale in subsequent year	19,791.33	16,034.43
<b>TOTAL</b>	<b>75,342.31</b>	<b>60,391.89</b>
<b>Outside India:</b>		
Animal Welfare	200.48	116.16
Consumer Products	2.70	–
Medical Devices	14.66	43.00
Protective Devices	3,465.04	2,550.43
Foods	690.13	538.81
Others	–	–
Human Pharma Operations held for sale in subsequent year	13.01	12.50
<b>TOTAL</b>	<b>4,386.02</b>	<b>3,260.90</b>
<b>GRAND TOTAL</b>	<b>79,728.33</b>	<b>63,652.79</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 5.11 Ind AS 116 - Leases:

(Rs. in lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Amounts recognized in Statement of Profit and Loss</b>		
Amortisation expenses of right of use assets	63.85	62.26
Interest expenses on lease liabilities	28.47	24.26
Expenses relating to short term leases	375.49	274.78
Expenses relating to leases of low value assets	-	-
Variable lease payments	-	-
Right to Use Assets carrying value	1,096.49	1,062.29
Total cash outflow of lease	104.21	97.90

Above figures include Human Pharma Division

The Lease contracts entered by the Company pertains for Motor Vehicle taken on lease for usage by its employees in top and mid-level of management. The term of leases are usually for 5 years.

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)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Maturity analysis:</b>		
Less than one year	48.98	38.79
Between one year and 5 years	133.83	115.77
More than 5 years	-	-
<b>Total</b>	<b>182.81</b>	<b>154.56</b>
<b>Total liabilities are analysed as follows:</b>		
Indian Rupees	182.81	154.56
Other currencies	-	-
<b>Total</b>	<b>182.81</b>	<b>154.56</b>
<b>Analysed as:</b>		
Current	48.98	38.79
Non-current	133.83	115.77
<b>Total</b>	<b>182.81</b>	<b>154.56</b>

### Lease Obligations

#### Lease commitments

The minimum Lease rental outstandings as of 31<sup>st</sup> March, 2022 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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Within one year	72.03	58.78	23.05	19.99	48.98	38.79
Later than one year and not later than 5 years	159.16	137.88	25.33	22.11	133.83	115.77
Later than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>231.19</b>	<b>196.66</b>	<b>48.38</b>	<b>42.10</b>	<b>182.81</b>	<b>154.56</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### 5.12 Analytical Ratios

Sl. No.	Particulars	2021-22	2020-21	Comments	Numerator	Denominator
1	Current Ratio	2.06	1.99	–	All Current Assets	All Current Liabilities
2	Debt Equity Ratio (%)	7.22	6.90	–	Total Debts	Net worth = Shareholder equity Excl. Revaluation reserve and Equity through OCI
3	Debt Service Coverage Ratio	5.17	10.26	Utilisation of Cash credit facility has increased compared to last year resulting in higher interest cost in FY 2021-22	PAT less Depreciation, Amortisation, Finance Cost and Loss on Sale of Assets	Interest expense and Lease Payments
4	Return on Equity (ROE) (%)	14.14	18.08	Higher Exceptional Income during FY 2020-21 resulted in higher Return on Equity in FY 2021-22	Net Profit	Average Net Worth
5	Inventory Turnover Ratio	4.25	3.55	–	Cost of Goods Sold	Average Inventory
6	Trade receivables turnover ratio	12.34	9.28	Increase in Net Sales by 25% has increased the Trade receivables T.O. in FY 2021-22	Average Trade Receivables	Net Sales
7	Trade payables turnover ratio	3.36	2.72	–	Net Purchases	Average Trade payables
8	Net capital turnover ratio	3.44	3.40	–	Net Sales	Working Capital
9	Net Profit Ratio (%)	5.22	7.30	Higher Exceptional Income during FY 2020-21 resulted in higher Net Profit Ratio during 2020-21	Net Profit	Net Sales
10	Return on capital employed (ROCE) (%)	18.53	13.24	Increase in Net Sales by 25% has resulted in better PBT which resulted in better return on Capital employed in FY 2021-22	Earnings before Interest and taxes	Capital Employed = Net worth + Total Borrowings
11	Return on investment	15.70	51.23	Increase in market value of investments in Equity Shares was not as high in the current FY as compared to previous FY.	Change in market value of Investments + Return on investments - Expenses relating to investments	Investments at the beginning of the year

Above figures include Human Pharma Division held for sale in subsequent year.

Comments for variance more than 25% have been provided.

### 5.13 Sale / transfer of the Human Pharma Division (Undertaking) of the Company to M/s BSV Pharma Private Limited

In terms of the consent from the Members of the Company by means of a Special Resolution passed through Postal Ballot Process on 23<sup>rd</sup> April, 2022, 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.

#### Profit from Human Pharma Operations:

		(Rs. in lakhs)	
S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	19,804.34	16,046.93
II	Other income	8.24	6.54
III	<b>Total Income (I+II)</b>	<b>19,812.58</b>	<b>16,053.47</b>
IV	<b>Expenses</b>		
	(a) Cost of materials consumed	113.32	70.71
	(b) Purchases of stock-in-trade	5,203.14	3,941.47
	(c) Changes in inventories of finished goods, stock-in-trade and Work-In-Progress	(124.52)	229.10
	(d) Employee benefits expense	6,985.45	6,637.74
	(e) Finance costs	72.49	51.29
	(f) Depreciation and amortisation expense	60.62	69.17
	(g) Other expenses	4,207.94	3,610.96
	<b>Total expenses (IV)</b>	<b>16,518.44</b>	<b>14,610.44</b>



**Notes forming part of Financial Statements (Contd.)**  
for the year ended 31<sup>st</sup> March, 2022

		(Rs. in lakhs)	
V	Profit before exceptional items and tax (III- IV)	3,294.14	1,443.03
VI	Exceptional Items	-	-
VII	Profit before tax (V-VI)	<u>3,294.14</u>	<u>1,443.03</u>
VIII	Tax expense		
	(1) Current tax	986.33	477.09
	(2) Tax relating to earlier years (Net)	-	-
	(3) Deferred tax	-	-
		<u>986.33</u>	<u>477.09</u>
IX	Profit / (Loss) from Human Pharma operations held for sale in subsequent year (VII – VIII)	2,307.81	965.94
X	Earning per share from Human Pharma operations (Rs.)	16.33	6.84

Major classes of Assets and Liabilities of Human Pharma Division classified as held for sale are as follows:

		(Rs. in lakhs)
S.No.	Particulars	As at 31 <sup>st</sup> March, 2022
I.	<b>ASSETS</b>	
	(1) Inventories	750.02
	(2) Trade Receivables	1,529.64
	(3) Other Current Assets	149.00
	<b>Human Pharma Division - Assets held for sale in subsequent year</b>	<u>2,428.66</u>
II.	<b>LIABILITIES</b>	
	(1) Lease Liabilities - Long term	17.49
	(2) Provisions - Long term	275.42
	(3) Lease Liabilities - Short term	5.74
	(4) Trade Payables	
	A) Total outstanding due to Micro Enterprises and Small Enterprises	173.68
	B) Total outstanding due to creditors other than Micro Enterprises and Small Enterprises	508.81
	(5) Other Financial Liabilities	936.82
	(6) Provisions - Short term	230.70
	<b>Human Pharma Division - Liabilities held for sale in subsequent year</b>	<u>2,148.66</u>
	<b>Net Assets directly associated with Human Pharma Division held for sale in subsequent year</b>	<u>280.00</u>

Note: The Company has not re-presented the Balance Sheet of the prior period for Assets and Liabilities associated with the Human Pharma Division as the same is exempted by Para 40 of Ind AS 105.

		(Rs. in lakhs)	
Statement of Cash Flows of Human Pharma Division		For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash flow from operating activities		2,440.92	1,086.40
Net cash flow from investing activities		-	-
Net cash flow from financing activities		(72.49)	(51.29)
<b>Net cash flow Human Pharma Division held for sale in subsequent year</b>		<u>2,368.43</u>	<u>1,035.11</u>

**5.14 Ind AS 115 Revenue from Contracts with Customers**

		(Rs. in lakhs)	
Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue as per contracted price</b>		<u>79,576.61</u>	63,442.86
<b>Adjustments:</b>			
<b>Less:</b> Expected Turnover & Volume based Discounts & Liquidated Damages		(181.44)	(100.43)
<b>Add:</b> Other Operating Income		333.16	310.36
<b>Revenue from Operations as per Statement of Profit and Loss</b>		<u>79,728.33</u>	63,652.79

Expected Turnover & Volume based Discounts & Liquidated Damages consists of Quantity Purchase Scheme Rs.125.45 lakhs (PY Rs.36.63 Lakhs) & Discount provision Rs.55.99 lakhs (PY Rs.63.80 Lakhs).

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

### Disaggregation of revenue.

The Company derives revenues from the transfer of goods in the following major product lines:

Major Product Line	(Rs. in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Animal Welfare	9,910.79	7,797.38
Consumer Products	21,743.70	17,485.02
Medical Devices	5,091.90	2,673.24
Protective Devices	13,326.15	9,457.14
Foods	9,803.44	10,162.14
Others	48.01	30.94
Human Pharma Operations held for sale in subsequent year	19,804.34	16,046.93
<b>Total Revenue from Operations</b>	<b>79,728.33</b>	<b>63,652.79</b>

### Reconciliation of Refund Liability

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	1,364.63	1,328.60
<b>Add:</b> Net increase due to invoicing during the year	<b>200.68</b>	36.03
<b>Balance at the end of the year</b>	<b>1,565.31</b>	1,364.63

### Contract Liability Movement (BIRAC)

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	10.35	–
<b>Add:</b> Net increase due to invoicing during the year	<b>29.96</b>	10.35
<b>Less:</b> Decrease due to transfer of depreciation to Subsidy income	<b>21.89</b>	–
<b>Balance at the end of the year</b>	<b>18.42</b>	10.35

### 5.15 Deferred Revenue Income

During the financial year 2019-20, the Company had received grant in the nature of exemption of custom duty on import of Machineries amounting to Rs.170.36 lakhs with certain conditions related to export of goods under Export Promotion Capital Goods (EPCG) Scheme of Government of India. This waiver had been treated as Government Grant in the books as per Ind-AS 20, wherein the Company had shown the amount of waiver as a Deferred Income Liability that will be taken to Statement of Profit and Loss on a systematic basis over the period within which the Company has to fulfil the export obligations. Management is confident of fulfilling the export obligation, through exports from Jaipur and Hosakote within the prescribed time lines.

**Grant-In-Aid:** The Company has entered into a Grant-in-aid Letter Agreement (GLA) with Biotechnology Industry Research Assistance Council (BIRAC) for the project titled “Pilot Clinical Investigation of Rigid Tilting Disc TTK Chitra – Titanium Heart Valve Model TC2 – the next version of the highly successful TTK – Chitra Heart Valve, Model TC1”. The main objectives of this project are (i) to manufacture 100 Nos. of valves for the clinical trial; and (ii) to complete the clinical trial involving 40 patients and the follow-up of valve performance, as per the study plan and submission of the final Pilot Study Clinical Investigation Report to BIRAC. The duration of the project is 24 months from date of acceptance of GLA and the total project cost is Rs.291.08 lakhs.

The Company had purchased Fixed Assets amounting to Rs.40.31 lakhs using funds received from BIRAC which was accounted as Deferred Revenue Income. Depreciation on the above assets for the year amounting to Rs.21.89 lakhs and Revenue Expenditure amounting to Rs.31.86 lakhs have been recognized as Subsidy Received and included in Other Operating Income. Deferred Revenue Income of Rs.18.42 lakhs (after depreciation) is shown, as on 31<sup>st</sup> March, 2022. (P.Y. Rs.10.35 lakhs).

#### Breakup for Deferred Revenue Income:

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
EPCG	170.36	170.36
BIRAC	18.42	10.35
<b>Total</b>	<b>188.78</b>	180.71





## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March, 2022

**5.16** The second wave of CoVID-19 and the extended lockdown during the First Quarter of the financial year 2021-22 impacted the business of the Company. However, considering the ongoing vaccination drive and other sustainable actions taken by the Management, both with reference to the environment and its employees' health, the impact has been minimal.

### **5.17 Disclosure in Relation to Undisclosed Income**

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transactions which are not recorded in the books of accounts.

### **5.18 Disclosure of Transactions with Struck off Companies**

The Company has reviewed transactions to the extent of information available for the purpose of identifying transactions with struck off Companies. Based on the above, there are no transaction with Struck off Companies in the current financial year.

### **5.19 Disclosure requirements as notified by MCA pursuant to amended Schedule III**

Nothing to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
  - (i) Wilful defaulter
  - (ii) Utilisation of borrowed funds & share premium
- (e) Loans to Related Parties
- (f) Investments/advances through intermediaries
- (g) Effect of scheme of arrangement
- (h) Compliance with number of layers
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with understanding that intermediary shall -
  - (i) Directly to indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (Whether recorded in writing or otherwise) that the Company shall -
  - (i) Directly to indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funded party (Ultimate Beneficiaries); or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

### **5.20 Events occurring after balance sheet date**

On 23<sup>rd</sup> May, 2022, the Board of Directors of the Company have proposed a dividend of Rs.10/- per share for the year ended 31<sup>st</sup> March, 2022, subject to the approval of Shareholders at the 64<sup>th</sup> Annual General Meeting. If approved, this would result in cash outflow of Rs.1,413.03 lakhs.

### **5.21 Approval of Financial Statements**

The Financial Statements were approved for issue by the Board of Directors on May 23, 2022.

As per our audit report even date attached

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

**S. Rajeshwari**, Partner  
Membership No.024105

**Place : Chennai**  
**Date : May 23, 2022**

For and on behalf of the Board

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

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

**K Shankaran**, Director  
DIN: 00043205

**Girish Rao**, Director  
DIN: 00073937

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

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

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